The United Kingdom as a Nation of Culture

Bradford Literary Festival, 24th June 2022
Speech by Andy Haldane, CEO of the RSA

It is an honour to be talking here at the Bradford Literature Festival and a privilege to be doing so as a member of the BLF's Advisory Board, under Richard Lambert's superb chairmanship and Syima's inspirational leadership.

I wanted to start just by explaining why *this* event at *this* time in *this* place has a particular personal resonance for me. First, this is home. I grew up around ten miles north of here in Guiseley. As a teenager in the 1980s, a trip into Leeds or Bradford was the pinnacle of my social life most weekends. At that time, there was little to choose between the shopping, social and cultural experience in these two great cities. In fact, I had at the time a marginal preference for Bradford, which seemed to have a bit more edge.

But the past 40 years have changed the relative fortunes of Leeds and Bradford decisively. I have watched on in awe as Leeds has gone from strength to strength, economically, socially, culturally. Over the same period, Bradford's fortunes have been more mixed. Economic, social and cultural disparities between the two cities have grown. A teenager living in Guiseley today would, I fear, not be indifferent between the two cities as a cultural magnet.

This is not an uncommon pattern across the UK. Spatial disparities have widened between the UK's regions and currently stand at their highest levels for over a century. Those differences are larger still, and have widened more, *within* regions. And they are often most visible when it comes to differences between cities in the same region – Leeds versus Bradford. Or in the North-East, Newcastle versus Sunderland (which happens to be my place of birth).

The good news is that Bradford is now decisively turning the corner. Interestingly, and for many of the same reasons, so too is Sunderland. In both cases, part of the impetus behind this 21st century Renaissance is coming courtesy of the culture and creative sectors.

This set of issues – place, the economy, the creative industries – have been core ones throughout my professional life. My 32 years at the Bank of England were all about understanding the economic and social fortunes of places around the UK, which I made a point of visiting extensively. For six months at the end of last and beginning of this year, I worked for the Government on its plan for levelling-up the UK, closing the gaps between the Leeds and Bradfords, the Newcastles and Sunderlands. And now, at the Royal Society of Arts, or RSA, we are working to support the regeneration of people, place and planet, including through the creative industries.

A month ago, we all received the fantastic news that Bradford is to become the UK City of Culture in 2025. I am sure we all hope this will be transformative for the city and the region, helping foster Bradford's continuing Renaissance. And wearing my various hats – including at the RSA and as Chair of the Government's Levelling Up Advisory Council - we will be looking to support the city and region to make 2025 – and beyond – a success story.

But there are broader lessons to be drawn, and a broader strategy to be pursued, here. Why stop at a city? What would it take to make the whole of the North, from West to East coasts, a corridor of culture? And indeed, why not have culture and the creative industries at the centre of a regeneration strategy for the *whole* of the UK? Anyone for the UK as a *Nation* of Culture?

This is not as fanciful as it sounds. In fact, I want to argue this is exactly what is needed given the economic and social headwinds we face. It also makes sense given the distinctive strengths offered by the creative and cultural sector in every part of the UK. In the immortal words of that poet and philosopher, Ian Dury, of rhythm stick fame, I want to give you reasons to be cheerful, about Bradford, Britain and beyond. As an economist, and purveyor of the dismal science, I can't tell you how counter-cultural that feels.

(a) The Macroeconomic Backdrop

So let me get the dismal bits out of the way first. You may have spotted from the doom-laden headlines that the economic backdrop is gloomy. The cost of living is high and rising, as high as it has been for 40 years. Meanwhile, growth in the economy is stalling. It is cold comfort that this pattern is being replicated globally, not least because the rise in costs and the contraction in growth is likely to be larger in the UK than elsewhere.

There are eerie echoes of the 1970s, another period of high inflation and stagnant growth - or "stagflation" in the ugly term beloved of economists. As in the 1970s, there is no single cause of this macro-economic malaise. The awful war in Ukraine has caused the prices of energy and foodstuffs to spike, boosting costs on the forecourt and in the supermarket and likely pushing inflation to double-digit rates. As this has hit household and company finances, spending and growth have fallen.

