

# **The Economic Impact of Gaelic Arts and Culture**

## **Chapter 1. Introduction**

### **1.1. Thesis to be investigated**

This thesis explores the links between the Gaelic language, arts and culture (GLAC) and the economic development of the 'Gaelic economy'.

It is situated against a background of increasing importance afforded by academics and policy makers to the role played by local cultural and social factors in the economic development process. e.g. (Keane, Cawley et al. 1983), (Sproull and Ashcroft 1993), (Sproull 1994), (Lingard, Pedersen et al. 1993), (Lingayah, MacGillivray et al. 1993), (Asheim and Dunford 1997)

Increasing trends in the global economic environment such as the internationalisation of production, the inability to depend on inward investment as a consistent generator of economic development, and the declining ability of national governments to influence the country's overall economic progress by traditional macroeconomic strategies have led to an increased focus on the potential of local indigenous development as a motor for economic change. e.g. (Eisenschitz and Gough 1993), (Morgan 1996), (Fasensfest 1993), (Bingham and Meir 1993), (Scottish Office 1997)

One facet of this has been a re-awakening of interest both in entrepreneurial studies (Binks and Vale 1990) (Cross and Payne 1991), and also in the rise of small firms and the self employed since the early 1980's (Hakim 1988) - the latter rise often claimed as a result of the 'enterprise culture' engendered by the Conservative Government of the period. Within the debate on enterprise culture, the role of community is given prominence by some commentators who believe that it offers a sensible basis for sustained economic growth in the future by building community capacity through the use of a community's innate resources:

"To look within a community for the resources and capacity to create new jobs..(is) arguably the only sensible way forward for action on a local level....it is the local authorities job - or rather the job of the entire community - to see that resources are devoted to providing individuals

with the facilities which make the taking of individual initiative as easy as possible"(Todd 1984: p10)

This is in many ways a reaction to the continuing dominance of a business-driven approach to local economic development. The capacity of a business-driven strategy to deliver in remote and peripheral areas has in many cases proved questionable, and the distinctiveness - both cultural and linguistic - of communities such as those found in the Western Isles and inner Hebrides of Scotland, has led to a greater consideration of possibilities which might be afforded by a community driven approach:

"Local economic development is increasingly discussed in terms of community economic development. The business first policies of the past are becoming displaced ever so slowly by a concern for community input and participation in the local development process. In part this is to do with the general failure of business centred strategies" (Fasenfest 1993: p10)

This approach has gained particular acceptance in areas where Objective 1 status has been awarded in recognition of the particular problems facing sparsely populated rural communities (the Highlands and Islands had Objective 1 status in the period under study). In some areas such as the Highlands and Islands, it has become the accepted approach to economic development, given the situation of long term market failure existing within much of this area. (HIE 1996: 3) The emphasis on local particulars and local networking which is a feature of community centred business strategies also finds an echo in the increasing emphasis on possibilities afforded by systems models of economic development as opposed to more traditional linear models of growth and development. (Asheim and Dunford 1997)

This approach, categorised by some of its proponents as the search for "A New Development Model", (Hingel 1993:1) aims to address such problems as employment, unemployment and social exclusion, by building upon the innovative capabilities to be found in regions and local communities within Europe and in particular drawing upon the benefits of existing economic and cultural diversity.

Calling for a more employment intensive and decentralised network economy proponents of this model see the diversity offered by different aspects of culture within the EU as a key element in achieving the long term aim of eliminating the

disparities between the core element of the European economy and the periphery following the implementation of the Single Market in 1992.

A growing interest in the more traditional field of 'Arts and Culture' (as epitomised by the arts and cultural service industries for instance) as an aid to regeneration of economies, both urban and rural, has also become apparent in recent years. This has been brought about through the shift in most industrialised countries from manufacturing to services, with the 'labour intensive' nature of much of the Arts, coupled with high local sourcing (low inter regional import propensities) raising the possibility of cultural industries acting, in part, as a replacement for declining manufacturing employment (Myerscough 1994; Landry 1996) (Friedrichs 1995) (Strange 1996). Several commentators have already examined this in the specific context of the Highlands and Islands (MacKay Consultants and McGrath 1991) and rural Scotland (Scottish Arts Council 1995).

Against this background, the question of cultural tourism and niche marketing of cultural aspects of the local economy have also been raised as important issues by Pedersen (1995) and Van der Meulen, (1994) and for rural economies by Lane (1995), Bryden & MacKinnon (1993) and the Scottish Office (1997) Others however, have been much more critical of the 'turn to culture' as an answer to economic distress and as a motor to growth (i.e. Frith (1989) (Greenhalgh and Kelly 1994).

