



Edinburgh International Culture Summit

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Thursday 25 August 2016 (Afternoon): Culture and Economics Plenary

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Culture and Economics Plenary

Thursday 25 August 2016 (Afternoon)

[The Presiding Officer opened the session at 14:05]

The Presiding Officer (Ken Macintosh): Welcome back. We now move to the second plenary session, which covers the strand on culture and economics. It gives me great pleasure to welcome our first contributor this afternoon, Jude Kelly CBE, who is the artistic director of the Southbank Centre in London. Jude founded the Solent People's Theatre and Battersea Arts Centre, and was the founding director of the West Yorkshire Playhouse. She also led the cultural team for the successful London 2012 Olympic and Paralympic bid.

14:05

Jude Kelly CBE (Artistic Director of Southbank Centre, London): Thank you for the invitation to speak and to share ideas with everybody here. This is a wonderful building with wonderful architecture. I thank Jonathan Mills for having the imagination to start the Summit in the first place.

I will talk about two things. I will talk about the economic power of philosophy within cultural organisations and I will obviously use Southbank Centre as my example—I hope that you will not think that that is a raging advert. I will also talk about the massive potential that is still to be unlocked, which I think would radically change the economic model of the creative industries.

Somebody said in a session this morning that heritage often appears in response to trauma. Trauma is a very important ingredient, because what makes heritage and culture powerful and enduring is when, as with making art, there is such a conviction that there is no way to do something other than the way that the artist will make it, or when there is a compulsion that history will force something to come into being. Although we would not wish trauma on ourselves, heritage and culture often result from having to make a mark, having to make a stand and having to express something, even if it is grim and painful. I suppose that it is a case of rising like a phoenix from the ashes—something good has to come from bad.

The Southbank Centre, for those of you who have not been there, sits on the banks of the Thames and is one of the largest arts institutions on the world, occupying 27 acres when it was originally conceived. It was the second world war that brought it into being. That was a period when

so many people in the world had a moment when they realised that if the human ability for barbarity and the human ability for technology are joined together, something horrific will come to pass that nobody had conceived of before. That was not just about the Holocaust; it was about Stalin, Hiroshima, Nagasaki and so many things.

At that point, humanity had to stop, pause and ask, "How can we create optimism again? How can we believe that humans would be in love with other humans?" Many things evolved from that moment. The Southbank Centre was one of them, and the Edinburgh International Festival was another.

The Southbank Centre was created on the poorest side of the river in London, the side that had, in a way, the no-hopers and the wastrels—it was beyond the pale. From that place came a huge commitment to the idea that the war artists called the propaganda of the imagination: everybody's imagination should count.

The Festival of Britain was a celebration of the future, not a commemoration of the past. It was there to make humans fall in love with humans again. There were fountains, greenery, all kinds of pop-up buildings, cafes and all-night dancing. Even though rationing was still going on, the festival had many things. A third of the population of Britain came to the festival and a huge amount of what was on was free. Eight million people came to the festival in the period between when it was founded in May and when it came to an end rather suddenly in October.

When I became the artistic director at the Southbank Centre 10 years ago, the total number of visitors was 6 million a year. Now, it is 28 million a year. I am not someone who is very keen on saying that figures are the proof of success, but those people—28 million is quite a lot of people to manage—are obviously coming for a reason. They come for lots of reasons—for example, they come for the Thames and for the cafes—but they come, really, because they have a sense that they will join other humans in a fantastic river of excitement that includes the idea that they could realise themselves: in other words, not just have a day out, but get a new window on the world and benefit from everything that we in this room believe about culture.

I believe that our number of visitors has increased from 6 million to 28 million because we decided to return to the idea of trauma, which involved asking what it was about a particular moment that was important and people being compelled to say what their belief system was. I think that that is the key to the economics of culture: it is necessary to have a belief system that goes beyond the fiscal and which says, "This is what we want to tell you, to share with you and to

commit to.” In our case, we returned to the idea of the festival: the festival as a space of celebration, of inclusion, of spontaneity, of not controlling and of people making their own destiny, to a certain extent.

Everybody understands the word “festival”, but people do not find the word “culture” easy and they find “art” quite difficult. Everybody knows what “festival” means. We have created festivals, which have included celebrations of Brazil and—in the Africa Utopia Festival—Africa, as well as festivals of alchemy and China, and even a festival of death. We have also had a festival to celebrate the potential of people who are struggling with mental health. We do festivals all the time—that is our *raison d'être*.

