

Shape-Shifters: Independent producers in Scotland and the journey from cultural entrepreneur to entrepreneurial culture

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Introduction

There is a certain wine bar in Glasgow's West End where, I swear, all you have to do is open the door and throw in a tangerine and you are guaranteed to hit an aspiring screenwriter who has received funding from Scottish Screen. Should that tangerine then ricochet it would hit a relative who has also had funding. (Lister 2001)

The history of this rash of cultural industries developments—of the shifts and re-directions of the arguments, of the increasing attenuation of the first half of the culture/industry couplet, and of their success or failure (on whatever grounds)—still has to be written. (McIntyre 1994)

The rather scathing comment reported by David Lister on the seemingly incestuous world of Scottish film, made at the height of alleged profligacy in allocating Lottery funds to feature production at once reveals and obscures a certain truth about cinema in Scotland today. Paradoxically, despite arguably enjoying never greater credibility as part of the economically and politically ascendant Creative industries, the apparently tight-knit Scottish film community has largely failed to articulate any shared vision of Scottish cinema's future beyond a rather fragile economic case for continued public subsidy. This essay asks why this should be so when Scotland appears to be enjoying a renewed self-confidence in other areas of the arts and cultural industries, and a resurgent politics of national identity. In attempting to answer this question I hope also to partially redress the historical deficit noted nearly fifteen years ago by former CEO of Scottish Screen, Steve McIntyre, in the second quote beginning this essay. The explanation for both absences—that of a convincing contemporary definition of Scottish cinema's future on the part of those responsible for making it and that of a full historical account of the evolution of the "Creative Industries" concept—can in large part be found in the very success of Scotland's screen producers in mobilizing the rhetoric of "Creative Industries" in the public sphere. This success has been dependent upon the muting of precisely the kinds of cultural, social and political arguments for a national cinema that, were they still "in play," could broaden the terms through which filmmaking in Scotland is understood and pursued as an object of public policy. Such a wider frame of reference would help make Scottish cinema less vulnerable to attacks from those who have lost (or perhaps never had) confidence in the economic arguments for public subsidy of film production. As we shall see, Scottish filmmakers today face increasing scepticism about the return on investment they received over a decade of significant public largesse from the mid 1990s on.

Of course this is not to deny either the material significance of the creative economy or the continuing importance and necessity of mobilising the economic arguments for public investment in film. However, the equally important social, cultural and political dimensions of cinema's contribution to Scottish life have been excessively marginalised in public policy debate. A wider understanding of cinema's place in civil society is thus confined to the realm of *post hoc* analysis of filmmakers' work. Such analysis is in most instances authored or edited by officials of the public film agencies, academics seeking to define "Scottish cinema" as a whole, with occasional forays into public discourse by filmmakers themselves (in which category I include writers, producers, actors and others and not just directors) (see Hardy 1990; Dick 1990; Bruce 1996, Broughan *et al* 1997; Petrie 2000). By succumbing to the economic doctrine of "Creative Industries" discourse (Schlesinger 2007), Scotland's filmmakers and policymakers have exercised a form of self-exclusion which removes social, cultural and political concerns from the arena of "legitimate" film policy discussion. This is to the detriment not just of Scottish cinema but of our national cultural life as a whole.

It is beyond this essay's scope to explore in detail the extent to which this apparent disavowal of cultural politics represents either a conscious avoidance of any argument that might be deemed too close to political Nationalism or a desire to articulate a politically "neutral" case for film that could be endorsed equally by all parties. What I will seek to argue, however, is that there is a price to be paid for several disappointing developments. The first is the effective evacuation of the terrain of "cultural politics" by filmmakers and the wider filmmaking community. The second is the muting of any national (with a small "n") aspiration that is not first and foremost grounded in economic terms. Following on from the previous two, the third is the consequent denial that there are significant policy issues which

arise as a result of the historically specific national configuration in which filmmaking in Scotland finds itself. The price of such developments is, in a word, confidence—the confidence to assert the importance of non-economic values in the institutions and structures of public policy making as they relate to film and in the wider “conversation” concerning cinema’s role in national life. A more balanced approach would empower decision-makers to take risks in pursuit of a distinctive national cinema. This cinema would be one which accepts its responsibility to engage with the life of the nation without being subservient to it, and which also accepts its commercial, entrepreneurial, global dimensions without abandoning a sense of accountability to its “home” audience. Promoters and policy-makers seem entirely comfortable with such a position when it comes to, say, theatre, publishing or television. Yet they have somehow become deeply suspicious of it when dealing with cinema.