But it would be a mistake to think Ukraine and Russia is all that is going on here. The seeds of the cost of living crisis were sown well before the Russian invasion. It is not just the price of energy and food that is rising. The price of pretty much every good and every service has been rising for over a year – from microchips to oven chips, from concrete slabs to restaurant tabs.

And what is true of good and services is true too of the price of people – that is, wages. These are now rising at real pace and have been for over a year. The question is why? What is driving these cost increases? And will these rises in the cost of living persist? To answer that question, let me take you on a short history tour of UK growth. Sounds absorbing right? I am sorry, but I promise I will navigate you back to all matters culture by the end of it.

When understanding economic growth, economists often decompose it into two bits. You can grow an economy either by expanding the number of people working, or by increasing the amount these people are able to produce when in work. The latter is what is typically referred to as "productivity".

If you do that decomposition of UK growth over the past 15 years or so you find something fairly extraordinary, at least by historical or international standards. Virtually all the growth in the UK recently has come from the first source – increases in the numbers of workers. Virtually none has come from the second – increased productivity.

That might not sound extraordinary, but let me tell you it is. We typically expect worker's productivity to rise by around 1 or 2% each year, due to improvements in their skills and in the technologies available to them. That has been the pattern, pretty much continuously, since the Industrial Revolution. Yet over the past 15 years, UK productivity has bucked that trend; in fact, it has been as flat as a pancake.

Put differently, *all* of the UK's growth over recent years has come courtesy of a larger labour force, arising from a combination of increasing numbers of overseas workers, in particular from the EU; and from increased participation in the workforce domestically, particularly among older workers and women.

Or at least that *was* the case until a couple of year ago. Because first Brexit and then Covid have now put both of those trends into reverse. Net immigration from the EU has fallen sharply, courtesy of Brexit. And workforce participation domestically has declined due to the effects of Covid on long-term sickness and lifestyle choices.

The upshot is that between ½ and a million people have exited the UK labour market over the past couple of years. This falling workforce has, in turn, shown up in rising staff and skill shortages. Unfilled vacancies are currently at their highest-ever level in the UK, across every sector and region. This explains the pick-up in wages, as demand for workers has outstripped the available supply. We have a shortage of people and a mismatch in their skills.

Because we can't manufacture either people or their skills, at least not quickly, this makes it very likely the upward pressures on wages, and the cost of living, will not abate quickly. My guess will be we are looking at years, rather than months or quarters. In other words, the cost of living crisis will be persistent.

This also means that, for the UK economy to grow in the period ahead, it cannot rely on the patterns of the past, with rising numbers of workers. That cylinder of the engine has broken, perhaps permanently. We will instead need to *hope* (and pray) that the second cylinder – a rise in the productivity of the workforce – can come to the rescue.

But hope, as they say, is not a strategy, and praying is not a plan, at least not when it comes to the economy. What we need instead is a *strategy*. A strategy to encourage and nurture innovative, high-productivity companies. And a strategy to nurture skills in the workforce and the accompanying higher wages for workers.

The reason for taking you all off into this long digression on the drivers of UK growth is to make clear the large and likely long-lived challenge we now face in growing our economy and tempering the rise in the cost of living. Without a clear strategy, inflation will remain high and growth will remain low. I did tell you it was the dismal science.

More optimistically, though, I hope this digression has also helped pinpoint exactly where this strategy needs to be focussed if jobs and incomes are to flourish. That is innovative clusters of high productivity businesses and the accompanying jet-propelling of skills, not just for the jobs of today but tomorrow. Any growth strategy not focussed on those things will fail. It really is that simple.

(b) Culture and Economic Growth

So what should be the shape of that new industrial strategy? And haven't we been here before in the UK – and failed? The good news is that we can learn from those failures, and indeed others' successes. In a nutshell, to lift the UK's growth fortunes, we need a plan to grow those industries and sectors that are the largest generators of jobs and incomes; whose potential for growing *future* jobs and incomes is greatest; and that can nurture the broad base of skills needed to equip us for the 21st century.

That might sound like a tall order. Which sectors or industries tick some or all of these boxes? The UK has strengths across a number of sectors and industries, from life sciences to aerospace to fintech, many fuelled by the fantastic work of the UK's internationally-acclaimed universities.

