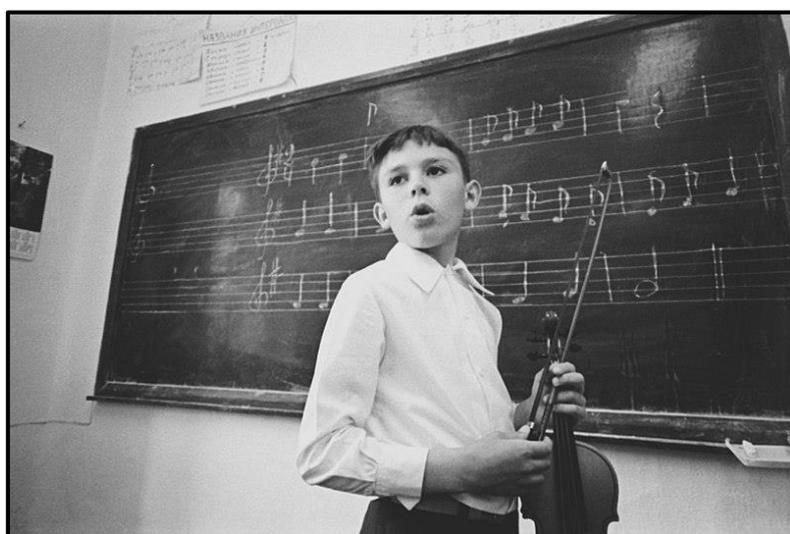


Music in the Rural Creative Economy

Final Report



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Executive Summary

Here is the executive summary of this report. The policy recommendations follow on p. 44:

1. This report is a key output from the ***Music in the Rural Creative Economy*** research project conducted by Professor Simon McKerrell and funded between 2020 and 2022 by the Arts and Humanities Research Council, across the Highlands and Islands of Scotland (UKRI reference: AH/T004991/1). The report is the result of more than 70 ethnographic (qualitative) interviews musicians, venue operators, musical instrument makers, luthiers, festival organisers, arts promoters, public officials, charity officers, police, educators, tutors, across the Highlands and Islands of Scotland. Other outputs include a monograph, conference, panel debates and workshops in collaboration with The Touring Network.¹
2. Rural Scotland has been enduring **state retreat** in the arts and music for many years, to the point in 2022 where the state has no significant agency in rural grassroots arts (with one or two notable exceptions such as the innovation funding for creative economy that is delivered at arm's length via Highlands and Islands Enterprise or the Youth Music Initiative via Creative Scotland, variously under threat). The result of this, is that non-state solutions to musical activity and funding models have been developing across the Highlands and Islands to support local community music festivals, events and music education for children. The future decade will see a proliferation of governance models to enable sustainable local rural community arts provision and cross-sectoral collaboration beyond any government influence at national or local levels.
3. The **digitalization of the music sector**, and the creative economy more widely, has rapidly accelerated during the Covid-19 pandemic, and is opening up new models of **rural sustainability** for music professionals, and creative micro-enterprises across the Highlands and Islands. Online music tuition via zoom, skype and teams, to musical collaboration and sharing tools, now offer a realistic digital platform for sustainable rural creative careers that bring in external money to the local rural and island economies.
4. Scotland has a vibrant and deeply committed network of rural promoters, musicians, agents and volunteers with a vibrant *live music scene*. However, where rural Scotland, and nationally too has a significant gap, is in the **commercial and service infrastructure for the**

¹ <https://thetouringnetwork.com/>

music industry that allows digital marketing, royalties, labels and support for home-grown talent to grow bigger in mass media terms and through streaming, syncing and global reach. If we are to create a rural architecture that allows the creative economy to grow and flourish in a sustainable manner, then there is a need for more service and commercial micro-enterprises such as publishers, sync houses, advertising, management companies in order to sustainably support an increase rural musical livelihoods. Critically, these need to be focused upon collectives for individual sole traders, or micro-enterprises in the rural creative economy, rather than any national or large-scale provision. Moreover, further and higher education does not currently serve the non-performing roles in the music industry well, and therefore an audit of skills training could help to alleviate the service and commercial services provision for Scotland (e.g. promoters, agents, syncing, distribution, digital marketing etc.).

5. One of the key findings of this report is the importance of **place-based enterprise**, innovation and governance models to the rural creative economy. The most successful organisations in terms of performance or education in this study repeatedly suggest that the more deeply engaged organisations are with their local communities, the more likely they are to be economically and culturally sustainable. This is true for both village halls and festivals as well as artists. One of the key lessons of this report therefore, is that for rural music making, it is very often the place-based ethos and reputational activity that drives sustainable income—from online tuition, to festival ticket sales, to educational outcomes. This is increasingly in the face of state retreat from the arts, and the ever increasing financialization of mass mediated music and streaming platforms. It suggests that policy focused upon place-based issues might be more important for rural arts and musicians than artistic or aesthetic ideals themselves, should they wish to pursue a sustainable career. And makes some musical genres such as traditional music, more suitable for rural sustainable careers in music than other genres, because they have a deeper place-based heritage and traditions, which translate well into digital and global marketplaces.
6. For some rural groups, there are **too many barriers for young people and young adults** to become involved musical events, volunteering and festivals. Many of these barriers are grounded in the professionalization of the Scottish arts eco-system. In this report, I recommend that we encourage and support toolkits for non-financial local community groups that wish to put on events and self-organise, beyond the many burdens of the subsidized arts sector. This would be particularly helpful for young people and young adults who often have no disposable income in rural communities, but do have a desire to be part

of a collective or group that can support their local artistic desires and nurture their own practice with like-minded peers. I recommend a toolkit to cover the basic requirements for statutory guidance and legal requirements be produced to support these groups to exist beyond any financial or economic exchange models, and be supported by the professionalized sector. But there are many potential solutions to removing access to-, and increasing engagement in-, music in the rural creative economy, but I have found that the hidden costs (such as car transport, fuel, venue hire, etc.) stand in the way of increasing young people, and young adults' participation in rural areas, where communities of practice are sometimes separated by large distances.



Individual livelihoods in the rural music sector

This report is one key output from the project *Music in the Rural Creative Economy* research project conducted by Professor Simon McKerrell (Glasgow Caledonian University). It summarizes the key practical and policy findings from qualitative research conducted between 2020 and 2022, with more than 70 individuals working, performing and promoting music across the Highlands and Islands of Scotland, UK. Far from being backward and old fashioned, rural communities very often lead and exemplify the most innovative and radical solutions to the contemporary changes to society.

This report grows from a central question which is, **how best can we support musical micro-enterprises in the rural creative economy?** The report was largely conducted towards the end of the Covid-19 pandemic and into 2021-22 when most of the fieldwork interviews were done. However, that pandemic has had far-reaching consequences for music makers across the Highlands and Islands. There are numerous now other reports and papers dealing with the impact of Covid on live music, musicians (Spiro *et al.*, 2021; Touring Network, 2021; Vincent, 2022), rural economies (Phillipson *et al.*, 2020) and the UK creative economy more broadly (Walsmsley *et al.*, 2022), but here I have tried to cover music and musical livelihoods and how they can be supported and sustained in rural and islands communities. In 2022, in collaboration with Dr Jasmine Hornabrook, I published some detailed research on the impact of the Covid-19 pandemic on the traditional arts sector in Scotland (McKerrell and Hornabrook, 2022), and because there is a growing literature on these devastating impacts on music and the creative economy more widely, I have largely left the detailed reporting on the impact of the pandemic to one side in this report, apart from those places where it would be neglectful to do so. This report is therefore focused upon the issue of sustainability and practice surrounding music in the rural creative economy.

As anyone who has conducted any research on music and policy knows, almost all policy affecting live music, festivals and events has very little to do with arts or cultural policy—and many of the interviews for this report and the forthcoming book, have touched upon key issues for rural communities such as housing affordability, distances travelled, connectivity and social networks. This report however brings out the key themes from the fieldwork that were discussed across many interviews, giving weight and importance to the key concerns of those people who live and work in the rural creative economy of the Highlands and Islands of Scotland. That is reflected in the themes that emerged from the research which often covered aspects of rural living that are repeatedly mentioned in analysis of how best to support rural lives in the UK and elsewhere.

Categories of musical micro-enterprises in the creative economy

The consideration of music and musical micro-enterprises operating in the creative economy takes in a range of working professions and categories of worker. Clearly, most people associate ‘musical’ work with musicians. However, these people are a minority when one considers the total workforce across a large region or country. For the purposes of this study, I define musical micro-enterprises as, businesses related to music that have fewer than 10 employees. This follows similar research in this area by Galloway and Mochrie (2006) and (Hill *et al.*, 2016) which in turn, rests on the recommendation by the EU in 2003 that offered this accepted definition (EU Commission 2003/361/EC). One of the problems with creative economy or creative industries research in the past two decades, has been the lack of research on micro-enterprises, freelancers and sole traders, who in reality make up the majority of any meaningful definition of the ‘creative economy’ that would inclusively accept those that often work part-time or voluntarily across the creative sectors.

Part of the reason for this focus on ‘micro-enterprises’, or very often in reality—sole traders—working in music or music-related areas, emerged from my initial conversations with Highlands and Islands Enterprise, The Touring Network, musicians and in my previous fieldwork in preparation for this research (see for instance McKerrell, 2011, 2014; McKerrell and Hornabrook, 2021). Much of this fieldwork and my own experience suggests that the vast majority of music-related enterprises in the Highlands and Islands are either sole traders or employ a handful of people at most, and often on a part-time basis. Many of them are heavily committed to bringing, teaching, performing and making music in their rural communities and unflinchingly invest their own economic, social and cultural capital to achieve something valuable in their local area. Furthermore, it is a weakness of the academic literature that it has failed to properly engage with the motivations and social aspects of freelancers, micro-enterprises and sole traders across music, visual art, dance, crafts, and even the larger sectoral groupings in gaming, architecture and so on. This weakness has led to a narrative in the UK that tells a story about big, or international businesses, and therefore weakens the relevance of entrepreneurial, rural economy, creative economy, media and music research dealing with the ‘creative economy’. Tackling this, in order to stimulate more sustainable working lives with better and more reliable rewards for those involved in music should be a key objective for those doing research in this area, and has largely gone unaddressed in music studies (of various flavours) but finds a home in media and communications departments, or sometimes in sociology, marketing, geography and entrepreneurial studies.

