Scottish Affairs, no. 40, summer 2002

PLAYING AWAY: POPULAR MUSIC, POLICY AND DEVOLUTION IN SCOTLAND

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INTRODUCTION

In this paper we examine the agenda for change in policy towards popular music in Scotland brought about by political devolution. Popular music has been one of the most vibrant cultural forms of the past fifty years. Yet, as the evidence we present on its popular music industry makes clear, Scotland has under-performed when compared to the UK as a whole and to Ireland. In recent years, the cultural and economic importance of popular music has become widely recognised. The five major music corporations are now parts of an entertainments industry accounting for total spending globally of an estimated half a trillion US dollars per year (Vogel, 2001: xvii). In Scotland, the music industry has been estimated to be worth £95.4 million per year to the economy (Laing, 2000).

Entertainment is not just big business: it is also politically important. During the 1990s, espousing policies for the development of the music industry became part of the political orthodoxy for UK governments. A number of factors helped to shape the political agenda, including the lessons learned locally from British cities' attempts since the 1980s to promote their cultural

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industries, growing interest in the export earnings potential of the music industry, and, notably, the reaction of the industry to claims of profiteering over CD prices. Cleared of over-pricing by the Monopolies and Mergers Commission (MMC, 1994), the British music industry launched a campaign to defend and promote itself. It found a receptive audience in a Conservative government and Labour opposition both eager to promote Britain's music exports. The Department of Trade and Industry (DTI) commissioned a report into the overseas earnings of the UK music industry (British Invisibles, 1995), established a Music Industries Unit and launched an employee exchange scheme to encourage secondments between record companies and government departments.

Devolution offers a new geographical scale at which to observe the developing field of popular music policy-making. MSPs and other policy-makers can shape the development of Scotland's music industry in ways most appropriate to Scottish, rather than UK, priorities. Popular music policy should, however, be of concern to a much broader constituency than that of industry interests alone. Scottish citizens pay for the public money that helps to shape a significant part of their culture, at a time of heightened public sensitivity to issues of cultural identity and expression.

In this context, several questions arise concerning the treatment of popular music by economic, cultural and political institutions in Scotland. How distinctive is the process of policy-making toward the popular music industry under devolution in Scotland compared with that south of the Border or elsewhere? What are the agendas of the main policy-making players and which, if any, have taken the lead in shaping policy development? Will pop get a larger share of public money allocated to the music sector than it has had before, or will classical (or traditional) music benefit? How will Scotland's policy-makers deal with the perennial issue of intervening in what is often regarded as the definitive free market cultural form? What difference does devolution make to the previously rather stand-offish relationship between policy-makers and the music industry in Scotland?

In this paper we try to track the ways in which some of the politics of these issues played out in the early stages of devolution. Our theme is that devolution has started to reduce the distance that has separated popular music in Scotland from policy-making: it has been the catalyst for a closer engagement between policy-making institutions and the country's music industry.

The paper is divided into three sections. We first identify the need for studies of policy toward the popular music industry in Scotland and outline the scope of the country's music industry. In the second part we draw on research interviews and documentary sources to discuss some key developments in popular music policy in Scotland post devolution. Finally we consider some broader issues for popular music policy in Scotland, drawing comparisons with the Republic of Ireland.

RESEARCHING POPULAR MUSIC AND POLICY IN SCOTLAND

Most research into popular music and policy-making has focused on either the local state (Cohen, 1991; Frith, 1993a; Street, 1993) or the nation state (Cloonan, 1999). Policy-making at levels of governance between the local and the nation state have received little attention. Popular music policy in 'stateless nations' such as Scotland and Wales (McCrone, 1992) has been largely neglected by research, apart from a brief discussion of Welsh language music in Wales in two studies of the music industry and policy in 'small countries' (Wallis and Malm, 1984; Malm and Wallis, 1992). There is thus a gap in our knowledge about the relationships between popular music, culture and policy within stateless nations (or 'semi-stateless' nations, after political devolution in 1999) such as Scotland (Symon, 1997: 205; 2000: 288).

A growing number of studies have begun to document the scale of popular music activity within Scotland both before devolution (Williamson, 1995; Frith, 1996) and after it (Sano Music, 1999; Laing, 2000; Gould, 2001). The most sustained quantification of the music industry in Scotland is a research report by Dave Laing and colleagues, **The Value of Music in Scotland** (Laing, 2000). Commissioned by the Scottish Enterprise Creative Industries Team, Laing's report provides baseline data for 1998/99 about the Scottish music industry. It estimates that the music sector in Scotland provided a total of 7306 full-time equivalent (FTE) jobs and, as noted above, an estimated added value of £95.4 million to the economy per year.