But there is another sector satisfying all of these criteria, one sometimes hiding in plain sight, one often somewhat over-looked and under-represented. It has been called by the British Council the "Missing Pillar" of the UN's Sustainable Development Goals[1]. And it is of course the cultural and creative sector.

Back in 2017, Sir Peter Bazalgette's review[2] – Baz, who you heard from earlier today – paved the way for the sector being properly recognised in the UK Government's Industrial Strategy, published that same year. What followed was a sector deal for the creative industries, together with funding for nine cultural clusters across the UK – the Creative Industries Cluster Programme – with funding from the Industrial Strategy Challenge Fund.

The aim here was to nurture a set of distinct creative clusters. Those efforts have clearly borne fruit. They have nurtured hundreds of businesses and projects, created thousands of jobs and catalysed hundreds of millions of pounds of private finance, at a multiplier – of

[1] British Council (2020)
[2] Sir Peter Bazalgette (2017)

private to public finance – of around 6 to 1. Those nine clusters stretch the length and breadth of the UK. They are now poised for take-off.

But there are now headwinds. The Government's 2017 Industrial Strategy was abandoned last year – I chaired its Industrial Strategy Council which was also abolished. The Industrial Strategy Challenge Fund is now ending and, with it, a chunk of the monies going towards the nine creative clusters. As Baz put it earlier today, there is no clear plan from here as things stand.

That being the case, and given the spectre of stagflation, now feels an opportune moment to remind ourselves of the contribution the sector might make to the challenges of growing jobs, incomes, skills and well-being. So let me set out the case. This is part economic, part spatial and part social. I'll then go on to say something about how this agenda might be progressed, locally and nationally, in practical terms.

First, the *economic* potential. This starts large and could, in time, be huge. The creative industries now employ around 2.3 million people, or around 7% of the workforce. That number that has grown by 400,000 over the past 6 years, easily outpacing overall employment.[3] Average pay in the sector is well above the national average. So good jobs at good wage – and plenty of them.

If you turn to the monetary value it adds, the numbers are also chunky. The creative industries sector generated around £115 billion of income, or GDP, for the UK economy in 2019 or around 7% of the total.[4] And this share is rising rapidly as the sector has grown around two and a half times faster than the economy as a whole over the past decade, in part reflecting the emergence of new creative clusters[5].

If we turn to productivity – the Achilles heel of the UK's economy and the secret sauce of future growth – what we find are levels of productivity in the creative industries above the national average. That productivity growth has been fuelled by large-scale R&D investment. Although comparable data is hard to come by – a point I shall return to - the sector appears to invest as heavily as the manufacturing sector, and significantly more heavily than the services sector, making it one of the UK's more R&D-intensive sectors.[6]

As of today, then, the creative sector is one of the UK's largest generators of jobs and incomes, productivity and innovation. Of course what matters for a strategy is *future* growth. Will these trends persist into the future? While forecasting is a fraught business – trust me, I'm an economist - the available evidence strongly suggests that they will.

First, the creative sector is one of the relatively few where the UK is globally competitive. In 2019, exports from the sector topped £50 billion per year, making the sector one of the UK's

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[3] Creative Industries Council (2022)
[4] Oxford Economics (2021)
[5] Department of Digital, Culture, Media and Sport (2022a)
[6] Bahkhsi (2022)

most export-intensive.[7] Internationally, the UK is perceived to rules the waves in sectors such as TV and film, gaming and advertising. That can be seen in the large-scale international financing of the sector.

Second, the economic multipliers associated with the sector are large – that is to say, the extra jobs and incomes generated in the creative industries supply chain. This was brought home to me when I was up in Sunderland a couple of months ago, at the site of what could become a massive new film set in the old dry dock area of the city. My host there walked me through the supporting infrastructure and supply chain of industries needed to serve this embryonic creative cluster, including hotels.

"When he is filming here, Tom Cruise is hardly likely to want to stay in the Premier Inn" they joked. Now, that joke wasn't lost on me because I *was* staying in the Premier Inn - indeed, his people had booked me in there. And as a matter of fact, the Premier Inn in Sunderland is one of my favourite hotels in the world, as it is situated right next to the Stadium of Light, Sunderland's football stadium and my football team.