The taxonomy of musical micro-enterprises in my fieldwork involves many working professions, very often part-time, very often operated at substantial personal costs, and where a good financial

year-end would be to break-even rather than lose money. Key working areas in the creative musical economy in rural areas include:

Table 1: Taxonomy of professions related to music in the rural creative economy

Activity	Role Descriptor			
<i>Musical Performance</i>	Musicians (includes singer)	Sound and Public Address (PA) Systems operators	Lighting Operators	
<i>Support for Musical Performance</i>	Festival organisers	Promoters	Agents	Venue operators/ administrators
	Insurers	Policing	Network and arts organisations	Festival Suppliers Catering, drivers, security, toilets etc.
<i>Music Education</i>	Music Tutors	Educational Managers	Senior Management in SCIOs or Charities	Online music teachers
<i>Music Retail</i>	Music Instrument Suppliers	Record Shops	Streaming Platforms	Digital Music Retail Platforms
<i>Musical Media</i>	Distribution Companies	Musical legal services	Sync Houses	Digital marketing/media
<i>Musical Manufacturing</i>	Luthiers (stringed instruments with a neck producing tonal music)	Instrument Manufacturers (bagpipes, string, woodwind, percussion etc.)	Accessory and instrument & performance ancillaries (e.g. cases, strings, reeds, electrical, amplifiers, etc.)	

Individual Musical Livelihoods in the Highlands and Islands

Making a living as a musician, or as a sole trader music tutor, luthier or promoter in the Highlands and Islands is both challenging and sometimes, richly individually rewarding. Many musicians who live and work across the Highlands and Islands have made a deliberate choice to live there, often returning home to the Highlands or islands, after periods of study and working in the central belt or elsewhere in the world. Counterintuitively, the choice to live rurally and to work in music has become more viable post-pandemic, and in some ways more desirable for various factors:

- Digitalization has made online teaching a mainstream option for music educators (via zoom, teams or skype via the internet).

- Writing, composing and collaboration in music has similarly become easier and more sustainable with the introduction of ubiquitous and freely available digital technologies (except where digital connectivity itself still presents issues for local rural communities).
- The desirability of living in rural and often beautiful landscapes has shifted from being an idyllic dream for many, to becoming a cultural asset for many musicians, particularly, traditional musicians, who can now use digital media, particularly social media, to create economic capital from the place-bound cultural and heritage capital of the Highlands and Islands. That is to say, that the strongly place-based cultural and intangible heritage of the Highlands and Islands is now more than ever before, become a tangible marketing asset for musicians, festivals, promoters and venues.
- Amidst a significant cost-of-living squeeze, and despite significant housing problems in rural Scotland, costs for rural living remain lower than in urban Scotland allowing musicians to subsist on lower incomes in rural areas.

For many professional musicians, the pull of returning home to the Highlands and Islands can become strong, particularly as they move past the early years of training and networking and become more established. And indeed, as so often in Scottish culture across the arts, the deeply place-based cultural traditions become a shared resource for musicians in rural and island areas, and very often more so, for those working in traditional music where there are very strong local connections and place-based stories, tunes and songs that can form a new 21st century bedrock for professional practice, composition and performance as Hamish Napier of Grantown explains:

‘Going to America really helped me to get a strong sense of identity. I was writing music for Strathspey. [Where] we used to have hundreds of fiddlers, we had one of the biggest music competitions in the nineteenth and early twentieth century—The Grantown Fiddle Competition, and a piping dynasty up the road in Freuchie. And I began to realise, this is an exciting and culturally rich place and I wanted to celebrate that, look into old tunes, write new tunes. So that was my shift, moving back home. I ended up becoming involved with history, heritage and natural heritage in the area. And now I’m in a ten-year project with a pentalogy of albums to write music about the area, and the next one’s called, ‘the Hill’, and I’ve already got funding for it’ (Hamish Napier, fieldwork interview 8Sept2020).

Hamish has deepened his connections with local people, organisations and culture significantly since returning to Grantown from many years living and working in the central belt and the US by actively

engaging with organisations such as the Cairngorms Connect, Grantown East Highland Heritage and Cultural Centre and Railway Centre, which have led to composition commissions and more, and further work.

Other individual sole traders or micro-enterprises include musical instrument manufacturers and luthiers in the Highlands and Islands, who are both an incredible and under-recognised part of the music and manufacturing sectors. Significantly for this analysis, they are also the only micro-enterprises in the music sector that still sell a physical product. Musical instrument manufacturing is almost always generally a micro-enterprise, and for those individuals working in this profession in the Highlands and Islands generally work for an international market. This is one area where there is a significant gap both in education in Scotland (there is no third level training available in musical instrument manufacturing or luthiery in Scotland) and where also, even the most basic collectivization of aspects such as digital marketing or bulk purchase of raw materials such as tropical hardwoods, could significantly aid the economic sustainability of these businesses. This focus necessitates very strong online marketing and skills which could be supported in a more collective way across rural Scotland.

This emphasis on the physical product has consequences for luthiers and instrument makers, because it explicitly involves them in the broader shifting forces surrounding Brexit, trade and tax. Unlike the screen industries in Scotland, or games or architecture creative industries, music instrument manufacturing, and indeed most of the people working across events, festivals, promotion, venues and musical performance itself, are almost exclusively working below the UK threshold for VAT which kicks in for businesses with more than £85,000 turnover per annum. Many of these micro-enterprises in fact run on a break even model, or at a very small scale that enables them to be sustainable businesses, and for the people involved to work in other professions part-time. Indeed, the portfolio arrangement for many people working in the music industry means they can sustain a semi-professional career in music whilst relying often on more reliable incomes in the public or private sectors. Again, this makes almost this entire category of valuable rural micro-enterprises completely **statistically invisible**. This is already a problem recognised in the creative industries, and particularly well understood by Highlands and Islands Enterprise, who recognise the fluid and statistical invisibility of much of the rural creative economy (HIE, 2014; McKerrell and Hornabrook, 2022). However, one of the most beneficial steps that could be led by a national-remitted organisation such as HIE, HMRC, Creative Scotland or one of departments of government, would be to institute an annual survey or data gathering exercise using data submitted to HMRC for sole traders in the creative industries. This data is not accessible, but making anonymized access to it possible would give us the power to make much better policy decisions across rural Scotland, and

the nation as a whole if we knew where and in what field, creative arts and professionals were working as sole traders or micro-enterprises.

Zan and Alex Dunn have run Ardival harps in Strathpeffer, Rosshire, for more than 30 years. They manufacture and sell a range of (largely) historical wire- and gut-strung harps and clarsachs to an international market. They realised very early on, that the internet would be crucial to their sustainability as a micro-enterprise in the Highlands, and similarly, that the rural Highlands are important to their business. The history and heritage of harps in Scottish culture is part of their appeal, and as well as manufacturing and selling instruments, they also put on intensive 4-day beginners' courses in the Highlands. In this way, Ardival harps as one of the longest established instrument manufacturers in the Highlands and Islands, has benefitted from their rural, Highland location, whilst also bringing in a long-term financial contribution to the local economy from a mostly, international market:

'We've built an international reputation that supports the things we do locally. We had one of the very earliest websites. We couldn't exist without the internet, everything we've sold since the pandemic has come through the internet. We're at a good price point and we've got a good timescale: It's an Ardival, and you can get it within 6 months. People like it that we're in the Highlands. The fact that there was a strong historical tradition of harp playing in the Highlands is very useful, it's important [for our customers].

(Zan and Alex Dunn, fieldwork interview, 09/Nov/2022).

In this way, Ardival harps recognise that there are advantages to their business to being based in rural Scotland, with the collective heritage of harping and Gaelic traditional culture that not only adds authenticity to their musical instrument design and manufacturing, but as they suggest, can be important for the international customers also. This is another example where place-based heritage and culture has a real-world economic impact on micro-enterprises in today's rural creative economy.

There are numerous other individual sole traders and micro-enterprises working across the musical creative economy such as agents, promoters, and recording studios etc. right across the Highlands and Islands. One area however for micro-enterprises and sole traders where there could be more networked support and collaboration is via the training in Further and Higher Education providers across Scotland. Universities and Colleges across Scotland already cater well for musical performance, particularly for elite classical music, but very few of the FE and HE providers deliver the sorts of more diverse service and commercial training needed to produce the infrastructure around

live performance such as agencies, promotion, digital marketing, sync distribution and so on. These hybrid creative careers are almost always delivered by those who have learnt the skills on the job, as a means of diversifying their own income and trajectories, and more could be done by educational providers to think through the talent pipeline for the rural creative economy.

Many interviewees mentioned the common and well documented challenges for rural communities that cause problems for them entering and sustaining rural creative careers, as well as for any other sector, such as: digital connectivity, distance and travel costs, a clunky planning system, problems with rural housing which are particularly acute in rural Scotland (Townsend *et al.*, 2017; MacLennan, 2021; All Party Parliamentary Group (APPG), 2022). However, for individuals considering their future in rural and island Scotland, there has never been a better time to pursue a rural creative career if they are able to develop a comprehensive digital presence and to deliver some or all of their services via the internet. Investment in digital connectivity for rural Scotland therefore has a transformative effect on the creative economy, and as Townsend *et al.* have suggested, high speed, fibre broadband is being prioritized for urban Britain and online platforms and product are being designed for those with high speed connections (Townsend *et al.*, 2017). It is clear from my own research, that the roll out of high speed broadband would have a transformative effect on the rural creative economy.



Digitalization, Music Education in the Rural Creative Economy

The geography of the Highlands, and for many rural areas around the world is one of the most obvious challenges for music education across the world. In this respect, the pandemic has proved across a range of educational issues for rural living, to be the catalyst that has either cemented the importance and utility of digital education, or has introduced it where everything had been previously in-person. For music and for wider performing arts education, the shift to online working is one of the hugely positive legacies of the pandemic.

Similarly, many in the arts are sceptical about any private involvement in public services or government. My fieldwork in the Highlands and Islands has however shown that innovative forms of public-private partnership are in the case of music, are currently working far better on the ground than twentieth century models of state-only music education provision. **And across the whole study, the state is largely absent from the debate or provisioning of musical participation in rural Scotland.** A good example of where this is working very well, is the benefits that have accrued since the shift of instrumental music tuition from Highland Council into the Scottish Charitable Incorporated Organisation (SCIO), High Life Highland, formed in 2011.

Norman Bolton is *Head of Music Development* at High Life Highland, which essentially is the head of instrumental and vocal music teaching across the Highlands and Islands. In the year 2020-21 there were 4,040 children taking instrumental and vocal lessons. This figure has doubled from around 2,000 when music tuition was delivered as part of the council services. In terms of sheer numbers therefore, High Life Highland's work as a SCIO (Scottish Charitable Incorporated Organisation—see p. 31 for a fuller discussion of this governance model) has made a remarkable difference and vastly improved the number of children accessing music tuition across the Highlands and Islands. Today, children's parents pay for their lessons, but recent campaigns in Scotland for music tuition have noticeably altered the Edinburgh government's approach to music lessons, and during 2021, they committed to making this service free again, for the first time since the spiral of music education cuts began for council services in the mid-1990s.

