International Journal of Cultural Policy

Publication details, including instructions for authors and subscription information:
http://www.tandfonline.com/loi/gcul20

Were New Labour’s cultural policies neo-liberal?

David Hesmondhalgh\textsuperscript{a}, Melissa Nisbett\textsuperscript{b}, Kate Oakley\textsuperscript{a} & David Lee\textsuperscript{a}

\textsuperscript{a} Institute of Communications Studies, University of Leeds, Leeds LS2 9JT, UK
\textsuperscript{b} Culture, Media and Creative Industries, King’s College London, London WC2R 2LS, UK

Published online: 23 Jan 2014.

To cite this article: David Hesmondhalgh, Melissa Nisbett, Kate Oakley & David Lee (2014): Were New Labour’s cultural policies neo-liberal?, International Journal of Cultural Policy, DOI: 10.1080/10286632.2013.879126

To link to this article: http://dx.doi.org/10.1080/10286632.2013.879126

PLEASE SCROLL DOWN FOR ARTICLE

Taylor & Francis makes every effort to ensure the accuracy of all the information (the “Content”) contained in the publications on our platform. Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Versions of published Taylor & Francis and Routledge Open articles and Taylor & Francis and Routledge Open Select articles posted to institutional or subject repositories or any other third-party website are without warranty from Taylor & Francis of any kind, either expressed or implied, including, but not limited to, warranties of merchantability, fitness for a particular purpose, or non-infringement. Any opinions and views expressed in this article are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor & Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Terms & Conditions of access and use can be found at http://www.tandfonline.com/page/terms-and-conditions
It is essential that you check the license status of any given Open and Open Select article to confirm conditions of access and use.
Were New Labour’s cultural policies neo-liberal?

David Hesmondhalgh\textsuperscript{a*}, Melissa Nisbett\textsuperscript{b}, Kate Oakley\textsuperscript{a} and David Lee\textsuperscript{a}

\textsuperscript{a}Institute of Communications Studies, University of Leeds, Leeds LS2 9JT, UK; \textsuperscript{b}Culture, Media and Creative Industries, King’s College London, London WC2R 2LS, UK

(Received 7 October 2013; accepted 23 December 2013)

This article assesses the cultural policies of ‘New Labour’, the UK Labour government of 1997–2010. It takes neo-liberalism as its starting point, asking to what extent Labour’s cultural policies can be validly and usefully characterised as neo-liberal. It explores this issue across three dimensions: corporate sponsorship and cuts in public subsidy; the running of public sector cultural institutions as though they were private businesses; and a shift in prevailing justifications for cultural policy, away from cultural justifications, and towards economic and social goals. Neo-liberalism is shown to be a significant but rather crude tool for evaluating and explaining New Labour’s cultural policies. At worse, it falsely implies that New Labour did not differ from Conservative approaches to cultural policy, downplays the effect of sociocultural factors on policy-making, and fails to differentiate varying periods and directions of policy. It does, however, usefully draw attention to the public policy environment in which Labour operated, in particular the damaging effects of focusing, to an excessive degree, on economic conceptions of the good in a way that does not recognise the limitations of markets as a way of organising production, circulation and consumption.

Keywords: cultural policy; neo-liberalism; instrumentalism; new public management; Labour Party; New Labour

Any government of a major nation elicits considerable commentary. The Labour government of the United Kingdom from 1997 to 2010 has probably inspired more commentary than most. This was a long period of office, based on three election victories (1997, 2001 and 2005) and involving two charismatic leaders, Tony Blair and Gordon Brown, who purportedly came to hate each other. Much of the commentary was produced by journalists during the period that ‘New Labour’ was in office.\textsuperscript{1} Some was produced by academic researchers seeking to understand various aspects of policy, such as education (Ball 2007) and health (Leys 2001). After the Labour Party lost the 2010 UK General Election, the flow of assessments somewhat dried up. But the end of a government offers the opportunity to assess its achievements and failures in the round.

Although quite a lot has been written about particular aspects of New Labour’s cultural policies (e.g. Belfiore 2004, Stevenson \textit{et al.} 2010, Newsinger 2012), there has been little effort to assess them as a whole (though see Hewison 2011, Newbiggin 2011). This article is part of a broader project that aims to do so.\textsuperscript{2}

\*Corresponding author. Email: d.j.hesmondhalgh@leeds.ac.uk

© 2014 The Author(s). Published by Taylor & Francis.
This is an Open Access article distributed under the terms of the Creative Commons Attribution License \url{http://creativecommons.org/licenses/by/3.0/}, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. The moral rights of the named author(s) have been asserted.
Labour’s cultural policies appear to be of some interest to scholars beyond the UK (Cunningham 2007, Ross 2007, Prince 2010; see Stevenson et al. 2010). Here was a government, with formidable power and resources, which placed great emphasis on the importance of culture. It abolished charges for entry to national museums and galleries, and visits to these institutions increased considerably. New museums, galleries and other cultural facilities sprung up. Labour’s use of the ‘creative industries’ idea was widely seen as innovative and influential. UK cultural products achieved some success, and although it is difficult to be certain about how much cultural policy was responsible for this, areas such as film policy have been widely credited for some of this success. Prime Minister Tony Blair once claimed that Labour had enabled a ‘golden age’ for arts and culture in the UK.3 The post-2010 UK government, formed by a coalition of the right-wing Conservative Party and the centrist Liberal Democrats, have introduced drastic cuts to arts funding (as well as to welfare, local government, universities and other forms of public expenditure), and some would say that this demonstrates the relative benignity of the preceding Labour government. Yet few celebrated New Labour, or its cultural policies, while they were in government, and few have mourned them since they lost power.