I say that because the concept was born from a belief system that brought this cultural space into being in the first place. The first thing that we as cultural players have to do is always make sure that what we are doing is not commerce, pure tourism or leisure, but the thing that we talked about this morning—looking at what connects humans in their souls. That economic model for culture has profound success, because people already have shops, cafes and leisure experiences, but what we all seek is a way of connecting up with the best part of ourselves. We want to believe that we are still imaginative and curious, that we are still living and not dying, and that is why the responsibility of culture and cultural destinations, artists, art makers and art place makers is to never renounce the idea of philosophy, meaning, purpose and devout faith in the potential of the human imagination. I believe that that is the economic model that we build on, and I think that we can demonstrate that, when we do that, we get great economic results.

I think that people are surprised at the success of the creative industries, because they had always assumed that the fact that the creative industries had philosophy would somehow make it impossible for them to be economic drivers, but the opposite is true. It is the same as with love—if you have love, you have energy. Love does not make you all sappy and drippy, unless it is all going wrong; it gives you great energy.

The first thing that I want to say is that we must keep stressing unashamedly that the language of philosophy and belief is a language of economic success. Of course it is combined with many other things—for example, the need to understand economic disciplines—but I hope that we are now past the stage of suggesting that it is an either/or model. That is the case with some but not all Governments.

Of all the festivals that we do at the Southbank Centre, all of our community participation and all of our commitment to the universal, the many not

the few and the right to the imagination—which I suppose goes right back to any rights of the human, Tom Paine’s “Rights of Man” and so on—the festival that, since we started it seven years ago, has outstripped all of them in economic terms, has achieved the most economic success and is now part of 17 different festivals on five different continents is the women of the world, or WOW, festival.

That brings me to the second point that I want to talk about: the economic potential of women in the creative industries. At this point, I want to say something general about me. I have noticed that when you say, “I’m going to talk about women”, people always think, “I wonder why she’s going to do that.” Obviously, I am one—that is a clue—but as a woman who leads one of the most powerful institutions, I think that there is a massive gap in the relationship between creative certainty and women. In that creative certainty—or creative legitimacy—gap, the creative industries are losing potential that could be a radical change maker.

We have talked this morning about cave paintings. I recently went to what I think are the oldest cave paintings, which are at Laas Geel in Somaliland. When I was shown these beautiful paintings, I said—provocatively, I have to admit—to the chap who was showing us around, “The women did this marvellously, didn’t they?” He was really shocked and said, “Women did not do this.” When I said, “But this happened thousands of years ago. How do you know that?”, he said, “Women can’t do this.” I said, “Well, they can”, but he said, “Women don’t do this.”

What he was actually getting at was that women do not have the theological or philosophical right to make a mark that is an enduring statement for humanity. His reaction was very profound, and out of the idea that women did not do those cave paintings—that it must have been men—comes the fact that the whole idea of women as artists, as creators, as people who speak on behalf of the whole of humanity has still not been legitimised. Some countries legitimise it more than others, many do not legitimise it at all and some are trying to pull it back.

I am a very happy person. I have two wonderful children; I love all the men in my life—I have plenty of men in my life in all different ways—and I am not at all angry about my career. I have had a great time. However, the fact is that 50 per cent of the human race are still in a position where their creative confidence, legitimacy and voice not just as consumers but as makers are very small. There are many exceptions to the rule—you do not need to tell me about Harry Potter et cetera—but in general we have this potential in girls and women who need to be persuaded by us, the cultural community across the world, that a woman’s voice

can speak on behalf of humanity with the same degree of legitimacy. Not only that—they need to be persuaded that that voice is needed and that it is not just a nice extra, a good symbol for diversity or something that ought to be done. We are talking about half the human race. If countries across the world are making the realisation of women's empowerment part of their next economic millennium goals, I challenge us in the cultural sector to say what we are doing about that. I am not talking about having quotas or saying that it would be nice to have more women film directors or to get more women into management—I am talking about belief systems. We need the men and women in this room to talk as fervently, passionately and in a committed way about realising 50 per cent of the world in a creative way as they do about communities in general.

When we talk about communities in general self-realising, having a voice, finding their own identity, realising their potential or being active, we tend to mean that they are doing so in the status quo in which they already exist. Although we think that we are going to move them forward economically, we do so in the same shape that they are already in.

We have done a great service to get the creative industries into the imagination and minds of Governments, powerful people and institutions, but we—as women—are constantly apologising for raising the issue that there is still 50 per cent to go, and men will generally say, "I'm happy for it to happen, when women make it happen". However, it is something that we need to do together. I am asking for the imagination of a group such as this one to think of the economic power that we would release if women as artists in the creative sector were really given confidence. It will take generations—it has taken generations to get to the stage where we believe that everyone has the right to read, write and vote.