Laing tried to replicate the methodology developed in two earlier reports for the National Music Council of the United Kingdom on the value of the UK music sector in 1995 (Dane et al. 1996) and 1997 (Dane et al. 1999). The report examined a range of sectors, including composition and publishing, musical instrument manufacturing, live music, recording, retailing and distribution, and education and training. It found that Scotland's music industry remains underdeveloped in a number of areas.

The recording industry is a case in point. Laing found some 90 record companies in Scotland. They tend to share certain characteristics of size and life cycle. With regard to size, the recording sector is highly deconcentrated. It mostly comprises micro businesses or self-employed individuals (Scottish Arts Council, 2000: 17). There are no large independent record companies. Similarly, most recording studios are very small and serve the local market. Only one studio reported a significant number of foreign clients. Only ten Scottish companies represent record producers.

Volatility is another feature of Scotland's recording sector. Each year, new labels start up and old ones go into abeyance or cease trading. They tend to be founded and run by the enthusiasts who are typically central to the music industry in small countries (Wallis and Malm, 1984). Many label owners engage in the business on a semi-commercial basis with the revenue from sales of music recordings forming only a small fraction of their incomes.

The above description would also fit most of the English record industry (Wilson et al., 2001). However, the Scottish and English recording industries can be distinguished in at least two respects. First, the English sector benefits from the presence, in the South East, of the five major music companies – EMI Group, Universal Music Group (owned by Vivendi Universal), Warner Music UK Ltd (AOL Time Warner), BMG Entertainment International UK & Ireland Ltd (Bertelsmann) and Sony Music Entertainment (UK) Ltd. None of these companies has an office in Scotland, which they regard as part of their UK or wider European marketing territory.

Secondly, a relatively large proportion of record companies in Scotland specialise in traditional or 'Scottish interest' music, including Lismor, KRL, Greentrax, REL and Temple. Such companies depend heavily on exports to specialist retailers and distributors in North America (Symon, 1997: 213). They also depend on seasonal tourist trade, which has inherent risks. As one distributor of traditional music put it:

> The biggest problem is that this particular company is very heavily into the tourist market. We supply a lot of gift shops, touristy outlets … If you have a bad tourist season, which we are doing this year, it's severely

> affected.
> (Appendix: Interview 1)

The Scottish industry can more generally be distinguished from the wider UK industry in that the average job in the Scottish industry adds less value to the economy than the average job in the UK industry. Table 1 presents a reconstruction of data tabulated by Laing, allowing us to examine value added per FTE job. On average, a job in the music industry in Scotland is one quarter lower in terms of value added than a job in the UK sector as a whole. The mean value added per FTE job in the music industry in Scotland in 1998/99 was £13,058 compared with £17,595 in the UK music industry as a whole. Only 10 per cent of total FTE employment in Scotland is in higher value added categories (including composing, publishing, instrument making, instrument retailing, artist promotion and artist management) and the remaining 90 per cent of FTE employment is in lower value added categories (including live performance, recording, retailing and distribution of recorded music, and education and training).

Scotland evidently still lacks many of the facilities and services needed to allow its 'musicians and companies to enter the music business on their own terms – managerial, legal, accountancy services, rehearsal and promotional resources, the opportunities for talent development before a major label contract' (Frith, 1996: 102). There are very few music industry lawyers or accountants. Few firms specialise in merchandising, mastering and post-production services.

Against the above background, it is perhaps not surprising that Scotland's rock, pop and dance music sector remains particularly under-developed. It is highly fragmented. Its few independent companies tend to be tiny. In the post-punk late 1970s and early 1980s, small, independent labels flourished – notably Postcard Records – but, like Postcard, almost all such labels were short-lived. Commercially successful labels today include indie-oriented Chemikal Underground Records and dance labels Glasgow Underground and Soma. Such labels have grown in the absence of any real public support or public policy towards the industry. That independence may reflect the free market ethos that many in the industry espouse. However, others (or perhaps sometimes the same people) in the industry have complained of a situation in which they lack a voice in, and influence over, cultural policy-making in Scotland and which has resulted in what they see as a lack of adequate attention to their concerns. In the following section we shall examine the extent to which devolution has changed that situation.

DEVOLUTION AND POPULAR MUSIC POLICY

The earliest attempts to develop popular music policy in Scotland precede both devolution and UK government interest in developing the regional creative industries (Cloonan and Street, 1998; Department for Culture, Media and Sport, 1999). The predecessor of Scottish Enterprise, the Scottish Development Agency (SDA), launched three initiatives in the early 1990s.