This article discusses New Labour’s cultural policies by focusing on whether they might be validly interpreted as *neo-liberal*. Neo-liberalism is a characterisation that has been made of New Labour’s policies in general (e.g. Jessop 2007, Wood 2010 among many others), not just their cultural policies. David Harvey’s definition is widely quoted and cited: ‘a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade’ (Harvey 2005, p. 2). However, as Harvey himself shows, *practices* of actual ‘neo-liberalization’ – the actions and policies of governments with a commitment to neo-liberal theory – vary considerably (see also Ward and England 2007). Partly as a result of this variation, but also because of misunderstanding and simplification, the conceptual looseness of ‘neo-liberalism’ is now widely recognised, even by those who use the term.

As a result, many are understandably tiring of it. For Susan Watkins, it is ‘a dismal epithet … imprecise and over-used’ (Watkins 2010, p. 7). Hall (2011, p. 10) writes that ‘the term lumps together too many things to merit a single identity; it is reductive, sacrificing attention to internal complexities and geohistorical specificity’. Nevertheless, Watkins and Hall, like many others, can’t let go of it – and with good reason. For Hall (2011, p. 10), ‘there are enough common features to warrant giving it a provisional conceptual identity provided this is understood as a first approximation’. For Watkins (2010, p. 7), ‘some term is needed to describe the macro-economic paradigm that has dominated from the end of the 1970s until – at least – 2008’.

The concept of neo-liberalism is mainly used as a term of criticism from the left. Very few people declare themselves to be neo-liberals. We do not depart from the critical use of the concept. We believe that there are views and practices that can usefully be defined as ‘neo-liberal’, that these originated in the mid-twentieth century and gained remarkable hegemony in government from the 1970s onwards, and that policies based on such perspectives increased inequality and restricted the freedoms of millions, while proclaiming to provide greater liberty. But this article asks: is the term useful in understanding Labour’s cultural policies? Our main aim, in answering that question, is primarily to
explain and evaluate Labour’s policies, and neo-liberalism is mainly a starting point for the analysis. We cannot explore in detail the origins of neo-liberal policies (see Peck 2010, Foucault 2010) or the complex ways in which neo-liberalism relates to the development of the modern state (see Jessop 2008). A second key aim is to provide some theoretical refinement of the ways in which cultural policies are critically analysed.

The most developed discussions of cultural policy in relation to neo-liberalism have been provided by McGuigan (2004, 2005, 2010).4 In a piece in this journal, McGuigan (2005) wrote of how an all-pervasive ‘market-oriented mentality’ (229) in modern societies had put into question the role of cultural policy in providing a ‘modest counterweight’ to commercial culture (235). McGuigan polemically claimed that everyday life (not just politics and policy) had become permeated by notions of the good derived from business. McGuigan was perhaps too bold in declaring ‘neoliberal globalisation’ the best way to ‘characterise and name’ the entire condition of the modern world (229).

Historical conjunctures can hardly be characterised in two words, even as shorthand. This is to risk committing an error to which McGuigan himself alluded by quoting the political theorist Andrew Gamble, that of treating neo-liberalism as ‘a phenomenon which manifests itself everywhere and in everything’ (Gamble 2001, p. 134) and ‘as though it is the source of everything else, from new Labour to global poverty’. And, with particular relevance for this article, Gamble goes on to give an example: ‘European social democracy … has plainly been influenced by neo-liberal ideas, but to suggest that it has become simply an expression of neo-liberalism, is too simple a judgement. Other factors are at work’ (though see Mudge 2008, who plausibly argues that centre-left governments have been more effective than conservative ones in gaining acceptance for neo-liberalisation measures). It is better, wrote Gamble, ‘to deconstruct neo-liberalism into the different doctrines and ideas which compose it, and relate them to particular practices and political projects’ (134). That is what we seek to do.

However, McGuigan helpfully identified ways in which contemporary cultural policy might be characterised as neo-liberal:

- the increasing corporate sponsorship of culture that might previously have been funded by public subsidy,
- an increasing emphasis on running public sector cultural institutions as though they were private businesses,
- a shift in the prevailing rationale for cultural policy, away from culture, and towards economic and social goals: ‘competitiveness and regeneration’ (238) and ‘an implausible palliative to exclusion and poverty’ (238).

We structure our discussion of New Labour’s cultural policies roughly according to these three categories, asking to what extent those policies can validly and usefully be characterised as neo-liberal. For reasons of space, we discuss corporate sponsorship only briefly, instead focusing on whether New Labour showed a genuine commitment to public subsidy of culture and the arts. McGuigan’s categorisation by no means provides a comprehensive assessment of the relations between cultural policy, the state, neo-liberalism and New Labour. But it draws attention to some key issues that are worth exploring in greater depth.
Privatisation of culture?

The increasing use of private sponsorship to support the arts has undoubtedly been one of the major developments in UK cultural policy over the last 30 or 40 years. A key organisation involved in arts sponsorship claims that business sponsorship of the arts has increased since 1976 from £600,000 per year to £686 million per year in 2009 (Arts and Business’s website: http://artsandbusiness.bitc.org.uk). This suggests a remarkable growth. Wu (2002, p. 47–82) argued that the increasing presence of corporate intervention in the arts, including sponsorship, was intimately connected to attempts by the Reagan and Thatcher governments to reduce the public sector and radically expand the power of big business – to what many would call neo-liberalism, or neo-liberalisation.

If increasing arts sponsorship and corporate intervention have been long-term trends in cultural policy across much of the world, to what extent can New Labour be seen as actively promoting or at least failing to inhibit them? New Labour’s pro-business orientation was quite in keeping with the move on the part of arts and cultural organisations towards greater ‘partnerships’ with the private sector. But what about government expenditure? A truly ‘privatising’ cultural policy would presumably seek strongly to substitute such private income for public spending. But Labour politicians claim that they considerably increased funding for the arts and culture. Former Minister for Culture and Tourism Margaret Hodge reckoned in 2010 that investment in the arts had gone up by 83% in real terms since 1997 (Hodge 2010). Labour’s so-called ‘cultural manifesto’ (one of a number of documents that have been called Creative Britain over the years) prepared for the 2010 General Election, cited a real-terms expenditure increase of 90%. It is not clear how either of these percentages were arrived at.