Those are the points that I wanted to make. I see the amazing power of philosophy—from the Southbank Centre re-engaging with its principles to where we are now. I now want to do something together—it is not something that we have seen yet, but something that we could imagine happening. If we do that, the economics of the entire sector would change for ever. Thank you. *[Applause.]*

The Presiding Officer: Thank you very much, Jude. We will now hear from the first of our ministerial delegations this afternoon. I call Park Younggoog, the Deputy Minister for Culture, Sports and Tourism, from Korea.

14:22

Park Younggoog (Deputy Minister for Culture, Sports and Tourism, Korea): Thank you, Presiding Officer. Ministers and distinguished delegates, it is an honour for me to stand here before you to present to the 2016 Edinburgh International Culture Summit. My presentation will centre on cultural enrichment and the creative economy, which are two of the four tenets that guide South Korea's Government Administration.

Cultural enrichment and the creative economy are the key words of the incumbent Korean Government. First, I will focus on explaining how the Korean Government views cultural enrichment and the creative economy, and its plans to combine both concepts to elevate South Korea's economy to new heights.

The South Korean Government defines cultural enrichment as activities carried out to inspire all sectors of society to share the value of culture and thereby to have culture as the driving force behind society's development, to solidify the foundation of the nation's advancement and to contribute to the wellbeing of individual citizens. The creative economy has been defined by many scholars. According to John Hawkins, who first developed the concept, it refers to an economic system that is centred on fostering creativity not just in information technology-related sectors, but across all industries, from manufacturing to services and distribution, thereby boosting the whole economy.

As demonstrated by those definitions, cultural enrichment and the creative economy both indicate that the value of culture can be disseminated across all industries and can act as the driving force to foster creativity within them.

In June, the Korean Government successfully hosted the seventh Asia-Europe Culture Ministers Meeting, which was attended by more than 160 Government representatives, including more than 20 culture ministers and vice ministers from the member states.

The participants engaged in active discussions about culture and the creative economy. That clearly showed that South Korea is not alone in seeking ways to achieve a creative economy through cultural enrichment. The Korean Government recognises that the combination of cultural enrichment and the creative economy will balloon into an innovative prime mover for the nation, and it is aggressively taking steps to achieve both commercial expansion of culture and the implantation of culture into industries.

The commercial expansion of culture can be understood as culture being nurtured into an industry in itself, such as the content industry and the tourism industry, and developed into a future growth engine. The commercial expansion of

culture can be explained through the example of the Culture Creation Convergence Belt that has been established in Korea. Its brand name is CEL, which has a double meaning—it stands for both cultural enrichment leader and creative economy leader.

The cultural enrichment leader is intended to instill a sense of pride in all beneficiaries of the Government's policy in supporting the culture industries and encouraging them to march forth. The creative economy leader reflects the South Korean Government's determination to achieve a creative economy through cultural enrichment. The Culture Creation Convergence Belt is the first system designed to maintain a virtuous circle of creativity for the culture industries. It helps innovative ideas to bloom into new start-ups, assists them to grow into robust companies and stimulates them to reinvest in further innovative ideas.

The implantation of culture into industries refers to all the activities that are carried out to reinforce the competitiveness of industries by enriching them with layers of culture unique to Korea. The leading example is Korea's cosmetics industry, which has succeeded in pushing its boundaries and pioneering the new sector of K-beauty by drawing on the global infatuation with the Korean wave. In 2015, the K-beauty sector's trade surplus exceeded the \$1 billion mark. More specifically, the implantation of culture into industries refers to all the efforts that are aimed at reinforcing their competitiveness and thereby ensuring sustained economic growth by enriching all business activities with a cultural element.

Let me introduce some representative projects to illustrate that. One of the best examples of the implanting of culture into corporate management is the corporation and artist pairing project, which pairs a corporation with a team of artists who stay on site to design programmes and services that can cater to the corporation's needs and interests. The project aims to accelerate corporate innovation by grafting cultural creativity on to all aspects of the corporation including product planning and marketing.

Another great example is the corporate patronage expansion project. We provide incentives to those corporations that are certified as corporate sponsors of cultural activities and art, and we operate the cultural entertainment expansion support system, which recognises as expenses sums that are spent on forms of cultural entertainment for partners and clients.