High Life Highland during the pandemic used Google Meet/GSuite and Microsoft Teams which really made a huge difference both to the delivery of music tuition, but also to the communication and management of the large team of music instructors across the region:

'Google Meet and [Microsoft] Teams has allowed me to have a lot more contact [with music tutors] rather than spending the bulk of my working life sitting in the car running around the Highlands going to see people. One very

good habit pre-pandemic was going to Thurso, where I could actually get four instructors, in the same school on the same day; but not the fifth! Technology has helped that a lot, and made it easier. And it's something we're keeping for our teaching as well, because it's allowed us to open up access for pupils in very remote schools where we would never get someone on a weekly basis. So for example, we've got one voice teacher who stays in Aviemore and services Badenoch, Strathspey, Inverness and Nairn—so it's already quite a sizeable patch. He now also services Ullapool, Kinlochbervie and Scourie remotely. So he does remote lessons once a week and once a term he will do a whole day workshop with the kids face-to-face (Norman Bolton, fieldwork interview, November 2021).

For many children across rural areas, the benefits of digital lessons for music are opening up opportunities for professional tuition that were never realised before 2020. The students not only use real-time lessons but can also record the lessons and demonstrations and use them repeatedly to go over material specific to their learning trajectory dealing with their specific level of ability. The possibilities now exist for music education in rural areas to employ more remote, yet enthusiastic music teachers who teach majority online, and make occasional visits to their schools.

For children in the Highland region, musical instruments are available to borrow for free. Instrument tutors maintain a library of musical instruments for children to use across the region. In addition to this, for school use of musical instruments, parents can also go and buy musical instruments via the school without additional VAT costs. Many parents choose to invest in the months leading to Christmas in the VAT-free instrument for their children.

Similarly, individual music tutors have been able to take their previously in-person teaching online in a sustainable way that also supports their rural lifestyle, often reaching pupils all over the world. This move to online teaching was gradual pre-pandemic but now presents a mainstream option for individual music tutors living and working in the Highlands and Islands that allows them to earn more sustainably, and bring in money to the local economy from many different parts of the world:

'My private teaching that I did pre-lockdown has moved to zoom lessons and that's now a two-day a week job via the internet, that makes it sustainable and possible for me to live and work up here. And I feel like I can do my own thing now' (Hamish Napier, fieldwork interview 8Sept2020).

National Cultural Policy and its fit with *rural* creative organisations

One key aspect of the ecosystem in cultural policy, is the relationship between national funding bodies such as Creative Scotland, Arts Council England, Arts Council of Northern Ireland or the Arts Council of Wales. These bodies are the arms-length quangos that distribute public funding directly to cultural organisations across each of the four nations and regions in the United Kingdom. They each have a particular history and trajectory, but they all also face geographical challenges with one or more metropolitan conglomerations where power and arts funding is concentrated and various levels of rural and peripherality beyond. In Scotland, *Creative Scotland* has always taken an organisation-centred approach to distributing its funding, based upon a semi-responsive but structured approach to institutional understandings of need and priorities across Scotland.

The question of urban-rural dichotomy has largely been left aside in the numerous analyses of national cultural funding in the UK, indeed, there has been a small industry of cultural policy analysis at the national scale, and part of this study has been motivated by a reaction against that continuing narrative of ‘national’ cultural policy in Scotland, England, Wales and Northern Ireland. There are numerous ways in which rural cultural policy has different demands to urban cultural policy and national arts funding. Foremost amongst those differences are the huge travel costs for artists and audiences in rural areas, both in the form of fuel, plane or rail travel, but also in terms of the logistics of ferries and flights. Touring, promoting or running a venue in rural areas is different to doing the same thing in towns and cities.

Moving from rural place-to-place requires a different set of assumptions for artists and their agents, as well as for rural venues and arts coordinators at all levels from the city with an extensive rural hinterland like Inverness, to the island cultural venues serving several islands and constituencies spread across hundreds of miles like An Lanntair in the Western Isles. In some of the interviews, I found that promoters felt there was an urban bias to funding, but some even more entrepreneurial promoters and venues have used non-arts public sector schemes to fund musical events with the instrumental aims of reducing isolation or loneliness for older residents in their rural area. For those organisations reliant on public or state funding to do this kind of cultural work with a social purpose, national funders do not always understand how the rural comes into play on islands communities in Scotland, where people can live tens of miles from each other and perhaps not afford a car, or where mobile phone or internet connections are very poor making communication with one’s audiences difficult, or necessitating taking the performers to numerous locations to perform.

There is in effect, for rural arts organisations, an additional ‘travel burden’ which adds costs to any rural events, festivals or touring schedule and has to be accounted for at the planning stage, and is often invisible or absent from national funding schemes. **Rural Travel Burden:** The additional costs in time and money that accrue to organisations and individuals working in the rural economy.

National funding bodies might recognise this Rural Travel Burden in nationwide schemes and build in the opportunity for rural promoters and organisations to apply for additional costs either within, or separately to their standard grant programme. The purpose of this would be to eliminate the geographical disadvantage for rural artists and audiences and to level the playing field with urban arts across the nation (see policy recommendations p.44).



Live Events, Festivals and Rural Programming

Rural music promoters face often a particularly difficult time with the creeping financialization of village halls, community spaces and other formerly communally-owned assets. To give a direct example, various promoters I spoke with discussed the challenges of trying to put on meaningful music events in their village or region, when halls often incur charges to the local authority or SCIO of several hundred pounds. In many cases, this simply makes any attempt to put on a break-even event impossible, and forces communities themselves to find workarounds in other venues, or cheaper hire costs in the commercial sector via hotels and pubs. This is one of the reasons why in the policy section, I am calling for both a) further audit of community venues for community events, and b) legislation that would enable communities to take advantage of their local community halls and unused communal spaces regardless of ownership.

Rural costs

As is well documented across the grey literature, the cost burden for rural enterprises and communities adds significant costs onto transport, food, connectivity, shipping and fuel. This rural cost burden has quite a significant effect, particularly upon live festivals and events, and also upon individual musicians and promoters looking to book tours. Various promoters spoke in interview about the sorts of considerations they would have to make when programming bands or festivals to both balance the high costs of touring bands, and to attract audiences from a much bigger rural catchment than almost any urban venue. In this way, rural programming has to be more inclusive and to programme musical gigs and festivals that might appeal to an intergenerational audience, as well as to the specific fans of the genre involved. Many rural festivals programme in this way, and in one or two cases I encountered, the trust placed in those festivals meant they had sold out their tickets before announcing a single act. On Tiree, every year they have sold out, the capacity of the festival is 2000 and most people come from Scotland but there are international visitors too. Similarly, with the rock/pop festival, Belladrum, they have an extremely loyal following who will book in advance of the programme being finalised. This shows the strength of feeling in rural communities for their 'local' festival, or for events and venues where they place a great deal of trust in the programmers and festival/venue operators. Rural programming is therefore, more inclusive of the local community than in many urban contexts, because it has to account for its community *in place*, rather than an audience drawn from any community *of practice*. This also highlights the importance of place-based programming in rural festivals and venues, and the importance of this understanding over the medium to long-term sustainability for rural music micro-enterprises.

On South Uist, like other island communities, programming and timing are critical. South Uist audiences will always turn out for pipers and piping, but more esoteric or avant-garde performances of drama and music will sometimes struggle to get an audience, especially if there is no connection to the culture or people of the islands. In this way, again, understanding the cultural heritage of place is key to programming in the Hebrides as well as elsewhere in the Highlands and Islands. Similarly, pragmatic arrangements around ferries and timetables can often be fundamental to islanders' participation at in person events on the mainland, and are often the very issues that are misunderstood by mainland cultural leaders and national charities:

'The people who decide that they're going to be very kind to the islands, and put something on in Skye or Lewis, and they don't bother to check whether there's a winter or a summer timetable. Now if for example something went on in Skye, and they'd put it on a week later, we could have gone out for the day and gone to it and come back. It's the cost of overnighting that's so horrendous. Nobody checks when the summer time table starts. So if it's summer timetable then I can go to Stornoway for the day and back, if it's not the summer timetable I can't. Same with Skye, if they book the day when there's a morning ferry out and an evening one back then we can get 3 or 4 hours in a meeting, great. But nobody thinks of these and then they wonder why you don't come' (Mary Schmoller, fieldwork interview, May 2020).

One of the aspects of interviews that comes across strongly again and again is that networking and communication between rural promoters and mainland promoters is absolutely key. Both for the promoters I spoke to who hope to put on fantastic gigs by sharing the rural travel burden with other rural promoters, but also simply to exchange ideas and future plans with like-minded souls working in the sector. This is one of the key functions of *The Touring Network* in Scotland, and why it is so necessary to connect and support rural promoters and venue operators.

One of the key aspects of the rural creative economy which I have come across time and again in my fieldwork is the simple disconnection between people living and working in the arts in rural and island communities. For example, in the Isle of Skye, there is no overarching arts coordinator in local authority or in the third sector, there are numerous micro-enterprises living and working in music, events and in the arts more broadly on Skye with really no real network between them, and concomitantly, no ability to collectively bargain or lobby for improved services or offers around place-based marketing, state funding, potentially hugely beneficial connections with the burgeoning

tourism sector on the island, or indeed, any audience development. This isolation amplifies the precarity faced by individuals and organisations on Skye, there is virtually no representation to local government and little to no regional coordination of opportunities. Similarly, this makes it impossible to connect with other sectors for the very powerful mutual benefit that can accrue from key individuals in different sectors such as the arts and tourism together working towards shared benefits.

In addition to the transport costs for live events, those instrument manufacturers based in the Highlands and Islands also have to price in additional costs for their customers for shipping and for insurance.

‘It’s bloody irritating, I mean, we’re apparently non-mainland! According to the shipping companies. You order something [from] down South and they’ll put a surcharge onto it because you’re non-mainland! I buy online from down South, in the Highlands, I have to pay more. [For shipping] there is actually a feature on some of our bills that says, ‘collection from out of designated area’.

(Zan and Alex Dunn, fieldwork interview, 09/Nov/2022).