Some historical background

One might summarise the development of the Scottish independent film and television production sector over the last twenty-five years thus: a shift from endeavouring to be taken seriously as part of the nation’s culture to being perceived as a serious part of the nation’s economy.

The dominant Scottish professional filmmaking discourse of the 1970s and ’80s revolved around questions of access to resources, largely equated with increased public funding. Such access was demanded in order that Scottish stories, representations and concerns could be made more widely accessible to audiences inside and outside the nation. Despite considerable internal differences in ideology, aesthetics, and industrial priorities, a shared sense of impoverishment allowed a relatively united front around the objective of injecting greater public funding into Scotland’s filmmaking infrastructure. Shared hopes for “a better future” came by the mid 1990s to be fervently projected onto the new national screen agency, Scottish Screen.

Since the 1970s independent producers and cultural commentators alike had invoked concerns with national identity in calling for measures to foster a Scottish cinema (Eadie 1973; McArthur 1976). Following the creation of Channel 4 in 1982, the importance of securing a “proportional” space for Scottish television production on the UK’s networks became a closely related concern (Taylor 1987). The economic and industrial dimension of film and television production was not entirely overlooked during this period, but the predominant justification for investment or regulatory intervention appealed to questions of national cultural and socio-political entitlement—what we might for convenience term “expressive entitlement”. As some noted at the time (McArthur 1982a) this “expressive entitlement” was generally characterised as the right to participate in UK, or indeed global, structures of production, distribution, exhibition and consumption. This contrasts notably with the focus on the “internal market” in the contemporaneous Welsh situation. In Wales, the political, linguistic and cultural imperative was first and foremost the pursuit of an autonomous national space for cinema or television, manifested in the successful campaign to establish a Welsh fourth Channel. Despite the reticence of Scottish filmmakers to pursue a comparably nationalistic agenda, questions of culture, identity, and representation remained an important theme in public discourse (Grigor 1976; Caughie 1983; McArthur 1983; McGill and McInyre 1983). During the 1970s and for a good part of the ’80s, questions of what cinema/television might be *for* (ends) therefore maintained a reasonable degree of purchase in the periodic debates about structural, investment and regulatory priorities (means) within the public bodies that influenced the development of Scotland’s audiovisual landscape.

During the late ’80s and early ’90s, however, the language of entitlement gave way to an increasingly hegemonic discourse of “economic opportunity” (see Taylor 1987; Scottish Development Agency 1989). A twofold shift took place: from expressive to economic concerns, and from a rhetoric of entitlement to one of opportunity. Policymakers and institutional personnel shifted their focus from a *distributive* economic model to an *entrepreneurial* one. With one eye on the resources that might be tapped from industrial development coffers they argued that, once historical market distortions (Metropolitan commissioning bias, brain drain, lack of infrastructure investment, distance from market, and so on) were removed, Scotland’s screen producers would be able to secure both their economic and cultural viability by achieving accelerated growth through unfettered access to a growing and diversifying national (and international) audiovisual market.

This shift in discursive emphasis from subsidy to investment was neither arbitrary nor solely an accommodation to the broader contemporary shift in public discourse towards neo-conservative economics following the impact of recession, Thatcherism, and the restraint of public arts and cultural spending. Even the most hardened cultural activists were forced to adapt to the *realpolitik* of the 1980s and the need to couch arguments for public intervention in terms of either economic benefit or amelioration of the social fallout from monetarism’s effects. In the 1990s Scotland’s screen community as a whole changed in composition and outlook. It moved ever closer to an economic view of its own significance as independent television production matured into a recognizable business sector.

