

---

# The Art of the State

By Douglas Mason

---



ADAM SMITH  
INSTITUTE

THE ART OF THE STATE

## CONTENTS

|  |    |
|--|----|
| Foreword                                 | 1  |
| 1 Arts Subsidies and their Effects       | 4  |
| 2 Setting the Arts Free                  | 10 |
| 3 The Philosophy of the Business Sponsor | 14 |
| 4 Public Funding and The Arts            | 19 |
| Appendix: Spreading it About             | 24 |
| Other Publications                       | 25 |

First published in the UK in 1989  
by ASI (Research) Ltd,  
(c) Adam Smith Institute, 1988

All rights reserved. Apart from fair dealing for the purposes of private study, research, criticism or review, no part of this publication may be reproduced, stored in a retrieval system, or transmitted without the prior permission of the publishers, ASI (Research) Limited, PO Box 316, London SW1P 3DJ (01-222-4995).

The views expressed in this publication are those of the authors and do not necessarily reflect those of the publisher or copyright owner. They are presented as a contribution to public debate.

Thanks are owed to all of those who participated in this venture. For this report in particular, thanks are due to Kingsley Amis, Professor John Pick and Clive Wright. The report includes edited summaries of the work of several different individuals, and none of its contents should be regarded as the definitive views of any one author.

ISBN 1-870109-44-9

Printed in Great Britain by Imediacopy Limited, London SW1

## FOREWORD

Dr Eamonn Butler

These papers on the subject of government funding of the arts stem from a lunchtime seminar sponsored recently by the Adam Smith Institute. They represent the second contribution of the Institute to the current discussion about the future of arts financing, the first being our report, Expounding the Arts.

Although the items which follow are verbatim transcripts of spoken remarks, and should therefore be read with caution and may not represent the speakers' views as precisely as written presentations, they nevertheless provide some stimulating ideas on the question of arts financing. In their talks, the contributors express different points of view on this subject -- and indeed, there is some disagreement on particular aspects.

The continuing debate has become more urgent under a government which is worried by the postwar spread of state involvement into so many aspects of life: worried not only in terms of the burden on taxpayers but also in terms of the distorting influence such centralized power must have on the activities so supported.

### The arguments examined

The discussion is opened by policy researcher Douglas C Mason, who reviews the many arguments that have been put forward to justify arts subsidies.

He rejects the view that government funding increases the accessibility of artistic events, pointing out that audiences today are just as middle-class as they were in the 1940s. Nor can subsidies be excused on the ground of job-creation --for subsidies have to be paid for by higher taxes, leading to job cuts elsewhere. Even the argument that grants attract high-spending tourists to the UK is hollow, because most of the tourist attractions are to be found in the unsubsidized West End of London.

Mr Mason, in fact, believes that subsidies can be held morally objectionable: as a waste of resources that should be being concentrated on pensioners and needy individuals; because they devalue artistic enterprise by making unprofitability a virtue; by their creation of a bureaucratic elite; and because they subtly induce artists to make themselves closer to the grant-making authorities than to their audiences.

## **The arts derailed?**

In his remarks, Kingsley Amis echoes the worry that artistic production is being lured into blind alleys by state funding. In trying to please the political and bureaucratic paymasters, many artists are forgetting the public. Yet the public are discerning judges of quality, and popularity should not be greeted automatically with disdain.

To the extent that some artistic forms are inherently expensive to produce, a certain element of state funding might always be necessary, suggests Mr Amis; but the independence of the artist will generally benefit by the sources of support being spread as widely as possible. Straightforward income from audiences should be the principal element, but if there must be additional support, let it be a spread of state and company finance.

## **Business sponsorship**

Many people, however, are suspicious about the idea of corporate sponsorship of the arts. Clive Wright, formerly Public Affairs Manager at Esso, sketches some of the guidelines which Esso and other companies use to evaluate what contribution they can make to the arts. He observes that, although companies naturally seek to support productions that have some relevance to their business or community involvement, they generally do not wish to influence the direction of artistic development. This point is reinforced by comments in the discussion.

Kingsley Amis, however, remains unconvinced that corporate sponsorship could be (or should even aim to be) neutral, and is plainly disturbed by the idea that it would be directed by commercial guidelines and without any reference to artistic merit.

## **Dismantling the bureaucracy**

The Professor of Arts Management at City University London, John Pick, who is currently engaged on a three-year research project for Gresham College on industrial sponsorship and the arts, takes a harsher line on existing institutions.

While agreeing with Kingsley Amis that state funding has promoted a narrow clique of pseudo-experts who distort and monopolize critical discussion and indeed the language of appreciation, Professor Pick argues that the objective should be the abolition of state financing structures in the near future. Some transitional arrangements would be necessary to meet the long-term commitments of a number of producers, but the dismantling of the bureaucracy could and should, he believes, begin very soon.

## **A sensitive package?**

Professor Pick is right that there would be an immediate outcry from those who rely on the present mechanisms, although he

believes that the arts, rather than arts bureaucrats and managers, would be greatly refreshed by the change.

To the extent that they share Professor Pick's ultimate objective and would wish to adopt it, politicians would want a transitional package that mutes the chorus of political criticism that they foresee. Such motives may not be laudable in themselves; but it is nevertheless possible to design a more positive strategy which undermines the objections of existing vested interest groups while refreshing the arts even further.