The Korean Government also strives to make the most of the global popularity of the Korean wave and boost the nation's industries. Previously, the spread of the Korean wave was mainly driven by the proliferation of K-pop and K-dramas. Today,

Korean cuisine, beauty products and fashion are also surging in popularity and reaching out to an ever-increasing audience. Therefore, we are providing support for promotions and business meetings related to well-known Korean wave themed events such as KCON and the Mnet Asian Music Awards, to help Korean companies take advantage of them for marketing purposes. In addition, the Korea Sale Festa will be staged at the year's end. It is designed to provide visitors with a wide range of entertainment options, encompassing Korean wave themed festivities, shopping and tourism.

Based on the policies that I have discussed, the Korean Government has strived to realise the desired outcomes of its focus on the commercialisation of culture and the implantation of culture into industries, thereby bringing visible positive changes to the fundamentals of this economy.

I hope that my presentation helps you to gain a better understanding of the concepts of cultural enrichment and creative economy that are starting to guide the Korean Government Administration. Thank you for listening. [*Applause.*]

The Presiding Officer: Thank you, Minister Park. For a different perspective on culture and economics, we will hear from Minister Nathi Mthethwa, Minister of Arts and Culture, South Africa.

14:31

Nathi Mthethwa (Minister of Arts and Culture, South Africa): Presiding Officer, organisers and partners of this august event, ministers here present, distinguished guests, ladies and gentlemen: let me start my contribution by showering with felicitation the Scottish people and the role that they played in the anti-apartheid struggle, and their contribution to ensuring that South Africa became a democracy. Thank you very much for that role.

We also appreciate your continued support to deepen that democracy in our country, and we hope that you will ensure that you think of people elsewhere in the world who are on the path to discover themselves and their democracies.

Today I have been directed to speak on the topic of culture and economics, but, with the permission of the programme director, I want to cover the creative industries or creative economy as a whole, within the limited time that I have.

As we all know, the current financial crisis that originated in 2007 is the worst that the world has seen since the great depression that started late in 1929 and continued well into the 1930s. Even today, the world is still feeling the pinch of the

economic downturn from which many countries, especially those in the developed world, have not yet fully recovered. Similarly, countries in the developing world have not fully recovered, but over the past few years they have seen some slight recovery, especially in the continent of Africa.

The real growth potential lies in creative industries across the globe. Those industries are the future because, among other attributes, they consist of young people who are innovators by their very nature. Economists agree that the creative industries form a remarkably healthy branch of the global economy. When the crisis hit in 2007 and 2008, world exports of creative goods and services continued to grow.

The growth of the creative industries in countries such as Nigeria, Ghana, Egypt, Senegal and Cameroon, to mention a few, demonstrates the ability of the sector to contribute to social cohesion efforts. In recognition of the sector's potential, the BRIC countries—Brazil, Russia, India and China—have signed an agreement on culture that states the following amongst other things:

“being aware of the importance of broadening and deepening the cooperation in the field of culture ... being convinced that cultural dialogue contributes to the progress of nations and better mutual understanding of cultures, facilitating rapprochement of peoples”.

A report by the International Confederation of Societies of Authors and Composers highlighted the following: the cultural and creative industries generated \$2,250 billion, created more than 29.5 million jobs and employed 1 per cent of the world's active population; creative activities contributed significantly to youth employment; and careers in the CCI sector were relatively open to people of all ages and backgrounds.

The report also highlighted that, in Europe, the CCI sector has typically employed more people aged between 15 and 29 years old than any other sector. Creative industries also tend to favour the participation of women when compared with more traditional industries. Statistics compiled by the United Kingdom Government show that women accounted for more than 50 per cent of people employed in the music industry in 2014 compared with 47 per cent in the active population overall.

Moreover, creation is driven by small businesses or individuals, giving rise to agile and innovative employers. More than half of Canadian gaming developers—53 per cent, to be precise—say that they are independent operators. In the US, artists are 3.5 times more likely to be self-employed than US workers overall.

World-class cultural infrastructure is a catalyst for urban development. Building a museum often

offers opportunities to engage in large urban development projects and to develop a new city brand around cultural and creative precincts.

Such flagship projects boost a city's attractiveness for tourists, talent and highly skilled workers. Bilbao, in Spain's Basque Country, is now an icon of culture-led urban regeneration. The construction of the Guggenheim museum led to the creation of more than 1,000 full-time jobs, and tourist visits have since multiplied eightfold.

Equally important, the CCI sector makes cities more liveable, providing the hubs and many of the activities around which citizens develop friendships, build a local identity and find fulfilment.