How accurate are these figures? Changes in accounting procedures make comparisons using DCMS data very difficult, but Arts Council of England funding provides at least one measure, and this increased from 186.6 million in 1998–1999 to 452.9 million in 2009–2010 (see Table 1 below). This represents a real increase of something like 35%, assuming the Bank of England’s average inflation rate of

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding (£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997–1998</td>
<td>186.60</td>
</tr>
<tr>
<td>1998–1999</td>
<td>189.95</td>
</tr>
<tr>
<td>1999–2000</td>
<td>228.25</td>
</tr>
<tr>
<td>2000–2001</td>
<td>237.155</td>
</tr>
<tr>
<td>2001–2002</td>
<td>251.455</td>
</tr>
<tr>
<td>2002–2003</td>
<td>289.405</td>
</tr>
<tr>
<td>2003–2004</td>
<td>324.955</td>
</tr>
<tr>
<td>2004–2005</td>
<td>368.859</td>
</tr>
<tr>
<td>2005–2006</td>
<td>408.678</td>
</tr>
<tr>
<td>2006–2007</td>
<td>426.531</td>
</tr>
<tr>
<td>2007–2008</td>
<td>423.601</td>
</tr>
<tr>
<td>2008–2009</td>
<td>437.631</td>
</tr>
<tr>
<td>2009–2010</td>
<td>452.964</td>
</tr>
<tr>
<td>2010–2011</td>
<td>438.523</td>
</tr>
</tbody>
</table>
2.7% per year between 1999 and 2010. That is a very significant increase, even in an era of relative economic prosperity.\(^5\)

On top of that increase were considerable extra cultural subsidies from three further sources. One was the BBC, a vital form of cultural funding in the UK, although it falls outside our study of cultural policy.\(^6\) Lunt and Livingstone (2012, p. 116) cite a 63% increase in BBC funding between 1997 and 2010, which would equate to about 14% in real terms. The second was local government spending on arts and culture, funded from a mixture of central government grants and local revenue sources, such as Council Tax and local government charges.\(^7\) It is very difficult to find composite figures regarding local government expenditure on arts, culture and heritage. But Labour increased central government grants to local government from £82 billion in 1999 to £173 billion in 2010 (UK Public Spending website, 2013), and considerable sums were available from EU Structural Funds. This enabled local government to invest, particularly in ‘cultural infrastructure’. However, local government grants were often subject to rigid prescriptions regarding the Private Finance Initiative.

**Lottery funding and its problems**

The other source of extra funding was lottery revenue, and this is vital to understanding Labour’s funding of arts and culture. The National Lottery was introduced by the Conservative government of John Major and launched in 1994. Over the first two franchises, covering 1994–2007, 28% of revenues were provided to what are called the ‘Good Causes’. The make-up of these Good Causes has changed in complicated ways since the 1990s. A major development was that the 1998 Lottery Act allowed funds to be spent on health, education and the environment. From 2005, 50% of Good Cause Lottery money went to the Big Lottery Fund, combining health, education and environment with funding for the voluntary and community sectors. The remaining 50% was divided equally between arts, heritage and sport. As a result, between 1997 and 2010, some £3 billion of Lottery funds were distributed to the arts and heritage. It should be emphasised that these resources were *in addition* to increases in the Arts Council, local arts and culture, and broadcasting budgets. This would hardly seem to fit with any reasonable depiction of Labour’s cultural policies as ‘neo-liberal’, if neo-liberalism is understood to involve cuts in public spending, as it very often is.

However, there are some significant downsides to lottery funding – including of the arts and culture. A first is that, when it is considered as a form of ‘implicit taxation’, there is significant evidence that lottery funding tends to be regressive in social distribution (Clotfelter and Cook 1989, p. 221–230). Lower-income groups spend a much higher proportion of their income on lottery tickets (Clotfelter and Cook 1989, p. 229; see also Clotfelter 2000). When used to fund the arts and culture, there is a danger that the regressive element becomes worse, given that lotteries often seem to be used to fund activities undertaken and products consumed primarily by higher socio-economic groups (this argument is made polemically by Wisman 2006; see also Pickernell *et al.* 2004). A second objection to lotteries is that they prey on people’s misunderstandings of their chances of winning, which are extremely small (see Beckert and Lutter 2009). A third factor is that policy-makers inevitably must come to see lottery as a potential substitution for other (usually more progressive) forms of taxation – although this is impossible to
prove, it seems unfeasible that policy-makers would somehow eradicate the knowledge of lottery funding from their mind in considering other funding. This combination of factors may not mean arguing against lotteries altogether, and it cannot be used to support an argument that New Labour’s cultural policies were covertly neo-liberal. But it does suggest that praise for increased funding for arts and culture, where that funding derives significantly from lottery sources, needs to be qualified.

In discussions of Labour’s record, big Lottery-funded projects loom large. Even critical commentators point to the success of various prestige projects, many of them funded in part by the Lottery, and some of them in fact initiated under the previous Conservative administration of John Major. London’s Tate Modern is nearly always mentioned.8 The British Museum’s Great Court, funded by £46 million of lottery money and considerable corporate sponsorship, is often deemed a great success (Millard 2010). Projects involving the Lowry in Salford, Ikon Gallery in Birmingham and the Sage/Baltic complex in Tyneside (Newcastle-Gateshead) are frequently praised by those metropolitan commentators who show any concern for life outside the capital (e.g. Frayling 2005, Toynbee 2011). Labour politicians and defenders point to the large numbers of visitors at some sites and the popularity of some attractions with local visitors. Academic researchers have been much more wary about such projects, but in some cases have recognised how more successful projects might enhance (some) residents’ perceptions of their own city or town (such as Miles 2005 on the Sage/Baltic complex).