One possibility would be for the government to maintain the commitment to some state support for the arts, but to change the mechanism of arts funding from one which was directed by committee decisions and official 'experts' to one where government money followed private choices. This 'internal market' mechanism has already been adopted in education -- where state resources will flow to the schools which have most success in convincing parents of their merit -- and may well be introduced soon into health, where it is envisaged that the NHS budget will 'follow the patient'. Perhaps some similar mechanism, suitably tailored, can be adopted for state financing of the arts.

Arts managers themselves might take on the burden of disbursing sums to productions that were thought important but which were in need of support. A new trust, sponsored but not financed by the government (or possibly some existing trust) might be a suitable vehicle for the sector to come together and by raising voluntary contributions from commercially successful producers, to build up a fund to help worthy but unprofitable others. Coupling this fundraising role with the disbursement function would stimulate arts managers' sense of responsibility for their own sector, and would sharpen their discrimination about where hard-won resources should be directed.

Another prospect, and an easily practicable one, is to encourage businesses and the public to support the arts more from their own pockets. Exhortation can perhaps do little more: the most effective strategy might be to develop tax concessions to promote both corporate and individual contributions to the arts. Company and private foundations in the United States are an important source of support for many impressive and expensive arts productions. With imagination and vision, it might be possible to build up the same wide corpus of support in the UK. Each of our authors would probably agree that diversity of the sources of support generated by such moves would have a very positive effect on artistic independence and innovation.

## ARTS SUBSIDIES AND THEIR EFFECTS

Douglas C Mason

Subsidies to the arts, like subsidies to agriculture, have enjoyed a long and relatively uncritical acceptance by both politicians and the people they are presumed to represent.

Artistic absurdity, of course, has always been the object of public ridicule. Thirty years ago, Tony Hancock's scriptwriters poked fun at modern poetry through the medium of the East Cheam Cultural Progressive Society. Over the past ten years, newspapers have found even easier targets in the more ludicrous modern sculpture and the more idiotic cases of street theatre which receive public subsidy. There has been criticism by back bench Conservative Members of Parliament whenever the worst excesses of overtly political theatre hit the headlines.

Overall, however, there has been little hostility to the principles of state support, only to individual examples of its use in practice. Debates on the Arts in Parliament, when they were held, were notable for the lack of disagreement on principles. What argument there was consisted largely of the Government of the day taking credit for increasing the level of support and the opposition asking for even more.

It is only in recent years that criticism has become both common and widespread and that an increasing number of voices have been asking why subsidies are provided for the arts and whether they achieve the objectives set by either the giver or the receiver.

Against that background of uncritical bipartisan benevolence it is scarcely surprising that there is no clear or coherent philosophy behind the payment of subsidies and no clear cut answers to the question, why do we subsidize the arts?

### THE UNSUSTAINABLE CASE

Many reasons have, of course, been put forward at one time or another in support of the payment of subsidies. They share two characteristics. They have generally been produced in response to challenges or criticisms long after the subsidies themselves were introduced and, much more damagingly, it is far from easy to find any significant evidence to support them.

#### Keeping prices down

It is claimed that subsidies help keep ticket prices down and hence encourage audiences. Unfortunately for those who put them

forward, the published facts and figures offer precious little support. Read through the pages of the Arts Council Annual Reports, of the two editions of Facts About The Arts or the various reports of the House of Commons Education, Science and Arts Committee and you will find little or no evidence of an upsurge in support for the arts fuelled by public funding.

There are, of course, examples of arts organizations that have arisen in the post war era and of course they attract some audiences. Taking touring companies into new areas will certainly attract some new customers. But the overall picture is not one of growth -- a fact that Sir Roy Shaw was forced to admit in his last report in 1983.

A variant on this argument is that the arts, being labour intensive, cannot benefit from the introduction of modern technology to reduce their relative costs and that subsidies are necessary to moderate what would otherwise be unacceptable price increases. The inherent fallacy in that argument is that even if the entire costs of producing artistic work were to be due to labour costs any rise in ticket prices would only need to be in line with the rise in incomes. Tickets would be no more expensive as a proportion of people's incomes. It is not, in any case, true that there are no opportunities for using technology to reduce the use of labour.

A parallel argument is that keeping prices low through subsidies will increase the accessibility of artistic events and widen the range of the population from which their audiences are drawn. Again, however, all the surveys that have taken place show that arts audiences are today, as they were at the end of the war, predominantly middle and upper class. Subsidies have not brought the working classes to watch opera, dance or drama. They have simply forced them to subsidize those amongst the middle and upper classes who do.

### **Creating work**

It is argued that arts subsidies are a relatively cheap way of creating jobs. Certainly injections of public funds produce some employment at the points where they are received. The obvious corollary, however, is that jobs will be lost elsewhere as a result of the money being withdrawn.

Such state organized transfers of money negate individual choice. Virtually by definition, the jobs lost will be those providing goods and services for which the public would have been willing to pay, had they been left with the money to do so, whereas the jobs created will be ones they were not willing to pay for. Whether, at the end of the day, there will be more of the latter than the former can only be a matter of guesswork. Inspired guesswork, perhaps, but guesswork nonetheless.

It must also be recognized that arguing for greater support for the arts as a means of reducing unemployment involves the



assumption that there are, amongst the unemployed, people with artistic talents worthy of being utilized and that there is a sufficiently large potential market for artistic productions to absorb their energies. The large scale, near permanent unemployment in the acting profession alone makes that assumption far from easy to accept.

Nor is necessarily self-evident that the growth of jobs will be amongst those who produce art in some form or other. The greatest single area of post-war job growth in the subsidized arts has been in arts bureaucracies, both in the direct organization and administration of artistic events and in the patronage machine itself.