Similarly, for all music retailers, instrument manufacturers have also now got to deal with business-2-business and direct-to-market additional costs for importing and exporting their instruments. Selling to Europe is now more difficult for instrument manufacturers than selling to North America or the rest of the world, and this adds an additional burden of around 20% for all EU customers that did not exist pre-Brexit. Discussions regarding the arrangements surrounding the Northern Ireland protocol and a potential thawing of relations with the EU provide an opportunity to settle the very turbulent framework for touring musicians from the UK in the EU, and similarly, for instrument manufacturers such as Ardival, who would ideally wish to also exhibit their instruments at European festivals and trade fairs. These points are critical for micro-enterprises such as Ardival and other luthiers working across rural Scotland.

Classical Music in the Highlands and Islands

In the classical music world, there have been a range of publicly-funded schemes, via organisations such as Chamber Music Scotland, and Enterprise Music Scotland that have supported classical gigs and amateur groups across the Highlands and Islands, but the eco-system in this genre of music rests upon a very different and more state-supported ethos and *professionalized* infrastructure than other

genres, and the rural audience for classical music is an ageing audience in the Highlands and Islands. These two issues are core for rural classical music provision in Scotland; because the genre has historically developed an almost exclusively professionalized system, this places the emphasis on the repertoire and performers, and less around the place or community. Because of this, opportunities to hear and participate in classical music post-school in the Highlands and Islands, are limited to a great extent.

There are a number of amateur choirs and orchestras, but that elite emphasis on the professionalized performance makes the economics of classical music very difficult to sustain in rural areas. One of the consequences of this professionalization of classical music, is that those venues in the rural hinterland that can sustain regular classical concerts, such as Perth Concert Hall or Eden Court, have to programme their repertoire carefully and fairly conservatively to cater for an ageing audience demographic, and are therefore more inclined to the canonical repertoire than the avant-garde, as one promoter explains:

In terms of classical programming, it's pretty mainstream, there's not a lot of risk capital. You can occasionally, if you're very clever, come up with a site-specific narrative for something that will sell. I can take some risks [elsewhere] that I really can't take in [the Highlands]. You can have shows that really don't sell. It does come back to a certain extent to that [ageing] demographic (Promoter, fieldwork interview, 2022).

The national classical companies in Scotland, have always also had public money to support their touring schedules across rural Scotland (in addition, or as part of the conditions of their core funding direct from The Scottish Government). The Scottish Chamber Orchestra and others such as the Royal Scottish National Orchestra and Scottish Opera have done elements of regional touring in the Highlands and Islands for many years. Opinions on the success of these regional tours from national companies in classical music to rural Scotland are very mixed, but the drop-in visit from the central belt national companies in classical music tend to solely be one-off events with no substantial legacy for rural areas. These fulfil requirements from state funders for whole of Scotland delivery of their musical programming, but tend not to have any legacy in rural areas, and therefore, are hard for policy makers to sustain under state retreat. In addition to these visiting professional tours from classical ensembles and orchestras, one of the key ensembles playing classical music is the Mahler Players, who have worked for more years performing high level classical music in and around Inverness and the Highlands although the orchestra are generally voluntary rather than paid professionals. There are also some hugely successful festivals, such as the St Magnus' Festival in

Orkney with very elite performances and commissioning contemporary work that are key events in the musical calendar of the UK. However, unlike in other genres of music, because of the costs involved and the almost total professionalization of classical music in Scotland and the UK, and perhaps also because of its fundamental focus on the musical repertoire and performers as pre-eminent, it has never achieved the sort of community participation across rural Scotland that is found in genres such as traditional music, with a much deeper connection to the place-based cultures and heritage of the Highlands and Islands. Perhaps because of these deep place-based connections, evidence from The Touring Network demonstrates that across all performance genres including theatre, that traditional music is by far the most popular event in village halls and venues across rural Scotland (Touring Network, 2021, p. 9).

Small Venues in the Highlands and Islands

Typical of many village halls, Resolis hall in the Black Isle, is a hall that has a national reputation for events in drama and music. For many years, they have operated on a break-even basis and built up a loyal following for their 120+ seater venue. Many community venues operate on this break-even basis, and rely entirely on local volunteers to set up and run the events. Today, Resolis Community Arts which has been promoting for more than fifteen years, and until fairly recently benefited from a small annual grant from the Highland Council of £1500, now operates by trading on their hard-earned reputation guaranteeing the artist(s) all 'the door' minus the hall fee and the nominal sound and lighting costs. The only other outlay they have is the cost of food. They always cook for the artists and sit down with them in the hall for a pre-performance meal. This has become an important tradition. They can no longer afford to pay for B&B for performers and so rely on accommodating them in the homes of the committee members.

David Gilbert who helps coordinate the gigs and brings volunteers together does it for the joy of it, and to share in a wonderful communal experience. Every promoter or volunteer I spoke to during the fieldwork emphasized the sense of *communitas* and joy that they feel from putting on events in their local community. This is not entirely ephemeral; it has a real influence on both the promoters, the artists and the audience. At Resolis, as with many other small halls, the social life with and between the artists, promoters and audiences is as much a part of the events as the actual performance. There is a real benefit in terms of bonding social capital from this, and although not accounted for in any budget line, this is at the heart of people's motivation to make rural music happen as David explains:

‘We had Martin Simpson, I liked what he did a lot and I thought he would work really well in the hall, I spoke to his agent, and eventually we sorted something out. I managed to speak to one or two other promoters that I knew well at the time, Duncan MacInnes on Skye with Seall [and others], and we put a tour together. He played the hall and it was one of the most amazing nights, and he got a fantastic reception. He came off in tears, and I was in tears, it was that emotional. He went back to a small B&B in Cromarty just down the road. And his agent, the next morning emailed and said; “Martin tweeted last night, that he’s just performed in Resolis, one of the finest gigs he’s ever performed in his career”. And I thought, this is just fantastic. It’s so good to do, the audience and the performers love it! I mean why wouldn’t you do it?!’ (David Gilbert, fieldwork interview, 17Sept2020).

Many promoters like David, are involved on an amateur or voluntary basis in promotion in rural areas. The issue of motivation is important here because the shared sense of fun and community that comes from involvement with musical events and festivals builds quite strong social capital for participants and audiences and thinking about the wellbeing and social capital aspects of the rural creative economy should really include the non-economic aspects of these micro-enterprises. Taking an account of the social capital and wellbeing might offer a novel index for rural planning, that could prioritize those roles with greater visibility and prestige (as well as resources) and could be recognised in national cultural strategies or accounted for in cost-benefit analyses for state spending.

Service and Commercial music infrastructures

Covid-19 had a devastating effect on the music and live performance sector across the UK and the world. In this report however, it became clear that there is an incredible network of village halls, small-to-medium sized venues, and one or two bigger venues (e.g. Eden Court, Perth Concert Hall) that sustain a vibrant and deeply committed network of promoters, musicians, agents and volunteers. These have survived (mostly) in event hibernation, and have re-started many programmes in 2022 and for the future. However as Covid exposed, where rural Scotland, and nationally too, we have a significant gap in the commercial music infrastructure that allows digital marketing, royalties, labels and support for home-grown talent to grow bigger in mass media terms and through streaming and digital offers. This digital infrastructure for intangible musical products is well served in London within the UK, and also in other major capitals, but (despite pockets of

outstanding individual excellence) Scotland does not have an established commercial infrastructure that would enable the music sector to begin to take advantage of the international and online digital markets, as one professional promoter I interviewed explains:

‘Particularly in relation to music, Scotland has a sophisticated live infrastructure, but in terms of commercial infrastructure, Scotland is still developing in terms of publishers, sync houses, management companies. A lot of infrastructure was built around the live sector, and I guess that makes sense because of Scotland’s proximity to London and the major music hubs where they do have that diversity of infrastructure elements. Without that other infrastructure [however], Covid hit Scotland particularly hard. It stopped the commercial music sector in its tracks in a way that it doesn’t quite do in other international markets that do have labels, publishers, sync houses, advertising, management companies, this other architecture that can mobilize in certain respects, even though Covid does put enormous restrictions on the monetization of music’ (Professional Promoter, fieldwork interview, 2020).

To some degree, this infrastructure has been bundled into smaller scale platforms such as Patreon, which has made significant inroads into the smaller artists in Scotland, where individual artists are going direct to their audience and fans to provide a regular, small monthly income. The part where we do not yet have any collectivized models of patronage, or shared services for individual musicians that could support their collective growth. There is a significant opportunity in some genres, for considerable innovation in place-based marketing of music. In particular, unlike popular music, classical music, jazz or other mainly urban-based genres of music, traditional music in Scotland has a fairly unique opportunity to build a substantial place-based digital market, given the deep and ongoing embeddedness of traditional song and music to local rural places across Scotland:

‘I do think that there are unique and brilliant opportunities for the traditional [music] sector, because they tend to have a different relationship with the fan-base. If I’m a dance-act or a rock-act maybe this relationship is not so built around this idea of you paying for what I do, whereas, if I’m a traditional artist, then it most probably is. And [traditional musicians] tend to have global economies of consumers, they work in global markets very effectively, whether that be the UK, North America, Australia, Europe, wherever you are. If I’m an established traditional Scottish artist, they have a global audience, and they buy into me in a very unique way. And I can probably monetize that relationship in a

platform like Patreon, in a way that's possibly more successful than other types of artists such as contemporary artists can, because my customer-base behaves in a different way. There are major international markets for this type of artist [that] work particularly well. The streaming ecosystem is starting to work a lot better, particularly if you move up to the top tier of those artists like Julie Fowlis, their streaming figures are on a par with most contemporary bands, so they can compete in those spaces. Their ability to monetize this also is good, they don't necessarily have the 'traditional' [popular] music industry eco-system around them in terms of label, publisher, manager, they tend to maybe have a manager, definitely a great booking agent; so if they can translate that relationship from the relentless touring packages they used to do to a more direct conversation with that global economy of consumers, then I think the opportunities are incredible for them (Professional Promoter, Fieldwork interview, 2020).



