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Chalmers, Douglas; Danson, Mike

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Language and economic development – complementary or antagonistic?

Douglas Chalmers, Glasgow Caledonian University and
Mike Danson, University of Paisley.

1. Introduction

Faced with endemic depopulation, ageing communities and isolation, economic development in remote and peripheral areas has been subject to a number of strategic policy interventions. These have ranged from designation under the former Objectives 5a and 6 of the EU Structural Funds and the *Initiative on the Edge (Iomairt aig an oir)* to broader support through regional development agencies (RDAs) such as Highlands & Islands Enterprise and the Development Board for Rural Wales. Underpinning such approaches have been varying and often contradictory economic theories. In the 1960s, growth poles were promoted, with heavy capital investments in specific locations in the Celtic periphery. Failures of such interventions and the market oriented changes of the late 1970s and early 1980s led to a focus on encouraging SMEs and entrepreneurship as the way to modernise and restructure such regions. In peripheral areas this was often supplemented with community development activities, sponsored by the RDAs, local authorities and EC LEADER programmes. This approach was in keeping with the stress on institutions, institutional capacity and institutional thickness within a region as necessary components of development. Interest in the Third Italy, industrial districts and clusters led to theory, policy and good practice suggesting that successful societies were coherent and cohesive, with high levels of social capital needed to raise and sustain development.

In particular areas strategic support increasingly has been oriented towards activities based in local culture, arts and, in certain circumstances, minority languages. A dominant theme in most economic development strategies at whatever jurisdiction level concerns investment in human capital. In the case of the Gàidhealtachd in Scotland, the social and cultural policies have been complemented by education and training programmes, including the establishment of an embryonic higher education institution - the University of the Highlands and Islands. Developing local human capital through a network of existing colleges and commercialising projects from these institutions are key elements of current strategies in rural Scotland as much as anywhere, but with the added challenges of geographical distance. Also significant locally, land reform has been introduced *inter alia* to assist indigenous enterprise.

While there have been specific evaluations of many of these strategies and programmes – enterprise, cultural, human capital and land reform, there have been relatively few attempts to address the synergies and potential generated by the cultural policies of the last twenty years from an economic development perspective. In most instances, the immediate job, turnover and income impacts are studied alone. This paper therefore analyses the regeneration strategies within a framework of social capital and endogenous growth theories to determine whether a sustainable and holistic development is being promoted, as the theory and good practice would prescribe. It draws on original research undertaken to explore the role of the Gaelic

language, arts and culture in economic development, as well as dedicated evaluations of employment and enterprise.

Section 2 of this paper describes the economic background to the Highlands and Islands considering depopulation, ageing and isolation. Section 3 looks at the literature underpinning strategic interventions before exploring economic development practices in Scotland since the 1950s. Insights offered by more recent theories of social capital and endogenous development and explanations of uneven development in the periphery are introduced in Section 4. The main evidence testing the hypotheses generated from this literature is presented in Section 5. This examines the supply and demand for the products of the Gaelic language, arts and culture within the peripheral heartlands of the language in the Western Isles, Skye and Lochalsh, and identifies the main barriers and market failures in the sector. Key criticisms of aspects of economic development are also addressed in this section. Taken together, this allows the synergies and potential of culturally based policies to be addressed with an analysis of their contribution to sustainable economic development. Concluding comments and areas for further research are made in the final section.

2. Economic and Social Background

Traditionally, the problems of peripherality have manifested themselves in high, endemic unemployment and underemployment with strong seasonality in the labour market. Rural poverty and low wages have been a significant characteristic of such regions (Chapman, Phimister et al. 1998); (Shucksmith, Chapman et al. 1996); (Scottish Poverty Information Unit 1998), leading to high levels of out-migration and depopulation.

The Highlands and Islands is one of the most sparsely populated parts of the EU, (density 9 persons per square kilometre compared with an average of 116); 30% of the population live on more than ninety inhabited islands, 61% in rural areas or settlements of fewer than 5000 and the only concentration of economic activity is around the inner Moray Firth which accommodates approximately 70,000 people, or less than 20% of the regional population. This low density and history of decline mean additional costs facing businesses, (<http://www.hie.co.uk/welcome.asp.locID-hieecoint.htm>).