### **Earning potential**

It is asserted that the arts earn money for Britain by attracting tourists. Again, the facts provide little support. Tourists largely come, according to Tourist Authority surveys, to see our historic towns, rather than our subsidized performing arts. And no evidence is ever produced to suggest that those who do would not have come or would not have attended concerts or the theatre if tickets had been priced at realistic levels. The fact that the bulk of theatre visits by overseas tourists are clearly to the unsubsidized West End suggests otherwise.

It is argued that subsidizing the arts should be seen as a valuable investment, providing a source of new ideas and talent for the unsubsidized theatre, for films, for broadcasting or for the world of commercial art.

Undoubtedly they do so. But that is not to say that the cost of providing that kind of training and development work should fall on the general body of taxpayers rather than on those who depend upon it for their commercial success. Even the arts world has had to recognize the indefensibility of using large amounts of public money to develop a play which then goes on to produce large profits for others when it transfers to the commercial stage.

It has even been argued that the arts pay for their subsidies through the various taxes they pay. That curious calculation depends on a number of dubious or mistaken assumptions. The amount of VAT paid appears to have been substantially overstated and it has been incorrectly assumed that it is paid by the arts, rather than by the ultimate purchaser of tickets. It also appears to have been assumed that artists should not be expected to make any contribution to the general revenues of the state or, alternatively, that they would have been unemployed if there were no subsidized work for them.

The most peculiar argument, and one of the most recent, is that the arts should be subsidized because the public want them to be. This assertion of popular support for compulsory contributions is based on little or no evidence from Britain but arises, almost entirely, from the results of surveys conducted overseas.

In the absence of local supporting surveys it is still worth outlining the inherent weaknesses of such arguments. The answers people give to such hypothetical questions vary considerably according to the wording of the question. Any proposition to raise more taxes for a particular objective will enjoy significantly lower support if the question is posed in relation to the individual's own taxes rather than to the generality of taxes paid by society.

The use of public opinion polls in support of policy arguments is, in any case, unsound. How many of those who would use such surveys in arguing for greater arts subsidies would also be willing to accept the use of them by others calling for the reintroduction of hanging?

Were, however, the claim to be valid that substantial number of the public wish to support artistic events and activities that they themselves do not want to attend then an opportunity clearly exists for theatres and other artistic enterprises to raise substantial sums of money from their non-attending supporters through supporters groups and various forms of fund raising.

#### THE COUNTERVAILING CASE

The weakness of the arguments in favour of subsidies is more than matched by the strength of those against.

#### Moral objections

They can be morally objectionable. How can the situation be justified where someone attending Covent Garden receives a subsidy for that one performance equal to the amount an unemployed individual has to live on for a week? The position is even worse when it is considered that perhaps 70% of the audience is not even paying for their own ticket but enjoying their evening free at the expense of a company or government department.

Equally objectionable is the idea that society should be expected to subsidize those who seek to overthrow or undermine its values.

Subsidies are corrupting. They devalue artistic endeavour by setting its price below its costs and they undermine the position of their commercial counterparts who have to charge the full price. They elevate unprofitability into a virtue and diminish the need to attract an audience. As Kingsley Amis has pointed out, they "erect or maintain a barrier between the artist and what could be his audience."

Since the 1982 report on Public and Private Funding of the Arts from the House of Commons Committee on Education, Science and Arts, recipients of grants may have been required to improve their marketing. The fact that such requirements were even necessary, however, speaks volumes for the debilitating effects

of forty years of state subsidies.

Subsidies encourage the growth of bureaucracy as people are employed to administer the subsidy system and others are employed to try and influence both the amount they have to distribute and the way they do it. In their very nature, they bring with them political judgements if not direct interference. To argue that the existence of the Arts Council insulates its clients from the wishes of their ultimate paymasters in the government is to substitute belief for reality.

### **Bureaucratic elites**

They support an elitism that treats some forms of creative art as superior to others. They ignore the fact that some of the most important innovative influences in music, for example, have come from areas where few would advocate state support.

They encourages an arrogance of mind. Since people will not willingly pay to attend or visit arts event they will be forced to meet part of the costs of those who do through rates and taxes. The possibility of objections is minimized by intimidating people into believing that the arts, as defined by the subsidizers, are superior to the pleasures enjoyed by ordinary mortals and that to question or criticize the support they receive is somehow to betray an inferiority, an inferiority encapsulated in the insult 'philistine'!

And they can have a counter-productive effect in that the impression is created that what the average member of the public enjoys is not art. This may help in stifling criticism of subsidies but it acts to prevent the attraction of new audiences as they feel that what is on offer is not for them.

The consequence of forty years of subsidy have been summed up by John Osborne: "it must surely be patent to all that subsidized theatre -- parasitic, overbearing, wasteful, a bureaucratic powerhouse and refuge for mediocrity and graft -- is not merely inimical to the authentic creative spirit, but is at perfect odds with the once independent English character that begs no State favours or the approval of self-esteeming jacks-in-office."

### **THE MARKET ALTERNATIVE**

The problem with any organization that does not see making a profit as part, at least, of its objectives is that it will not see the customer as sufficiently important. That is not to say that attempts will not be made to attract audiences but only that those attempts will not be accorded sufficient priority and that satisfying audience demand will, at best, be only a secondary consideration to artistic policy.