Table 1
Value added and full-time equivalent (FTE) employment in the Scottish music sector, 1998/99

Sector	FTEs: Musicians and Composers (Number)	FTEs: Others (Number)	FTEs (Total Number)	Value added (£m)	Value added per FTE (£)
Composition of musical works and music publishing	210	32	242	11.3	46,694
Production, retailing and distribution of musical instruments	0	400	400	11.0	27,500
Promotion, management and industry-related activity	0	115	115	2.4	20,870
Live performance	1,170	1,310	2,480	32.1	12,944
Retailing and distribution of recorded music	0	2,048	2,048	25.1	12,256
Recording	200	325	525	5.5	10,476
Education and	500	996	1,496	8.0	5,348

training					
Total Scotland	2,080	5,226	7,306	95.4	13,058
UK	n/a	n/a	130,324	2,293.0	17,595

Note: n/a = not available

Source: Derived from Laing (2000), Tables 2,3 and 4; the figure for Total FTEs for Scotland has been corrected using data presented in Table 3 of the report (Laing 2000: 3).

One SDA-funded initiative was the launch of an audited Scottish pop chart. The chart revealed that some Scottish artists enjoyed greater popularity in Scotland than in the UK charts – especially Runrig (Appendix: Interview 2), then at the peak of their popularity in Scotland as part of an upsurge in cultural and media activity involving the Gaelic language (Symon, 2002: 198-99). However, the chart was short-lived.

Two other SDA projects had larger impacts on the Scottish music scene than the Scottish chart. One of these, an SDA-sponsored New Music World seminar, took place in Glasgow in September 1990. Inspired by New York's New Music Seminar (Frith, 1993a: 22), it aimed to provide a forum in which to discuss issues of common concern to Scotland's independent rock music sector and a platform from which to sell their wares. The same aims later were to underpin the BBC Radio 1 sponsored Sound City convention in 1994 and Glasgow's Ten Day Weekend festival of independent rock music which developed out of it. Both the latter events received substantial financial support from Glasgow District Council, where key politicians and officers were very supportive of popular music in the early 1990s (John Williamson, personal communication).

Second, the SDA assisted in the launch of an industry membership organisation, the Scottish Record Industry Association (SRIA). Formed in the late 1980s (Frith, 1993a: 22), the SRIA was intended to address the interests of record labels in Scotland. Its launch coincided with a meeting organised in Glasgow in 1989 by Duncan McCrone, the recently appointed Regional Manager of the Mechanical-Copyright Protection Society (MCPS). The meeting brought together Scottish labels to discuss common issues of copyright licensing with the MCPS, which deals with copyright in recordings (Appendix: Interview 3).

SDA funding for the SRIA ended in the early 1990s. Although some of the original members continued to hold six-monthly consultative meetings with MCPS throughout the 1990s (Appendix: Interview 3), the SRIA largely ceased to operate as an effective representative body. The association's demise was apparently not lamented by many in the industry, particularly those who held the view that the more established 'Scottish interest' labels had tended to dominate the agenda at the expense of smaller rock, pop and dance labels. Such attitudes reflect 'the disunity that characterised the various factions' in the SRIA (Williamson, 1996: 121). Two anonymous comments from Scottish music companies, a member and non-member respectively, illustrate the general lack of enthusiasm for the association amongst the industry:

> Others will say that, when the funding ran out, that's when it foundered. My belief was that it would have been better never to have had funding. It needs its own funding and energetic and proselytising people at the helm. But they are too busy working hard at getting their own labels together.
> (Appendix: Interview 4)

> We did enquire about it and, basically, we were told that it was set up but there were so many factions within it that it never really worked.
> (Appendix: Interview 5)

After these SDA initiatives, there was a period of inactivity over popular music policy in Scotland, until the 1997 devolution referendum result once again sparked debate about cultural policy in Scotland. During the period from 1998 through 2001, popular music policy in Scotland emerged from processes within and between five main groups of institutional actors, pursuing cultural, economic development, employment and training objectives: (a) the Executive's national cultural strategy (launched in August 2000); (b) Parliament's establishment of a Cross Party Group on the Scottish Contemporary Music Industry (launched December 2000); (c) the Scottish Arts Council's contemporary popular music policy (launched March 2001); (d) economic development projects spearheaded by Scottish Enterprise and Highlands and Islands Enterprise (over the period 1998 through 2001); and (e) the New Deal for Musicians programme (NDfM; launched 1999). These are examined in turn below.

National Cultural Strategy

Although public consultation revealed considerable support for popular music, the Executive gave it low priority in the national cultural strategy. The origins of the cultural strategy can be traced back to 1998 when the Scottish Office Minister with the arts portfolio, Sam Galbraith MP, began working with leading arts figures to open a public debate on the arts in Scotland. A coalition of national cultural agencies (Scottish Arts Council, Scottish Screen, Scottish Museums Council, Scottish Library Association) and the Convention of Scottish Local Authorities launched a campaign for a national cultural strategy and commissioned a report making its case (Matarasso, 1998). The Executive's **Partnership for Scotland**, published soon after the 1999 election, duly included a commitment to a national cultural strategy.