In common with most EU countries, Scotland faces a falling and ageing population but with relatively low levels of immigration and only a small ethnic minority population (Bailey, Bowes et al. 1997), (Commission of the European Communities 2004). While the demographic changes facing Scotland to the middle of this century are typical of the challenges confronting the nations and regions of the EU-25 (Commission of the European Communities 2004), within Scotland but especially within the Highlands and Islands it is forecast that these changes will not be evenly distributed but will reflect the existing settlement patterns. Typical of the more distressed communities, between 1991 and 2001 the population of Eilean Siar substantially decreased (10.5%), it is also notably older and is projected to fall by another 16% by 2018. The more peripheral and landward areas, generally, are projected to continue to decline while those parts which have grown in recent times are expected to stabilise or expand further (General Register Office for Scotland 2004 2004). Critically, the former are the traditional heartlands of the Gaelic language in modern times and yet the Western Isles lost 19.6% of its Gaelic speakers 1991-2001; indeed, all areas in the Gàidhealtachd were seeing both the numbers and the

proportions of speakers of the language decreasing (MacKinnon 2004). These declines have been contrasted (Mackinnon, 2003) with the position of Welsh; the growth in their numbers is driven by high and strong increases amongst young people and the ‘rapid intergenerational decline of Gaelic’ could not be more different from the experiences in Wales. The longer term implications of such failures to raise interest in the language and to reverse ‘language-shift’ are clear in the light of the population declines outlined above. As he contends, with two-thirds of the Gaelic speakers living outside of the ‘heartlands’ “policies need to be national and local” and “new philosophies, images, policies [are] long overdue”.

3. Strategic Interventions in The Highlands and Islands

Since the mid-1960s, solutions applied in the Highlands & Islands have mirrored shifts and fashions in regional economic development theory and practice (Grassie 1983); (Turnock 1974); (Hunter 1991).

Many of the initiatives and developments have been funded through Scottish Office and other UK departmental support, with much being infrastructure investment though traditional regional policy instruments contributed also. European programmes under Objective 1, Objective 6 and Transitional Objective 1 (ERDF, ESF, etc.) have been significant since the 1980s, complemented by other EC, Scottish and UK (trans-national) initiatives for e.g. peripheral areas.

3.1. From Perroux to Enterprise Development

From its establishment in 1965, the Highlands and Islands Development Board accepted the Rostow linear stages of growth approach to solving the ‘Highland problem’ (Chalmers 2003). So, identifying a need to industrialise the region, the HIDB embarked on a strategy of creating growth poles (à la Perroux), based on inward investment, although the region effectively had leapfrogged the industrial phase and was well positioned for the post industrial/ post modern. The early growth poles policy can now be seen to have entirely failed – as seen in Invergordon (aluminium smelter), Corpach (pulp and paper mill) and Caithness (fast breeder reactor), while the petrochemical complex never happened. Significantly, the landward (peripheral rural) areas were neglected in this industrial and capital investment, encouraging further vicious cycles of decline (Myrdal 1957).

The new panacea in the 1970s, and despite the looming failure of the growth poles and their sectors, was to be North Sea oil. But within a few years, outwith the Northern Isles, the promise was appearing illusory or already waning as oil rig yards declined and failed. The apparently ongoing attempts to (re)generate the economies of the Highlands and Islands through such boom and bust sectors continued the traditions of the past two centuries - see (McGrath 1981); (Hechter 1999); (Prattis 1977).

The 1980s and 90s saw a significant movement everywhere towards supporting enterprise and privatisation (Smallbone, North et al. 2002); (Turner 2003); (Danson, Lloyd et al. 1989:p 13-17). At the same time, there was a reduction in regional policy coverage and support, and a growth in the absolute and relative importance of EU Structural Funds. Together these had mixed impacts on the Highlands and Islands: infrastructure was generally improved but many of the premises of enterprise support were lacking or operating differentially in such remote rural areas. So, business networks necessarily still extended outwith the region leading to higher costs, poorer quality, competitive disadvantage (Smallbone et al, 2002, op cit).

Much strategic policy in recent years has been focused on institutional capacity and thickness (MacLeod 1998); (Kafkalas and Thoidou 2000); (Storper 1995). Scotland in particular has been at the forefront of creating a partnership based business development infrastructure, with institutions established to promote development and enterprise (Danson, Fairley et al. 1999) to the extent that perhaps there is overlap and duplication (Enterprise and Lifelong learning committee, 2000).

Similarly, clusters also became a key and characteristic part of economic strategy in Scotland, and so would have been expected to support communities in the Highlands and Islands (Scottish Food & Drink, 1999, *Scottish Food & Drink Strategy Document: The Big Opportunity*, Glasgow). However, what has been argued in analysing these approaches to business and enterprise development is that, in this peripheral context, the narrow industrial base, distance from the rest of the cluster and markets and truncated supply chains mean that rural economies are unable to benefit from cluster strategies (Danson and Burnett 2004); (Danson and Whittam 2001). Most of the strategies lack a spatial awareness or simply fail to recognise the importance of location to the operations of an enterprise, while at the worst they are antagonistic to SMEs (Scottish Food & Drink, 1999, *Future Success For Scotland's Food Industry. A Cluster Based Approach*, Glasgow).