Finance, Governance and economic Sustainability

Unlike in the US for instance where the physical boundaries of the smallest local unit of governance are the county, founded upon the 'team-haul' principle: That is, '...the maximum distance a team of horses could pull a wagon to the county seat (typically located near the centre) and return the same day' (Allen and Dillman, 1994, p. 30). In the Highlands and Islands, the evolution of local government has been more complex and has woven geography and population together with politics to produce today's 32 local authorities of Scotland. The boundaries were initially determined in 1996 after the historical development of local government from the original Burghs and Parishes, to burghs and counties, to regions and districts, and finally to the local authorities via various local government acts passed throughout the twentieth century. There is not in Scotland therefore, the same relationship between the US rural county, to the US state and on up to the national federal government. In Scotland, local government has far fewer powers than a state in the United States. In the US, a state can pass its own laws, tax its citizens and enforce these in its own courts. These powers are established in the US constitution and model a much greater form of decentralization than in the United Kingdom and Scotland. Local authorities across the Highlands and Islands have very limited powers and this has been getting worse in the 21st century through greater centralization to Edinburgh, and consequently have very little authority to transform and improve their local towns, villages and countryside. The boundaries of the 'Highlands and Islands' therefore are confused; both by history but also by politics and geography. This confusion has accelerated post-devolution:

In rural, town and city-region webinars, there were multiple references to the patchwork of boundaries that Scottish Governments have allowed to emerge within public bodies, agencies and quangos. If there is to be a better and more coherent articulation of place policies between the Scottish Government and other orders of governments, communities and the private sector urgent ACTION (9) is required to ensure that: the boundaries of all of Scotland's agencies and quangos should be re-aligned to coincide with those of Regional Economic Partnerships (that may also require some adjustment) (MacLennan, 2021, p. 16).

Some of the most striking aspects of undertaking research into music (and the arts more widely) in rural Scotland are both the very low rates of public subsidy for the arts and similarly, the lack of expectation of any public subsidy, particularly at the regional level.

If we look at other closely aligned cultures in Europe, France stands out as a reasonable comparator, but clearly with a different approach to public funding of the arts. There has been a

public mythology for decades in France that the French Ministry for Culture should aim to, ‘reach 1% of the [national] budget’ (Pflieger, 2013, p. 4) which as the funding increased during the 20th century was approximately accurate by the 1990s. Germany similarly, with its system of federated cities and regions tends to spend around 1% of regional budgets on the arts. This dwarfs anything in Britain, DCMS spending amounts to something like 0.35% and local authority spending ‘at least as important’ (Pflieger, 2013). In Scotland, the Creative Scotland total budget for 2022-23 was £96.5 million (from Scottish Government and National Lottery) of which they committed c. £91.5 million in grant expenditure.² The Scottish Government grant of £64.3 million to Creative Scotland represents around 0.1% of the total Scottish budget of £56.5 billion. Money is of course delivered in other ways to music and arts, but really very little is delivered from the state to the rural creative economy, with the exception of some of the Regularly Funded Organisations (RFOs) funded by Creative Scotland for medium term funding, and the money to support Highlands and Islands Enterprise etc. Scotland has gone further than this however, by eliminating almost all public funding for the arts in local authority budgets over the past decade via the introduction of Scottish Charitable Incorporated Organisations (SCIOs) to use as non-governmental legal bodies to run all libraries, leisure and culture services.

Non-state governance models

One of the most significant findings of this research is the sheer **lack of public investment in the rural creative economy**. In almost all the interviews conducting for this study, the place of the local authorities in Highlands and Island cultural life was either peripheral or non-existent. They have very little agency, funding or indeed bandwidth to be significant actors in the rural creative economy.

Very few participants in my research working across charities, the third sector, individual musicians or sole traders ever report any local authority support in their local area. Most state support at the regional level is to be found in financial grants or loans, there are some in kind support, particularly in recent years that often take the form of business support, or consultants paid for by Highlands and Islands Enterprise to conduct digitalization or business support audits and reports. However, even looking hard across the Highlands and Islands of Scotland, it is difficult to find any examples of local government or regional state support for the arts, and certainly nothing like what would be found in other European states such as in France, Germany or Spain. The UK with its Anglo-American model of capitalism has actively avoided state intervention in the performing

² Creative Scotland Annual Plan 2022/23, https://www.creativescotland.com/_data/assets/pdf_file/0004/92407/Annual-Plan-2022-23-FINAL.pdf

arts, and when it does, it tends to come in the form of arms-length funding for national quangos such as Creative Scotland or the English equivalent, The Arts Council of England.

Where public funding is found in rural music charities, organisations and loose collectives, it tends to come from national public funding for their core work such as core organisation funding from Creative Scotland, or from nationally-funded schemes for language or programmes such as the oft-imperilled Youth Music Initiative. In many cases during fieldwork I found that music and arts organisations have actively avoided public funding, either because the sums were too small in grant form, or because the audit and reporting burdens made it undesirable to pursue.

Rural arts organisations in some respects are more innovative than those in urban Scotland, because they have to be. This is something found elsewhere around the world; ‘...the greater the social and or geographic distance from dominant political, social and economic actors, the greater the potential for cultural and social innovation’ (Brian Lowe [2014] in Prest, 2016). We already see some highly innovative forms of financial sustainability through necessity in the rural music organisations. For instance, Muriel MacKaveney, working to promote Gaelic arts and music in Argyll reported that:

‘Our funding comes mainly via windfarms, Cal Mac, and we were getting a slice of funding that came via Creative Scotland via Fèisean nan Gàidheal, that came through Argyll and Bute Council, but I’m not sure if Fèisean nan Gàidheal get that now? There’s a trust set up for every windfarm that has an amelioration fund where people in the local postcode can apply for funding. For the Ceilidh Trail, Cal Mac were fantastic, generally funding a lot of stuff but they’re very particular’ (Muriel MacKaveney, Fieldwork interview 20Nov2020).

In this context, individual music education charities, trusts or local venues and festivals have to consider alternative, non-state options for funding, and of course, commercial income too. This has led to a patchwork of governance and finance models across the rural creative economy, but the most sustainable of which tend to rely on a spread of income sources from commercial income with other charitable or philanthropic sources that have annual dependency such as rent from gifted housing or land.

State Retreat in the Rural Creative Economy

In many of the interviews across the Highlands and Islands, I found that the state is almost completely absent from music, and more widely, arts education or opportunities. Depressing for

local communities, but even more alarming when it comes to music education. This is really a function of broader local authority 'state retreat': the continuing withdrawal of the state and its public funds and agency from an activity of public life. The consequences of this appear to be that non-state and the third sector have stepped in right across the Highlands and Islands to provide musical opportunities for young people, which relies in the end, on good people stepping forward and volunteering their time and energy. Not so much a postcode lottery, as a goodwill lottery for young people.

Scotland's deep centralization of funding which has been growing ever more centralized under the SNP in the past thirteen years, means that spending control has shifted from local government to national government. Arts and leisure in Scotland today are now basically regarded as income generating domains rather than public goods.

This often cited graphic from the Scottish Parliament Information Centre (SPICE) gives a clear indication of how real terms changes in local government revenue allocation has shifted between 2013-14 and 2021-22:

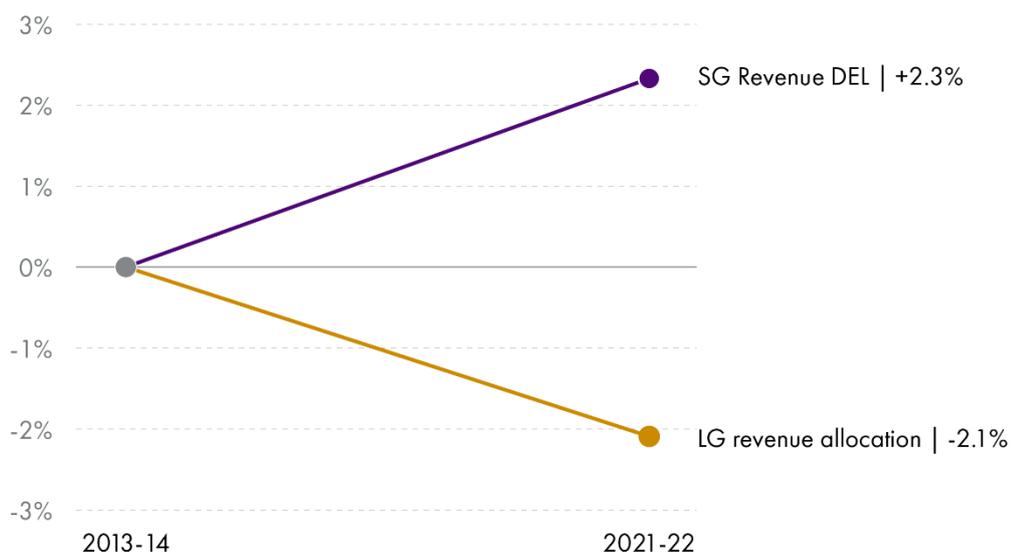


Figure 1: This is a highly cited graphical representation of the change in Local Government funding during the past decade, from the Scottish Parliament Information Centre. It shows real terms changes between 2013-14 and 2021-22 between SG (Scottish Government) and LG (Local

Government) allocations, representing the continuing centralization of Scottish spending power under the SNP government at Holyrood.³

This story of state retreat is also confirmed in other studies of public spending on music, with for instance the major *What's Going On Now? Study of Young People Making Music Across Scotland* in 2019 concluding that:

‘The responsibility for delivering more inclusive forms of provision seems to now reside with the voluntary sector. This is evidenced by third sector organisations now nurturing and supporting children and young people in their musical journeys within and post school’ (p.23 *What's Going On Now?, A study of young people making music across Scotland*, 2019)

But in considering this landscape of almost total state retreat from the arts, it is worth considering what this means for both commercial and third sector finance and governance models. One huge benefit is that for those individuals and organisations that do not receive any state support, they are free to pursue their own agenda and activities as trustees or volunteers see fit. Community organisations whose business models depend upon state financial support, are very vulnerable to changes in grant aid, to the political environment at the national or regional level. The linkages between local actors and agencies like national arts funders or government have the power to create and destroy sustainability where there are recurrent or substantial financial ties. In some senses then, sustainability is increased through the absence of the state.

Another promoter I interviewed talked in stark terms about the state retreat in their local authority with particular reference to the lack of any music activity for kids in their local area.:

‘Depressingly, XXXX council have less and less money all the time, there are fewer people around, we’ve got a lot of depopulation here and we’re surrounded here by areas on the deprivation index. The music department does nothing other than deliver the curriculum, because that’s what they are contracted to do, there is no support from that at all. I’ve been here more than twenty-odd years and they’ve never run any [music] groups in all that time’ (anonymised promoter, fieldwork interview).

³ Liddell, G. (2021) *Local government finance: concepts, trends and debates*. Scottish Parliament Information Centre, p. 29. [<https://digitalpublications.parliament.scot/ResearchBriefings/Report/2021/8/27/ccf6f2ab-1d70-4269-b67c-3d9cc4fb4429#754891ae-7d38-425c-9250-205d493f4c6d.dita>].

What can be concluded from this?