However, a consultation document published in August 1999 by Rhona Brankin, Deputy Minister for Culture and Sport (Scottish Executive, 1999), contained no specific mention of the music industry. Pauline McNeill, Labour MSP for Glasgow Kelvin, protested to the press about what she viewed as 'the lack of support for young talented musicians in Scotland', and cited Travis as an example of a band 'who didn't make it in Scotland and had to go to London to succeed' (Hill, 1999: 6). McNeill also called for a section of the cultural strategy specifically to address the popular music industry.

A 'focus group' of leading players in the arts world was appointed by Brankin to convene public meetings to discuss the consultation document. It included former Runrig lead singer Donnie Munro, but the membership of the group was criticised by the (anonymous) **Scotland on Sunday** diarist who claimed that 'the government has set up this committee only so that it can be told what it wants to hear' (William Hare's Essential Diary, 1999: 22). Consultation meetings revealed considerable public support for the contemporary popular music industry, particularly by young people, even though the 'average age at most meetings was over 35' (Bonnar Keenlyside, 2000: 3). Along with computers and street culture (p. 8), young people valued popular music as an aspect of youth culture that they wished to be included in the national cultural strategy. At the consultation meeting in Dundee, where the city council had been leading local attempts to develop facilities for music activity (Appendix: Interview 6), there was a call for 'better support for the rock and pop industry' (p. 7). Written responses from artists also included calls for 'more support for rock and pop' (p. 15).

Just as popular music had largely been ignored by the consultation document, it is identified in the national cultural strategy document, **Creating Our Future: Minding Our Past**, published in August 2000 (Scottish Executive, 2000), only as an instrument of social inclusion, via a commitment to 'recognise the power of popular music-making to engage young people in cultural activities' (ibid: 67). The document states its support for the creative industries but music appears not to be a key sector. The impression that the popular music industry is a low priority for the Executive is further strengthened by the fact that no-one from the industry was invited onto the steering committee put in place to take the cultural strategy forward.

Parliamentary Cross Party Group on the Scottish Contemporary Music Industry

As a consequence of the perceived neglect of the popular music industry in the national cultural strategy, Parliament provided a forum to debate issues concerning the industry. The Cross Party Group on the Scottish Contemporary Music Industry, which was launched in December 2000 and had its first formal meeting in May 2001 (Gibb, 2002), has its origins in earlier meetings organised by Pauline McNeill MSP, backing up her comments at the time of the publication of the national cultural strategy consultation document:

> I'd like to hear from people in the [music] industry. We need to convince them that it's a good thing that there are people in the Parliament who are genuinely interested in supporting something … At the moment people are crying out for a link with the parliament that they clearly don't have. (Hill, 1999: 6)

McNeill and Frank McAveety MSP also made speeches supporting a higher profile for popular music policies during a parliamentary debate on the national cultural strategy on 25 October 2001 (Scottish Parliament 2001a).

The Cross Party Group meets around six times a year and membership is open to all interested parties. Its full meetings attract MSPs, NDfM providers, academics, various industry representatives and individual musicians. The group also has four sub-groups: Broadcasting; Talent Development; Recording, Publishing and New Media; and Education. These meet regularly and report back to the main group with the aim of formulating policy documents, to be taken forward to relevant ministers.

Up to the time of writing, the group has remained something of a talking shop. However, some recognition of the importance of the popular music industry was shown by the fact that the new Minister for Culture, Mike Watson, attended and spoke at a group meeting on 12 December 2001 (Scottish Parliament, 2001b). Representatives from Scottish Enterprise's Creative Industries Team also addressed the same meeting. While the Cross Party Group does not have any decision making powers or the resources to conduct meaningful research, it is clear from its work to date that it has the potential to influence popular music policy within Scotland. It is the most direct and visible product of devolution for popular music policy in Scotland and has the potential to deepen and strengthen the relationship between industry and policy-makers.

Scottish Arts Council policy on Contemporary Popular Music

Devolution has also had an indirect effect on the policies of the Scottish Arts Council (SAC), being one of a number of external and internal factors which have forced the SAC gradually to soften its formerly élitist attitude toward contemporary popular music. A general movement towards recognising the validity of the case for funding popular music can be traced back to the mid-1990s. First, the arrival of arts lottery funding in 1995 resulted in a few arts lottery grants being awarded in the broad area of contemporary popular music. Next, the SAC yielded to a campaign for support from those involved in traditional music in Scotland, although its initial proposal for a traditional music development agency (Cudmore, 1996; SAC, 1996) was rejected by the traditional music lobby. Managerial developments with regard to accountability, recruitment and transparency later led to the appointment of advisors by open advertisement and, in January 2000, the partial lifting of the veil of secrecy behind which much of the Council's decision-making had previously taken place – to the scorn of SAC-watching journalists Ruth Wishart (1992) and David Stenhouse (1996) – when the Council started holding its meetings in public and around the country.