Unfortunately, too many arts organizations appear to despise having to attract the public. They seem to regard it as an undesirable activity that detracts from their real role in life,

developing artistic excellence. They do not, it must be noted, have quite the same aversion to marketing themselves to potential government grant givers as they do to marketing themselves to potential customers. Too many, regrettably, seem to see persuading politicians as being more financially productive than persuading the public.

Who knows what achievements might be possible if the considerable energy and ingenuity that is currently devoted to fighting for grater government grants were to be devoted instead to trying to persuade the public to give its support through the box office.

Those who espouse the case for the traditionally subsidized arts should ask themselves why rock groups that are much more difficult to listen to, that appear to have abandoned both melody and harmony can outsell even the popular classics and can attract mass audiences, persuading large numbers of people on very low, if any, incomes, to pay ticket prices that the arts would not dare try to charge except perhaps in central London.

They should compare their own efforts to sell their product with those made by commercial organizations, even those in the areas of commercial arts.

But they will be under no pressure to do any of these things so long as subsidies are available. After all, art without audiences is a somewhat pointless self-indulgence.

## SETTING THE ARTS FREE

Kingsley Amis

Plenty of people today have come to feel suspicious or uneasy about public subsidy of 'the arts' but are reluctant to do anything about their feelings because of a kind of embarrassment. "What, take money away from a national treasure enjoyed by millions of people, many of them tourists?" It sounds mean, morose, and philistine.

The Arts Council and its beneficiaries have wrong-footed the opposition to them by dividing the world into good chaps who like the arts and so naturally want as much money as possible spent on them, and bad chaps who hate the arts and want to starve them or even close them down. So of course a book called The Case for the Arts turns out to put the case for public subsidy of them, whereas a book with that title ought to be putting the contrary view.

My case here is not that arts subsidies from public money are unjust because they make the poor pay for the rich, true as that is, nor that they encourage waste in productions of opera and dramas (though they do) nor even that they inevitably attract 'the idle, the dotty, the minimally talented, the self-promoters' as a distinguished poet put it when resigning from the Arts Council some years ago. I say that subsidy as such damages art directly -- not a new point but one not put often enough, or unapologetically enough.

### Pleasing the public

The way an artist is paid profoundly affects his product. At one extreme he sells what he has already made, at the other he is paid in full before he starts making anything -- that is he is commissioned, he is paid in advance. It is this second mode of payment that goes to the recipient of subsidies. An artist in that position is relieved of the pressure to please the public, the audience, and is free to court the approval of an inner circle of colleagues, critics, and experts -- to be self-indulgent. The public does not understand his product, is bored or baffled or outraged by it: but then of course it isn't paying, so who cares what it thinks?

The two extremes are illustrated by the novelist, who typically sells what he has already made, and the composer of serious music, who is paid in advance. With some exceptions, the novel is still a popular art-form, not so complex or technical as to

put off the non-expert, accessible to intelligent people whereas modern music is mostly confined to a small circle, a coterie. One feels nastily that if the composer had to please the public, he would soon change his tune.

This division of the artistic public into two or more groups obviously goes back a long way and has fluctuated from generation to generation. In something like its present form it starts in the period 1900-1914 with the final collapse of the old European order and the old system of patronage, and the emergence of a new mass public for the arts. Artists are tremendous snobs and some of them at once reacted by forming an avant-garde whose products would be beyond the reach of all but a select few. Anything that could be called popular, as Tennyson had already discovered in England, was anathema.

One quotation summarizes a large part of it. Arnold Schoenberg, who started atonal composition in 1908: 'I believe that a real composer writes for no other purpose than to please himself. Those who compose because they want to please others, and have audiences in mind, are not real artists'. I don't know where that leaves poor old Beethoven.

#### **Subsidies and their effects**

Real art, serious art, then, is not for anything that could be called the public; so who will pay the artist? In the absence of the private patron, it must be some knowledgeable committee equipped with the money taken forcibly as taxation off the public who would not lay it out voluntarily. The process can be seen comically foreshortened in the development of jazz, a really popular art in the 1930s that acquired an avant-garde in the 1940s and in this country started getting Arts Council support in the 1960s.

The avant-garde, modernist art has never really caught on this country to the extent it has in America or France: avant-garde drama here attracts people by the couple of dozen; nobody looks at the modernist acquisitions at the Tate; the little poetry magazines seem to be getting littler all the time. There are signs, in this country, particularly in poetry and music, that what there was of modernism is over, or would be over but for the life-support machine provided by the Arts Council.

At this point I must explain that no, I do not like avant-garde art, but what I am doing here is not to try to drum up support for my side in a cultural war, or not primarily. My case is that the effect of public subsidy has been to keep art turned away from the public instead of bringing it to the public. By a familiar process it has damaged the very people it was designed to benefit -- not least the artist himself, or herself, because anything that widens the gulf between him and the audience or the readership must be bad.

## Popularity and quality

One way in which it is directly damaging is the promotion of a split between the artist and the entertainer. The artist delivers serious, important, innovative, thoughtful stuff that may or may not be actually avant-garde but is at least hard to follow, without wit or humour and, in the case of a novel, no fun to read. Such a one obviously has to have financial help. An entertainer, on the other hand, produces what is easy to understand, enjoyable and therefore popular, hardly fit to be called creative at all, because it sells.

A terrible snobbery lurks here. I have heard John Betjeman's poetry disparaged for being popular. I have heard a young poet say of a contemporary work: 'Stuff like that doesn't need a grant', as if he was saying, 'doesn't deserve one'. That is a small indication of something badly wrong. What a much healthier world it was when a young composer's new work could be enthusiastically encored, and the Archduke leant down from his balcony to call: 'Bravo, Mozart!'