Finally, as a general form of intervention in the Scottish economy, and as elsewhere, human capital formation has been promoted. As with the other new paradigms and approaches in the last quarter century and more, much has been anticipated of the moves to create a University in the region, to invest in accredited training and learning. Establishing a University has been much slower than planned, there has still been outmigration of the most well qualified and able, with few opportunities for returnees, un(der)employment for many of those who come back and frustration and feelings of failure and underachievement of those who do never leave. It has been argued (Chalmers, op cit) that until the establishment of the University of the Highlands and Islands, which is very much aimed at improving indigenous growth and development, the necessity of young people from the Islands to move away to the mainland to receive Higher Education was very much a case of developing 'education for export'.

Often seen as critical to success in the labour market are self-confidence and self-esteem - see (Danson 2003); (Danson 2003b). There can be complex interactions between factors in the social and economic environment and the skills, experience and other attributes of the individual: briefly, success breeds success. However, the career ladder may take those who are progressing out of their community, with limited options to return or attain such advance at home. The endogenous nature of these relationships within the marketplace obviously affects and is affected by developments in the wider community, with transmission mechanisms for spreading growth and prosperity benefiting some areas, but disadvantaging others.

4. Social Capital and Endogenous Development

Some common threads, usually grounded in endogenous growth theory, underpin most of these strategies and the supporting theoretical literature. This literature stresses the importance of the local and the regional environment in realising the benefits of tacit knowledge, learning, trust and cooperation (Krugman 1991); (Morgenroth 2002). Networks, norms, habits and customs underpin the characterisation of the local and regional milieu in much of the literature (Moulaert

and Sekia 2003) and generate unique advantages and potential in localities or regions. Understanding the definitions of localities and regions needs to be based on wider criteria than geography alone, therefore, and it follows that the behaviour of entrepreneurs and other stakeholders similarly depends on a more thorough assessment of their locational context (Danson and Burnett 2004).

New firm formation and small firm development according to this theory and experience requires networks; but, crucially, these are truncated in rural areas (Smallbone, North et al. 2002) and especially in the Highlands and Islands, so constraining growth and development. Further, such effective networks are based in social networks (Atterton 2001); (Zanatos and Anderson 2003); (Turner 2003), but again these tend to be truncated in this region. At the end of this chain of argument, it is claimed that social capital is crucial to (re)creating an environment that will lead to the ongoing generation of entrepreneurship, growth and development (Putnam 1992) However, social capital is created by embedding social networks in the region (Putnam 1992:op cit); (Krugman 1991) and the capacity to do this in the Highlands and Islands is restricted.

So, the modern paradigm stresses institutions, enterprise development, networking and embeddedness, and the strategic policy objective in the rural periphery of Scotland becomes the provision of an economic environment which underpins sustainable regional economic development. By their nature, these policies are based in the application of skills and human capital, and the appropriate networks, norms, habits, customs and culture of the community. These critically depend on trust and cooperation within this community (Oughton and Whittam 1997).

The logic of the literature and experience reviewed here therefore suggests that policy and strategy should be planned and implemented close to the community. Endogenous growth factors and drivers, allied to land reform and heightened interest in diversity and creative industries (Graham and Hart 1999), may offer opportunities for sustainable development which challenge the projected inexorable declines in population of the periphery and of the language. The following section asks what a 'community-focused' endogenous approach would suggest to economic theorists and policy practitioners with specific relation to the 'Gaelic Economy'.

5. Gaelic within the economy

The Gaelic speaking islands of Scotland - the Outer Hebrides and Skye - together with parts of Lochalsh on the mainland, offer the opportunity to investigate the nature and extent of Gaelic language, arts and culture (GLAC)-economy links on a sub regional basis¹. This investigation provided partial evidence on whether an increased importance given to the social and cultural in economic development was justified in terms of the framework of endogenous growth.

¹ This area had been the subject of a previous study delineating the overall impact of all Gaelic related *economic* activities (The 'Gaelic industry' (see below Sproull, A. and B. Ashcroft (1993). The Economics of Gaelic Language Development, Glasgow Caledonian University.) Choosing the same framework allowed comparisons with the earlier study where appropriate. While other areas (Tiree, Islay etc) also exhibited similar Gaelic related activity, unfortunately less comparative data existed at the time of this study.

Within the Gaelic Economy itself (essentially the Western Isles, Skye and parts of Lochalsh²), the existence of Input-Output tables for the Western Isles allowed an estimation to be made of the indirect and induced effects of direct job creation through GLAC-related activities, in particular the media industries. Similarly, multiplier estimates calculated by two previous studies of Skye and Lochalsh (Sproull and Ashcroft 1993; (EKOS Limited 2000)) covered similar sub-sectors to this research, and over a comparable period – allowing a reasonably accurate estimation to be made of the impact of GLAC within Skye and Lochalsh.