I would argue that the solutions to this state retreat in the arts, is that solutions must come from grassroots and non-state organisations and individuals. There is no real debate to be had in 2022 about Scottish government support for the arts—if one is thinking in contrast to European or other national systems, Scottish government support for the arts at either national or local levels only exists in small amounts almost entirely aimed at the professional sector. Community music and music education offer real innovation in the governance and models for future funding and sustainability of music in rural areas which brings with it the advantage of not having to rely on the stream of audits and instrumentalization of public funds that are such a burden for many professional arts organisations.

There are already solutions in the private, third and voluntary sectors to this absence of the arts in Scottish public governance. Almost all arts funding has now been eliminated from Scottish local authorities and moved into Scottish Charitable Incorporated Organisations (SCIOs). However, contrary to much popular thinking, the move away from local authorities for music instrumental tuition for instance has been a case study in positive action and increased arts participation, via the introduction of Scottish Charitable Incorporated Organisations (SCIOs).

SCIOs and regional local government

One of the key aspects of this rural innovation in terms of governance and enterprise models, is the relationship between Local Authorities, of which there are 32 in Scotland, and music education services, arts and libraries around the country. For many years, the delivery of arts in rural communities has either been done on a purely voluntary basis by interested local people, or where on a more professional footing; by artists as individual freelancers and registered as ‘sole traders’ for self-assessment tax in the UK, or, by local or regional arts organisations registered as charities in the UK. Ministers in the Scottish Government introduced a new form of legal entity called a Scottish Charitable Incorporated Organisation (SCIO hereinafter) in April 2011, ‘to allow charities to be incorporated but to be administered and regulated by a single body, the Office of the Scottish Charity Regulator (‘OSCR’). Charitable companies, which are also incorporated, report both to OSCR and to the Register of Companies (‘Companies House’)’ (Office of the Scottish Charities Regulator (OSCR), 2011, p. 5). This new form of legal vehicle has proved very popular in Scotland with people looking to remove culture, leisure and libraries from local authority provision, and to set up, smaller, bespoke companies that can deliver these functions independently from local government. Indeed, all 32 local authorities in Scotland have now used these SCIOs as a public-private quango to

effectively deliver culture, leisure and library services for citizens that were previously delivered by the local authority. It is one of the great, untold stories in Scottish public life in the 'twenty-teens'. The main advantage of this new entity is that it can use its charitable status to avoid paying business rates (tax) on their activities, but at the same time, because they are 'incorporated' as a form of business, they are entitled to have employees and to operate and charge for their services, providing they are fulfilling their charitable mission. A charitable trust in Scotland is understood and defined in law as having 'no legal personality' which means that the trustees must personally undertake any transactions, or own buildings or pursue activities on behalf of the trust, whereas, with a SCIO, the SCIO itself can undertake transactions and own buildings and the liability of the trustees is limited (as in a normal trading company) etc. That makes it an attractive choice for those wishing to save the roughly 20% business rates that would be payable by a normal company operating in the Scottish economy. The SCIO, has a structure that is required in law to have at least two members (the equivalent of trustees for a charity) that are required to keep and return accounts, ensure that the SCIO remains charitable in its actions and so on, and crucially, are legally required to report on their charitable activities every 15 months. This essentially places the SCIO at some distance from the previously regional government structures where music education, leisure, sports halls, venues and libraries were operating under local government rules and regulations.

The move from local authority control to High Life Highland as the operating company for music tuition across the Highlands and Islands has been a highly positive move for music educators working with children across the Highlands and Islands. Previously, until around 2014, all music tuition was delivered under the local authority control, and then those staff left to join the SCIO High Life Highland which has contracts in place with the local authority and is totally devolved. The change in work culture and positivity moving from the public sector, into a quasi-private SCIO with a much more focused and dedicated staff was immediately noticeable. Norman Bolton, the Head of Music Development for High Life Highland explains:

'It was never marketed to us [those of us who used to work in the local council delivering music tuition] as, "come to High Life and we'll make money". [The proposition was] come to High Life and we'll create a bigger income cushion that will take a bit of the pressure off, if we end up being subjected to cuts. Now that's a totally different mindset, and it's a totally different mindset for the people who are working day-in, day-out in schools. A lot of us are long in the tooth ex-local authority employees, constantly jaded [of the cuts to local authorities and our budgets] and we are totally different now. It's the support

network, this is a much more compact organisation means that there's more support, I am trusted to do what we need to do to run the service.

To some degree then, the size and scope of the services delivered matters quite profoundly: To be part of a music service delivering instrumental and vocal tuition across the Highlands and Islands works far better and with more flexibility and autonomy as part of the SCIO High Life Highland, whereas, previously there was a palpable sense amongst music instructors that their work was a hugely insignificant part of a much larger organisation at the local authority, which continues to be dominated by social care, health and general education outcomes across the territory. This shift from the bottom of the pile, to a dedicated organisation means that Norman and his colleagues have doubled the number of music lessons being delivered to children across the Highlands and they personally feel much more highly valued.

In terms of the public funding aspects of music tuition in schools, the current head of that service, Norman Bolton suggests, '...it is almost impossible to run a music tuition service to *make* money, it never makes money' (Norman Bolton, fieldwork interview, November 2021).

Governance arrangements and Sustainability in the rural creative economy

One aspect of creative industries policy which has received little attention is the non-enterprise, charitable and co-operative structures of ownership. Indeed, ownership in my own fieldwork came up as a key issue both in how it relates to financial sustainability and how it has a causal role in social and communicative action. Boyle and Oakley's research also contends that this is an area where more research is needed: 'While we are not suggesting that co-ops are 'the answer' to all of the problems, or that they necessarily guarantee stronger growth, we do believe that the question of ownership and business models have been neglected in creative industries policy' (Boyle and Oakley, 2018, p. 2).

In my research on music in the Highlands and Islands of Scotland I repeatedly found that communities and activists on the ground across the rural and remote parts of Scotland were driving quite adventurous and positive forms of social and community enterprise. Often, completely separate and above from any more formal structures provided by local government or even large charities. I would go as far as to suggest that rural livelihoods often require a greater sense of innovation and self-drive to achieve meaningful cultural outcomes. And not just because of the usual problems of distance, geography, connection and politics in rural areas. In rural areas there are often not even the basic infrastructure such as performance spaces, sound or lighting facilities, toilets,

catering and sometimes even accommodation that those working in the arts in towns take for granted. Rural events, festivals and residential schools can be hugely attractive, but often involve higher costs than urban events simply to provide the basics.

So in addition to the state retreat discussed above in this report, new and innovative ways of governance have been trialled with varying degrees of success in rural music organisations and charities. Commonly there are straightforward charities in UK law, where there are trustees and volunteers, but no ownership of assets, buildings or land. As also seen above, there has been a huge growth in the use of Scottish Incorporated Charitable Organisations, primarily in response to state retreat to reduce the tax burden in the way that charity structures can, but in Scots law, these entities can own assets, buildings and land and employ people in the way that a normal limited company can.

Perhaps most interestingly though, are the beginnings of non-cash, non-economic purely voluntary informal groups springing back into existence, in a way that we have not seen since the 19th century and before. Many interviewees I spoke with highlighted the incredible burdens placed on them when they have taken a commitment and benefitted from public money; in terms of the whole process from inception, to (usually) arts application, to accounting, and finally to reporting both externally and to their boards etc. These burdens are usually expected in the professionalized sector for large organisations, and indeed for Regularly Funded Organisations (RFOs) funded directly from Creative Scotland. But for smaller, local and regional groups of interested communities of practice or committed volunteers, the burden of the ever increasing financialization of arts has been rejected in some cases.

One of the groups I spoke to had organised themselves without any financial exchange, and because of this was primarily attracting young people and young adults. They communicate with posters and a mailing list, but maintain personal relationships with each other in myriad ways as their lives intersect across their rural area. Events these groups put on can be open mics, gigs, more egalitarian evenings of exchange of art, music and song. Their collective developed out of a desire not to have to travel to the central belt for performance events, and through a shared political concerns about opportunities for young people, and as a means to keep and strengthen community relationships through making art and culture together. There are strong resonances with the culture and heritage of ceilidhing and performing together in the Highlands and Islands through Gaelic culture. It is potentially significant that this reaction to the deep financialization of the arts has now begun to produce more purely voluntary groups that operate beyond the state and beyond economic exchange, and does offer a newer model of growth that is clearly sustainable as long as

people enjoy it and have fun together. The online tools to organise people such as mailing groups, wikis and free-to-access websites (as far as that is in fact possible) are useful for groups such as this, and to help people organise themselves. Where these groups might be vulnerable however is in when they attempt to put on public events or festivals or engage venues because of the burden of legislation and administrative bureaucracy in Scotland.

One of the policy suggestions in this report is therefore to consider toolkits for community arts and music groups who perhaps do want a certain amount of governance to help them promote and organise and how to meet key aspects of legislative requirements for events (e.g. children, health and safety etc.) but do not wish to be beholden to any external agencies or funders and the burdens and requirements they impose.

‘The fact that the musicians are accessible, so you go to a venue and you can hang out with whoever’s playing, it makes it more connected, and that’s one of the things that people really like about the gigs in Comrie. You’re in a wee hall, you know you’re close enough to touch, to meet people’

(Chris Grace fieldwork interview 14Sept2020).

Promoters report that very often the audience age profile depends upon the artists involved, but it’s also a community event where people will come for the social aspect as well as the pull of the particular artists. Many village halls will attract people from very far away, with audiences sometimes travelling tens of miles to attend nights where they know they will have a good time.

Sometimes, promoters in rural village halls will coordinate touring routes for their artists who are visiting to perform through loose social connections to other promoters whom they know are interested in putting on gigs in similar genres. This can alleviate the burden of travel costs for artists and promoters, and this is an area where The Touring Network in Scotland have made great progress in connected rural promoters and venues across Scotland. The Touring Network have been generous collaborators in this research and have opened doors for the fieldwork for this report and you can find out more about their mission to see rural touring be a central, celebrated and indispensable part of the cultural life of Scotland at their website.⁴



⁴ The Touring Network <https://thetouringnetwork.com/>

The *Place* for future Rural Music Making

What emerges perhaps across all the domains of the interviews is a **strong relationship between the sustainability of musical activity in rural areas and place-based enterprise and activity**. Many conversations in the fieldwork revealed the strong place-based stories of music and song, and their relationship to music businesses and online branding and identities—not just for musicians—but also for venues, festivals and organisations. It is most obviously visible in the strong place-based marketing of certain traditional musicians in the Highlands and Islands, as well as the more formal work already piloted by organisations such as Highlands and Islands Enterprise via their Language Innovation Investment products (e.g. MG Alba, Akutagawa, Fèis TV etc.). And it is visible when understanding how festivals undertake their programming to account for their place-based audiences, or when venues draw on the cultural heritage of their local residents to develop their educational and performance programmes.