Development of a policy specifically for contemporary popular music did not occur until 1998 when Nod Knowles, SAC Music Director, began to take an active interest, recognising that:

> the older organisers from the business have a feeling that they have been left in the penumbra for too long, despite the fact that they are probably the biggest musical sector … I'm sure we can be useful … probably

> working at the bottom few rungs of the ladder.
> (Appendix: Interview 7)

The process of making SAC policy took two years starting in early 1999, when the Council formally agreed to study its potential role in contemporary popular music. Next, musicians and industry representatives were invited, symbolically, 'over the threshold' of the SAC offices at 12 Manor Place, Edinburgh, to discuss the outlines of a policy with SAC officers. A discussion paper was published in July setting out some of the key issues (SAC, 1999). In November, the Council adopted a music policy defining a positive attitude towards rock, pop and dance music (Knowles, 2000). This area of music would be integrated into the SAC's general work and funding schemes, 'continuing to democratise' the Council's music remit (Knowles, 2000: 11).

The SAC also looked to address areas of information services, training, education, promotion and music venues, justifying such intervention on the grounds that 'market forces … are not always the necessarily the arbiters of what is good' (Knowles, 2000: 11). In contrast to the more limited vision of the national cultural strategy, the SAC saw popular music not just as a vehicle for addressing issues of social inclusion, access, participation and education: support may also be justified on the ground that many musicians need advice and assistance in order to learn how to develop a self-employed career or how to go about running a small business.

The SAC policy **Contemporary Popular Music** was launched in March 2001 (SAC, 2001b). It commits the SAC to continuing to support popular music and to providing additional resources, with priority being given to touring, promotion and recording. Research and consultation with the sector are promised as key means of taking the programme forward (SAC, 2001b: 5).

The SAC's new approach offers a broader vision of popular music policy than the national cultural strategy. It is also consistent, in many respects, with the policies for creative industry development of Scottish Enterprise (see below) and indeed of other agencies elsewhere in the UK. However, the question remains as to whether the SAC will put its money where its mouth is, as it were. Although it claims to 'value and deal with the whole spectrum of today's music' (SAC, 2001c: 20), its funding record indicates where it has placed most value to date. In the SAC annual report for 2000/01 (the last financial year before the adoption of the new popular music policy), grants to popular musicians and businesses (under such headings as 'Creative Artists Bursaries' and 'Music Promotions') were small and were dwarfed by the £7,644,887 given to Scottish Opera that year (SAC, 2001a: 25-29). Amid criticism of what some view as an unnecessary and misguided policy, on the ground that popular music should be left to the market (Woodgate, 2001; Kane, 2001), it seems clear that the SAC still has work to do to build its credibility with the popular music industry.

Economic Development Agencies

As indicated above, Scottish Enterprise (SE) has been one of the main economic development policy actors in the popular music field, being active in (i) research, (ii) business advice, (iii) events, (iv) tertiary education, and (v) business finance.

(i) Research. SE has commissioned studies of employment in the creative industries (Pratt, 1999) and, as previously mentioned, the music economy (Laing, 2000). SE is particularly concerned with new digital media (Scottish Enterprise, 2000) and, in order to inform its popular music policies, commissioned a report from the Glasgow-based consultancy, New Media Partners, who reported in April 2001.

(ii) Business advice. SE plans to develop the popular industry knowledge of its own Business Advisors, under the slogan Ear for Music.

(iii) Events. SE is staging MusicWorks, a symposium on issues within the industry, due to take place in Glasgow in autumn 2002 (www.musicworksUK.com).

(iv) Tertiary education. SE is involved in developing the School of Music and Technology (SMART) project, led by South Ayrshire Council with support from the University of Paisley and Ayr College. The project has helped to bring about a BA in Commercial Music, which began in September 2001, thus expanding the provision of post-16 education in popular music, alongside the existing BA in Music Performance offered by Perth College and the BMus in Popular Music at Napier University.

(v) Business finance. SE has developed finance programmes for small businesses in the creative industries, launching the Creative Industries

Company Development Programme in December 1999 with a budget of £25 million to be spent over three years.