A result of the above developments therefore has been a growing interest both in the role of Arts and Culture - in its 'traditional' sense, and also in the whole question of language, culture and diversity as a motor for economic change through its impact on 'human capital'.<sup>1</sup> This links with a growing prominence given to the importance of 'intangibles' in economic development by local development agencies<sup>2</sup>

In practical terms, one of the consequences of this approach has been an attempt to explore the relationship between social attributes - such as diversity - and how this

---

<sup>1</sup> "People and ideas are increasingly the source of competitive advantage "Scottish Office (1997). Towards a Development Strategy for Rural Scotland. Edinburgh, Scottish Office.

<sup>2</sup> For instance, Scottish Enterprise has based its current strategy on the 'emerging knowledge economy', where economic value is found more in the intangibles, like new ideas, software, services and relationships, and less in the tangibles like physical products, tonnes of steel or acres of land' Scottish Enterprise (1999). The Network Strategy. Glasgow, Scottish Enterprise Network.

may give differential advantage in aiding innovation and local network led development through the mobilisation and organisation of resources, particularly human resources. (Hingel 1993). Here, diversity is understood in its widest sense - including aspects of the cultural and the social, such as linguistic difference

The Euromosaic Report into minority language groups in the European Union thus placed the question of culture and its link with language as a key issue for encouraging economic development in the periphery of the European Union.

"This new discourse leads to a re-evaluation of the issues of diversity and human capital for the future of Europe. This lends minority language groups a new importance, one that contributes directly to the future prosperity of Europe as a whole." (Nelde and Strubel 1993:p60).

Following the Euromosaic report, Price (1994) has examined the language/ culture link in relation to entrepreneurship whilst the Scottish Office has more recently argued for the integration of the question of culture and the longer term aim of sustainable development for rural areas.(1997:10). Others such as Bekemans have also sought to re-assess the relationship between economy, culture and society, examined against the background of the twin processes of increasing European integration and local specialisation, seeking a common European model for culture and economic development (Bekemans 1995).

Informed by the standpoints outlined above, it is the aim of this thesis to examine the present and potential future importance of Gaelic language arts and culture in relation to the economic development of certain areas of the Highlands and Islands.

## **1.2. The Geographical framework for the study**

For the purposes of our study the Gaelic speaking islands of Scotland - the Outer Hebrides and Skye - together with parts of Lochalsh on the mainland, offer the opportunity to investigate on a sub regional basis the nature and extent of Gaelic language, arts and culture (GLAC) - economy links<sup>3</sup>. This investigation provides partial evidence on whether this shift in perception regarding the importance of the

---

<sup>3</sup> This area had been the subject of a previous study delineating the overall impact of all Gaelic related *economic* activities (The 'Gaelic industry' (see below p. 6). Choosing the same framework allowed comparisons with the

social and cultural in economic development is justified. This area - categorised with the rest of the Highlands and Islands until March 1999 as an Objective 1 area by the EU (i.e. GDP per capita less than 75 percent of the EU average), contains some of the most 'fragile' communities in Scotland, such as Harris with the lowest level of GDP per capita in the Highlands and Islands.

Behind the categorisation of these communities as fragile, lies a recognition that their geographical and social situation creates quite distinct problems for economic activity of any kind. Sparseness of population and the very small size of the majority of settlements mean external economies and economies of scale are lacking whilst proximity to markets and suppliers of specific skills are normally lacking. As Alexander points out:

"..it is common for the distance between 'adjacent' communities with populations of only a few hundred to be twenty or more miles, and many communities...are separated from the mass markets of the Scottish Central belt (itself a sub-optimal market when measured against the scale necessary for some modern technologies) by 200 miles or more"(in Lythe and Majmudar 1982: 174)

Previous studies (Carter 1974:281) (Scottish Office 1992:7; 1997:p iii) (Lloyd and Black 1993) (Lingard, Pedersen et al. 1993:2; Highlands and Islands Enterprise 1996) have already acknowledged the need to take into account wider cultural and social questions when considering economic development in the Highlands and islands as a whole. These conclusions are mirrored in studies of other communities containing a bilingual population such as Wales (Khlieff:p71) (Williams 1995)

However, despite previous investigations of the economic impact of the overall 'Gaelic Industry' (Sproull and Ashcroft 1993) no adequate examination has yet been made of the specific economic impact of Gaelic Language, Arts and Culture (GLAC) on this geographical area, (the 'Gaelic Economy') nor of the wider implication of GLAC for potential economic development.

---

earlier study where appropriate. While other areas (Tiree, Islay etc) also exhibited similar Gaelic related activity, unfortunately less comparative data existed at the time of this study.

