

## **The Emperor's New Clothes**

Presentation for VOCAL, North Berwick, 1<sup>st</sup> October 2009

Thank you very much for inviting me here today. As you can tell from my accent, I am not from these parts, but over the past few years I have been more and more impressed by a new sense of cultural confidence in Scotland, an impression that has been much reinforced by my current work on a book about the artist and writer John Byrne – a man who can truly be said to have given Scotland a voice.

If we were to take the title in the programme: "The Emperor's New Clothes" entirely literally, this would be a short presentation indeed, for the point of Hans Christian Anderson's story is, of course, that the Emperor has no new clothes – so there is nothing to talk about. But if we consider my actual subject, which is the theme of this conference, "Leading Culture and Sport in Scotland", then there is a whole wardrobe of costumes and colour-ways to be considered.

I am on the record as saying that if Leadership were a fashion colour, it would be the new black. Across the world, something like fifty billion dollars a year is spent on Leadership development. Amazon is currently offering no fewer than 146,000 books on leadership – though I do not necessarily recommend the one proudly titled *The Leadership Secrets of Genghis Khan*.

Like all things that are supposed to do us good, but which quite possibly don't, Leadership theory came from America, where recent events suggest that what the business schools teach as leadership may not have had quite its intended outcomes. Recent research suggests that the more graduates there are from Harvard Business School on Wall Street, the greater the chance of there being a stock market crash.

"Cultural Leadership" is a different thing, with different values and, as I shall argue, a different kind of bottom line. As something to be theorised about and taught, it is a recent phenomenon. The private Clore Leadership Programme, which is open to the whole of the United Kingdom, was launched in 2003. Impressed by the early results from this, in 2006 Gordon Brown, then Chancellor of the Exchequer, decided to commit £12 million pounds to a Cultural Leadership programme for England, a programme which has since been continued. Also in 2006 the European Community's Social Fund enabled City University London to launch the first ever academically credited MA in Cultural Leadership. Like the Clore, this is available UK-wide, and one of its first graduates is in the hall today.

Cultural leadership training comes in all shapes and sizes, and you can choose from a rich variety of styles, from the grey worsted of traditional managerial approaches, to the tieless, more informal styles of charismatic leadership, something that definitely has to be worn with flare.

But while you consider your choice of costume, the real question that needs to be asked is – why has Cultural Leadership become so fashionable? And why now? And – dare I suggest – are these not the Emperor's new clothes? Is Cultural Leadership no more than good management in a fresh frock?

I believe the answer is no. Social, political and economic change has brought unprecedented pressures to bear on the cultural sector. The meaning of the word "Culture" has changed from describing a secure hierarchy of art forms to a bewildering supermarket of styles. The shift from an economy based on the mass production of material goods to one that relies on capturing the fleeting significance of ephemeral signs and symbols – the so-called "knowledge economy" – has brought the arts, which are the primary source of fresh signs and symbols, into a new relationship with the process of production and consumption – and more importantly, for this audience, into a new relationship with the policy makers.

As sport, the heritage, the arts and culture, have been increasingly recognised as essential to our social well-being, and have received more investment as a result, the interests and disciplines represented in this hall have come under closer scrutiny. Governments, both local and national, have increased the expectations that are placed on the results of that cultural investment. As the Scottish Government's document – in whose composition I understand VOCAL had a hand – *Culture Delivers* makes clear, sport and the arts are on the agenda when it comes to regeneration, and the expectation is that what was once generally considered "leisure" now has to work hard to generate a whole range of social and economic outcomes – indeed, to help deliver the Single Outcome Agreements. It is no longer possible quietly to get on with the job of ensuring that a community has the necessary cultural and sporting facilities – not just "Culture", but Cultural Leadership has to deliver the deliverables.

In Scotland, Wales, and Northern Ireland devolution has twisted the arms'-length principle up behind many an arts institution's back. Inevitably the restoration of a Scottish Parliament has created new cultural relationships. These call for new cultural institutions – and new forms of cultural leadership. Creative Scotland is an example of an attempt to find a new structure, just as the National Theatre of Scotland offers a new model for a cultural organization that wants to be national in more than just name.

At a time of reorganization and change, Leadership is at a premium. And it is going to be especially needed as we pick up the pieces after the events of the past eighteen months. The rising tide of public affluence that floated the fragile craft of the arts alongside the big boats of other public expenditure projects has become a turbulent sea. Gordon Brown talks of protecting frontline services, but also cutting "lower priority" budgets: "cutting costs where we can, ensuring efficiency where it is needed, agreeing realistic public sector pay settlements throughout, selling off the unproductive assets we don't need to pay for the

services we do need". It is the sort of language to make a local authority department with "Leisure" in its title shiver.