There are no archdukes now, and what has replaced them has turned everything on its head. Once, the adventurous artist was the one who chose to be obscure and difficult; these days it is a brave spirit that dares to be popular, and I'm afraid it is in the nature of artists, including real ones, to want reputable approval. How can we change that and help the good new people to look for that approval among the public?

## Wrong solutions

What obviously will not do that is for a Conservative government to go on in the footsteps of its Labour predecessors and promise even more money for 'the arts' -- or at least, not much less money. Business or other private subsidy has obvious attractions, but it will not remove the deadly elements of selection by committee, by experts who want what is new instead of the public who want what's good, and the fatal payment in advance. (It is true that private subsidy might remove the deadly left-wing propaganda plays and productions like the one of Madame Butterfly I once sat through, that used it as an attack on American imperialism, and that would be something.)

Mentioning the opera was timely, because after all it is there and on classical drama that most of the budget goes. Answer: make the customers pay the full economic price of their seats, like their dinners afterwards. And if they go into shock and stay away for a bit, what is wrong with that? Cutting down the outlay might give some British artists a better chance. For the rest, in fact everywhere possible, let the market rule.

'The drama's laws the drama's patrons give, For we that live to please must please to live.' When Jonson wrote that -- and it doesn't only apply to the theatre -- he meant by 'patrons' not the donors of Arts council grants or even rich backers but the

people who paid at the door. If we could get back to that situation, writers and others might start trying to please instead of to impress or baffle or shock or win us round to socialism.



## THE PHILOSOPHY OF THE BUSINESS SPONSOR

**Clive Wright**

Formerly Manager of Public Affairs, Esso

There has been a big shift in public and government attitudes in the last decade and the expectations on the corporate sector have changed. In particular the perceived reduction in the support for the arts by government has led to exhortations for us to fill the gap. In fact increasing appeals for arts sponsorship was just part of a general rise in approaches to industry and it was part of a much wider spectrum that we saw which included education, the disadvantaged, inner-city regeneration, employment projects, environmental conservation, and so on; we have been deluged with appeals of every kind.

### Setting the guidelines

Because we cannot respond to all of these appeals, we have had to produce a set of guidelines. We have to be very businesslike about it, so we firstly have to convince ourselves that we can help in some areas and that there is a real need for it. We do look for some relevance to our business because we do not want to provoke too much suspicion about why we are doing it, because people are suspicious about why a large company should get involved in some community projects. A nationwide company wants to look at the wider community, and perhaps were we can actually make some use of our skills as well as our money.

In Esso, we set up a committee which in the very broadest sense tries to set the priorities as to where our help should go, and when we are talking about a major sum of money then it would comment on that -- not exercise to a veto but maybe try to guide it. Some appeals to the arts are extremely expensive -- a whole production of an opera at Covent Garden, or a massive exhibition at the Royal Academy. These sums of money which make any business blanch and we have to question whether we were getting value for money. And most companies do not want to be accused of elitism, and may hesitate to associate themselves with what may be perceived as elitism. And some perceive a certain unwillingness among those who are asking us for money to tighten their belts.

A major company with no long tradition in arts sponsorship may particularly want to get involved in the more gross forms of controversy so they are usually not looking for supporting things of acts of gross indecency or foul language, or just poor quality arts.

Another consideration is that among the flurry of appeals we received, there is a certain degree of lack of sensitivity and a lack of realism -- as though somehow they had a right to our money and all we had to do was to decide on a cheque. Another consideration is that many productions are centred in the South East and a national company will want to look more widely. In a wider context the arts can tie into our company concerns -- into the community, to young people, to education and training, to the disadvantaged. It can also provide the opportunity of a very targeted publicity. It gives an opportunity for entertaining people as though you were in a restaurant.

### **Some examples**

Let me give you some examples of how these kinds of guideline are applied.

As part of its emphasis on helping young Esso supports an organization called 'Live music now' which provides up-and-coming musicians with the opportunity of performing in public, but performing in public to people who might otherwise not have the opportunity of hearing music -- people in hospices, schools, and so on. It supports the Northern Junior Philharmonic Orchestra and has sponsored a scholarship of a musician to the Yheudi Menuin school, a scholarship for a singer at Glyndebourne which enables him to undertake further training, and an award for the National Federation of Music Societies.

Looking for links with the community, Esso supports music at Oxford (where it has research laboratories), and the Scottish Chamber Orchestra, since Scotland is an an important part of the world to an oil company.

In line with its education priorities, Esso sponsored an exhibition at the National Gallery which shows how high technology is used in the analysis and attribution of paintings.

### **Forming the partnership**

Let me conclude with some general considerations of where I see this question of business sponsorship of the arts. Provided that those who are running the arts recognize sponsors have an interest of their own, there is lots of room for creative partnerships. To denigrate commercial support as too conservative or tainted is elitist as well and ignores consumer choice into the bargain. Commercial support in no way precludes new ideas or initiatives, and even a rather conservative companies look quite sympathetically at anything which was innovative. In the early days Esso sponsored British Art Now, at the Royal Academy, which was not every man's cup of tea, And we certainly would not support only the lowest common denominator, nor interfere in the artistic judgement of producer. And likewise I do not think too many companies want to be forming taste by financing avant-garde art.