However, critics, especially those in the media, claim that much of the money – especially the windfall of National Lottery funding – was spent on extremely expensive and in some cases unsustainable prestige building projects. The most notorious instance of these flagship projects was the Millennium Dome in Greenwich, London (see McGuigan and Gilmore 2002, Gray 2003) though its long-term fate has been more successful. There were numerous other failures that were not redeemed: Sheffield’s National Centre for Popular Music (which closed in 2000, and cost £11 million of lottery money); the National Centre for Visual Arts in Cardiff (closed in 2000, £3 million of lottery money); and Life Force, a museum in Bradford about the history of religious belief (£2.2 million lottery grant, closed in 2001). The House of Commons Committee of Public Accounts reported in 1999 on projects funded through Arts Council England’s lottery-funded capital programme, focusing on 15 of the 28 projects that had secured more than £5 million of money in the capital round of 1995–2000, and expressed serious concerns about their management (House of Commons 1999). A follow-up report found that of the 13 such projects by then completed, four were more than a year behind schedule, and 13 of the 15 were over budget, by between 1.7 and 58% (National Audit Office 2003). These had been projects initiated under the previous Conservative government, and the Arts Council claimed to be learning from earlier mistakes, but there continued to be problematic or failed projects. The Public, in West Bromwich (West Midlands), was a later example, absorbing around £31.8 million of Arts Council money, plus around £25 million more of local government grants. This facility, which combined art, retail and leisure facilities, opened in 2008, many years behind schedule. Although at the time of writing, it is now receiving considerable visitor numbers (380,000 in 2012), The Public remains under threat, and much of it seems likely to be turned into a college (see Blackstock 2011 for an assessment of what went wrong). Tottenham’s Bernie Grant Arts Centre and Deptford’s Stephen
Lawrence Centre (both in London) have also been lambasted, among others by Millard (2010). Some of the criticisms seem heavily imbued by a metropolitan snobbery that portrays any difficulties in luring substantial crowds as a sign of outright failure and waste (such as Millard’s comments on Walsall’s New Art Gallery and the Baltic). Nevertheless, some of the problems surrounding the major flagship projects built in the 2000s should be a serious concern for supporters of public subsidy of the arts and culture. Support for public subsidy should not entail a complacent attitude towards profligacy. A major cause of overspend, especially in the early days of New Labour, seems to have been optimistic, sometimes even absurd, projections of visitor numbers. How much Labour can be blamed for such problems is a difficult question. The UK media were not slow to attack Labour for these failures and problems, even though it inherited many of them from the previous regime (including the Dome). However, the failure to abandon the most misguided projects suggests that cultural policy under Labour failed to exercise proper scepticism about these top-down initiatives.

The considerable expenditure involved seems to refute the suggestion that Labour’s cultural policies were neo-liberal. There is a connection to neo-liberalisation nevertheless. These projects were nearly all justified on the grounds of urban regeneration, a concept that spread across the developed world during the era of neo-liberalism like knotweed in a garden. Some urban regeneration schemes have, according to their critics, appropriated art and culture for the purposes of economic development, as a means of addressing post-industrial decline in western cities. Although dependent on huge amounts of public subsidy, such projects were often – though not always – based on top-down partnership arrangements. In the British case, flagship urban regeneration projects were often linked to the idea that the creative industries were a growing and dynamic part of modern economies – an idea which, as is well known, the UK Labour government were extremely active in promoting. Internationally, such flagship projects have been condemned as ‘isolated and exclusive spaces that are designed to serve visitors over residents and that are divorced from any public planning process’ (Grodach 2010, p. 354). A case study approach to such flagship projects shows that there are many variations among them, and some are much more effective than others in achieving a meaningful revitalisation of cities (Grodach’s study of three Californian cases demonstrates this). The best projects take into account local lived experience and histories, including the nature of local cultural and artistic production. Even in such cases, however, the exclusions and displacements of gentrification are never far away. What is the alternative? Evans (2009, p. 22) contrasts such ‘new-build cultural facilities’ and other flagship projects – whether relatively successful, failed or struggling – with the more ‘organic’ and ‘community-oriented’ arts centres that, in his view, thrived in an earlier generation. Yet a critique of gentrification should not lead to a dismissal of any and all attempts to construct new ‘official’ art spaces. Nor should a previous generation’s practices be romanticised.

‘Neo-liberal’ is too simplistic a term to describe Labour’s role in these complex developments. Their boost to public expenditure on art and culture, however problematic its sources in a Lottery system developed by the previous Conservative administration, helped stave off privatisation of a kind explicitly advocated by the Coalition government that followed them. Nevertheless, New Labour did very little to resist the international tendency towards top-down regeneration, some of which was ill-conceived and mismanaged, at least in the early years of Labour.
We might also ask: how much credit should we give to Labour for their increased spending on arts and culture? Labour was the beneficiary of the windfall of an unprecedented economic bubble in the UK. Economic growth in the UK boomed from 1995 to 2006, and this allowed the second Labour administration to allow marked increases in public expenditure, because of rising taxes. Yet by 2009, it had become apparent that economic growth had been the product of an inflated property market, and an outsized financial sector that was reaping the rewards of unregulated markets. When the bubble burst, funding cuts hit very quickly. \(^{11}\)

**Audit and new public management**

Although their record shows a commitment to considerable public expenditure on arts and culture, New Labour were also keen to show themselves to be friendly towards business. They actively embraced choice, competition and efficiency as key elements of a better society. Here, then, the ‘neo-liberal’ idea potentially has greater purchase than in considering Labour’s public expenditure – though one does not have to be a neo-liberal to see some virtue in these goals, and it would be absurd to portray social-democratic parties (of the ‘Old Labour’ kind) as inherently hostile towards them. Nevertheless, in its adoption of ‘Third Way’ policies, and its alignment with the US Democratic Party rather than European social-democratic governments, Labour significantly distanced itself from social-democratic views of the way in which the pursuit of profit by businesses might damage the well-being of workers and citizens. New Labour adopted a longstanding conservative suspicion of the public sector, and the often dubious Conservative view of the private sector as more efficient and effective than the public sector was undoubtedly given a major boost by the international rise of neo-liberalism. It is reasonable to say that, in a number of its policies, New Labour successfully completed the implementation of neo-liberalising policies that the Conservatives had struggled to realise – notably the Private Finance Initiative and the shifting of delivery away from local control (see Wilks-Heeg 2009).