Other music development projects – usually funded for a two or three year period, often partly by the national lottery – have sprung up around the country since 1997. In the Highlands, the MIDAS (Music Industry Development and Support) project was launched in 1998 by HI-Arts (Highlands and Islands Arts Ltd.), based at Highlands and Islands Enterprise in Inverness (Appendix: Interview 8). Music development officers have been appointed by Dundee City Council in 1998 and by Stirling Council in January 2002. Glasgow City Council and Shetland Arts Trust have also launched music development projects.

With economic development a devolved matter, there is clearly scope for more distinctively Scottish music development policies to emerge. However, already SE funding for the music industry has been criticised by some in the industry for replicating what is already in place or for duplicating the plans of other bodies. The fact that public money is being used to develop popular music policies also still seems to be newsworthy in some quarters. The Inverness-based band Croft No. Five got a grant of £13,000 from Inverness and Nairn Enterprise, to the evident surprise of some journalists (Kemp, 2001; McDowell, 2002).

New Deal for Musicians

Although not a product of devolution, the social security and employment training policies of the UK Labour government have also impacted on the popular music sector in Scotland through the New Deal for Musicians (NDfM). Under this programme, young musicians aged 18-24 are given advice and guidance from experienced musicians and music industry consultants (MIC) and are able to undertake a programme of open learning study (provided by Music Open Learning Providers – MOLPs) whilst being able to claim state benefits, as part of the UK Labour government's New Deal programme (Cloonan, 2000; Watson, 1999). The scheme began in October 1999 and by 2002 around 900 young musicians in Scotland had been on it. In Scotland, MIC provision is co-ordinated by Glasgow-based consultants, Scottish Cultural Enterprise, while open learning support is provided by the Atrium Consortium of colleges, co-ordinated by Jewel and Esk Valley College. Ongoing work by Cloonan (2001) suggests that, in Scotland, the scheme has benefited from informal, longstanding networks between key providers. In addition, many involved in the NDfM believe that it has the potential to provide a focus for the development of popular music policies in Scotland.

As this section has shown, between 1998 and 2001, a number of key economic and cultural institutions in Scotland defined policies for popular music industry development. With the notable exception of the Executive, whose national cultural strategy largely passes it by, there are clear signs that the industry has begun to be brought closer by devolution to MSPs, the SAC, and to economic development agencies. In order to develop the effectiveness of these nascent partnerships, there are broader issues that must also be addressed and it is to these that we now turn.

ORGANISING THE MUSIC INDUSTRY IN SCOTLAND

As we have already noted, the fragmented state of the recording sector in Scotland has been a recognised hindrance to policy development (SAC, 2000: 17). After devolution, the absence of a trade representative body able to participate in discussions with the Executive and Parliament over issues of common concern to the industry has become a more pressing issue.

Few Scottish record companies seem to perceive the industry's UK trade organisation, British Phonographic Industry Ltd (BPI), as representative of their interests. Only six Scottish record companies were BPI members in 1999 (Laing, 2000). Some 20 Scottish record companies have become members of the UK Association of Independent Music (AIM), one of a number of similar organisations representing the interests of independent record labels in countries such as Australia, Canada and the USA (Laing, 2000) which, in early 2002, formed a global partnership to create the World Independent Network (WIN). A trade umbrella group for rock, pop and dance music interests (excluding traditional, folk, jazz and classical music), New Music in Scotland (NEMIS), was launched in May 1999. It holds regular meetings and has its own website (www.nemis.co.uk) which features regular news updates. However, thus far, it has remained a network rather than a representative body. For some within the industry, the Cross Party Group offers the potential for such an organisation and devolution has thus helped to provide the impetus for a more sustained and cohesive industry lobby to develop in Scotland, just as the presence of Irish legislators has done in Ireland (Frith, 1996: 103).

Export promotion is an area which could benefit from an effective industry representative body able to articulate its marketing requirements. As noted above, although the export earnings of the music industry have been recognised by UK governments since the mid 1990s, until the late 1990s there was almost no promotion by public agencies of music exports from Scotland. Laing (2000: 2) was not able to quantify the export earnings of the Scottish music industry, although companies in the traditional music field have reported that exports account for up to one third of their revenue (Symon, 1997: 213).