Sponsors are customers in a market place, and arts organizations, and individual artists, have to woo them and analyze what particular customer wants. When I was in marketing we had a thing called 'needs analysis selling', which really meant trying to make a deal for both sides because it is not a good deal when there is only one side getting the bargain. Large corporations will have different objectives and aims from the smaller entrepreneurial companies, and arts organizations had better target their audience just in the same way as they target their public affairs programmes. For example, the 'Art in the Making' is about the use of high-technology in the analysis of paintings: for a high technology company, that makes a good link, because some of the techniques are similar, and looking under the surface of a painting is a bit like looking for oil in the bottom of the sea.

If the sponsor wants publicity then offer it to him, because it is in your interest as much as it is in his. It does not diminish the artistic offering as far as I can see. Likewise, cost effectiveness should be just as appropriate in the arts as it is in business, and perhaps that is something that your sponsor can help you with. Sponsors, for their part, have to define what they are aiming at otherwise they will be disappointed and spend too much, we do not spend huge sums of money on the arts but they are quite satisfied with what they get.

#### QUESTIONS AND DISCUSSION

**Dennis O'Keefe:** I was a little worried by what Clive was saying because it seems to me that on the whole the best set of principles that can regulate the kinds of monies you are prepared to make to the arts would be the principle whether their approach was analogous to the marketing strategy of business. Esso has to meet what the customer wants, and so should the arts. On the whole it seems to me that the best principle that could regulate the donations you might make would be to say: 'Are these chaps going the way that John and Mary citizen would like to see the arts going?'

I am worried about your word 'elitist'. It can mean the pursuit of excellence, or it can mean the decision about what should be done being taken by tiny and unrepresentative groups of people. But if you mean the latter, how can you decide that this production of Shakespeare, or this version of Mozart, or this painting, is something which most ordinary people from the arts?

**Clive Wright:** The first brand of of 'elitism' is one we would embrace. Businesses are constantly trying to show that we actually offer quality -- a great deal of which is meeting up the expectations of our customers and the people with whom we do business. The second, 'unrepresentative' connotation of elitism is one we reject. Esso, for example, is a company which has to rely on the consent of everyone in the community for our licence

to do business, and I do not want my company to be associated with things that are wholly unrepresentative of the general community.

**Douglas Mason:** Do businesses sponsor projects which are already supported by public bodies?

**Clive Wright:** Where there is public money we will not actually offer to replace it. Where government money is quite clearly not forthcoming then we would see it as perfectly appropriate for us to go in, but we do not want to get involved in some kind of trade-off between the two.

**Eamonn Butler:** Kingsley Amis, do you think that funding the arts through business is more benign than doing it through public subsidy?

**Kingsley Amis:** The moment I started hearing about business sponsorship, as an alternative to public subsidy, I immediately became suspicious because of the special regional and business interests that will probably be a feature of any such support. Nothing you have said has made me put aside those suspicions.

**Clive Wright:** I touched on this 'tainted money' worry that people have, and I am well aware of that. But I still think that businesses, because of their very diversity in interests and in regional base, help reduce any distortions in financing.

**Professor Dennis O'Keeffe:** I lived and worked in the United States at one time. I found myself expecting when I first went there that if colleges were receiving money from business marketing departments they would redirect a proportion of their energies to serving those interests. I could not see any sign of it: indeed, many professors were rabidly anti-business. I wondered why it doesn't happen. Is it because corporate sponsors have to have a very loose rein indeed and they know that part of their success depends on being seen not to influence the end product?

**Clive Wright:** Partly that and partly because we are very diffident about exercising artistic (or educational) judgments. We do not claim to be experts on the arts, only on our particular business.

**Kingsley Amis:** I am unnerved by this idea of business as a large interest dispensing huge sums of money, potentially, but which has no opinions. If that is so they are going to be looking at all sorts of things which have nothing to do with art.

**Madsen Pirie:** Can we draw attention to Dennis O'Keeffe's analogy with education? I observed exactly the same in US education that when public funds provide it, we find widespread interference by politicians to direct the output of that education to meeting what they conceive as social need. And yet where, in the United States, education is heavily funded by business there is

absolutely no attempt at all to influence what is taught, and how. Quite the contrary, most sponsors are very cautious about anything that might be regarded as interference. Why is there that distancing between the finance of the end product?

**Kingsly Amis:** We are in danger of talking about the arts as if they could be entirely financed by business. The Arts cannot look to business for all their support; but equally I would insist that they look not just to the Arts Council. I want to put it to you that that the majority of income should come from producing what people want. If they do not get 'bottoms on seats' then the box office is not high enough, the income that they have to achieve is not met, and the finances fall apart. There is no reason to fear popularity: actually audiences are quite discriminating.

The second thing I would like to mention is that I have no concern where the money comes from, from the Arts Council or from a business sponsor, inasmuch as the arts are expensive to put on. I as much as they rely on money additional to the box office, the more sources they can get that from the better. If they can put together a package that has a little bit of Arts Council, a little bit of Esso, then that may well be the best way to preserve their independence to get on and do the job.

## PUBLIC FUNDING AND THE ARTS

Professor John Pick

Anyone seeking to reform the British system of arts management faces two immediate and well-nigh insurmountable problems. Each segment of the arts world has its own quite separate managerial practices, and rests upon its own economic processes, so it makes no sense to talk about 'arts management' as if it is one simple homogeneous function. And there is no traditions, lodged in the British Council (responsible to the Foreign Office), BBC (Home Office, Arts Council (DES), Local Authorities and in various national trusts and foundations.