Moving into the '00s, 2003 saw the creation of a new and, so far, highly effective lobby group, the Screen Industries Summit Group (SISG), following the publication of an extremely influential report, *An Audit of the Screen Industries in Scotland*. Such recent developments further crystallise and help sustain a longer-term process in which Scottish screen industries have increasingly prioritised entrepreneurial rhetoric as a way of defining, maintaining and enhancing their public credibility. The Summit Group's perception of the central "weakness" of Scottish *film* (as opposed to television) is revealing: "the current system of subsidies in the film industry is working against growth and entrepreneurship, with Scotland yet to discover a business model for profitable films" (Screen Industries Summit Group 2004, 5). The expansion of the UK independent television sector as the overall market grew on the back of production quotas imposed on the BBC and ITV precipitated a growing number of mergers, acquisitions and the emergence of the "super-indie". The 2004 stock market flotation of the largest indies symbolised independent television production's coming-of-age of as a "serious" sector of the creative economy. The 2005 £13m sale of Scotland's largest indie company, Ideal Wark Clements, to "mega indie" RDF media, the latter also paying £10m in 2006 to acquire the Comedy Unit, Scotland's second largest indie, set the seal on local perceptions of independent television production as a potentially profitable growth sector of the national economy.

The reconstitution of the identity of Scotland's screen community around the television business helped to further marginalise attempts within that community to self-define in more cultural, social or politicised terms. This phenomenon is vividly reflected in the words of the Scottish spokesperson for film and television trade association PACT, speaking at the first major event organized by the SISG in 2003:

We need to embrace the commercial realities of the marketplace. We fear that companies seem to be restricted in what they can produce in Scotland. They seem to be restricted to attaining funding for projects on cultural criteria. (Mcdougall 2003)

It is important to state here that I am not implying that one group or faction within Scotland's screen community actively marginalized another over the last three decades or so. What the brief historical survey offered above does demonstrate, however, is that since the 1970s there has been a clear and progressive narrowing in the shared sense of what were and were not legitimate forms of appeal in debating, formulating and communicating screen policy ideas in Scotland. Today, questions and considerations of national identity and expressive entitlement are no longer admissible in public discourse to anything like the degree they once were.

Lines of force

Perhaps the deeper reason for this significant shift lies in the intersection of three distinct lines of force. These combined to decisively alter not just the dominant *concerns* of the independent production sector, but also the sector's very *composition*. The effect of this was to decisively place the figure of the "independent producer as entrepreneur" at the very heart of public policy discourses concerning cinema and television in Scotland.

The three lines of force which produced this decisive shift were as follows. Firstly, the triumph of "creative industries" rhetoric as the primary discursive context in which film and television are recognised as legitimate objects of public policy and investment. Secondly, the emergence of independent television production, unlike film, as a genuinely profitable sector, allied to the emergence of convergent/new media as a growth sector in the latter's own right. Thirdly, the consequent emergence of profit-driven large, and in many instances publicly quoted, production companies such as All3Media, RDF, Tiger Aspect and Endemol UK as the hegemonic voice in the independent production sector. While these three forces operated at a UK level they each have had a particular and arguably even greater impact in the Scottish context. This is partly because of the Scottish sector's smaller size and relative "weakness" relative to the metropolitan centre, partly because of the historical dominance of film *vis-à-vis* television in Scottish public policy and partly because of the relative historical weight of cultural and social agendas in the articulation of Scottish producers' concerns to public agencies and the wider public.

From the mid '80s the increasing prevalence of "Creative Industries" as a concept uniting arts with economic policy can be seen in a number of influential UK policy documents and commentaries (Greater London Council 1985; Mulgan and Worpole 1986). A clutch of reports on the future of Scotland's screen industries (Taylor 1987; Myerscough 1988; Dovetail Management Consultants 1988) reveal how rapidly cultural industries discourse spread. It would take longer, however, for that spread to be manifested operationally in the restructuring of the public bodies charged with promoting screen culture and industry: Scottish Screen, established through the amalgamation of the Scottish Film Council, the Scottish Film Production Fund, Scottish Screen Locations and Scottish Broadcast and Film Training, did not emerge until 1997. By the latter date, however, the shift was unmistakable and, it must be

said, in many ways productive: it enabled Scotland's screen sector to secure for the first time access to non-cultural funds from bodies such as the Glasgow Development Agency and Scottish Enterprise. It also helped independent film production companies to be taken seriously as part of the emerging "creative economy".