At the time of the surveys (1995/6), the Gaelic Television Committee/ Gaelic Broadcasting Committee (CGT/CCG) was by far the main source of funding and employment within the GLAC-related sub-sector of the Gaelic economy (Chalmers, 2003).

Depending on the Skye/Lochalsh multiplier adopted, non-CCG linked activity during the same period was responsible for the creation of FTEs in the range of 82.29 to 98.24.

Aggregating the CGT/CCC and non-CGT/CCC impacts suggested that in total between 214 and 230 FTEs were supported.

In fact, this was in all likelihood an under-estimation, given some of the recognised gaps in the information which it had been possible to access, yet was still very significant in the peripheral communities being examined³.

5.1. Delving deeper into the figures – some possible criticisms of economic development in the Gaelic Economy

Whilst these figures accorded with the earlier study by Sproull and Ashcroft (Sproull and Ashcroft 1993: op cit), which had found that in a previous period the ‘Gaelic Industry’⁴ had (with multipliers) added £41m (at 1992 prices) to the output of the economy, and created almost 1000 FTEs, these findings, based on Chalmers’ study of the Gaelic economy (Chalmers 2003) had also suggested that the arts and cultural sub-sector alone had a particular role to play as a motor of economic development within the Gàidhealtachd.

Here, however, it is necessary to consider some important criticisms of the approaches adopted by (Sproull and Ashcroft 1993); (Sproull and Chalmers 1998); (Chalmers 2003) and (Chalmers and Danson 2004). Perhaps the most succinct example of this critical voice is illustrated in the work of MacLeod (McLeod 2001), (McLeod 2002), who takes issue with the approach from several angles.

While acknowledging the Irish formula “no jobs no people, no people, no Gaeltacht” (Williams 1988: p 279), McLeod criticises any tendency to see economic development as a substitute for a robust language policy. He points out the possible negative effects of increased jobs leading to a decrease in Gaelic speakers and the lessening of intergenerational transmission of the language – the key to language

² As previously indicated, the use of this area allowed the quantification of the impact of GLAC-related and economic activities and, where appropriate, comparison with the larger earlier study by Sproull and Ashcroft (Sproull A, and Ashcroft B The Economics of Gaelic language Development 1993).

³ A constant theme which emerged from respondents’ information was that “jobs were paramount” in keeping these communities alive.

⁴ Defined as “the spatial area which stands to gain measurable economic benefits from the further development of the language”

regeneration (Fishman 1990). In this he echoes cautions raised years earlier by Keane and Griffith, amongst others, who drew attention to the ‘uneasy relationship between culture and economic development’ (Keane, Griffith et al. 1993: p 399), (MacKinnon 1992: p12); (MacKinnon 1997b: p3). Although a well known study by Prattis (Prattis 1983), instanced the case of increased oil fabrication in Lewis as bringing about a return of Gaelic speakers, the lack of similar, well known studies may suggest that this important example is the exception rather than the rule.

In addition, McLeod feels that the most fundamental problem, with what he refers to as the ‘rhetoric of the Gaelic Economy’, is that it creates the expectation of direct pay offs in the form of employment opportunities and is judged primarily on this and only secondarily on its linguistic impact. This is backed up by Caimbeul (Caimbeul 2000: p65) who fears that what was once a family culture may soon become only ‘a career option or a marketing tool’. In a critical view of ‘Gaelic Art’, Lang (Lang 2004) has pointed out that the majority of arts projects ‘do not fulfil language planning aims at all with regard to corpus acquisition, or usage planning’. She also questions the concept of Gaelic art if created by non-Gaels, irrespective of subsequent marketing. Elsewhere, MacCalium and McLeod (MacCaluim and McLeod 2001), state their belief that the issue of the relationship between Gaelic cultural projects and the development of the Gaelic language is simply not addressed. Essentially McLeod and others are arguing that, unless economic development programmes and strategies are designed with an explicit language planning component, there is a real risk of undermining the language community traditionally marginalised from economic activity – in this case the Gaelic speaking community. Artificial ‘Potemkin Villages’ may even be created where a Gaelic façade may hide an English speaking heart.

As economists, rather than language strategists, the authors take these points to heart. However, while accepting the proposition of Fishman and the agreed consensus within the Gaelic speaking communities that a robust language plan must be the key to language regeneration, the arguments in Section 4 indicate that the appropriate type of economic development – notably based around and arts and culture – can help create the optimum background environment for such language regeneration to take root – evidence for this is offered below. They also suggest an affinity with the view put forward in the preface to the *Leabhar Mòr* and commented on by Lang in this collection, that ‘the market for Gaelic is now mainly outside Gaelic society’.