One important way in which New Labour’s suspicions of the public realm were manifested, across Labour’s policies in general, including its cultural policies, was its adoption of ‘new public management’ mechanisms, especially top-down performance management tools. Two influential articles by Christopher Hood (1991, 1995) crystallised the term new public management (NPM) to describe a series of developments in public administration in the 1980s, especially in the UK. The main characteristics Hood identified are summarised by Lapsley (2009, p. 3) as follows:

1. Unbundling public sector into corporatised units organised by product.
2. More contract-based competitive provision, with internal markets and term contracts.
3. Stress on private sector management styles.
5. Visible hands-on top management.
7. Greater emphasis on output controls.
Intended to achieve accountability and transparency, these techniques ultimately involved a lack of trust in public service workers and managers, who were understood as working subjects in need of constant vigilance and monitoring. New Labour adopted these techniques with new vigour. All government departments under Labour were required to adhere to Public Service Agreements (PSAs), with lists of objectives which were known as Delivery Service Objectives (DSOs), addressing slippery targets such as ‘excellence’ and ‘economic impact’. As one document produced by the Department of Culture, Media and Sport helpfully explained:

In October 2007, 30 new PSAs were announced as part of the Comprehensive Spending Review 2007 and set out the priority outcomes for the CSR2007 period, 2008–09 to 2010–11 ... Each department also agreed with HM Treasury a set of DSOs, which are designed to complement and sometimes underpin related PSAs. DCMS leads on one PSA (PSA22), and has four DSOs. (DCMS, n.d.)

Governments have to provide some language for what they propose to do, and whether they have done it, and this is rarely attractive. But the discourse of performance management evident here surely reflects a deeply impoverished notion of public service, indeed of life itself. This was particularly evident in local government. The Labour government’s scheme for bringing about the ‘modernisation’ of local government, which they called Best Value, was introduced in the Local Government Act of 1999. Local government analyst Gerry Stoker reported in 2004 that there was a ‘widespread sense that the processes associated with Best Value have presented a major challenge but that they have largely been adopted, and led to small-scale incremental improvements in services in a wide range of cases’ (Stoker 2004, p. 94). The price paid, however, was time-consuming and expensive performance management. Best Value, among other elements, required local councils to undertake a quinquennial performance review, according to the degree to which they achieved the three ‘E’s of economy, efficiency and effectiveness, assessed via the four ‘C’s criteria, of challenge, comparison, consultation and competitiveness.

In an early discussion of the implications of such national and local techniques for cultural policy, Belfiore (2004) drew on critical studies of the ‘audit society’ (Power 1997) to argue that they represented an intensified form of top-down control that made arts and cultural policy vulnerable to changes in political direction. More broadly, as Belfiore pointed out, drawing on critical analysts such as John Clarke and Alan Finlayson, such techniques attempt to remove political discussion and debate from the process of government, or at least to diminish its role. They also represent an attack on the public domain. As Marquand (2004) argued, New Labour evinced a populist scorn for intermediate institutions and professionalism – which, like Conservatives, Labour tended to see in terms of the protection of vested interests. In crime, education and migration policy, the Labour leadership was often antagonistic towards the social liberalism and/or libertarianism at large amongst professionals working in these sectors, and the same was true in cultural policy (see Hesmondhalgh 2005).

In fact, as Bowerman et al. (2000) usefully point out, the term ‘audit society’ is useful but insufficient. They offer instead the idea of a ‘performance management society’ to describe the permeation of such techniques throughout most modern organisations. Performance management includes not just audit itself, but also
techniques of inspection, benchmarking, self-assessment, strategic planning, target setting, key performance indicators and service agreements. Researchers of public administration, such as Lapsley (2009), have discussed how NPM techniques constantly disappoint policy-makers, because of their reliance on (often ineffective) management consultants, unrealistic expectations of the contribution of IT systems, the creation of tick box cultures of compliance and the stifling of innovation through stultifying forms of so-called ‘risk management’. This, we should add, is not from a radical critic of management, but a figure committed to making public administration more effective (see also James 2004).

NPM-style instruments of policy were deeply disliked within the arts and heritage communities, in a way that directly parallels the resentments of teachers, medical professionals and university academics towards similar infringements on autonomy in other institutions. From the early 2000s onwards, senior arts figures began to make public statements protesting against audit. An article in *The Observer* by incoming National Theatre Director Nicholas Hytner in 2003 praised increased arts expenditure by Labour, but castigated monitoring of audiences aimed at ensuring the broadening of access (Hytner 2003). As we shall see, this relates to other debates about ‘instrumentalism’ in cultural policy, but the issue here is also one of top-down control, and the potential shortening of the ‘arm’s length’ principle at the heart of UK arts policy (see also Frayling 2005). As John Holden put it in a publication for the Labour-linked think tank Demos:

> A growing sense of unease pervades the cultural sector as it sets about justifying its consumption of public money. Instead of talking about what they do – displaying pictures or putting on dance performances – organisations will need to demonstrate how they have contributed to wider policy agendas such as social inclusion, crime prevention and learning … Even where targets refer to cultural activities, they are often expressed in terms of efficiency, cost-per-user and audience diversity, rather than discussed in terms of cultural achievement. (Holden 2004, p. 13–14)