In the television sector the benefits of a "fairer" share of network commissioning in terms of company growth, employment generation, opportunities for talent etc. were relatively easy to articulate. As a result "Nations and Regions" production quotas have become progressively enshrined in policy and regulation. The 1990 Broadcasting Act required the BBC to source 25% of its programmes from independent producers; the 1994 Hatch Report set internal BBC targets for "out of London" commissioning; the 2003 Communications Act requires the Office of Communications (OFCOM) to police regions and nations production and to report regularly on outcomes. In an environment where all of the major channels currently have public service obligations which commit them to nations and regions *production* to a greater or lesser degree there is a clear focal point for debate and a tangible set of parameters—share of network hours, spend, and so on—around which discussion can take place. Following a long period in which broadcasting was neglected in Scottish policy circles, the Scottish National Party administration elected at Holyrood in 2007 appointed a Broadcasting Commission with a fairly wide-ranging remit, turning television in Scotland into a high profile subject for debate.

Compared to independent television production's apparent economic dynamism, Scottish film producers have had greater need of cultural benefit arguments to support their case for public funds. Until very recently the film community has, nonetheless, focused on *economic benefits*, stressing film's capacity to promote tourism, generate multipliers on location spending and promote Scotland's attractiveness as a place to live and work. But recently it has become increasingly difficult to make a coherent argument for indigenous film production (as opposed to visiting location shoots) as a direct generator of economic benefit. The commercial returns of public investment in film (there is effectively no other kind in the Scottish context) have been so unequivocally poor that even a small proportion of its investment being recouped has been presented by Scottish Screen as a "positive" return on investment. From 2000–2005 Scottish Screen invested £17m of Lottery funds into indigenous feature production and recouped just under £2m. Things have improved in recent years, but only relatively. A peak return of £0.9m from awards in was reached in 2004/5 but this must still be seen against average annual investment in the region of £3m (Scottish Screen 2005). Of course, these figures represent the return to Scottish Screen alone; other investors will have seen income from Scottish-produced films, but few if any of them will have been Scottish-based. We should note, however, that in *public* funding terms, as opposed to a commercial context, Scottish Screen's return on investment compares favourably with other national agencies' general rates of between 5% and 10%.

Domestic private finance, long sought after as the key to securing a step-change in Scottish film production, remains as elusive as ever. The Glasgow Film Fund's announcement of a private-sector partnership \$2.4m film fund at the 2000 Cannes film festival did not translate into the anticipated chorus of investment. A variety of other attempts to interest venture capitalists and other city investors in funding baskets of Scottish films have, without exception, all failed. Scotland's venture capitalists, fund managers and Banks, despite being more numerous in Edinburgh than anywhere outside the City of London, share a sceptical view of the risk/reward ratio in Scottish film production. The film sector's arguments remain more or less wholly targeted on the direct financing role of the public film bodies and the domestic broadcasters, BBC and Channel 4. These public patrons turn remain disproportionately critical to the health of UK film production in what is popularly considered to be a commercial, theatrically-led medium.

This state of affairs leaves Scotland's film producers facing a far more entrenched set of economic problems and a much less coherent set of solutions than their colleagues in television. At a UK level independent television producers have already won the key battles: overall production quotas, retention of rights and access to commercial capital. Film producers by contrast have no "local market" equivalent to either UK network production or the (admittedly declining) opt-out commissioning of the BBC and STV on which to build a business base. They also have no equivalent of the longer-term revenue stream from returning series upon which to grow their business and build development capacity. In film there is little prospect of a gradual upward trajectory comparable to that of Scottish companies like Ideal Wark Clements, from the foothills of lower value regional/off-peak/digital channel series to the high peaks of network commissions and indeed eventual stock market flotation or sell-off.