Anyway, back at the speech, the point is that the supply chain shaped by the creative industries extends well beyond hotels. It includes restaurants and pubs, housing and transport, manufacturing, finance and professional services. It means sound engineers and designers, make-up artists and set manufacturers, surveyors and – yes – even economists. In a creative cluster, that supply chain of talent is deep and rich, often involving hundreds if not thousands of SMEs and freelancing staff.

If we look at large creative clusters, in the UK and around the world, we see a vibrant and dynamic eco-system of SMEs has emerged in the hinterland, generating jobs and incomes that are a multiple of the initial investment. Studies in the US have suggested this multiplier may be as large as 4 or 5. That is to say, for every £1 invested in the creative industries, an extra £4 or £5 is generated in extra jobs and incomes. Interestingly, those figures are similar to the multipliers generated by the UK's own creative cluster initiative.[8]

The length and depth of that supply chain is relevant too when it comes to another dimension along which the creative industries has great economic potential. That is in *skill-building*, an area where the UK has a long-standing structural problem - and is facing a near and present crisis.

There are two distinct reasons why the creative sector is a particularly high-quality machine for skills-building. First, the length of its accompanying supply chain means creative clusters draw on, and demand, a broad base of skills – from the highly vocational and practical to the highly technical and digital. They straddle all sectors and professions. In the words of my

[7] Confederation of British Industry (2019)
[8] Centre for Economics and Business Research (2020)

institution, you need Arts, Manufactures *and* Commerce skills to support the creative sector.

Second, the skills nurtured by the creative industries have depth as well as breadth. That is to say, these skills are likely to be particularly valuable for the jobs not just of today but tomorrow. The next half-century will see a pronounced shift in the jobs and skills market, as AI devours a range of existing jobs and tasks, millions of them, which are now automatable at lower cost and greater efficiency. Scared yet?

Well don't be, because past Industrial Revolutions demonstrate that mass unemployment does not beckon provided humans reskill themselves to keep one step ahead of the machine. In future, that will mean tasks and skills that are hard to replace by machine. Among these, creative and interpersonal skills are notably harder to see being replicated by robot, at least any time soon.

For example, estimates by McKinseys suggest the demand for these skills is like to *increase* materially over the following decades, by around 40% and 25% respectively[9]. These are just the sets of skills nurtured by the creative industries[10]. Or, put differently, the creative industries may not just be the Missing Pillar of our economy. They may also be the Missing Link when it comes to plugging the UK's yawning skills deficit.

So here we have a sector that is already large, is growing fast, has the potential to grow faster still, domestically and internationally, has innovation and digital in its bloodstream, and is both wide and deep in its skill-building potential. Given my diagnosis in the previous section, this is pretty much the perfect match for the UK's economic ills, past but especially present. If an economic growth strategy is needed name me a sector better-suited to the task?

(c) Culture and Place-Making

The benefits of an industrial strategy rooted in the creative industries do not, however, end there. There are good reasons to think such a strategy could serve double-duty when tackling a second key malaise blighting the UK economy and society – its large and widening geographic disparities, the challenge of so-called levelling up.

As part of the levelling up White Paper I helped to produce earlier in the year, we studied the determinants of local growth, both in the UK and internationally. There is a no secret sauce for local growth, no single policy or intervention that secures success everywhere, a spatial silver bullet. That's a pity. There is, however, a tried and tested *recipe* for local success, one that is not-so-secret.

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[9] Bughin *et al* (2018)
[10] Haldane (2019)

Economists traditionally think that the key to growth is investment – investment in the technologies of companies and the skills of their workers. It also includes investment in good infrastructure, both physical and digital. These are indeed *necessary* ingredients in generating jobs and growth. They are not, however, *sufficient* ones.

The evidence clearly shows that local success comes from having a richer array of raw ingredients in the mix. Those include strong civic institutions that can serve as an anchor for action. And it includes strong social capital – local relationships, trust and pride in place. A final crucial ingredient is cultural capital and its accompanying social infrastructure – from football clubs to theatres, from cinemas to parks, from music venues to libraries.