Informal CCI sales in emerging countries were estimated to total \$33 billion in 2013 and to provide 1.2 million jobs. Performing arts are the biggest employers in the informal economy, providing unofficial music and theatre performances such as street performances, festivals and concerts that do not pay authors' rights, private performances at marriages and funerals and so on, which are often free for audiences. In Africa, such performances are sometimes funded by individual sponsors.

Since the democratic breakthrough in 1994 in South Africa, the Government's point of departure has been that the creative industry has a powerful role to play in nation-building. In fact, arts and culture are the most potent weapon in the hands of humanity.

Flowing from that understanding, among other things we developed the Mzansi—or South—Golden Economy programme, which is focused on strategic investment in all sectors of the industry with the aim of building markets, developing audiences and supporting human capital development. The basket of interventions that comprise that programme range from the establishment of an art bank to catalyse growth in the contemporary visual art market and the creation of a cultural observatory that will collect and disseminate information to a series of investment mechanisms in market development platforms locally and internationally.

The investment by Government and the firm policy stance that recognises the economic contribution of the creative industry have been given added impetus by the recent mapping study that was conducted by the Department of Arts and Culture in South Africa. Conducted in 2013, that study found that the creative economy made a significant contribution to the country. It represented 2.9 per cent of gross domestic product and created more than 500,000 jobs. Furthermore, given the importance of transforming the nature and profile of the South African

economy and improving access for previously disadvantaged South Africans, more than 50 per cent of enterprises were black owned and, significantly, more than 30 per cent were owned by young people.

From an economic perspective, arts and culture are incredibly important for the developing nations. They are an untapped and constantly renewable resource that can initiate immense growth, unleash skills and creativity, and compete globally, as they are expressed in unique and innovative ways. For Governments all over the world, there can be no question as to whether the arts and culture should be supported. However, it is always a question of how much support they will need to thrive.

As we conclude the programme, I want to touch on the important area of the value of cultural diplomacy. The value of culture and the arts cannot be overestimated as we struggle to maintain our individual and collective identities and build our respective nations. Learning about one another's world views, belief systems and ways of life is a critical part of creating a better world for all. That is often referred to as soft diplomacy. The notion of people-to-people relations with partner countries jointly engaging each other and deepening their understanding of each other is central to cultural diplomacy.

The world faces unprecedented challenges. High and continuously rising levels of youth unemployment and disenfranchisement are a ticking time bomb for all humanity. There is a deep economic recession, growing evidence of the impact of climate change, and a wave of migration into and across Europe that has not been seen since the second world war, as people flee terrible conflict in their countries. Now more than ever, we must invest in and support the creative industry as a way for people to retain a sense of self and to build prosperous and innovative nations and, most of all, a means for people to be themselves and express their views, identities and feelings in constructive ways.

Thank you for your attention. [*Applause.*]

The Presiding Officer: Thank you, minister.

Now, in a slight break from the programme, I call Michael Gowan to speak to us from the podium. As delegates may know, as a new initiative for this Summit, 35 young people aged 16 to 26 from across the UK and Europe have been invited to attend the Summit to engage with policy makers and culture ministers. Michael Gowan is a member of the Scottish Youth Parliament and wishes to address the plenary session.

14:45

Michael Gowan (Member of the Scottish Youth Parliament): Presiding Officer,

The criss-cross wounds lie beneath my sleeve,
It's my silent shame, hidden from sight.
The addiction I crave,
It makes me feel alive
As it takes me closer to heaven's light.

I can't face the mirror in the day,
So I reach for the razors in the night.
The pain is my prayer,
My blood the sacrifice,
And after, I almost feel alright.

They tell me it's not right - I should stop
"You'll hurt yourself, you cut so deeply"
They worry I might die,
They don't see that's the point:
I want to feel my soul ignite
To end the feelings I can't fight.

Those are not my words, but the words of a 17-year-old girl called Courtney who I once worked with on a youth work programme using arts as a way of giving young people a chance to express themselves and their feelings. She went from being a regular self-harmer who was in and out of healthcare systems, to flourishing in an arts programme at the University of Edinburgh. It was that experience of working in a six-month placement in art therapy as applied in youth work that got me wondering what the impact of the arts is and how we can apply it not just in the cultural sector but across everything in our country.

Various academics have looked at the subject before me, and a lot of work was done at the University of Minnesota Twin Cities on the impact of art therapy in supporting those with disabilities such as autism and dyslexia. The University of South Carolina looked at investment in youth arts education and found that there is a 150 per cent return on what is spent on it. Those savings come from savings in the criminal justice system further down the line, as young people are less likely to offend, and from increased tax revenue as young people realise their potential.

