

Comments at cultural policy seminar

Thank you for the invitation to speak at this important event. I shall aim to give an overview of some aspects of UK cultural policy which I hope would be relevant for today's conference and theme.

In the UK, we start from the understanding that culture, the arts and creativity are both a social good and an economic benefit for our society. They form a significant part of our creative and knowledge economy.

In the UK we express our cultural policy in a number of ways, but I'll keep it simple.

- Encourage access for all to the arts – particularly through education, recognised venues and festivals
- Stimulate freedom of expression and platforms for arts – and be open to international influences
- Encourage skills and other training for the arts sector, investing in talent
- Encourage business practices and effective business management of the cultural sector
- Integrate the cultural and general tourism offer
- Encourage the creative industries, with tax and planning incentives where feasible
- View arts and culture as part of the national export offer
- Give favourable tax treatment to the creative sector
- Keep arts funding at arm's length from government, through arts councils, with funding raised through the national lottery

Our creative economy – in which we include publishing, film, TV, animation, music, visual arts, amongst others – has strategic importance for the UK, represents from 3-5

% of GDP and employs 1 ml people and more impressively, constitutes more than 10% of our overall exports. We estimate that their value to our economy is £50 billion.

So it's an economic good. But it's also a social good – more than 80% of the population is estimated within any given year to have been to a cultural event.

From the 1990s to around 2010, the sector benefited from significant public investment -- £1.4 billion over 15 years went into new galleries, theatres, museums and further £600m into arts projects.

Simultaneously, £450m a year went into support for arts institutions – though now, with an economic crisis, there is a significant reduction of 30% in funding committed to the arts and culture – but still, it will still be £350m by 2014 for England alone.

So while funding has been provided for the arts through a combination of lottery funding, central, local government and devolved (i.e., Scottish and Welsh) government funding, today there is a different emphasis.

Today, funding is much more oriented towards achieving sustainability for the sector to undertake its own fund raising, and efficient management. So there's a greater emphasis on introducing good business practices, while focusing public funding more on skills development, education and training, and less on just buildings.

The investment that has gone has been directed at depressed towns and cities that require an economic boost – e.g., £46m into the Baltic arts centre in Newcastle-Gateshead,

Festivals: ensuring the right climate exists for encouraging festivals, usually at city government level, is an important part of the mix. A study commissioned by the Scottish government demonstrated that the 11 Edinburgh festivals generate £260m a year for the Scottish economy.

Promoting specific sectors: the film industry is worth £1.1bn to the UK economy, so we invest in enabling it to grow and flourish. E.g., through tax breaks – films under £20m budget can claim 25% off their corporation tax – incentives worth £95m a year.

Involving your TV sector in film making – we have legal requirements for our TV stations, such as BBC and Channel 4, to re-invest funding into commissioning films – amounting to £20m a year -- and great films too, such as *The King's Speech* or *A Single Man*, to give recent examples.

From our experience of working in Ukraine we would advise to:

Try and understand the value of your cultural and creative economies – and the relationship of them to your knowledge economy, for example in growing areas such as IT – correlation between innovation provided by cutting-edge companies and employment prospects for creative people.

Ensure city governments in particular are involved in creative industries and cultural mapping. As Edward Glaeser's new book, *The Triumph of the City*, explains, how cities work to create an attractive investment environment for knowledge economy industries and an attractive living environment to attract creative people.

The UK has a lot of expertise and experience in defining or mapping the creative economy; and in assisting the

cultural sector to introduce more effective business and management disciplines into the way we manage world of arts.

There is huge creativity and vibrancy about the arts, cultural and festivals sectors in Ukraine that we are happy to share our experiences with and I am sure other western European countries too. Indeed, earlier this month, in partnership with the Goethe Institute, we held such a workshop for 25 festival directors across Ukraine. There is a lot we can learn from each other.

We would be delighted to work closely with Ukraine and EU partners in sharing much more of our experience and practices to ensure this country can more fully benefit from the extraordinary cultural creativity and potential that exists in Ukraine.