This is not a new point. If we thumb through the history books, we see that every example of economic and social transformation has tended to associate with a thriving cultural and creative environment - from Athens, Florence and Constantinople historically, to London, Paris and Los Angeles more recently.

This crucible of factors coming together in a place – economic, social, cultural – is sometimes called the Medici Effect, after the role played by the Medicis in laying the ground for the Renaissance in 15th century Florence. The same formula was followed during the Enlightenment in Europe during the 17th and 18th centuries, combining the arts and humanities, the natural and the social sciences to spark Industrial Revolution. As its name signifies, the RSA is an Enlightenment institution.

In some ways, the crucial role played by culture in place-making should surprise no-one. We know the crossing of cultures and disciplines is the wellspring of creativity; that creativity is the wellspring of innovation; and that innovation is in turn the source of progress, economically, societally, and culturally.

Culture is also a great attractor of the people necessary to make magic happen. Creative people are attracted to creative places which then attract further creative people in a cumulative process. That magnetic attraction is what economists call agglomeration and it is a crucial explanation of the large and widening divides between cities and regions, in the UK and beyond, as agglomeration effects have strengthened over time.

But magnets have two poles. This means the absence of culture and creative industries in a place has the opposite effect, repelling creative people and making places less innovative over time. No-one wants to live in place where there is nothing to do after 6pm in the evening. This is a recipe for a lack of innovation and growth, in the reverse cumulative process. Such is the plight of many left-behind places, cultural cold spots repelling talented people.

Surveys from the Arts Council confirm this picture clearly, with arts and cultural attractions a strong factor for almost half of the population in persuading people to stay in a region. For almost half, they are also a strong factor for wanting to leave a place which lacks culture and social infrastructure[11]. Culture is key for the stickiness of people in place.

All of this is relevant when we come to confront the UK's own highly uneven economic geography. A significant cause, as well as a consequence, of this imbalanced geography is the unevenness of the cultural offerings and the creative industries across the UK. NESTA have done excellent work to map these imbalances[12], with a predictably strong skew towards the London and South-East "super-cluster" of industries and infrastructures, people and skills, one which has intensified over the past several decades.

The picture has been improving more recently, not least due to the work done by the Creative Industries Cluster Programme[13], with over 40 emerging creative clusters and the migration of the BBC, ITV and Channel 4 north into the Manchester-Leeds corridor. While good progress, none of these clusters or corridors at present comes close to matching the size and magnetic attraction of the London and South-East's super-cluster.

Government must itself take some of the blame for that. Historically, Government funding has had a strong skew towards cultural institutions and projects in London and the South-East. This is understandable to a degree given the benefits of agglomeration and the making of Medici magic. But it is yet another headwind when developing a more even, polycentric model of economic and cultural success.

If we are to make a success of levelling up in the UK, then all of this must change. Place-making, everywhere, will require a strategy for cultivating culture and the creative industries. While this might sound ambitious, the ground is fertile. Culture is, almost by its very nature, place-specific. Everywhere has their history and heritage, their idiosyncrasies and industries, their habits and accents.

It is then a question of cultivating this ground by sowing seeds in the way done by the Creative Industries Clusters Programme. To assist in that, the Government has committed to re-tilting its cultural spending towards the North[14], including through the Arts Council and through various funds including the Towns and Levelling-Up Fund and the Shared Prosperity Fund.

When it comes to place-making and levelling up, then, the creative sector is both an essential ingredient *of* success and has the fertile soil necessary *for* success. We see

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[11] Arts Council England (2019)
[12] Mateos-Garcia, J. and Bakhshi, H. (2016)
[13] https://creativeindustriesclusters.com/
[14] Department for Digital, Culture, Media and Sport (2022b)

examples everywhere of creative beanstalks emerging from seedlings planted just a few years ago. A couple of weeks ago I was in Salford's MediaCity; you see it in Belfast's Titanic quarter which has emerged from the depths; in Dundee's gaming industry; in Sunderland's dry docks.