The independent Scottish film producer faces a far more canyon-esque prospect: long periods toiling in the tributaries of short films (a talent- and credibility-developing loss leader), ultra low-budget feature production (generally a loss leader, too, although from time to time one project may at least turn a profit) and successive development-deal dead ends. Occasionally a Scottish producer may find a route through the brush onto the high ground of a completed financial package. This sees a modestly budgeted film produced, recent examples including producer Chris Young and director Annie Griffin's *Festival* (GB, 2005) producer Peter Broughan and director Douglas Mackinnon's *The Flying Scotsman* (Ger/GB, 2006), producer Gillian Berrie and director David

Mackenzie's *Hallam Foe* (GB, 2007). Of *The Flying Scotsman*, one trade press report noted: "this is a movie that never got greenlit, never had a completion bond, never closed its finance, went into administration (the U.K. equivalent of Chapter 11) during post-production and still hasn't paid half its bills" (Dawtre 2006). But for those few projects that make it this far, fewer still achieve theatrical distribution or a significant audience and a tiny proportion secure a financial return to the producer from distribution, as distinct from whatever fees can be clawed back from the production budget, (monies that in any case are often deferred just to get the film made). The Scottish television sector, given a healthy overall demand, identifies systematic obstacles to commissioning Scottish-based producers or a lack of commitment to delivering regional quotas. The local film sector, however, cannot articulate a comparable "solution" to the seventy years-plus domination of theatrical distribution by Hollywood and the absence of a consistent audience for British film. Even if the audience was more consistent, the brute commercial truth is that the UK market is too small to sustain an indigenous production sector except at the very lowest end of the budget scale. International distribution is a prerequisite of successful financing. The Scottish producer has, perforce, to play in the international marketplace or perish.

The high-risk and generally low reward nature of UK/Scottish film production and producers' lack of influence on demand from "aggregators" (i.e., the distribution and exhibition sector) has focused filmmakers and public film bodies on "supply-side" issues in an attempt to increase the "hit rate" of projects, producers and companies. Scottish Screen's delegation in 2006 to Skillset of £800,000 over a two year period "to support freelancers, small production businesses and training providers" (Scottish Screen 2006) is a good example of the increasing emphasis on skills and "workforce development". Screen and enterprise agencies have thus become increasingly preoccupied with supporting researcher and executive producer development programmes, slate-fund investment, networking with commissioners, etc rather than direct production funding investment in a single feature project. In the fields of television and interactive media this kind of intervention is also increasingly focused on company development. Growth and consolidation in the sector and, at least in England, a growing number of publicly quoted companies, calls for an increasing emphasis on managerial skills, in other words, an enterprise- rather than a project-focused approach.

In the Scottish film context, however, much more attention is necessarily focused on projects and individuals. Firstly, there are in effect almost no sustainable film "businesses" in the country into which enterprise-focused funding can be ploughed. Secondly, the complexity and costs of individual project development/financing are often much greater and their significance (in terms of anticipated if not realized economic/cultural value) much higher than in television (with the exception of something like a long-running series drama or soap). Moreover, given the residual importance of cultural criteria in project investment decisions by bodies like Scottish Screen, the emergence of a single-mindedly business-focused approach to the support of film production companies remains problematic. Frustration at this state of affairs from some parts of both the Scottish film and enterprise communities is evident, for example, in PACT's submission to both the Cultural Commission set up by the 2003-07 Labour administration at Holyrood and both it and Scottish Enterprise's evidence to the current Scottish Government's Broadcasting Commission. It is instructive to consider the comments of Jack Perry, CEO of Scottish Enterprise, to the Broadcasting Commission at some length:

We operated a Glasgow Film Fund for a few years. ... Every single one of those films lost its shirt, I mean big time. Even the most successful were serious commercial failures. The proposition was made, ah, but it's employing loads of people, and you know, this is preserving talent in Scotland and creating production jobs and those kinds of things; but every single one of those jobs was destroying value. They had negative value to the economy. Now it might have been a perfectly legitimate thing for the government to do in saying, 'Look, these are important things that we want to preserve and develop in Scottish culture'. So it might be entirely legitimate for government to do that but as an economic development agency, it was very hard for us to defend the destruction of value in the Scottish economy. So we cannot do this any more. If Scottish Screen or someone else wants to take it on that's fine but we cannot do it. (Scottish Broadcasting Commission 2007)

The fact that for over a decade almost the only source of film investment in Scotland—Lottery funding—has been predicated on *both* economic *and* cultural ends has placed both the distributor (Scottish Screen) and its clients (Scottish film producers) in an uneasy position. Rationalising the distribution of public monies to support film production has to involve a routine mobilisation of the importance of economic sustainability and the need to attach industrial development criteria to investment decisions. Simultaneously, however, both Scottish Screen and its clients need also maintain that funding decisions (indeed, the very existence of public funding for film as a whole) have to be seen in a wider, more nuanced context in which crude measures of economic success have to be circumscribed. To take a representative example from 2001, then Scottish Screen Chairman James Lee was forced to perform just such a balancing act in defending an emergency financial package to support Peter Mullan's film *The*

Magdalene Sisters (GB/Ire): “the market is not yet ready to back Peter Mullan as a director, but he is undoubtedly one of Scotland’s most accomplished talents” (McGregor 2001). In the event, *The Magdalene Sisters* turned out to be an international commercial and critical success but the rationale advanced by Lee to support the film’s production in the first place, could not depend on that fact.

All of this leads to the Scottish film producer inhabiting a space where, much as some may desire to discursively foreground considerations of “economic opportunity” rather than those of “expressive entitlement”, there really is no option but to maintain both arguments simultaneously, emphasising whichever seems more opportune at a given place and a given time. Unfortunately, this fact gives rise to an element of confusion if not contradiction in public and policy discourse around Scottish film. This is particularly so in the film production community’s attitude towards the role of Scottish Screen and its successor, Creative Scotland. In somewhat belatedly expressed outrage at Scottish Screen’s planned dissolution into the new Creative Scotland, local filmmakers accusing the former of “voluntary suicide” (McGregor 2006). The core of the filmmakers’ concern was that Scottish film would no longer have a prominent, internationally recognisable champion that could maintain engagement by overseas filmmakers in Scotland. No less significant, however, was their concern that television, interactive and other screen media would displace film’s pre-eminent place once Creative Scotland was up and running, a reflection of the latter sectors’ greater economic significance than indigenous feature production.

What is most revealing about this intervention is that it is principally concerned with the organisational structure of the new Creative Scotland and its accessibility to overseas producers because: “[Scotland] is crucially dependent on co-productions, we need an agency whose structures and personnel make sense to the international film community” (ibid.) But at the same time the filmmakers argue against the role of domestic broadcasters or distributors in influencing the funding decisions of the new agency:

If development funding from the public purse is tied into dependence on matching funding from broadcasters or distributors, it means that the rights to projects are going to continue to be taken from the independent production company. This makes the film company dependent rather than independent, culturally as well as financially. (ibid.)

Here, then, the filmmakers are simultaneously attempting to mobilise a market-led argument for having a dedicated screen agency and an anti-market case for not being subject to “excessive” influence by two of the biggest sources of film investment in the UK, Channel 4 and the BBC. However, if we look more closely we can see that the argument against broadcaster influence is actually based on a case for the *independence* of Scottish film producers within the UK. In other words, the filmmakers are concerned at Scotland being subordinate to the UK film market. The implication is that Scottish Screen or its mooted replacement should function to protect Scottish film producers from the distorting influence of UK institutions. Exactly why overseas co-producers are not seen as a distorting force and Channel 4/BBC are is not exactly clear. In essence, the filmmakers, recognising their vulnerability as undercapitalised businesses in an industry with high upfront costs, argue Scottish Screen’s fundamental role should be to underwrite the retention of producers’ intellectual property rights, control of which they would otherwise risk losing. This is a perfectly understandable and coherent goal, but it also reveals the limitations of the filmmakers’ case. Virtually no Scottish based-producer (with the possible exceptions of those noted in passing above) has in the past two decades been able to demonstrate a sustainable business in feature film production. It is highly questionable whether that sad fact is primarily due to producers ceding Intellectual Property rights to external investors.