The problem, Holden noted, was ‘particularly acute in the relationship between local authorities and the cultural organisations that they fund’. In 2004, Clive Gray discussed the pressures on local arts administrators arising from such techniques and from New Labour local government reforms. Local, sub-national cultural strategies, reported Gray, needed to take into account:

> at least five different central government departments, four separate task forces, and ten ‘arm’s-length’ sponsored agencies, as well as at least ten statutory plans and five nonstatutory ones, alongside the local authority’s own corporate strategy, Best Value plan, [and] individual service strategies and plans, and more or less anything else up to and including the planning kitchen sink. (Gray 2004, p. 39–40)

The third Minister of Culture in the 1997–2010 period, James Purnell, made some efforts to distance himself from such proliferation of NPM techniques when, in a 2007 speech he signalled a shift in cultural policy away from ‘targetolatry’, a fetishism of targets. Purnell’s response, however, was based on a return to ‘excellence’ as a basis for funding the arts, which was very much what the powerful UK arts establishment wanted to hear. He commissioned a report from the former director of the prestigious Edinburgh International Festival, Brian McMaster, which was delivered in 2008. This was more a piece of advocacy than a set of practical suggestions. Among the few concrete recommendations contained in the report were
that 10 organisations ‘with the most innovative ambition’ (which, like ‘excellence’ itself, the report struggled to define) should be provided with 10-year funding, that there should be more touring, and that Boards should contain at least two artists. However, the effect on DCMS operations seems to have been minimal, perhaps because Purnell resigned in 2009. Purnell’s attack on ‘targetolatry’ is discussed by Eleonora Belfiore as an example of what Brandenberg calls ‘political bullshit’, in the sense of the term developed by philosopher Harry Frankfurt: ‘a proactive strategic communication, meant not to hide a truth or reality or to divert from a particular responsibility, but to create or manage an impression’ (Belfiore 2009, p. 351).

The intensified use of audit and NPM techniques are aspects of Labour cultural policy which were both ineffective and damaging to arts and cultural practice in the UK. But were they neo-liberal? Few of the people involved in such practices would subscribe to the principles of neo-liberalism in the way it is usually defined – the view that the role of the state should be limited to safeguarding individual and commercial liberty and private property rights. Indeed, the massive and intrusive role of government agencies involved in NPM techniques seems at odds with such principles in many ways. Yet NPM undoubtedly derives from the deep suspicion of the public domain and of public sector workers that helped fuel the success of neo-liberalism. The acceptance of such ‘neo-liberalesque’ views by politicians, policy-makers and the media put public services on the defensive, and New Labour were far too willing to adopt dubious forms of public management, rather than to defend public services and the public domain.

What’s more, as we shall now consider, New Labour public policy involved conceptions of the good derived from certain understandings of economics as a discipline, and of economic life, which were profoundly influenced by the rise of neo-liberalism. This takes us to the third of McGuigan’s categorisations of how neo-liberalism related to cultural policy in the twenty-first century – a shift in the prevailing rationale for cultural policy, away from culture and towards economic and social goals.

**Instrumentalism, economic and social**

During the second term of New Labour’s period in office, the term ‘instrumentalism’ came to be employed widely. It referred to the idea that culture was being used too much as an instrument to achieve non-cultural ends such as economic and social outcomes. Academics had started to point out that evaluating policy in terms of economic and social outcomes was a serious mistake given the highly problematic nature of the data that were available, and that were likely to be available given the difficulties of establishing causality in such complex circumstances (Belfiore 2002). In 2003, the issue of ‘cultural value’ was explored at a seminar hosted by the influential Labour think tank, Demos. The seminar was attended by the then UK Minister of Culture, Tessa Jowell, who responded by writing a highly unusual personal reflection on cultural value. Predictably this was greeted in many policy and media quarters as unacceptably wishy-washy, because it supposedly failed to make hard choices between cultural spending and other needs such as prison officers (see the response by think tank IPPR cited by Holden 2004). While it is to Jowell’s credit that she made an effort to engage with ‘intrinsic’ cultural value, her essay, as Yoon (2010) has pointed out, mixes rather vague invocations of such value with a different set of instrumentalist rationales, involving ‘aspiration’.
John Holden, writing for Demos, went further than Jowell in trying to outline a conception of ‘intrinsic value’ that drew on anthropological and other thought, while maintaining the need for accountability. Yet a new set of rationales based on ‘intrinsic’ cultural value have proven highly elusive. This is not to say that the search for such rationales is not worth pursuing – though it is not one we can undertake in this article.

The debates about ‘cultural value’ can be seen as policy-makers’ attempts to recognise the deep limitations of existing frameworks exerted by neo-liberalism, but in truth the debates affected cultural policy very little indeed, if at all. For New Labour’s overriding thrust was to embody both economic and social goals in all forms of policy. In the specific realm that we are considering, they were building on long-term changes that had been driving cultural policy in the direction of economic and social goals for many decades. The move to configure cultural policy in economic terms had begun in earnest in the 1970s, and the neo-liberal tide undoubtedly moved cultural policies further in that direction over the decades that followed. Linked to this was a strong liberal view that markets represented the best, if not the only, source of legitimate information regarding people’s well-being (see O’Neill 1998).