### **1.3. The position of the Gaelic language**

The social characteristics of the Islands area are intimately bound up with the Gaelic language. The significance of the link between language and culture is an area of continuing debate and impinges on the argument regarding the 'diversity dividend' in developing peripheral economies. Some commentators (e.g. Khlieff, (1979)Harris,(1980) Minty (1989) believe language and culture are indivisible<sup>4</sup>, others believe any link is more complex e.g. Euromosaic Report (Nelde and Strubel 1993); Edwards (1985; Edwards 1990); Gloyer and Rogerson (1995)<sup>5</sup>.

Within the competence of this study - an examination of the economic impact of Gaelic Arts and Culture, the approach adopted to this question has been one of treating the two concepts as inextricably linked while flagging up for future investigation the dynamic relationship between the two. This follows the position of the major economic institutions in the area - Western Isles Enterprise(1995:p6);Highlands and Islands Enterprise (HIE:1993:4); Highlands Regional Council (1996:p14); Western Isles Council (1995:p10) and the Gaelic Television Committee (1995:p8), all of whom in their practical work, treat the Gaelic language and Gaelic culture as synonymous. This is also the position of the Scottish Office (1995:p28), and the main cultural and arts organisations - the Gaelic Arts Agency, and Hi-Arts, the arts and cultural arm of Highlands and Island Enterprise.<sup>6</sup>

### **1.4. The impact of Gaelic related economic activities**

Earlier studies (Sproull and Ashcroft 1993) have already indicated the economic impact of 'Gaelic Related *Economic Activities*' - defined as

"all those activities ( and jobs) whose principal purpose is the provision of Gaelic related goods and services, including the promotion of the Gaelic culture and language".

---

<sup>4</sup> "As language is the medium by which the culture is transmitted, it is impossible to separate the one from the other"(Minty, 1989 ch5); "Language making involves much more than merely the construction of systems of signs. It is also the essential process by which men construct a cultural identity for themselves, and for the communities to which they see themselves as belonging" (Harris. 1980 : preface)

<sup>5</sup> "We wish to suggest that from the perspective of geographical analysis of the Gaelic Scot, there is a need to move away from description of patterns of language distribution ....to focus on understanding the processes and social relations forming the different cultural groups and in particular the changing sets of power relations between these groups which define appropriate indicators of identity." Gloyer p50

<sup>6</sup> "The Gaelic language and heritage continues to grow in importance. It distinguishes and gives identity to the local community" quoted in Skye and Lochalsh local Plan Oct 1996. p14

This study however, did not seek to specifically isolate the impact of Gaelic related artistic and cultural activities within its field of investigation.

In their assessment of the impact of 'Gaelic Related Economic Activities' on the 'Gaelic Economy'

"the spatial area which stands to gain measurable economic benefits from the further development of the language",

Sproull and Ashcroft were able to show that (with multipliers) Gaelic related economic activities added £41m ( at 1992 prices) to the output of the economy and created almost 1000 FTE's.

Integral to this were new developments regarding investment in Gaelic related Television provision where from 1990 a substantial annual provision – initially £8 million - was provided for the Gaelic language. This was to be managed by a new body, the Gaelic Television Committee (CTG) which would oversee and help co-ordinate the commissioning and provision of Gaelic Television Programmes.

The white paper supporting this funding, acknowledged:

"The Government recognises the importance of broadcasting to the Gaelic language, and its future development"

This funding, although variable in size, has remained the major single source of investment in the Gaelic Economy. In 1996 the remit of the CTG was widened to include sound broadcasting (including radio), and its title was changed to the Gaelic Broadcasting Committee.

In their investigation of the 'Gaelic Industry' including broadcasting, Sproull and Ashcroft identified a number of intermediate variables that could potentially link GLAC to the health of the local economy - such as migration, regional immigration, levels of inward investment, tourist development, and indigenous entrepreneurship - factors found to be typical of the general issues facing most peripheral economies (Nelde and Strubel 1993:p18)

Also flagged up for further investigation was the possible role of local identity and community confidence in stimulating business activity, with these elements being examined in the light of the significance of the Gaelic language and its contribution to this.