A generation ago, Atlanta was not known for its film industry. Today, it has more sets and produces more films than Hollywood or indeed anywhere else in the world.[15] The creative industries have been at the centre of this placemaking. The same could, I think should, be the case in the UK too.

(d) Culture and Well-Being

We economists have a temptation to see everything in terms of pounds and pence, GDP and jobs. These things are important – without them, the good life would be hard to sustain and indeed to finance. But they are not the only things that matter and, for many people, are not even the most important things for their lived experience and well-being.

It is a perverse fact that the part of the UK that fares best on all economic metrics – from pay to productivity – fares worst when it comes to measures of well-being and life satisfaction. I am talking of course about London. And those of you who know me will have noted how much jollier I am today than when you see me down South.

Notions of wellbeing, or the good life, have of course been with us for many centuries. They were the essence of Jeremy Bentham's utilitarianism and many other philosophers down the years. Yet when it comes to the messy business of politics and policy, well-being was until recently seen as a rather mushy, or even empty, concept.

Well, things have now changed. The science of well-being has developed rapidly over the past decade. We now have good measures of life satisfaction, collected regularly by the UK Office for National Statistics. Some countries have gone further and put well-being centre-stage in their setting of policy, such as in New Zealand and in Scotland. The levelling up White Paper made well-being one of its 12 missions for the UK.[16]

We now also have a good understanding of the key determinants of people's lived experience. At the top of the league table come the usual suspects – being healthy, having a job, having close family and friends and the like[17]. But just after that, in the second tier, come a range of cultural and leisure pursuits from sport to music to literature to cinema. In the well-being league table, culture ranks high up the list.

Economists like numbers, as you may have noticed. Provided we don't take them too literally, we can translate these well-being estimates into money-equivalent values. How

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[15] Looch (2018)
[16] Department for Levelling Up, Housing and Communities (2022)
[17] Office of National Statistics (2019b)

much would we need to be compensated for not having access to cultural and leisure activities? The answer often runs to several thousands of pounds each year - a decent chunk of change for the average household earning £30,000 per year.

Surveys from the Arts Council paint a similar picture. They suggest around two-thirds of the population think arts and culture are key to improved well-being. Around a third would go one step further and say they are essential to a good life[18]. I imagine most in this audience are in that third.

There's a substantial and rapidly growing scientific evidence base on the contribution of the arts and culture to health – powerfully collated in a recent World Health Organisation review[19] that clearly demonstrates important benefits for physical and mental health, childhood development, healthy ageing and social connection. And I know that West Yorkshire is at the forefront of practice in this sphere, with your local Integrated Care System leading the way in the field of Social Prescribing.

While these studies focus on adults, these benefits appear to be large in young people too and may then be lifelong. A recent study by Pro Bono Economics[20] – a charity I founded – looked at the socio-economic benefits of a programme run by the Artis Foundation which does great work bringing performing arts to primary schools. The study found that being part of that programme had a sizable impact on pupil's socio-emotional outcomes – their sense of life satisfaction and confidence - potentially adding around £2,300 per child to lifetime earnings. That's a decent return on an early years arts intervention costing only around £70 per child.

The RSA's own research work in this area, including our Arts Council/Paul Hamlyn-supported Learning About Culture research[21] with the Education Endowment Foundation, suggests significant effects of arts and cultural education in children and young adults when nurturing confidence, well-being, resilience and creativity people – the attributes we believe will be especially important for 21st century jobs in the world of 100-year lives, 80-year careers and job-consuming robots.

A fascinating study into these lifelong benefits is taking place here in Bradford as part of the Wellcome-funded "Born in Bradford" programme[22], one of the largest longitudinal studies of its type. The Age of Wonder element of this programme is looking explicitly at capturing the lifelong benefits of cultural activities with its sample of young citizens. In time, that might provide just the sort of compelling evidence we need on the nature and scale of the lifelong benefits to people of being at the BLF and places like it.

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18 Arts Council England (2019)
19 World Health Organisation (n.d.)
20 Pro Bono Economics (2022)
21 Londesborough, M (2021)
22 https://borninbradford.nhs.uk/

The benefits of a flourishing creative sector, then, extend well beyond its potential to boost growth, jobs and skills, and level-up the UK's imbalanced economy and society. It enriches are lives, our subjective sense of health and well-being, in ways which are prospectively as large and lasting as their economic counterparts. And these gains are potentially lifelong.