In some respects, this is unsurprising, getting deeply involved with the people who live in a rural or island area is in one sense part of being able to produce music in that area that is going to be successful in attracting audiences, tours and in terms of having an online identity strongly tied to a particular island or rural place. And it is an observation that has already been made in Scotland, and acted upon in other European contexts such as Portugal, where diversification of the rural economy is now acknowledged to rest on various aspects of place-based development (Burnett and Danson, 2016; Vasta *et al.*, 2019; MacLennan, 2021). In some respects also, whether it is the sustainability of online tuition for sole trader musicians, or in ticket sales for local venues, or for the educational success for music education projects, it hinges on both having an authentic connection to rural places, their history and musical heritage, but also to being *seen* to have this relationship with the place in which you are based. This has quite far-reaching ramifications for the future sustainability of music in the Highlands and Islands, because it makes genres of music that have a strong connection to the cultural traditions embedded in rural places, far more marketable and productive. So in this way, there are very substantial benefits for traditional music and song—where Gaelic and Scots songs speak of local histories and relations as well as social histories that are still active today, or in the place-names and recorded cultural memories of individual communities across the Highlands and Islands that are memorialized in tune titles, stories associated with the landscape, village, family or working histories in forestry, fishing, agriculture, crofting etc. or more recent events surrounding political protests over oil, the environment, nuclear arms, inequality and depopulation in rural communities. For other genres, such as classical, pop, rock, jazz or indie music, the more or less deterritorialized nature of these communities of practice makes them both less visible in rural

communities, but also harder to sustain in digital and marketing networks, as I have found with classical music for instance.

Very recent analysis from London similarly notes the focus on local and place-based issues and politics as a means for arts organisations to focus and renew their work, in the face of increasing global financialization of the artistic economy and the financialization of everyday social and cultural life. Indeed, Christopher Upton-Hansen, Kristina Kolbe and Mike Savage have documented the emergent institutional politics of place that has emerged in London arts organisations, ‘...pitted against abstract notions of art’s passive benefits and against a finance-driven, globalised contemporary-arts culture—even, or especially, as they were forced to reckon with these realities in their funding structures.... It hinges on the possibility of taking advantage of the worldly embeddedness of art and art institutions to reposition them within a broader project of social and economic equity’ (Upton-Hansen, Kolbe and Savage, 2021). In some ways then, this politics of place, enables a newly-formed power for arts organisations to do real work in addressing the social concerns that are so often strongly espoused by their leaders and professionals. I would argue, based on the interviews in this research, that this placedness is particularly powerful in rural areas, because it mobilizes the rurality of musical communities itself, to produce and sustain agency and power for people right across the region—both in person, and increasingly, online, as communities extend their place-based membership to the internet, online networks, and now post-pandemic, to live digital events and teaching relationships.

Depopulation

Depopulation in rural Scotland is now a major issue. Fewer people means fewer services, and fewer taxpayers. Although the Scottish population is at a record high at the time of writing of 5.46 million people in 2021 largely due to inward migration, there continues to be a significant problem of rural depopulation, a low birth rate and ageing population, now compounded by the major economic shock of the Covid pandemic (The Scottish Government, 2021a, p. 3). Scottish rural depopulation is matched with population growth in other, urban areas of Scotland, and the entire nation is ageing in almost every region. Median ages are increasing in rural areas and working age populations are decreasing. These pose significant problems for core community issues around housing, economy, education and health. On one level, for the creative economy, this suggests that there will be opportunities for music in cultural tourism and also in servicing older audiences, but the creative economy as a whole relies upon housing, education, health and all the other public services that are undermined by depopulation.

Many interviewees talked about housing issues in their local village or region as a barrier to retaining young people. The explosion of tourism in the Highlands and Islands has stretched various Highland and Island localities to the limit, both in terms of services and infrastructure. This means that in some respects, examples of how the cultural economy can counteract rural depopulation could be particularly useful for Scottish rural areas. Scotland's rural areas have relatively precarious economies, yet have higher employment and higher rates of engagement in economic activity as the most recent report from the Scottish Government's *Expert Advisory Group on Migration and Population* makes clear:

'Small increases or decreases in labour supply can have large effects on the viability of the local economy [in rural areas]. These effects may be amplified to the extent that households are dependent on both partners working. The loss of one job may cause both to emigrate to take up new employment opportunities. It may also cause a loss of children to the area who would form the future labour supply. Nevertheless, those in remote rural areas are typically more economically active than those in the rest of Scotland, albeit by a small margin. Annual Population Survey data for 2017 shows that 81% of adults in remote rural areas between 16 and 64 were economically active, compared with 80% in accessible rural areas and only 77% in the rest of Scotland. With unemployment rates at around 4% (irrespective of geography), employment rates in the remote rural areas stood at 78%, therefore exceeding those in the rest of Scotland where they were 74%. Remote rural areas are also characterised by more diverse employment patterns than elsewhere. Self-employment accounts for 23% of employment in remote rural areas, 18% in accessible rural and only 11% in the rest of Scotland. The proportion of the employed in remote rural areas with a second job, at 6%, was double the rate for the rest of Scotland. And the proportion working from their own homes comprised 24% in remote rural areas in 2017 compared with only 9% in the rest of Scotland. The share of those working from home rose dramatically during the pandemic: this was a working pattern with which residents of remote rural areas were already more familiar. It remains to be seen how much of the change in working patterns persists after the pandemic' (The Scottish Government, 2021b, pp. 20–21).

What this could mean for the rural creative economy is that even small-scale incentives for musicians, and creative entrepreneurs to move into rural Scotland could have a disproportionately large effect on the local economy. Even small policy incentives such as Council Tax rebates could

persuade musicians and other music micro-enterprises to relocate to rural and island regions of Scotland. In the policy section (p.44) I have gathered the suggested policy actions together, but elsewhere in the world, various other tax-related measures such as tourist taxes hypothecated for local arts funding, or income tax deductions for creative artists have been trialled with success, and for peripheral areas such as Tasmania, introducing real financial incentives for the creative artists has been shown to have a positive impact on the longer term sustainability of rural areas (Feintuch, 2004; Tohmo, 2005; Verdich, 2010; Strom and Kerstein, 2015; Cetin *et al.*, 2017; McKerrell and Hornabrook, 2018). It is not beyond the bounds of possibility that Scotland could take a holistic approach to rural depopulation and consider diversification of rural economies through creative economy incentives—much like was pursued deliberately, and successfully, in places like Cape Breton in the 1980s and 1990s (see p.44 for suggestions).

Future Opportunities

There is a debate that there are beginning to be very substantial benefits for rural entrepreneurs that rest upon the digitalization of business and of solid infrastructure. The argument suggests that the place-based capital that accrues to musicians, retailers or venues from their location in beautiful rural and island locations can be transferred from the landscape, to their outputs as creators, performers, exhibitors and retailers. One such study has been conducted by Sam Whiting in 2021 who looked directly at the value of small live music venues and how they develop social and cultural capital:

‘venue booking agents mobilise the intrinsic value (i.e. use-value) of their venues, drawing on the cultural and symbolic capital of the venue spaces themselves, the combined capital of others working in these spaces, and their own social and cultural capital to do so. These hybrid forms of capital take on an instrumental value (i.e. exchange-value), which is traded for economic capital. However, the emphasis throughout this process remains on intrinsic forms of value, which are the true source of small venues’ revenue and capital, economic or otherwise’ (Whiting, 2021, p. 2).

So his argument rests on the assumption that it is the aesthetic understanding and reputation of venues, musicians and agents that is essentially commodified or exchanged for money as tickets or subscriptions. Whiting’s solution is to complicate and blur the binary between instrumental and intrinsic value (p.4), which in the end is an easy solution but does not move the binaristic debate further forward between those who privilege intrinsic/aesthetic value or those who privilege the

instrumental or output values of musical participation and performance. He may be right of course that the long-standing intrinsic-instrumental debate is a false dichotomy anyway (for good summaries and discussion of this binary debate see Belfiore and Bennett, 2008; Behr, Brennan and Cloonan, 2016; Miles and Gibson, 2017).

However, as this report demonstrates, the transfer of rural cultural capital to economic capital through music and online marketing is already happening in Scotland, and offers really quite substantial potential for the future creative economy and sustainability for individual musicians, promoters, venues and micro-enterprises in the Highlands and Islands. Hamish Napier, who is a pianist, flautist and composer based in Grantown makes this very explicit in his interview when he shows that his clear strategy of marketing his rural lifestyle and connection to the area actually has real-world economic benefits:

‘I have someone who does my social media, to make sure my work goes out online at the best times, because musicians are famously hopeless at promoting themselves! That has become a hugely important thing for me, dare I say it, to find a brand. I had to find a way to say: I’m from the Highlands, I’m a tutor, I write music; I’m a folk musician; this is what I do, boldly and I’ve tried to find a way with the logo, the website where everything points towards that. To make it *clear* to people that’s what I do. It is thought through.

I put up pictures of me out building a poly-tunnel, out digging a tatty patch and people are interested in that, and are inspired by that. It’s about getting closer to the land, closer to the landscape. And it does sound a bit contrived, but it is important to share my lifestyle, because that’s actually where all the music, the inspiration comes from. Living remotely is not a problem, because in Glasgow I was remote as well. To reach your audience, you need to be doing performances in key venues around the Highlands, but you also need to get on the social media so that people are hearing about the things you’re doing and everything that feeds into that. Being in the country gives you the inspiration, but also the *incentive* to promote yourself and keep on top of it, you’re not in the city bumping into people, you’ve got to tell people what you’re doing’ (Hamish Napier, fieldwork interview, 8Sept2020).

The potential benefits from joined up action across sectors are significant for the rural creative economy.

- Musicians in particular have had a great potential for new models of digital innovation and more sustainable incomes through rural place-based marketing and online live events.
- Online freelance music production and editing OR collectivized online music production via a distributed network of audio engineers and producers in Highlands and Islands.
- The place-based capital in rural Scotland is particularly suited to music with a strong place- and heritage-based connection such as traditional music and song. The research highlighted how opportunities to expand place-based marketing could lead to new models of digital revenue by moving beyond older models of genre-based marketing, and is an area of real potential for research and enterprise innovation.

Where we might need more action to support this infrastructure is in the non-live, non-touring and more commercial infrastructure that would support more digital innovation and entrepreneurial growth for all sorts of music artists in rural Scotland.