While the main postulated dynamic links were almost all characterised as *working through* Gaelic language arts and culture, some links were clearly identified as *significant* (such as language/ group identity), other factors such as the use of language and culture for comparative advantage, and any link between community self confidence and small firm formation were found either to be underdeveloped or required further research before an accurate picture could emerge. (Sproull and Ashcroft 1993)

Sproull and Ashcroft's identification of the linkages have been subsequently backed up by several studies, (Jedrej and Nuttal 1996:p59), (Shucksmith, Chapman et al. 1996:p25) and (Mackay 1996:p14)

The conclusions reached by this body of work, would tend therefore to give preliminary support to the thesis that the Gaelic language, arts and culture is an important potential factor in the future development of the Gaelic economy. The direct economic impact of GLAC activities however, remained under researched as did the question seen to be key by some theorists - e.g. Price (1997) of the link between language and culture and it's potential contribution through diversity to economic growth.

### **1.5. Research issues to be investigated**

Issues therefore presenting themselves for further research within this thesis were as follows:

#### **1.5.1. On the supply side:**

- Was it possible to identify the components of the GLAC sector of the Gaelic economy, ascertain the direct economic impact of their activities, and isolate, in the views of practitioners, the factors which were promoting their economic development and those which were constraining it?

- In the range of activities being carried out by GLAC practitioners, what were the discernible trends which would allow us to predict future patterns of development?
- Was it possible to identify the reason why practitioners had chosen GLAC as their sphere of economic activity, rather than be engaged elsewhere?
- What impact did the practitioners themselves believe that their activities had on questions such as those identified in the Sproull/ Ashcroft study and on the role of the language as a spur to economic and social development?

**1.5.2. The demand side:**

Also integral to the research was an understanding of the following questions:

- What was the current level of consumption of Gaelic related art and cultural goods, in the geographical area of the Gaelic economy?
- What were the discernible trends in consumption in absolute terms and also between the different categories of Gaelic related goods?
- What were the factors (such as price/ availability/ perceived relevance/ language competence etc.) which were perceived as important in encouraging or discouraging consumption of such goods?
- How was GLAC used in the business community to further economic development, and what factors if any hindered or encouraged this?
- How had the consumption of such goods affected the recipients views on the relevance of GLAC for issues such as economic and social development, employment and careers in the locality and for young people, how often Gaelic was used at present, and the desirability of its use being extended to other spheres such as business and education?
- How had the consumption of such goods affected self confidence within the community, the attachment of local people to their community and the preference of people to choose Gaelic services/ products where possible?

### **1.5.3. Possible dynamic interrelationships:**

In order to ascertain whether dynamic interrelationships existed, and were of significance, other issues to be investigated also included:

- To what extent did GLAC as a differentiating factor in the communities concerned lead to an increase in cultural and linguistic identity?
- To what extent did any increase in such identity effect issues such as migration and return decisions?
- To what extent could any cultural / linguistic difference be used as a source of competitive economic advantage?
- To what extent did GLAC contribute through any impact on community self confidence to economic behaviour, especially small business start ups?

An accurate understanding of the issues above would aid policy practitioners in acquiring an overall view of the interconnections between Gaelic Language Arts and Culture (GLAC) and the economy in a manner which could benefit both the indigenous culture of the area, and its economic development. If the investigations identified that GLAC has already made an important contribution to the economic and social development of the Gaelic economy, and has impacted on community self confidence ( and through that to business development ), then this could offer important guidelines for future public policy.

### **1.6. Summary**

The thesis which this work will thereby set out to investigate is:

That Gaelic Language Arts and Culture has a positive impact on the Gaelic economy in terms of jobs created and quality of employment

That the development of Gaelic language arts and culture can positively influence the long term health of the Gaelic Economy through its impact on intermediate variables which are in turn linked to regional economic growth

These variables include:

- Decisions by residents to migrate or stay in the area

- Decisions by those who have left (for education etc) to return or not
- Decisions by local residents / incomers to start businesses in the area
- Decisions by tourists to visit the area
- Decisions by companies external to the area to locate there

That the result of these findings have important implications for policy makers concerned with local economic development.

### **1.7. Structure of the present work**

**Chapter 2** will review the theoretical basis of current approaches to economic development by an examination of the relevant literature in this field: the economics of development and growth; the development of regional economic analysis; business start ups and entrepreneurship; the role of culture in economic development; and the economics of language.

**Chapter 3** will outline the policy practice of economic development in Scotland with particular reference to the Highlands and Islands (within which the Gaelic economy is found) and will relate this to the conceptual areas identified by the literature review.

**Chapter 4** will present methodology adopted in the present work; **Chapter 5** the findings of the supply side survey; **Chapter 6** the findings of the demand side surveys undertaken in the course of this work.

**Chapter 7** will look at the implications of chapters 5 and 6 for public policy and as conclusions, evaluate current policy towards GLAC in the light of the contribution to knowledge of this thesis.

**Chapter 8** will present as a postscript, developments within public policy towards Gaelic arts and culture in the period following the collection of data for this present thesis.