These various bureaucratic enclaves, each important enough in its own way, are uncoordinated and, in spite of the fact that each of them tends to talk as if they represent, or even own, the arts, their activities are finally marginal to the British arts in their entirety. It is always useful to remember that (even in countries which have had a far more determined go at promoting, controlling and state managing the arts than has Britain), the most creative activities for most people -- singing, making things for the home, reading novels, growing flowers, cooking, photographing the family, telling stories and so on -- exist in realms far beyond the state's legal and fiscal control. Important too is that we remind ourselves that even when the arts cease to be domestic and rest more plainly upon an economic base -- when paying audiences support a separate coterie or professional artists, who earn their livings not from private or state patronage but simply from their customers -- the state's most characteristic role is in constraining the arts market, not 'supporting' it.

### Historical perspective

In the second half of the eighteenth century practically all British artists lived without sponsorship, and supported themselves commercially. There were exceptions of course; Dr Johnson, whom Lord Rees Mogg is fond of quoting as an example of sturdy no-nonsense commercialism, had a state pension from George the Third. But the Augustan age was overwhelmingly a commercial age -- Reynolds, Pope, Handel, Hogarth, Fielding, Chippendale, Wedgwood, Swift, the Adam brothers, Haydn, Gibbs and hundreds of others lived by their artistic wits, and lived well. Moreover, although it has become the fashion to insist that the maintenance of 'standards' or 'excellence' is somehow dependent upon the existence of vast coteries of bureaucratic assessors, it is at least possible that both private and commercial arts flourished then as never again, when virtually the only arbiter was the

market place.

The nineteenth century was of course the zenith of industrial sponsorship of the arts. In our new industrial cities a majority of the new theatres, music halls, galleries, museums, and panoramas were built either by the successful showmen reinvesting their profits, by public subscription (with local industrialists as the chief subscribers) or by the new local authorities. The LAs either built and ran their own civic amenities (Leeds Town Hall for example) or invested in venues which were profitably sublet to commercial enterprises; Birmingham's Bingley Hall, for example, was erected by the local authority (at a cost of £5,000) in 1850 and then sublet to an entrepreneur called Tonks who presented 'Monster Concerts' of classical music to audiences of 5,000, and seasons of plays in an auditorium seating 4,000.

The only area in which the state made a direct and supportive intervention was in the visual arts. The National Gallery was predominately built and run by the state; the V & A, though built on land purchased from profits made by the (commercially sponsored) Great Exhibition of 1851, was largely a direct state concern, and even the Tate, though founded on industrial profits, had some state support from its birth.

This, very roughly, remained the position until the second World war. Virtually all state aid went to the visual arts. Publishing, opera, theatre, orchestral music, and dance remained primarily commercial concerns -- though heavily dependent upon the venues and foundations created by the nineteenth-century partnership of industrial sponsorship and local authorities which had yielded the galleries, theatre buildings, concert halls and meeting rooms which were their infrastructure. Between the wars virtually all of the forty or so serious repertory companies in Britain were run commercially, and profitably, though some (like Birmingham) had backing from industrial profits. The Opera House seasons in London ran on the profits from the popular dances held in Covent Garden. Even the BBC, when Lord Reith joined it, was a straightforwardly commercial operation.

### **The prospect of change**

It cannot be said too often that, in spite of the endless pontificating of the arts bureaucrats, things have changed remarkably little. The great majority of British artists work without subsidy, and most of the significant parts of the national culture (excepting the visual arts) would not be hugely and adversely affected if the various bits and pieces we call the British 'system' were dismantled tomorrow morning. Britain's huge publishing industry, which has never had anything much to do with state subsidy, would continue to flourish. Its music industry would remain hyperactive and massively profitable. Much of its best theatre would continue happily on its way, as would the Really Useful Theatre's musical productions. So would the majority of our film makers and video artists, our architects and designers, our entertainers, circus impressarios, clothes

designers, writers, and gardeners continue without undue disruption in their valuable work. The majority of our own private creative lives -- as we read, talk, cook, garden, sing in the local choir, enjoy the structure of radio and television will affect us, certainly, but dismantling the 'arts subsidy system' as such would not affect the arts all that much, and would affect the quality of most people's lives hardly at all.

In some ways it is indeed arguable that people's lives would be changed for the better. For the unforgivable thing about the post-war Arts Council system is that it has spawned an army of insensitive and opinionated bureaucrats who soak up far too much of the comparatively small amounts of money government gives to 'the arts' and, worse, so distort the language of appreciation and critical assessment that rational debate becomes impossible. Indeed the very word 'arts' has become so distorted that when we read in the newspapers about some crisis in 'the arts' we no longer think of what might be happening in the corps de ballet, or in the novelist's study, or at a critical stage in a play's rehearsal -- we assume that the crisis will be political or financial, and that 'the arts' here refers to the bureaucracy.

### Self-justification

It would plainly be refreshing to reason and sense to be spared the Arts Council's weary self-justifications -- pleasant not to be told once more that artists are protected from the depredations of elected politicians by the mysterious 'arm's length' principle (when it is obvious that the only people who have ever been protected by it are the arts bureaucrats, and that when artists have a good deal more to fear from the secret planning of arts bureaucrats than they have from the publicly accountable politicians). It would be pleasant not to be told that the secret assessments of arts bureaucrats are essential to 'keep up standards' when it is both obvious that standards are not being kept up and that this process of bureaucratic assessment is in any case a denial of normal critical judgement -- wherein the critic offers an opinion for public examination and debate, and does not act upon secret judgments of secret panels. It would be good if people no longer talked as if the subsidized arts were the arts, all of them, and very good if they stopped talking and writing as if the spiritual health of the nation as a whole were dependent upon the financial health of a few emblematic organizations.