Some steps have been taken towards a more co-ordinated approach to export promotion. In 1998, Scottish Trade International (formerly Scotland the Brand) sponsored a Scottish record industry stall at MIDEM (International Music and Publishing Market), the annual international trade fair in Cannes. Several Scottish companies took advantage of this opportunity to market their wares. For MIDEM 1999, the SAC hired Stewart Cruickshank, BBC producer, to compile a promotional sampler CD featuring a selection of tracks by pop, rock, traditional, folk and classical artists from Scotland. Nonetheless, one musician we interviewed believed that this level of promotion of Scottish music exports was only a start when compared with the more extensive support provided by competitor nations. For example, at the Folk Alliance event in North America,

> you go there and there's a Canada room, there's an Ireland room and so on, but nobody's got together to do a Scottish room. That's the sort of thing that might easily be taken on by the British Council or by Scottish Trade International.
> (Appendix: Interview 9)

If popular music policy in Scotland is to address the freelance individuals and micro-enterprises that overwhelmingly constitute its music industry, Ireland provides an interesting illustration of the potential for action. It is widely perceived in Scotland that Ireland pursued a successful strategy for music industry development during the 1990s (Bonnar Keenlyside, 2000: 6). There is evidence to support this claim. Although Ireland has the second lowest population of any current EU member state, several Irish artists achieved international success in the 1990s. U2, Sinéad O'Connor, Chris de Burgh, Enya and Van Morrison have sold some 125 million records between them (Strachan and Leonard, 2000a: 2). In 1995, Ireland was the fourth highest provider of hit albums (seven) across the EU, behind the US, the UK and Germany (Laing, 1996: 27).

The growth of a strong Irish music industry lobby was encouraged by politicians receptive to the industry's concerns and by the creation of structures enabling these concerns to be articulated effectively. The lobby was stimulated by the creation, in 1993, of a Department for Arts, Culture and the Gaeltacht (in 1997, renamed Department of Arts, Heritage, Gaeltacht and the Islands) (Strachan and Leonard, 2000b). Music industry representatives organised themselves 'into a coherent and substantial lobby on the Irish Government', publishing reports at the rate of one a year during the six years from 1993 to 1998 (ibid, p.1) and quickly prompting the Irish government to set up the FORTE Task Force (in 1994) which produced recommendations broadly in line with the lobby's demands (FORTE, 1996).

Recent research, however, indicates that the Irish strategy was skewed towards the concerns of larger industry players whilst smaller players were marginalised (Strachan and Leonard, 2000b). The strategy gave inadequate guidance for policies relating to the independent sector: it emphasised the 'top-down' benefits which were said to flow to smaller companies from advantages given to much larger ones (ibid, pp.11-12). Task Force recommendations such as tax breaks for major companies meant that the economic value of Irish music talent still tended to be accumulated by multinational record companies rather than by the independent sector because the multinationals had made little investment in, and had established few direct relationships with, the independent sector in Ireland. Rather than 'servicing the majors … in return for a royalty share', as Frith (1996: 102) has argued Scottish independent record companies could do, it seems that domestic companies in Ireland may have benefited rather little from the massive marketing clout of the big five global companies.

The provision of tax incentives is, in fact, an established instrument of Irish policy towards the cultural industries (compare Scotland, where responsibility for such fiscal matters has been reserved in Westminster). In particular, Section 2 of the Finance Act 1969 (now Section 195 of the Taxes Consolidation Act 1997) provides a tax exemption scheme for artists, whereby zero per cent exemption applies to the income generated by the creation of original works of cultural or artistic merit where the artist is resident in Ireland. Several issues demand closer investigation: what qualifies as a work of 'cultural or artistic merit'?; how equitable is a tax break which benefits one group (artists) and not others?; and could it even be argued that Ireland has become a 'tax haven' for pop stars? Yet, an economic incentive for composers and songwriters to reside in Ireland clearly exists.

In Scotland, it is clear that devolution has yet to have any real impact on the debate about a system of music rights 'which can promote both cultural and economic ends' (Frith, 1996: 99). The country has a small but active community of music writers, including such prominent figures as James MacMillan and Craig Armstrong. As we have shown above (Table 1), the owners of musical copyrights contributed an estimated £11.3 million, or 12 per cent, of the total value of the Scottish music industry in 1998/99, despite accounting for only three per cent of FTE employment in the industry. Although we must treat such figures with caution, as the data rely on estimates, it would appear that composing and publishing are potential strong suits for the Scottish music industry. The number of music users continues to grow fast, as new radio, television and online services emerge in Scotland and elsewhere.

Yet Scotland's composers and publishers still collect revenues deriving from the use of their music through the two main UK collecting societies, The Performing Right Society Ltd (PRS, dealing with copyright in compositions) and MCPS (mentioned above). Both societies are based in London and organised on a UK-wide basis. Each has had an office in Scotland since the 1980s: PRS in Edinburgh (1984), MCPS in Glasgow (1989), although the latter office has a staff of only one – a regional field manager covering Scotland, Northern Ireland and the North East of England.