Scotland as ever, has pockets of excellence, but without any consolidated sync houses, management and other services that support more global forms of music industry livelihoods. There are good recording studios across Scotland, but as an example of the exception that proves the rule, the only Miloco-registered world-class recording studio in Scotland, is Black Bay Studios on the Isle of Lewis in the Outer Hebrides.⁵ This is a global badge of world-class quality for recording artists, and it is very significant that we have the only registered Miloco studio in the Outer Hebrides in Scotland. However, aside from one or two other examples, the necessary services for deeper engagement with digital marketing and distribution, rights, and so on is lacking in Scotland, but can be found in London and other global cities. There would be nothing however stopping someone from moving into that space if properly supported and acting for a collective of rural or Scottish musicians across genres.

An important part of the picture for future development rests on the educational opportunities for the service-based roles in the music industry that are currently not well catered for in further or higher education. The education sector has tended to focus on performance skills for musicians and musical education that has flowed through into tertiary education, but we have a real lacuna in the educational opportunities for key creative industry roles that are service-related such as management, promotion, digital marketing, syncing, distribution. Moving into this space would enable us to train and retain young people working directly working with commercial music and the supporting infrastructure in Scotland. There are of course examples of where this is well supported

⁵ <https://milcostudios.com/studios/black-bay/>

but they are isolated, in for instance the relevant training and workshops provided by XPONorth and also for promoters and venues via The Touring Network, both of whom are providing valuable service-related training and support for the wider music industry across rural Scotland.

Methodology

This report was researched, analysed and authored by Professor Simon McKerrell (Glasgow Caledonian University, working for an Arts and Humanities Research Council Leadership Fellowship Grant (AH/T004991/1)), between 2020 to 2022. The project has largely taken the form of detailed ethnographic (qualitative) research interviews across the entire music sector in the Highlands and Islands. Interviews included musicians, venue operators, musical instrument makers, festival organisers, arts promoters, public officials, charity officers, police, educators, tutors, and so on. Then responding to the interviews, desk research included grey literature review, and then coding of interview data and analysis. Around 70 interviews were conducted for the report and this output is one of several key dissemination outputs that also include: a monograph (forthcoming); a report launch and panel debate on 5th December 2022 in Inverness; 3 online panel debates on musical futures in the Highlands and Islands in 2021 ([Music Education](#)-June 2021; [Music Festivals](#)-June 2021; [Live Events](#)-April 2021), various academic conference presentations and invited papers as well as engagement via workshops in collaboration with The Touring Network, who have been partners in this research.

Interviewees were chosen via my own network of contacts, through introductions via the Touring Network and snowball sampling during interviews themselves. The thematic areas that have emerged are those that have emerged from the interviews themselves, and that particularly speak to the applied and more policy-related concerns of this research project.⁶ In this way, the study was 'grounded' or as others might describe it, drawn from the concerns of participants themselves. A much deeper analysis of the entire project will be published in the forthcoming book.

⁶ More information and blog posts about this project can be seen and read on the website: <https://simonmckerrell.com/research/music-in-the-rural-creative-economy-project/>



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Policy Suggestions for Consideration

Proposed Action or Policy	Notes
Individual and Community Action and Policy	
Collectivized event and public liability insurance, festival fencing and fixed costs.	Although the musicians’ union has offered public liability insurance for years, many musicians are not members of the MU, and do not wish to join. A scheme to collectivize public liability insurance that is run for musicians, by musicians would alleviate the costs here, much in the same way that self-organised factoring does for residents living in flats who share the financial burdens of insurance and repair costs. This would not need the intervention of any state-based authority or group and could simply be done by a group of interested musicians and other micro-enterprises. The possibility for venues to club together in this way also could lead to longer term savings on annual fixed costs for festivals and venues. Similarly, the fixed costs for rural music festivals could be substantially reduced were regional festivals to club together to purchase or hire physical assets such as fencing, staging or toilets. The issue here is to get enough critical mass to make the finances work at scale so that the annual recurrent costs are reduced substantially over a 5 year period for instance.
Consider collective for digital marketing and collective purchasing of music instrument and luthiers’ raw materials.	Musical instrument manufacturing is almost always generally a micro-enterprise, and for those individuals working in this profession in the Highlands and Islands generally work for an international market. This focus necessitates very strong online marketing and skills which could be supported in a more collective way across rural Scotland. Similarly, many luthiers and instrument manufacturers work with the same raw materials such as spruce, maple, ebony or metals. Collective bargaining and purchasing of these raw materials would reduce the costs for individual micro-enterprises and could be negotiated by a loose collective of luthier/instrument makers, which could bring other benefits through networking.
Regional Policy and Actions	
Council tax rebates for Creative Professionals <£85K.	As discussed above, almost all rural musical micro-enterprises operate far below the VAT threshold of £85,000 in the UK. Bringing in a council tax rebate for creative industries in a local authority could be piloted to see what the impact is on population migration and creative enterprise. This would potentially hugely reduce the burden on musical micro-enterprises (or all artistic micro-enterprises) because the

	economies of scale operate at very low levels compared to the general business community, so discounts of hundreds or a few thousand pounds could make the difference between viability for a new creative enterprise or closure. There are already straightforward ways to operate this as demonstrated by the SEISS grants through Covid, any local authority in Scotland could trial a scheme to give a council tax rebate for all creative producers who can evidence a contribution to the local economy and at least a 3 year self-assessment track record in the creative, performing, visual arts or craft sectors that lie beneath the £85K VAT threshold.
Longitudinal data on rural cultural participation	We have very little quantitative data on the rural creative economy, and as discussed above, the micro-enterprises in music are almost completely statistically invisible. One method of addressing this fundamental gap in understanding the sector would be to require all or a portion of alcohol license applications to local authorities, or event applications to the police to be statistically analysed in any given local authority, or indeed, at the national scale. This would provide a proxy measure of activity across local authorities or in regions that would help in planning and better understanding the live events sector, and eventually, a longitudinal dataset over many years.
Tourist Overnight Tax	As shown elsewhere, tourist bedroom overnight taxes of a low level (£2/3 per night up to a limit) have been shown elsewhere to be highly effective sources of hypothecated revenue for regions with high tourism. These funds would have to be re-invested in the arts, rather than siphoned off into the mega-budgets of health, housing and social care, but if done successfully (now that the legislation is in place in Scotland) they could transform the arts ecosystem in any given region in Scotland. The tax can be operated either in the accommodation sector or via air passengers arriving to Scotland. This could be a transformational policy that would support the grassroots musical and arts structures in each region and address the huge issue of state retreat from the arts in Scotland.
Audit of community venues and communal spaces for communities across rural Scotland	Charges for many village halls and other communal spaces have now exceeded the point that makes it economically possible for even the best intentioned charitable worker to put on a local community event, and many people are having to move to commercial venues and so on. Research that discovered the scale of this problem would be very welcome and would support debate and policy actions to enable rural communities to use their village halls or formerly-communal venues, regardless of ownership.
National Policy Suggestions for Music and Arts in the Rural Creative Economy	
Annual survey of freelancers, or anonymised data collection of sole	HIE, HMRC, Creative Scotland or one of departments of government, could institute an annual survey or data gathering exercise using data submitted to HMRC for sole traders in the

<p>traders and sub-VAT threshold Creative Businesses in Scotland.</p>	<p>creative industries. The benefit of this would be that we would be able for the first time in Scottish history (or UK for that matter) to get a real understanding of where the creative economy is, and the net contribution of micro-enterprises to regional and national productivity. Many other benefits could flow from this data, including far more targeted support for micro-enterprises on tax efficiencies, potential for really transformative income tax policy changes which could massively stimulate the rural creative economy without any significant alteration to public revenues, and joining up tax policy with depopulation concerns would enable government to pilot regional schemes for encouraging the creative economy in rural and island communities.</p>
<p>Income Tax Exemption/Reductions for rural micro-enterprises</p>	<p>Consider an income tax exemption for all rural artistic micro-enterprises below the national average income (c. £27,000) with evidence of sustained tax returns. This would both massively boost micro-enterprises in rural areas, and hugely facilitate efforts to expand rural working age populations, whilst simultaneously supporting slow and cultural tourism across the Highlands, Islands and rural Scotland more widely. Trials of this policy in Indonesia and Ireland have widely been judged to be a success. Ireland has provided tax exemptions for artists since 1969 and from 2015 exempted the first 50,000 Euros in profits earned by artists, writers and sculptors etc. In the UK we have already given tax reliefs to established classical orchestras and major theatres (2014 & 2016), so in some senses this is an extension of an existing policy but to freelancers and sole traders, this could be transformative. In other countries, even more progressive policies have been trialled such as in Mexico, where tax law allows painters and other visual artists to use part of their artistic output as, ‘...an alternative means of paying taxes...called Payment in Kind (Pago en Especie)’ which are then used as exhibits in open spaces of public buildings, or in the national heritage collection (Molenaar, 2017).</p>
<p>Diversification of funding sources for charities and community groups</p>	<p>Already we see in the fieldwork for this report a diversification of funding sources away from the state to income from local windfarms, place-based business sponsorships etc., which could be accelerated and well publicized nationally to give local communities more, and varied options for financial sustainability and support for local music making.</p>
<p>Toolkit for free-to-access events and community groups without financial exchange</p>	<p>There would be great benefit to the development of a toolkit for local community music and arts groups to download that provides free-to-access up-to-date information about the minimum requirements in legal and statutory guidance, that will help them put on events and hold events without any financial exchange. This reflects a desire for some groups that form, who do not wish to pursue any financial aid but do wish to hold their own events and find themselves mired in bureaucracy and administrative burdens that are foreign to volunteers or where there is little experience in the group.</p>

	Particularly aimed at young people without any real financial resources, this could help to provide a new burgeoning non-cash and non-economic platform for highly local arts and musical voluntary groups that exist outside of the professional structures now so pervasive in the Scottish arts scene.
Skills training audit for service and commercial music industry skills.	An audit of skills training could help to alleviate the service and commercial services provision for Scotland (e.g. promoters, agents, syncing, distribution, digital marketing etc.). Particularly useful for Further and Higher Education where a debate about the skills taught and the types of graduate outcomes are long overdue.
Additional funding to alleviate Rural Travel Burden	Nationally-funded quangos and organisations such as Creative Scotland, HIE, Government departments and so on, could consider separate book-matched funding where rural and island organisations and individuals could apply for money to support the rural travel burden, where they have been successful in obtaining artistic funding in direct competition with urban peers. This could go some way to levelling up the additional costs faced by rural promoters and venues to bring touring bands, musicians and theatre companies to the Highlands and Islands.

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