To my knowledge, no-one has so far successfully totted up these all-in benefits. Someone should, bringing to life, concretely and compelling, the case for erecting the Missing Pillar, forging that Missing Link, positioning the UK as a nation of culture.

Looking Ahead

If those are the benefits – economic, spatial, skills, social – how are they to be harnessed? I was heartened to hear about the work of the Creative Industries Council, co-chaired by Baz, and its embryonic Creative Industries Vision. We all look forward to it lighting the way. At the same time, the power to change lies with us in this room. If we want social change, it can start right here, right now. So let me end with a few speculative suggestions on future directions, bridging from the local to the national.

And let me start hyper-local, here in Bradford. Bradford begins with a rich cultural endowment of course, from David Hockney to Zayn Malik. It is now in I think its tenth year as a UNESCO city of film, with the BLF the jewel in its cultural crown. But 2025 should put the rocket-boosters behind both the city and the festival. Why couldn't the BLF become *the* literature festival not just of the North but anywhere in England, with a global footprint rivalling any festival in the world? After years of a widening gap, 2025 is Bradford's Medici moment, the catalyst for Renaissance.

Widening the net a little further, West Yorkshire has itself huge potential to grow its cultural and creative sector, in line with the ambitious *Culture is Our Plan*[23] 10-year strategy set out by Tracy Brabin when she became Mayor. And what better moment than now. The region has a cluster of creative moments panning out over the next few years, from Leeds 2023, to Kirklees Year of Music 2023, to the Calderdale Year and Wakefield Festival of Culture 2024 to Bradford 2025.

Harnessing these events, and the region's large number of thriving creative attractions and institutions, in a single strategic plan could offer a huge boost to the regional economy here in West Yorkshire. I personally cannot wait for the first performance at the new Guiseley Opera House.

And what is true of West Yorkshire is true too across the whole of the Northern corridor, stretching East to West. At present, this is a growing band of thriving creative micro-clusters. From Salford's MediaCity to Liverpool as a UNESCO world heritage site; from Newcastle's Baltic to Leeds' British Library. One interesting question is whether these could be grown and coalesced into a Northern cultural and creative super-cluster – one to rival

[23] https://www.cultureisourplan.co.uk/

London as a hub. The work of the Northern Culture APPG[24] has begun to make progress in this direction. Now is the perfect time to power up that creative wing of the Northern Powerhouse.

Finally, completing the map, why not set ourselves the objective of having the United Kingdom as a *nation* of culture. This would be a different model of economic and social development to that pursued in the United Kingdom in the past – one led locally by industries, civic institutions, communities and citizens, working in partnership. This is a different flavour of capitalism than the one we have been gorging ourselves on since the Industrial Revolution – one I have called elsewhere *community capitalism*[25].

This grand plan sounds, well, grand. But what would be needed to make good on that vision? Let me end by mentioning what I think would be some of the key ingredients – a 10 point plan - although it is far from comprehensive.

First, as arid as it sounds, good data is key, as it is for almost all industries and activities. Despite rapid progress over recent years, the creative industries remain relatively less well-served than many other, longer-established, industries such as manufacturing. An effective creative industries strategy, well-designed and delivered, will require better, and more granular, data on the shape and scale of the sector's footprint, in economic and social terms.

Second, and again at the risk of coming across as all numbers, we need improved research and evidence on what works best when it comes to creative interventions, at all points along the personal lifecycle from cradle to career. The evidence and research centre at NESTA[26], among others, have done great work to capture the benefits of the creative sector. That work needs to be given added impetus when it comes to capturing, and communicating, the lifelong benefits the sector could potentially unlock.

Third, decentralisation and devolution. Plans for growth, whether in the creative industries or beyond, are best laid locally. Indeed, I would argue they can only be laid locally, as they require local knowledge and the coordination of local actors along the supply chain– from infrastructure to housing to skills to hospitality. That means greater devolution of powers to the local level, including cultural spending. The levelling up White Paper made strides in this direction, but we now need trails to be blazed by Mayors such as Tracy Brabin, Andy Burnham and Andy Street.