Another revealing illustration of just how central industrial development “levers” had become to the film community’s concerns can be found in submission of the film and television producers’ association PACT to the Cultural Commission in October 2004 (PACT 2004). The submission’s opening statement suggests a robust concern for cultural well-being:

A country can define itself and have a sense of its own identity through how it represents itself on screen. Film, television and other screen content are therefore key indicators of the cultural health of the nation. (ibid.)

However, subsequent paper itself makes it abundantly clear that PACT believes Scottish Screen or a future successor should “shake off old assumptions” and not have an editorial role in project decision-making, instead concerning itself with putting in place “simple and automatic measures to level the playing field for Scottish-based producers”:

Rather than setting itself up as yet another editorial gate-keeper (creating enemies for itself at every awards round and critics among the film-making community), the agency could devise a system linked to international market criteria. (ibid.)

In other words, PACT is explicitly citing the supremacy of market forces as the basis for determining the allocation decisions of a public body which has both cultural and industrial obligations. This is despite the fact that international market forces have, over the past 70 years or longer, systematically frustrated the sustainable development of anything approaching a representative Scottish cinema. Throughout Europe, precisely because of the failure of the free market to ensure a level global playing field, consistent demands have been and continue to be made for a different relationship between culture and commerce. No individual European country, big or small, has been able to demonstrate a viable alternative to some form of “cultural exception” for its domestic film industry: the most successful European film industry (that of France) is also the continent’s most interventionist. Likewise, despite the best efforts since 1991 by the European Union, through EURIMAGE, its various MEDIA Programmes and other interventions, there is still no coherent European market able to challenge the hegemony of Hollywood in European cinemas. Producers, distributors and exhibitors remain, as they have since the 1940s, reliant on state subsidy, tariffs, quotas or other mechanisms to stay in business.

The present moment

The unexpected failure of Scotland’s minority SNP administration in June 2008 to pass the legislation establishing Creative Scotland, replacing both Scottish Screen and the Scottish Arts Council, was a significant moment in the history of screen industry policy in Scotland. The very fact that the Bill fell largely because of questions over the limited extent of the new body’s proposed economic development role (reflecting a deeper internecine conflict over the transfer of Scottish Enterprise resources to Creative Scotland) emphasises just how mainstream the concept of creative industries has become. By the same token, the emergence of something approaching a national debate over the form and functions of the new body dangles the tantalising possibility of a new and broader discursive space with the potential to allow a wider range of interests to interrogate and influence the relationship between economic, cultural and democratic goals in creative industries policy.

Equally significant, perhaps, is how slow the film community has been to fully engage in the debate—reflecting in part the very fragmentation of what was once (in the late 1970s and early 1980s) a much more unified and articulate grouping. Scotland’s filmmakers rather belatedly expressed concern at Scottish Screen being subsumed into the new “all art forms” body, raising the alarm some time after the political decision had been made and by means of an *ad hoc* coalition of concerned filmmakers rather than via PACT, the body ostensibly representing filmmakers’ interests but from which they had become increasingly estranged.

It is rather ironic that, having secured independent television producers’ economic ‘breakthrough’ in wrestling back programme rights held by the broadcasters, the same broadcasters then withdrew their subsidy of PACT, leading to the closure of its Scottish office just when film and broadcasting policy issues in Scotland were heating up. In a context of revived devolutionary politics, in April 2007 PACT took the decision to centralise its “Nations and Regions” function and in effect dismember its Scottish policy group. The position of the Scottish film lobby has been further undermined by the increasingly negative perception of film production within the enterprise community, and indeed within PACT itself, when compared to the relatively buoyant, if far from untroubled, television sector.