However, the concept of neo-liberalism only partly explains this shift towards instrumentalism. It especially excludes how sociocultural changes affected the policy environment. From the 1940s to the 1970s, the forms of cultural production and exhibition that had received most subsidies were those which were felt to be historically and even spiritually significant, and a key part of national or even global heritage – classical music, theatre and opera, the great galleries and museums, and important buildings and monuments. Justifications for such subsidy drew on accounts of that historical and spiritual significance, derived from a mixture of sources. Also included were modernist forms of production which were presented as the latest (though highly problematic and controversial) phase in a history of civilisation and creativity. Both ‘classical’ and modernist arts were set against a debased, contemporary, commercial, mass culture. But this system began to break down in the 1960s and 1970s, as new generations of writers critiqued the elitism and snobbery involved in such cultural hierarchies. The erosion of the legitimacy and authority of high culture also affected the modernist avant-garde, which in any case was approaching intellectual exhaustion (which in turn fed back into the attack, in the form of new, ‘postmodern’ forms of high art that celebrated popular culture, such as Warhol). All this meant that, when governments, following neo-liberal precepts, responded to the Long Downturn of the 1970s and 1980s by tightening public expenditure, arts and cultural organisations found it increasingly difficult to justify subsidy on the traditional grounds of spiritual enlightenment, maintaining the canon of elevating great works and so on. In truth, there was never an era when such justifications were easy – and serious government support for the arts only really began in the UK in the 1960s, under the Labour government of the time. But in the 1980s, seeing that governments were adopting economically driven ways of thinking, arts and cultural organisations and their allies increasingly turned to various economic justifications. These included the concept of ‘market failure’ (see Freedman 2008) – the idea that government subsidy was needed to fill gaps where markets could not adequately provide ‘merit goods’. They also included a newer argument, concerning the contribution of cultural goods to generating money for national, regional and local economies through tourism and other means.
Meanwhile, smaller, more grassroots organisations turned to a different set of new legitimations, in keeping with their left-wing commitments, and those of leftist local government: that they could make social contributions, for example, by teaching prisoners how to write or by encouraging artistic participation on the part of young people who might otherwise commit crime. Similar developments took place across Europe and in different ways across the developed world, though of course there were significant national variations. The use of cultural policy to achieve social goals – as ‘an implausible palliative’ in McGuigan’s phrase – is hardly neo-liberal in any coherent sense of that term. But it points to the increasing problems faced in legitimising cultural spending, a problem made much worse by neo-liberalism.

Simplistic uses of the term neo-liberalism have another major drawback: they fail to differentiate between different phases and types of public policy. Some recent contributions to public policy studies argue that it is important to take account of different varieties and periods of neo-liberalism, including the idea that, in some states, following an initial period of hard neo-liberalism, governments sought to repair the social damage caused by earlier policies (cf. the notion of ‘roll-back’ and ‘roll-out’ versions of neo-liberalism, see Peck 2010). According to this view, in the 1990s, national and local governments have increasingly taken on the role of enabling market actors, while seeking to ensure some social amelioration, and to provide a check on the most damaging outcomes of market forms of governance (Craig and Cotterell 2007). Applying this to cultural policy (as Scott and Craig 2012 do) would mean recognising that cultural policy-makers push not only in the direction of economic benefits, but also pursue social benefits through policy. In the case of New Labour, this can be observed in initiatives such as Creative Partnerships (which we discuss elsewhere) which sought to make links between education policy and cultural policy (see, e.g. Hall and Thomson 2007, Jones and Thomson 2008).

Conclusions
A key implication when New Labour policies are characterised as ‘neo-liberal’ is that they showed very strong continuity with the preceding Conservative governments, including the hard right neo-liberalism of the Thatcher administrations (1979–90). But there are ways in which Labour has, throughout the history of its post-war cultural policies, both at the national and the regional level, responded somewhat differently than the Conservatives to fundamental dilemmas of cultural policy (Bianchini 2014), and the New Labour period of government continued this trend. In post-war cultural policy, the most basic tension was between ‘raising’ and ‘spreading’, or excellence and access. Should money be spent on big, prestigious, expensive, usually metropolitan culture, so that the nation could offer cultural productions that could compete with ‘the best’ internationally (raising); or should it be spent on ‘spreading’ culture across the country and the regions, supporting smaller institutions, and encouraging grassroots participation? New Labour politicians tended to deny that contradictions between excellence and access existed. What they really meant was that they were committed to both the big international institutions and to more grassroots and participatory cultural activities. In order to make good on this double commitment, Labour had to find more money for culture, which, as we have seen, they actually did, though much of it came from the problematic source of the Lottery, a Conservative innovation. All this, we have
argued, complicates an assessment of New Labour as neo-liberal tout court. However, the price to be paid for this commitment to art and culture was that Labour enthusiastically embraced the general international trend towards NPM techniques, highly influenced by neo-liberal distrust of the public sector and the public realm. It also drew on economic notions of the goals of cultural policy. The influence of neo-liberal thought was apparent here, as we have shown. In addition, it could be argued that New Labour’s cultural policy was informed by a version of the long-standing attempt to use art to form good citizens, but now inflected by neo-liberal notions of the citizen-subject as ideally entrepreneurial, self-reliant and self-creating.13