Fourth, building on that, there is a debate to be had about the nature and scale of support for the creative sector. With the end of the Industrial Strategy Challenge Fund and the Cultural Recovery Fund, there is potentially a financing gap to be filled, not as an end itself but as a means of crowding-in private capital, as we have seen happen so successfully with

[24] https://northernculture.org.uk/
[25] Haldane, A. (2021)
[26] https://pec.ac.uk/

the creative clusters strategy. Tax breaks were a crucial ingredient of Atlanta's success story and have presumably now more than paid for themselves[27]. In the UK, we could think of creating a sort of cultural, rather than maritime, "freeport". Of course, these are potentially large fiscal steps at a time of tight budgets. But if ever there were a time for thinking big and radical, it is now. If the lifelong benefits of a flourishing creative sector were large enough, as international evidence suggests is possible, these interventions could be self-financing.

Fifth, we know from the evidence that R&D is key to innovation and productivity gains. Yet as NESTA and others have pointed out, the way R&D is classified in the UK ignores a good chunk of what might legitimately count[28]. For the creative industries, where much of the investment is in intangibles, this different classification matters, with investments excluded from R&D not benefitting from tax credits. This serves as a disincentive to invest and innovate and a relative drag on the sector's, and the economy's, potential.

Sixth, skills. I have noted how the sector is capable of reshaping the skills landscape, both its width and breadth. But it can only do so with the right education and training institutions in place, including in schools where arts and humanities funding – from early year onwards - is at risk. We need to re-look and re-think the institutional ecology for skills, for the creative industries and beyond. This, too, calls for granting powers to local leaders in government, business and education, as part of a fully-integrated Local Skills Improvement Plan (LSIP).

Seventh, overseas investment has been the key to developing some of the UK's creative clusters – and will be the key to getting Tom Cruise into Sunderland too, even if there is no room for him at the (Premier) Inn. The machinery of Government is clicking into place on this front, with the Great British Investment Fund (GBIF) announced last year to help crowd-in overseas financing. The Government Office for Investment (OFI) is now establishing a presence across the UK. The GBIF and OFI could usefully be mobilised to help crowd-in private finance for the creative sector on an even-larger scale.

Eighth, as a key part of the creative industries supply chain is SMEs, financing for them is every bit as important as blockbuster, big-ticket overseas deals. The UK's SME financing infrastructure, especially in the creative sector where so many assets are intangible, is often patchy. Through the British Business Bank and others, it would be useful to assess the particular financing challenges facing the creative industries' SMEs.

Ninth, transport and digital infrastructure. Both are of central importance to making a success of a creative industries cluster. This is, how shall we say, work in progress. Digital connectivity, through full-fibre broadband, is often still patchy in many parts of the UK[29].

[27] Fennessy (2018)
[28] Bakhshi (2022)
[29] Office of National Statistics (2019a)

And to make good on a single skills network across the creative clusters of the North, the East-West corridor probably does need to be navigable in something under 4 hours.

Tenth, there is an encouragingly large array of initiatives underway in the culture and creative space at present, some governmental, some private sector led. A thousand flowers should be allowed to bloom. But this should not be at the expense of an overarching strategy. To become a nation of culture will require co-operation, as much or more than competition. That is why the role of the Creative Industries Council, and its upcoming vision, is so important.

Let me end. While I started in gloom, I hope I have ended with some light. In fact, whenever I travel in the UK I never fail to be uplifted by the fantastic, innovative and energetic people I meet and businesses I encounter, in all four corners of the UK and in every sector. It is why it is such a pleasure to come to places like the BLF, which is plainly a beacon of creative light, a light that will burn ever-brighter in the lead up to 2025 and beyond.

Suffice to say, the RSA – itself an Enlightenment institution – is looking to play its full part in this creative and cultural renaissance in Bradford, West Yorkshire, across the North and UK-wide. We need the Arts, the Manufactures and the Commerce, working in partnership, to tackle the economic and social challenges of the present and to forge a brighter, more creative, future. I look forward to working with you all in making that happen.

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