5.2. The wider impact of Gaelic related economic activity

In his original study, Sproull had been the first to suggest that in addition to any direct job creation by investment in the Gaelic economy, it was in the longer term that the greatest positive impact might possibly be found, through the knock-on effect of this investment on a whole series of intermediate variables leading to greater community confidence (amongst other factors)⁵.

In his study of the specific impact of the arts and culturally related sub-sector, Chalmers (Chalmers 2003), gathered a substantial amount of data on the perceived effect of such activity on a whole range of the *intermediate* variables which would impact on the long term health of the communities concerned. These included issues from population retention and tourism, to community confidence and possible business start ups. Details of perceived trends plus factors promoting or constraining such activity was also sought. Importantly, the effect of attendance, and involvement

⁵ An important point which McLeod, in his critique of Sproull, failed to give due credit for.

with such activities, or purchase of the goods supplied were shown to have a significant, positive impact on attitudes towards the language, and indeed on the *likelihood* of its use.

The view of the practitioners/suppliers interviewed (which were later to be confirmed by a very large scale survey of consumer demand and business demand) were overall very positive about impacts as outlined in Table 1. They were also consistent with the requirements of greater endogenous growth.

Table 1 Issues on which GLAC-related activity impacted positively

Issue	Specific manifestation	Additional comments
Cultural distinctiveness/ self confidence	Communities appeared more self confident	This was seen to have reversed a trend of declining confidence in the past
Building a ‘dynamic relationship’	Economic/Cultural investment seen to lead to ‘community response’. Creation of greater level of self sustaining organisations in communities.	Attitudes in ‘2 nd Generation’ parents notably impacted positively.
Full capacity working	Some support organisations working at full capacity	Knock on demand for further investment
Employment	Jobs continued to be seen as ‘paramount’ in rebuilding communities	Initial involvement in community culture led to openings in larger media organisations
Desirability of residence in Gaelic speaking areas	Majority of organisations perceived a positive enhancement to residence	Some organisations noted difficulty of quantification. Long term factor seen as key
Migration	Some reports of positive impact. Feeling of more work needing done on this.	Acquiral of GLAC-related skills could lead to greater mobility and thus migration.
Tourism	Similar perception to that regarding migration. Feeling of lot more work needing done.	

Clearly these factors above are positive complements to any well thought out language plan. On an additional positive note, trends within the sector appeared to be those of increasing demand and popularisation of the language, arts and culture (illustrated in Table 2).

Table 2 Changing trends in sector

Observation	Specific manifestation	Additional linked issues
Generally increasing growth in demand	Growth across sector, organisation and individuals	Increasing awareness of importance of maintaining Gaelic culture within Scottish society
Popularisation of Gaelic/ Increased targeting of learning	Shift away from ‘classical’ approach to Gaelic learning	Shift towards young people/ learners. Targeting of specific age ranges.
Maturity and professionalisation	More confident use of language within the media industries; Shift to ‘stand-alone’ enterprises.	‘Overall impact greater than the sum of the individual parts’ (CnaG)

Again, these are also positive in their effect with regard to development of the language and culture. An interesting picture was also outlined of factors promoting or constraining development (Table 3):

Table 3 Factors promoting or constraining development

Category of factor	Promoter	Constraint
General factors:	Increase in demand/ ongoing revival of language and culture	Short sightedness of developers
	Growing support and media exposure	
	Positive changes in attitude	
	Dynamic interactions	
Governmental Support:	Funding support from local authorities; Funding support from the GTC	Funding (not enough of it!)
		Inadequate co-ordination amongst agencies
Market structure:		Dispersed nature of Gaelic Community
		Size of sector
		Structure of sector (especially TV)
		Marketing problems
Training and skill provision:	Skills	Skills (not enough)
	Provision of quality product	Provision of quality product (not enough)

Some of the complexity involved in the growth of the sub-sector is thus illustrated. Clearly progress within the area does not necessarily operate in a linear or continuous manner, and thus necessitates a nuanced approach from policy makers. Some of the difficulties (such as dispersed communities), mirror those facing language planners.

The outcomes on the supply side of the economy revealed by this research, therefore, suggest that the specific promotion of GLAC activities are enhancing the sustainable development of both the local economy and the language.

6. Demand for Gaelic related goods and services

Having investigated the supply side framework, evidence of demand for GLAC-related goods was sought through a very detailed questionnaire, mailed to approximately every fourth individual on the electoral register of the area, with a consequent substantial 2028 completed replies (response rate 25%), equivalent to 6 per cent of the resident population. Respondents' characteristics were checked against the latest census data and indicated a very close correlation, demonstrating the sample was representative of the local population as a whole.

Similar to the supply side questionnaire, this survey sought information on trends in demand for a whole range of artistic and cultural products and services and the perceived impacts of such consumption.