Over the past twenty-five years filmmakers in Scotland have benefited from a protected support system which has privileged their claims to both cultural subsidy and direct financial investment in screen content. That situation is changing rapidly, as television, games and new media producers demand equal status in the subsidy game, basing their claims on economic, cultural and democratic grounds. The arguments are in many respects sound—the ecologies of film and television drama in Scotland *are* intimately intertwined; the case for third-party subsidy of “quality” television, as commercial broadcasters retreat (aided by OFCOM) from their public service broadcasting obligations *is* increasingly persuasive; and the “success” (by whatever criteria you choose to employ) of thirteen years of Lottery investment in film production *is* very debatable. John McVay, CEO of PACT and former Director of Scottish Broadcast and Film Training, put the case “against” film to the Broadcasting Commission thus when discussing the benefits of post-1995 Lottery monies:

The obsession with film was a big mistake. It should never have been assessed by film it should be assessed by Scottish content and particularly television and building up to Scottish drama because my argument was if you build up Scottish drama you build up Scottish film...you know there’s hardly any film producers in Scotland, while there’s always been lots of TV people and I think you know, if people...if you look at what is possible, quickest and where the markets are to develop your talent, then telly is better for you because it’s quick...cinema is not a good business, it takes years to finance anything if you can, and it doesn’t give you any return. (Scottish Broadcast Commission 2007).

Nonetheless, as Scotland continues to redefine its relationship to the politics and policies of the British state we face

a significant opportunity to redefine both the terms of the national screen discourse and the relationship between cultural, industrial and social objectives in making the case for public support for cinema. This can only happen, however, if the current debates surrounding the establishment of Creative Scotland, and issues raised by the Scottish Broadcasting Commission, are sustained and enlarged to address the wider aspirations of Scotland's image makers and the audiences they serve. Scottish cinema needs to provoke a debate which can "think the (currently) unthinkable," that is, that there are different but equally sound reasons for public intervention in Scottish filmmaking beyond the once liberating but now increasingly limiting discourse of Creative Industries.

What has been conspicuously missing from the past ten years' debate (such as it is) around Scottish film is any sense of a broader vision of the cinema that a multicultural society of over five million people might reasonably expect in ten, twenty or thirty years time. Where and how should indigenously produced film make (if at all) its contribution to national life beyond the economic sphere? In an increasingly globalised, technologically convergent world what should the role of government and public bodies be in addressing not just the old but the new kinds of market failure, cultural exclusion and "claims of right" to creative expression and representation? Given the inevitability of "outcome measures," "balanced scorecards" and all the other paraphernalia of sound administration and "auditability," what should be the success criteria structuring film policy?

Such issues have become urgent matters for debate in the arena of television, as long-cherished but increasingly derided notions of public service broadcasting obligations—funding of the BBC by license fee, regulation of content and advertising, protection of privacy etc.—are challenged by an increasingly vocal lobby calling for a free market in all forms of media. The specific needs of Scottish film as both a cultural and economic practice are in grave danger of being eclipsed by a creative industries doctrine that suppresses discussion of inconvenient cultural or economic truths.

Perhaps it is finally time to accept that for the foreseeable future there is no prospect of a commercially viable, unsubsidised cinema in the UK, far less Scotland, and to engage properly with what that means for public policy and funding north of the border. As a consequence we also need to accept that there cannot be a clear distinction between "commercial" and "subsidised" filmmaking because any intervention to address market "imperfections" is a form of subsidy and all support for "film as art" is also a potential investment in economic outcomes.

In a sense, then, we come full-circle to the discourse of "creative industries" but with a pressing need to wrest power to define the terms of that discourse away from an economic, technocratic and inevitably self-serving elite, however well meaning. We need to re-invest the "creative industries" concept with a larger set of cultural and social values. Cinema is too important to the identity, imagination and conscience of Scottish society to be left to dwindle away on the margins of a global media industry, at the far end of the "value chain" contributing little more than a few multiplexes-worth of profit to the Hollywood behemoths.

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