The societies' response to devolution has so far been minimal: in 1999, for example, PRS sponsored a 'Talent Tent' at the 'T in the Park' summer rock festival and, in December that year, launched a rebranded 'PRS Scotland'. Transformed into a UK-wide service centre for general live music licensing, as part of a recent UK-wide re-organisation of PRS management, the Edinburgh PRS office no longer employs data collection staff directly. Instead, the service has been contracted out to self-employed staff. It remains to be seen whether this new method of data collection will favour Scottish members, who have campaigned for monitoring of smaller venues and festivals for the benefit the traditional music and folk music sectors in particular.

The emphasis in recent years has been on increasing co-operation between national collecting societies, in part reflecting pressures arising from digital collection systems and greater competition between other European music rights collecting societies in the wake of the creation of the European single market (Krasilovsky and Shemel, 2000: 236-7). In 1997, these pressures led PRS and MCPS to sign an operational alliance (Eade, 1997: 3) and, on 1 January 1998, they formed the MCPS-PRS Music Alliance to exploit a joint database of musical recordings.

However, the Irish case again demonstrates the scope for independent national action over music rights. In contrast to continuing reliance of Scottish music rights holders on UK collecting societies, it is intriguing to consider the apparent success of the Irish Music Rights Organisation (IMRO), which was formed in January 1995 after breaking away from PRS. IMRO has proved itself to be an effective organisation (Williams, 1997). By 2000, gross licence revenue had increased by 49 per cent since 1996 to IR£19.5 million (24.7 million euros) (IMRO, 2001: 11).

Although the Scottish Parliament is prevented from legislating on copyright, there are limit3 on the scope of national copyright legislation within the European Union. The real issues are now decided by and between music businesses, major publishers, national governments and supranational organisations such as the World Intellectual Property Organization (WIPO) (Frith, 1993b), to which can now be added the European Commission. It is important for the interests of small countries to be represented in these arenas. The current lack of debate about the best way of organising music rights in Scotland is, therefore, a matter of concern, as it seems likely that Scottish interests may not be well represented in transnational debates over copyright.

To conclude this section: whereas the Irish state has relative autonomy to manage and control the global flows of music through policy making in the fields of copyright, broadcasting, taxation and the social security system, Scotland still does not. Along with the national lottery, these are key areas of jurisdiction for the music industry. However, the Scottish Parliament has already brought pressure to bear on issues which are outwith its powers (such as the war in Afghanistan) and, given the political will, it is not inconceivable that it will seek to influence, for example, copyright in Scotland.

CONCLUSION

Devolution has set in train an agenda for change in popular music policy in Scotland. Parliament has shown that it is alive to issues concerning the industry, even if the Executive has demonstrated less visible commitment. Scotland's other key cultural and economic development institutions have also begun to open dialogue with the popular music industry. More dialogue is required in order to work out the ground rules concerning the relationship between pop and politicians in Scotland. It is too early to identify what the financial outcomes of these policy discussions will be, although it seems likely that the new policy commitments of cultural policy-makers will benefit a wider range of musicians than before, to some extent.

Devolution has not been the only factor driving policy towards the popular music industry in Scotland. Some of what has taken place has been a product of UK-wide policy interest in developing the creative industries. Also, the inherent tensions within the Scotland Act will hamper some potential developments. For example, a truly Scottish approach to the New Deal for Musicians will be limited by the fact that social security arrangements remain reserved matters. Broadcasting – which we have deliberately omitted from our discussion – also remains a reserved matter. However, post devolution, a number of developments have already occurred which suggest that popular music policy can be given a distinctive Scottish flavour. For popular music academics, this suggests a new theoretical paradigm. For Scottish popular musicians, it suggests that there is much to play for.

ACKNOWLEDGEMENTS

Part of the research reported in this paper was carried out by Peter Symon in the International Social Sciences Institute at the University of Edinburgh,with the support of a research grant from the Carnegie Trust for the Universities of Scotland. The authors thank Marion Leonard, Lindsay Paterson, John Williamson and two anonymous referees for comments on earlier drafts of the paper. The views expressed in this paper are those of the authors only.

APPENDIX: LIST OF RESEARCH INTERVIEWS CITED

All interviews conducted in 1998 by Peter Symon

Interview 1:	William Crawford, Highlander Music, Muir of Ord, July
Interview 2:	Stewart Cruickshank, BBC Scotland, Glasgow, September
Interview 3:	Duncan McCrone, Regional Manager, MCPS, Glasgow, August
Interview 4:	Record label, September
Interview 5:	Record label, July
Interview 6:	Diane Milne, Policy Officer, Economic Development Department, Dundee City Council, September
Interview 7:	Nod Knowles, Music Director, SAC, Edinburgh, September
Interview 8:	Iain Hamilton, MIDAS project, HI-Arts Ltd, Inverness, July
Interview 9:	Dave Francis, Traditional Music Co-ordinator, SAC, Edinburgh, August

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May 2002