Investigation of the data by the use of chi square analysis identified a series of characteristics which apparently lay behind the demand for such products. The extent and richness of the data then allowed the construction of a series of log-linear (logit) models in order to capture multi-collinear effects and identify more accurately the odds of consumption in relation to such characteristics.

From this, it could be ascertained that, interestingly, *fluency* in Gaelic was only one of a series of factors influencing demand for GLAC-related products and services, the others being *location*, *income*, *gender*, and *age*. At the risk of some simplification: the higher was the likelihood of consumption, the more *rural* the location, the *higher* the income and the gender of the respondent being *female*. Age also exhibited distinct patterns but none amenable to easy generalisation.

In terms of constraints to consumption, only *availability* and to a much lesser extent *price* were found to be significant. This is of importance to language planners, showing that the potential support for Gaelic related products and services goes well beyond the (diminishing) core of fluent native speakers. On a political level, this may also indicate potential for wide support for possible language regeneration measures.

In terms of perceived impacts of consumption, these were extremely favourable in the consumer survey as shown by Table 4 below, illustrating responses to questions 26 and 27 of the survey. This reveals a clear link between the number of instances ('units') of consumption of GLAC-related goods and services in the survey year, and the perception of a positive impact on key aspects of local communities, many of which had a clear business impact.

Table 4 Effects of total consumption

	'Units' of Consumption						
	Nil	1 or more	2 or more	3 or more	4 or more	5 or more	6
Question 26: <i>Percentage of respondents who believe the consumption of GLAC has 'Greatly increased' / 'Slightly increased' the following</i>							
The regularity with which Gaelic is used in the local community	30%	55%	58%	61%	64%	66%	69%
The regularity with which Gaelic is used in local families	23%	49%	53%	56%	58%	61%	62%
The attractiveness of the area to tourists	40%	64%	65%	68%	69%	70%	71%
The attachment of local people to their community	23%	49%	51%	53%	56%	57%	58%
The level of confidence within your local community	23%	45%	47%	49%	52%	54%	55%
The preference of individuals within your community to choose/ purchase Gaelic services/ products where possible	26%	54%	56%	58%	61%	63%	65%
	'Units' of Consumption						
Question 27: <i>Percentage of respondents who 'Strongly Agree/Agree' with the following:</i>	Nil	1 or more	2 or more	3 or more	4 or more	5 or more	6
The regeneration of the Gaelic language, art and culture is essential for the future social development of your own area/ island group	37%	72%	76%	78%	81%	82%	87%
The regeneration of the Gaelic language, art and culture is essential for the future economic development of your own area/ island group	29%	63%	66%	69%	71%	73%	77%
The development of Gaelic language art and culture is making an important contribution to the level of self confidence in your own area/ island group	33%	62%	65%	68%	72%	74%	79%
The development of the Gaelic language, art and culture is increasing the attractiveness of your area to tourists	36%	68%	71%	73%	75%	76%	79%
The development of the Gaelic language, art and culture is increasing the desire of young people to live and work in their home area	24%	49%	51%	53%	56%	57%	61%
The development of the Gaelic language art and culture is broadening the range of employment opportunities which exist for people locally	38%	70%	73%	76%	79%	80%	83%

Taking local and national factors into account, I am optimistic about the future health and development of the Gaelic language	39%	67%	69%	71%	73%	76%	76%
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These results are of great significance, supporting the view that the more consumption takes place, the more positive should be the impact on the issues considered under question 26 of the survey questionnaire – all key variables which have an indirect impact on the Gaelic economy and which will positively complement the direct impact of jobs created.

In order to test for bias in these responses caused by Gaelic fluency or other factors, a further analysis was made of attitudes, with the 2028 respondents filtered according to linguistic ability and consumption pattern.

In short, *consumers and Gaelic speakers tended to mirror the same characteristics* as the general sample in terms of location, gender and income, with some differences within age categories. However, non consumers tended to differ, *often markedly*, from the above categories in several respects - more male; more urban; higher income etc.

Amongst the implications of this is the apparent general acceptance of GLAC by the vast majority of the population, with the characteristics of the minority of non-consumers clearly distinguishable from those of the average population. Again, one implication of this would possibly be that the spread of Gaelic artistic and cultural production, and the greater exposure to it can be shown to produce the most positive attitudes towards it within the general Gaelic and non Gaelic speaking community. This would be a useful complement to a robust language regeneration policy.

Within the non-consumers, most interesting were the Gaelic speakers, where age (oldest category) and income are markedly different from all other categories. This may well be, amongst the indigenous population, a legacy of low confidence and self-esteem and past policies of ‘Gaelic-not’, and potentially hostility amongst incomers, though very few of these would speak Gaelic.