In Scotland, even though Mr Brown has ensured a real terms cut overall, you have the small comfort of at least of knowing what is in your draft budget. It is good to hear from the Minister for Culture that the money to continue setting up Creative Scotland is safe. But how are Scotland's local authorities, who are so important in maintaining the cultural infrastructure and provision on which cultural policies are built, going to be able to sustain them in the face of lower tax revenues and spending cuts? As Mr Russell admits: "I have reluctantly reduced the scope to introduce new spending for innovative cultural initiatives". That is the sound of a minister pulling in his horns.

As in England, the outcome of the recession – and, for that matter, the most likely result of the general election next year – will mean more than one of those regular periods of retrenchment. We can expect significant structural change. And it is precisely at times like these that we actually need "innovative cultural initiatives". To return to my ruling metaphor, we need to find new ways of cutting our cloth. We don't just need stronger cultural leadership – but a new style altogether.

One of the most misleading terms applied to organizations that operate in the cultural sector is that they are 'not-for-profit'. An organization that did not earn its keep would not last very long, yet too often what is meant by 'not-for-profit' is 'expecting-to-make-a-loss'. The losses are made up by public subsidy, private generosity, or worst of all, people working for little or nothing, just because they believe in what they do.

What the term really means is 'not-profit-*distributing*', where the profits that are made are ploughed back into the organization, in order to sustain and develop its creative activity. It is the result of that creativity – performances, exhibitions,

individual works of art and all the different ways in which a cultural organization gives pleasure and encouragement to its audiences and visitors – which is the true profit, the cultural sector's bottom line. Cultural organizations are value-based enterprises, where the values are other than those of value for money, – but the more that activity can be financially self-sustaining the better. Arts organizations must get off their knees – and now they have to get on their bikes. As well as Leadership, we need Entrepreneurship.

The structural changes that we face will require not just a new agility from arts organizations, but a much more dynamic relationship between the funded and the funders. In the past, people have accepted that there is a price to be paid for accepting subsidy in terms of loss of independence and external regulation. But I have noticed that by accepting subsidy, organizations have become somehow disabled, sullenly ticking the boxes of public policy requirements. Funders have every right to expect something from the investment they make in those they fund, but just as cultural organizations must cast off the negativity and passivity hidden in the phrase, 'not-for-profit', those who fund them must abandon their initiative-strangling role as self-appointed regulators, and become enablers.

How to be more entrepreneurial will be an especial challenge to local authorities, who as 'service providers' are both suppliers and supporters of cultural activity. Service to a local community has high social value, but too often it is seen as something that has to be managed, whereas it is something that has to be led. Management is the deployment of skills, but Leadership is about changing behaviours. Let's keep the skills, but change the behaviours. One way to do that is to ask what it would be like to become a trust. This could be a liberating – as well as a scary – experience.

There are all sorts of questions to be asked about trust status, but the greatest danger I see is that of falling into the same disabling condition that afflicts many independent arts organisations – that is, because they follow the model of

charitable organizations, they have a professional staff led by a strictly amateur board. What I am calling for is a change of mindset of all leaders, whatever their role in the cultural sector, and regardless of constitutional status. Whether board member, or committee member, they need to be more like the directors of a commercial company, demanding that the executive thinks about competitive advantage, about market position, about new ways of engaging with the audience – and developing new ones.

Above all, the idea of being 'not-for-profit' must be turned on its head: leaders must first look for financial profit that can be ploughed back into the company, and then understand that they are producing a second, even greater profit. That is the social dividend that comes from the celebration of creativity, of the imagination, of people coming together to make and enjoy the physical and emotional pleasures that can be found in sport and the arts. Yes, we need to think like capitalists – but *cultural* capitalists, where the currency is creativity, imagination and trust.

And that is why Leadership in the cultural sector is at a premium. It is leaders – in the plural, for leadership should be distributed throughout an organization, rather than imposing a crushing burden on just one man or woman – who are needed. People who can change the attitude of an organization, who can create the sort of vision that gets people to see themselves differently, and to relate to each other in a new way. So I want to propose that we adopt a new style, a new fashion – if you like, a genuine set of new clothes. Instead of Cultural Leadership, we need Cultural Entrepreneurship.

I see cultural entrepreneurship as a collective undertaking, a partnership between funders and funded that celebrates flexibility, that is not afraid of opportunism, that is open to new ideas and new ways of doing things, that understands the need to make a social profit.

Back in 2000 the veteran arts correspondent of the *Financial Times* Antony Thorncroft wrote: "In the past, running the British Museum or the Royal Opera House was a job for a scholar and a gentleman: now you need a market trader's financial acumen, a gigolo's charm, and a rhinoceros's hide."

In 2010 the new breed of cultural entrepreneur will need a stout pair of boots for kicking in institutional doors, a pair of kid gloves for handling sensitive situations, and a suit of cast-iron confidence that you can make the one thing that matters above all to any community or nation – a positive assertion of the value of culture, and of the importance of a creative cultural identity.