There would be other pleasant effects. One of the most wretched aspects of the arts bureaucracy under the Thatcher government has been the way in which it has sought to worm its way into government favour by adding another slimy layer of bureaucratic self-justification to its activities. It has retained all the old liberal stuff (belief in the 'arm's length' principle and so on) but has grafted on to it an aggregate of gritty 'arts as industry' talk. This comprises the following:

- (a) The 'arts' have a 'welfare mentality' and must now move,



with Arts Council guidance, into the real commercial world. (FACT: Only a small part of certain of the arts has become dependent upon subsidy, and that comparatively recently. The great majority of the arts have for centuries been run commercially, and there is a history of entrepreneurship in arts management which outclasses most other industries).

- (b) The 'arts' must now, with Arts Council guidance, make good the shortfall in 'funding' through state-generated forms of industrial sponsorship. (FACT: Industrial sponsorship has been in overall decline since the end of the nineteenth century, and the figures cited in support of its recent 'upsurge' rests upon the fallacious belief that because governments didn't collect the figures that sponsorship and that previous great partnership with local authorities did not exist).
- (c) The 'arts' must think of themselves as a business and must collect business data and must market themselves accordingly. (FACT: No way is known to record the essential point about any art -- its quality; recording quantitative data -- the size of the 'cultural industries' for example -- is as irrelevant as assessing the quality of the nation's health by measuring the quantity of its pharmaceutical industry. 'Marketing' has to be based upon such data and is therefore nearly always misapplied effort. In most areas of the arts where specialist arts marketeers are at work either the quality of the art or the quantity of the audience is in catastrophic decline).

### **Transitional arrangements**

In spite of all the obvious benefits to the actual arts world in ridding them of odious bureaucracy and the benefits to all of us in shredding that obnoxious self-justifying jargon, an overnight putsch on the Arts Council and its siblings would plainly have some undesirable consequences if it meant that those worthy organizations which have been aided through this 'arm's length' system were to lose their present state aid overnight as a consequence. Some might adapt quite readily. Some probably do not deserve to survive (those spearheading the dreadful strategic plans of the funding agencies largely fall into this category). A large number however have great merit, and, having just been granted again the three year funding which was promised in Jennie Lee's 1965 White Paper on the Arts, have not unreasonably made plans in the expectation that government both wishes them to continue and will support them financially as they have promised.

For the national companies those promises should be redeemed by the Office of Arts and Libraries which should administer the monies directly, garnering its own peer group assessment systems and thus permitting the Minister to be as directly accountable for the Royal Shakespeare Company as he is for, say, the National Gallery, which government directly funds. Subsidized activities in the 'regions' (as the provinces are now termed in the 'arts'

world) should continue for ten years to be the responsibility of the Regional Arts Associations during which time responsibility would be passing to the local authorities who may make such cooperative arrangements with sister authorities, with central government, or indeed with foreign governments as they may wish. The Arts Council should be disbanded, and all plans, strategies and comprehensive 'arts policies' should be banned forthwith.

There would be a frightful outcry from the arts bureaucrats of course. They have almost persuaded us that bureaucracy in the arts is the same thing as arts administration, which is essential. They have even tried to persuade us that if you are hostile to their bureaucratic activities then you are hostile to the arts. But it is not so. Dismantling that bureaucracy would in fact greatly benefit us all, by cleansing the language, by recognizing that strategies and entrepreneurship and all the rest of it come, in the arts, neither from the state bureaucrats nor from analyses of market demand, but from the artists themselves. After the first shrill bureaucratic outcries it is even possible that we might hear, from the artists, a rather more reassuring sound.

## APPENDIX: SPREADING IT ABOUT

According to the Arts Council's 1987-88 Report and Accounts, the average subsidy of those attending the Royal Opera House in Covent Garden was £21.81 per person.

Other groups receiving grants in 1987-88 included:

Notting Hill Carnival Arts Commission (£61,500)

Peoples War Carnival Band (£700)

Red Shift Theatre Company (£1,200)

Red Ladder Theatre (£85,000)

Feminist Arts News (£6,500)

Theatre of Black Women (£10,000)

7:84 Theatre Company (£134,591)

People Unite (£5,000)

Workers Educational Association (£300)

Radical Scotland (£600)

Scottish TUC (£112,360)

These figures do not include grants made by local authorities, the Scottish and Welsh Offices, and other government departments.

## OTHER PUBLICATIONS

Expounding the Arts £9

By Douglas Mason. This report details the history of state subsidies since 1700 and argues that the subsidized arts have lost touch with the public. The report explores alternative funding mechanisms.

Programmed Privilege £3

For years the broadcasting duopolists have resisted the publication of weekly radio and television timetables by others. It was not always so: this paper traces the history of the timetables and examines the arguments for a wider dissemination of the information.

Funding the BBC £9

A number of experts, including David Elstein and Professor A S C Ehrenberg debate the question of whether the BBC should continue to be funded through taxation. Pay-TV, subscription, advertising, and other financing methods are assessed.

Ex libris £9

This report traces the long history of the library system from its origins in private libraries to the state-dominated service of today. But are our resources being allocated in the best interests of public education? This report concludes not, and proposes new systems to improve the service.

Available from (payment with order, please):

ASI Research Limited  
23 Great Smith Street  
London SW1P 3BL