Further investigation of the data also indicated that attitudes become consistently more positive as progression takes place from non-Gaelic non-consumers through Gaelic non-consumers to non-Gaelic consumers and finally Gaelic consumers. The significance of this is the illustration that *it is not language alone* which determines attitude - rather it is a combination of language and consumption, with consumption impacting positively *for all linguistic sub sections – Gaelic speaking and non-Gaelic speaking*. This is of considerable importance in generalising the positive effect of such consumption and removing any notion that the benefits of GLAC-related production are restricted to only a linguistic sub-set of the population.

Linked with the observation noted above, that the main perceived consumer constraint is availability, this suggests that measures to boost availability are key to unlocking the potential of the GLAC sub-section of the Gaelic economy. This potential, of course should be understood not solely in relation to job creation, but also in relation to attitudes towards the relevance of the language and culture for the future – a key issue in taking language development forward from formal lip service to positive involvement.

7. Business promotion activities

In addition to evaluating *consumer* demand, a further area for investigation was the extent to which existing businesses within the area of the Gaelic economy sought to use GLAC-related goods in furtherance of their own activities. Working with available details held by the Local Enterprise Companies and cross checking against yellow pages and local trades directories, a random sample of 85 businesses employing 10 or more people within the geographical area was chosen and surveyed regarding this.

In particular, information was sought from respondents on two areas: details of how they used (or chose not to use) GLAC-related products as an aid to their own business activities, especially whether businesses used GLAC resources in product differentiation or to gain a comparative advantage; and secondly their views on the relevance of GLAC for business development was also sought.

Of the 85 firms surveyed, 28 (33%) used GLAC-related goods and services in one of five ways: *the deliberate hiring of Gaelic speaking staff; the use of Gaelic signs; bilingual documents; letters; menus etc; the use of Gaelic or bilingual adverts to promote their establishment or products; the use of Gaelic music as main entertainment or to create a background ambience; the sponsorship of Gaelic events.*

Those who used such goods and services reported doing so for the following reasons:

Table 5 Reasons for business use of GLAC-related goods and services

Method of Use	Number of establishments doing so	Reasons stated
The hiring of Gaelic speaking staff	12	Impact on trade – 1 report of ‘substantial’ impact, 11 of ‘moderate’ impact
The use of Gaelic signs; bilingual documents; letters; menus; etc.	16	Customer preference; Substantial impact noted in 40 per cent of establishments using this.
The use of Gaelic or bilingual adverts to promote their establishment or products	4	Part of larger strategy to attract those fluent in or sympathetic to the language
The use of Gaelic music as main entertainment or to create a background ambience	10	Specific citing of attempts to gain comparative advantage. 40 per cent doing so reported substantial impact on trade.
The sponsorship of Gaelic events.	4	Aiming to raise the profile of establishment and re-inforce ‘local credentials’ of firm

Those who reported the possibility of using GLAC-related goods but declined to, cited the following:

Table 6 Reasons for non-use of GLAC by 40 firms which could use it

Business related reason	% of non users
Perception of no demand for use from customers	27
Belief of lack of cost effectiveness of satisfying perceived demand	6
No authority to use GLAC – authority lying higher up in chain of command	12
Attitudinal or linguistic based reasons	
Own (lack of) competence would be a problem	40
Never thought of adopting such a position	9
Hostility to the language	6

Interestingly, 80% of the non-using firms reported that *clear evidence of demand from customers/ potential customers would be necessary before they would consider such a*

change. Of further interest to policy practitioners is that the vast majority (80%) of the 40 firms who believed they could use GLAC-related products in future were in the hotel and catering sector of the Gaelic economy.

This observation critically suggests a clear mismatch between evidence of growing consumer demand and the perception of insufficient demand by businesses who are not yet taking up the possibilities afforded them by GLAC-related goods. This therefore has further implications for policy makers, in particular the local enterprise companies who may be in a position to bring this to firms' attention. It also illustrates clearly some of the problems identified elsewhere by McLeod in his study of the use of Gaelic in business.⁶

An important further area on which to analyse views was that of the business community in relation to *GLAC and its implications for economic development*. Views of the general public have been reported already in the previous section. However, the views of the business community are clearly informed by a greater exposure to and involvement with the pressures impacting on local economic development than is the case for many of the consumer survey respondents.

There were three areas upon which information was sought: *the impact on the local economy; the impact on the local labour market; the impact on indirect economic variables*.

Apart from one company's negative views on indirect impacts, it is important to note that no negative responses were received on the perceived local economic impacts of GLAC (Table 7). With the exception of the issue of regional image, businesses were generally positive or very positive.