In the post-2008 world, however, we have seen decreases in funding and cuts across all sectors, and a lot of the funding for arts programmes has dried up. Nevertheless, if you look to your left you will clearly see that the passion has not, as young people are still showing up desperate to have their voices heard and to make a difference in today's world.

Between us all, we have a massive untapped resource in our culture and our arts industries. Those industries can develop tourism, as you can see from the Edinburgh Fringe Festival. They can support healthcare, supplement education, encourage safer communities and increase income. I am not saying that the arts can replace any one sector, but they can support every sector.

In today's world, when young people are told that we cannot afford to invest in the arts, I think that they are justified in turning the question around: "How can you afford not to?" Now more than ever, young people need to see an investment in their future across the world and in all countries. Culture and the arts are more than just a way of expressing ourselves; they are our heritage and our souls, which is why we need them in today's society.

Economics is a part of that—I have talked about the 150 per cent return—but that is just the statistic that we can find. What about looking at the individual stories? How will Courtney, who wrote the poem I just read out, go on to benefit all of Scottish society? We cannot simply predict economic impact. So, when we go back to wherever we have come from and talk to our parliaments, civil servants or organisations, maybe we, too, should ask not how can we afford to fund the arts but how can we afford not to. [*Applause.*]

The Presiding Officer: Thank you very much for that perspective—now we know what passion looks like.

To conclude this plenary session, I call Michael Power, professor of accounting at the London School of Economics. He has addressed previous Summits on the value of culture in a world that is increasingly risk averse.

14:50

Professor Michael Power (London School of Economics): Thank you, Presiding Officer. Ladies and gentlemen and distinguished guests, it is a great honour to be here two years after my original appearance at the Summit. I thank Jonathan Mills very much.

I may be a walking example of cultural resilience, because I was asked to speak for six minutes and there are 25 minutes to go, so I am putting myself to the test. I listened carefully to all this morning's brilliant presentations, as well as to the one that we have just heard, which was excellent. I have been rewriting my talk as I go, and I think that it will be ready by about 4 o'clock tomorrow afternoon. However, I am here to talk to you now.

Let me begin by giving you the punchline. I have been an academic accountant for 30 years. For the past 10 years, I have served on some rather big boards of financial companies, with all the experiences that they have had, and I am convinced of one thing: the boring practice of accounting leads thought, determines the way that we think and the way that we give attention to things, shapes the decisions that we make and is—as we heard from Jude Kelly—a belief system in its own right that we must take account of.

That is all very well, but if we want to realise the dream that has been expressed in so many of the interventions today, both in the plenary sessions and in the private committee meetings—the dream of establishing the foundational role of culture and cultural activities for the wider economy, as opposed to the foundational role of the economy for culture—we must change the way in which we account for culture, and we need to be rather brave in the way that we do that. That is the punchline, and I will come back to that point shortly.

I want to begin the substance of my talk with a story. It was my great fortune to study philosophy at the University of Cambridge in the early 1980s. My research supervisor, Gerd Buchdahl, told me the story of how, having escaped the Nazis and fled to England, he and his brother Hans were eventually deported by the British as enemy aliens in the 1940s. The deportation ship was horribly overcrowded. The conditions were unimaginably bad, and the deportees—very few of whom were the Nazi sympathisers who were the intended target of the British—were often physically beaten. Buchdahl was my PhD supervisor and, as I got to know him, he related to me how, in those circumstances, under the continuous threat of being torpedoed, he and others had held philosophy classes on the deck of the boat using C Joad's "Guide to Philosophy", which was published in the 1930s, as a text. Somehow a copy of that book had made it on board the ship.

That experience shaped Buchdahl, who was an engineer by training. He eventually took the path to academic philosophy and, ultimately, to Cambridge, where he founded a brand new department—the department of history and philosophy of science. The ship in question was the Dunera, which occupies a very special place in Australian history, as many of its deportee passengers—the so-called Dunera boys—went on to achieve great things in Australian life, including major cultural contributions. That is another example of how, in the most extreme circumstances—in the face of trauma, as Jude Kelly said—human beings turn to cultural activity, often in surprising ways that are full of improvisation and which show great conviction, to use the word that Jude used.

In this case, it was philosophy, but it could have been music, poetry, theatre or anything else—that is not important. They did it for many reasons: to survive and get through the day, to forget, to have a sense of community, to build an identity and to express themselves. In having those regular philosophy classes on the decks of the Dunera in 1940, Buchdahl and his colleagues created a tiny infrastructure. We have heard the word "infrastructure" several times today. There are many examples of a turn to culture in extremis,

amidst the rubble of societies. As we have heard, this very festival and many other festivals like it have their roots in post-trauma or post-war reconstruction.