Neo-liberalism is only one way of understanding and evaluating New Labour – a problematic but necessary concept. And Labour’s relationship to neo-liberalism was complex. One response to perspectives that seek to complicate a reduction of the New Labour project to neo-liberalism has been to refer to disjunctions between neo-liberal theory and neo-liberal practice. Newsinger (2012, p. 115–116) asks, rhetorically, whether increased public investment is evidence of a continued resistance to neo-liberal values and practices. In implicitly answering this with a resounding ‘no’, Newsinger draws on an argument he attributes to David Harvey’s *A Brief History of Neoliberalism* (2005), that ‘in practice neo-liberalism has not been opposed to public subsidy per se’ (Newsinger 2012, p. 116). It is certainly true that the practices of neo-liberalisation (as opposed to the theory of neo-liberalism) extends far beyond questions of public expenditure, to include financialisation, the reconfiguration of class power and the systematic privileging of the interests of corporations. Governments with strong-stated commitments to neo-liberal theory and competition adopt protectionist and anti-competitive practices, as Harvey (2005, p. 71) and other commentators such as Freedman (2008, p. 41) note. Peck (2010, p. 22) is surely right to say that insofar as neo-liberalism persists, it does so through ‘mongrelisation’. All the same, it is a pretty strange definition of neo-liberalism that fails to differentiate between governments that greatly increase public expenditure on arts and culture, and those that seek to reduce it. After all, conservative neo-liberals opposed increased public expenditure on arts and culture under the Labour government. And, while no government would have maintained public expenditure at pre-2008 levels following the global financial crisis, the massive cuts to arts and culture funding, the BBC and local government funding (which as we have seen is a vital resource for arts and cultural funding) that took place under the post-2010 Coalition government suggest that, at the very least, the UK is currently experiencing a rather different version of neo-liberalism than was apparent under New Labour. And in any case, arguments over public funding from general taxation versus corporate sponsorship ultimately do matter – perhaps more than disputes over the meaning of words and phrases such as ‘neo-liberal’.

Neo-liberalism draws attention, via very broad brush strokes, to the general public policy environment in which Labour was operating, one in which public investment needed to be defended more than ever against attack, and where it also needed to be shown to be effective on economic grounds. But the term fails to provide adequate analytical grasp of other distinct ways in which cultural policy was changing. McGuigan was surely right, in his work on neo-liberalism and cultural policy, to invite exploration of the consequences of cultural policies that were profoundly shaped by economic conceptions of the good. But neo-liberalism can only be part of any adequate sociological explanation and evaluation of Labour’s
cultural policies. It was the coming together of neo-liberal, conservative and
economic conceptions of policy with the crisis of aesthetic value associated with
‘postmodernism’ which shaped UK cultural policy under New Labour.

Acknowledgements
This paper is based on research that was supported by the Arts and Humanities Research
Council [AH/I026308/1].

Notes
1. ‘New Labour’ was the term that party leaders and managers used to rebrand the
Labour Party in the 1990s, in an attempt to differentiate the party from its socialist
past, in order to win votes from the ‘centre ground’ of UK politics. It was derived from
the use of the term ‘New Democrats’ in the USA, and in particular was inspired by the
electoral success of Bill Clinton in 1992, which ended 12 years of Republican
presidencies. We adopt the term ‘New Labour’ here to refer to the governments of the
1997–2010 period and also to its period in opposition under Blair’s leadership, from
1994 onwards.
2. ‘Cultural Policy Under New Labour’, funded by the UK Arts and Humanities Research
3. In a speech as Prime Minister in 2007, Blair used the term ‘golden age’ to describe the
‘renaissance of British culture’ during his tenure. This was a transformation that he
believed would not have taken place without the support of the Labour government
(theyguardian.com 2007).
the former, McGuigan valuably traces the rise of a new discourse of marketization in
British cultural policy in the 1980s.
5. Arts Council expenditure also significantly increased between 1980 and 1994 – by
some 49% (Gray 2000, p. 109). However, as Gray notes, much of this increase
occurred as a result of the abolition of the Greater London Council and the six metro-


politan councils (Greater Manchester, West Yorkshire etc) in 1986, and the removal of
their arts budgets into Arts Council funding – to be distributed via the then Regional
Arts Boards. There can be little doubt that Labour showed considerably more
commitment to funding the arts from general taxation than their Conservative
predecessors – but see the following comments on the Lottery.
6. In academic research, public service broadcasting is usually considered separately from
cultural policy as part of media policy. This has been questioned (e.g., Hesmondhalgh
2005) but the convention seems resilient.
7. A report by the Local Government Association (England) in 2012 claimed that local
councils contributed £800 million to the arts and culture in England – as much as Arts
Council England – and that they co-fund 60% of the organisations funded by ACE.
8. The refurbishment of Millbank Power Station as Tate Modern was funded by the
national regeneration agency, English Partnerships, and was initiated under the Conserv-
vative administration that preceded New Labour. It opened in 2000, and Labour got
much of the credit – just as they got the blame for the Millennium Dome project they
inherited.
9. Moss (2000) attributes these inflated projections to the ‘huge moral and political
pressures’ on policy makers and supposedly objective ‘consultants’ to support large
regional visitor attractions, especially comparisons with other attractions which were
not really comparable.
10. The ‘creative industries’ idea has been a widely discussed aspect of Labour policy,
including contributions by authors of this article, and so in the interests of space we
will not discuss it in detail here (nor have we space to discuss film policy). While stra-
tegically useful in prising open greater public funding, Labour’s ‘creative industries’
policies arguably favoured corporate interests. This could be seen, for example, in
Labour’s tendency to favour longer and stronger copyright terms and in their lack of attention to problematic working conditions in the growing creative industries, in spite of the party’s roots in the trade union movement. On Labour’s creative industries policy and associated ideas, see Garnham 2005, Oakley 2006, Schlesinger 2009, Hesmondhalgh and Baker 2011, O’Connor 2010, Hesmondhalgh 2013, Hesmondhalgh et al. in press.

11. Although it is a fallacy to say that Labour were unreasonably profligate in their spending, it is true that they failed to spot the property and financial services bubbles, and to take ameliorative measures, as senior Labour politicians have since acknowledged.

12. Though Holden resorted to the then fashionable but later somewhat discredited concept of public value to articulate policy pragmatics. See Lee et al. (2011) for discussion of the concept of public value.

13. We are grateful to an anonymous reviewer for drawing this point to our attention.

References


Millard, R., 2010. Why have costly arts projects that were supposed to transform the country’s cultural landscape flopped? *The Independent* 11 Feb, p.14.

Moss, L., 2000. *Constructing white elephants: why have so many arts lottery funded projects failed to meet expectations?* Working papers. School of Leisure and Sport Management, Sheffield Hallam University.