Table 7 General impact of GLAC on issues affecting the local economy

	Very positive effect	Positive effect	No effect	Negative effect	Very negative effect
The regional image of the area for business	-	25%	74%	-	-
The attractiveness of the area for tourists	9%	59%	32%	-	-
The ability of local businesses to market products as 'unique' or distinct	12%	39%	50%	-	-
The range of business opportunities available in your area	3%	44%	53%	-	-
The ability of local businesses to sustain themselves	3%	43%	55%	-	-

Regarding labour market impacts and locational/linguistic perceptions, there was again an overall very positive view on a wide range of issues affecting local jobs, jobs for Gaelic and non-Gaelic speakers, together with perceived impacts on the crucial long term issue of young people returning to the islands. Favourable perceptions ranges from 77% in the case of employment for Gaelic speakers to 46% perceiving similar advantages for non-Gaels.

⁶ "Gaelic remains excluded from the mainstream and has made only limited inroads into the strategic thinking of employers.....{ }....crucially it is almost completely excluded from the core: the private, for profit, commercial sector. McLeod, W. (2001). *The State of the Gaelic Economy: a research report. Research on Language Policy and Planning*. Edinburgh, Department of Celtic and Scottish Studies, University of Edinburgh.

Table 8 General impact of GLAC on issues affecting the Labour Market

	Very positive effect	Positive effect	No effect	Negative effect	Very negative effect
Local job opportunities for the young	10%	59%	31%	-	-
Local job opportunities for Gaelic speakers	20%	59%	22%	-	-
Local job opportunities for non-Gaelic speakers	-	46%	54%	-	-
The number of people now willing to return to your community to seek employment	5%	44%	51%	-	-
The quality of the jobs now available in your community	19%	37%	44%	-	-

A very favourable response was offered to the perceived impact of GLAC on the indirect, and possibly more long term, issues facing the local community, such as the level of self confidence and the attachment of local people to their community. These cultural factors are highlighted in the literature as being significant in sustainable development and confirm the wider benefits of GLAC activities.

Table 9 General impact of GLAC on indirect economic issues

	Very positive effect	Positive effect	No effect	Negative effect	Very negative effect
The willingness of people to start up businesses	-	26%	74%	-	-
The desire of people to live and work within their local community	5%	63%	32%	-	-
The attractiveness of the area to incomers	4%	62%	33%	1%	-
The attachment of local people to their community	8%	60%	33%	-	-
The level of self confidence within your local community	11%	56%	32%	1%	-

In every case, except that of people's willingness to start up new businesses, the favourable response is around two-thirds, but even here, no respondent saw GLAC as a negative factor, and one quarter saw it as having a positive effect. Interestingly, regarding the latter result, evidence was also shown of differing sub-regional assessments or impact, with a much higher proportion of Skye based respondents positive (54%) compared to Western Isles respondents (19%).

It may be the case that, given the higher prevalence of Gaelic in the Western Isles, it is not perceived as affording a particularly strong comparative advantage, whereas in Skye this may still remain the case.

8. Conclusions

This paper has sought to contextualise the use of locally based diversity, in this case artistic and cultural activity related to the Gaelic language, as a motor for economic development, within the framework of a more endogenous approach to sub-regional economic development. It has been demonstrated that the Highlands and Islands have been promoting indigenous development through higher value added new, small and medium enterprises based on a better and skilled labour force linked into the regional economy. This approach is consistent with the theoretical literature and good practice

recognising the importance of networks, social capital and embeddedness and effectively has forsaken an analysis grounded in Rostow's stages of growth framework and a consequent Perroux growth pole strategy based on inward investment and mass production.

A consistent and robust economic case has been made for the support of Gaelic arts and cultural activities. Further, whilst understandably popular within Gaelic speaking communities themselves, the positive impacts of this strategy extend into the non-native language community within the Gàidhealtachd. Importantly, while not claiming that this can in any way be a *substitute* for a well planned language regeneration strategy, understood and applied correctly this approach may help provide the best possible background for such a strategy.

By the mid-1990s, GLAC investment and activities was generating between 215 and 230 jobs (fte) and some £5.8 million direct expenditure and further multiplier effects through the economy. Moreover, and perhaps more importantly, GLAC is underpinning sustainable development through increased confidence and self-esteem of individuals, communities and the region: expanding opportunities for new firm formation and economic activity, and embedding social networks to enhance social capital. The institutional capacity and thickness required to promote this strategic investment and support has contributed to these positive impacts. It also offers further development and networking advantages and compensations for distance and cost penalties on the periphery.

Compared with the cluster and SME strategies based in and on metropolitan environments, GLAC is proving particularly appropriate for the needs and characteristics of the Gàidhealtachd. Coupled with the further and higher education advances within the area and land reform, there is the promise of ongoing improvement in prospects for the economy and community. This can be contrasted with the series of 'boom and bust' panaceas of the past e.g. sheep, kelp, deer, industry and oil. Finally, as well as sustaining development in the area through tourism and other activities, there is the possibility of internationalisation of goods and services through the networks of the Gaelic diaspora, recognising that the impacts are wider than the simple commodification of the language and culture alone.

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