The question, which we have touched on already, is what we can learn from those cases of cultural activity on the edge and in extremis. What might be the practical lessons for culture ministers in different countries facing very different demands? As I have heard over the past three or four hours, and very eloquently in the past couple of minutes, the cultural field is not an optional add-on after other basic needs have been met. The challenge is how one can sustain that and make it real and, from my point of view, build it into the microstructure of ministers' everyday work.

Culture is obviously not a thing of the economy, but economies depend on the civic properties and the forms of communication, hope and energy that culture generates. I have heard that loud and clear since I have been in Edinburgh. That is a noble aspiration that we repeat again and again, but one of the challenges is that we are all embroiled in the kind of micromanagement that distracts us from that fundamental insight. That is where the accounting matters. Does the accounting that we have and aspire to support that fundamental insight or, as I will suggest to you, is it a distraction from that? That accounting has its own merits and properties, but nevertheless it is a kind of cultural accounting that is not actually aligned with culture as we understand it in those terms. That seems to me to be the challenge for us all here.

As Youssou N'Dour so eloquently said yesterday, we need to build a new cultural politics. If I heard correctly, he said that, somehow, some new concept of budgeting—boring old budgeting—needs to be articulated in that project. My challenge to culture ministers and to myself is about how we can scale up the messages from powerful stories such as the story of the Dunera, and take them away from those extreme circumstances, so that they remain powerful in orientating the way in which we make decisions now. What are the Dunera stories in your societies that have that scalable property and how confident are you that you pay enough attention to those stories and are not distracted by the accounting systems that are your legacy? Those accounting systems distract us from the connectivity of economy and culture and from so many other things.

The philosophy classes on the decks of the Dunera were also acts of bravery and defiance in the face of a rather cruel British crew. Such bravery is institutional as well as personal. It represents a determination to create and sustain a civic space, however small, against the odds. The founding intuition of that bravery, which was

evident in the founding of this festival, is that the civic space is coextensive with the creation of functioning markets and the building of physical infrastructure; indeed, as Jonathan Mills said yesterday about East Timor, it might even precede that. There is not a hierarchical ordering in such matters where culture somehow comes last.

What might that kind of cultural bravery mean today? It means changing the policy conversation to allow for the foundational role of cultural activity and for the sense of resilience and identity formation that it gives to individuals, organisations, regions and entire societies. We need to articulate that aspiration, not necessarily as something that we can prove with impact statements, but as a bet on the future. Most of the large-scale investments that organisations make, such as in building this Parliament for example, are bets. They are dressed up in economic language, but they are bets that societies have to take to realise certain dreams and aspirations, which we make look more rationalistic than they are with the accounting that we have. To make that step, culture ministers will need a little bit of bravery of their own, in order to resist the micro-distractions of the performance culture and also to articulate this new budgetary language.

We should, of course, measure where we can. I think that event ticket sales and revenues measure the financial performance of festivals, child attendee metrics might also measure a kind of outreach to the young, and attendee questionnaires might provide a spot measure of satisfaction. However, community engagement metrics might proxy for longer-term impacts on social alienation and identity formation. We can continue to invest in smarter and smarter performance and impact metrics and we can expand our cost benefit calculus around culture, but I would suggest that we need to step back from those things and imagine what kind of accounting we want for the kind of thing that we think that culture is. There seems to be a consensus in the room that culture, in the aggregate, is a kind of civic infrastructure. In previous sessions, I have heard about interesting efforts to map that infrastructure and think of it visually. However, from an accounting point of view, it is a kind of intriguing capital asset problem. How can we describe those capital assets, how can we sustain them and how can we continue to invest in them?

We are quite used to talking about infrastructure in many different settings, such as energy, water and, obviously, the built environment. The reasons are varied and complex, but I think that there is a new accent on resilience, particularly urban resilience, in many areas of society. It is also the case that we neglect infrastructure at our peril. It is always more expensive to fix it in the long run, but

it is also very easy to ignore the necessary expenditure to sustain it in the short run. However, it seems to me that the argument of this conference is that the sustainability of states, markets and communities relates as much to civic infrastructure as it does to water supply. The notion of infrastructure that has been aspirationally used many times in this conference is difficult. Can we match our accounting to it? It is easy to fall back on the accounting illusion of disconnection—of things being separate from each other, with, for example, museums being accounted for as if they were just organisations like any others. We have to recover a form of accounting for connection. Culture ministers could probably learn quite a bit from infrastructure projects and network projects.

There has been some talk of new methods of financing; I did not hear much about borrowing to invest in cultural infrastructure, but there has been much discussion of interesting innovations around partnerships and sharing. However, in each of those, there needs to be a lead risk taker. The interesting dimension of cultural infrastructure involves the sense in which it concerns risk taking, and how we think about that.

Another possible way in which to think about cultural infrastructure is in terms of a stock of interconnected values. It is possible to think of three abstract values that orientate our views on culture: one is community; one is economy; and one might be a sort of state-building sustainable project. However, if the story of the Dunera means anything, those three values are interconnected in infrastructure. They serve and fuel each other, and represent different kinds of capital that must be maintained and for which we need a new kind of budgetary process.

These are just preliminary remarks, but we have to find a new way of accounting for infrastructure that is commensurate with the aspirations that we have. If that makes sense to you at all, then it suggests a kind of new constitution, if you like, that might govern investment in cultural activity. I will suggest a few principles that might be appealing.

First, in essence, culture is to be conceived of not as an instrument of economy but as an infrastructural condition for the possibility of the optimism and emotional energy that animates economy. For that reason, I am very ambivalent about economic impact statements, and I think that the preceding speaker echoed that ambivalence.

Secondly, it follows that culture ministers and culture ministries need to develop different, rich descriptions and tools to provide analytical accounts of infrastructure and its foundational role. I suggest that the paradigm here is not accounting but maybe network economics, ways of visualising connectivity, mapping processes and governance

processes that support all of that. We do not know the way in which culture is connected to other sectors of the economy and society; we do not know all those connections, but we have very strong intuitions about them. The accounting system does not have to be perfect; it just needs to steer decision making in the right direction.

Thirdly, culture ministers should seek to understand those modes of cultural activity that thrive in extreme community conditions and ask how they can recognise and celebrate them. For example, we will hear about street opera tomorrow, and we have heard in other sessions about capacity investment in education. How can the kind of microsustainability that we have seen in the Dunera case become a real focus for policy makers?

Fourthly, in policy environments where audit and performance cultures are very strong, particularly in Western developed economies, culture ministers need to ask what values are actually at risk when they begin to think about cultural activity in terms of short-term, easy-to-measure metrics. It is clear that the things that we value most are actually those that are hardest to measure and where we might decide not to introduce measures. Being a student of risk management, I see it—in risk-management terms—as managing business continuity and trying to focus on those critical assets that we would miss terribly if they were not there. If we take an infrastructural perspective on culture, the driving question is what society would look like if it was not there; that is the shifting of the onus of proof that Michael Govan offered us in the previous talk.

By beginning to frame the cultural conversation in terms of infrastructure and what it takes to account for infrastructure, the conversation within cultural ministries and with treasuries and so on can begin to shift in some way. It can be not just about specific projects that can come and go and about which difficult decisions have to be made, including how they might compete with social welfare programs and so on, but about the overall shape of the cultural infrastructure—is that the shape that we want it to have, and what should we do about it? Policy makers, also, can be honest about where they are making a bet on the future and taking a risk, rather than dressing it up with the language of accounting, which gives things much more certainty than they actually have.

As a very quick conclusion, I have some questions for us to think about in the coming session. If any of this has made any sense to you at all, what can you learn from non-cultural material infrastructure projects and your colleagues who work on them? What lessons can be learned and what transfers can be made? So far, I have heard a great deal of aspiration and

“infrastructure” being used as a metaphor for capturing a sense of where we want to be, but as a hard-nosed accountant, I think that that has to be turned into things that are actionable and which have traction. So, what can we learn from material infrastructure projects? First, do you know the shape of your cultural portfolio? How do you even think about its aggregate shape? Does your accounting system help you with that or does it get in the way?

Finally, to return to the story of the Dunera that I started with, it might have just been about a regular philosophy class taking place in the most extraordinary circumstances, but it was also a piece of infrastructure building. Given that the infrastructure that we value the most is also the least visible, the challenge that I would throw out is whether your accounting systems and your everyday working practices increase or decrease the visibility of culture’s infrastructural role. How can we have an accounting system that allows societies to grow into the bets that they have made, in the same way that we have grown into this building and/or grown into other such bets that might have been slightly more expensive than we had anticipated?

Thank you. [*Applause.*]

The Presiding Officer: Thank you, Professor Power, and again I thank all our contributors this afternoon.

I will again hand over to our Summit team, who will break us out into discussion groups. We will resume our plenary tomorrow morning. With that, I close this session.

Session closed at 15:12.

