Funding — ‘the labyrinth of means’

People, people who need people, are the luckiest people in the world…
— Barbra Streisand

Here, I would like to address the issue of censorship. Britain is a free country, without overt censorship of the arts. Nevertheless, the British system of funding for the arts implies that certain types of works fit better than others.
— Victoria D. Alexander

Economists are the trustees not of civilization, but of the possibility of civilization.
— John Maynard Keynes

A while ago I published a little phrase: 'A is for Art, B is for Bureaucracy and C is for Cuts.' People in the Arts Scene, in galleries and so on, told me that they’d cut it out the magazine and pinned it up—I suppose it summed up how people felt, how frustrated they were watching money go down the drain. When I went to look at the figures according to the government there are currently a number of sources of funding for arts organisations in the UK. These include:

- DCMS direct grant
- Arts Council England
- National Lottery funding opportunities
- European Union funding schemes
- Local authority support for the arts
- Trusts, foundations and private giving
- Box office or admission charges
- Merchandising or sponsorship
- The UK Film Council (which is to be abolished)
- Collaborations with artistic rivals
- Foreign governments and businesses (House of Commons, 2011)

That's a bit odd isn't it, there you are working on a web page preparing a list of what
That's a bit odd isn't it, there you are working on a web page preparing a list of what exists and over your shoulder someone says ‘oh no we're cutting that.' But what is meant by ‘collaborations with artistic rivals’? Here’s the figures before we start:

1998/99 £179,337,000
1999/00 £212,248,000
2000/01 £238,179,000
2001/02 £290,405,000
2002/03 £325,955,000
2003/04 £369,859,000
2004/05 £390,000,000
2005/06 £423,601,000
2006/07 £437,631,000
2007/08 £452,964,000
2008/09 £452,000,000
2009/10 £452,000,000
2011/12 £388,000,000
2012/13 £360,000,000
2013/14 £352,000,000
2014/15 £350,000,000 (House of Commons, 2011)

So we can see about £100m or so has gone fairly recently. In the UK, as part of the attempt to reconstruct society after WWII the plans for the welfare state were put into practice. Here people's wages would be taxed and this would be put together into a health service and so on. The plans represented a consensus amongst the political parties and were not a product of one of them. Just as we have the influence of Keynesian economics, John Maynard Keynes, the Council's first chairman, played an important role in designing what became the Arts Council. In a BBC interview in 1945, Keynes, outlined the Arts Council’s role in supporting the artist who:

…cannot be told his direction; he does not know it himself. But he leads the rest of us into fresh pastures and teaches us to love and enjoy what we often begin by rejecting, enlarging our sensibility and purifying our instincts. The task of an official body is not to teach or censor, but to give courage, confidence and opportunity.

The task of ‘official bodies’ today is moving in the opposite direction based on the theories of Keynes right-wing authoritarian propagandist rival, Friedrich von Hayek: they are now didactic and censorial, scared, insecure and dedicated to the demise of any funding for the arts. He felt that new work would spring up more abundantly in unexpected quarters and in unforeseen shapes when there was a universal opportunity for contact with traditional and contemporary arts “in their noblest forms”. Is Keynes dream still alive? Does most of the money go to bureaucracy?

According to Alexander (2007) a review of state support of artists, many of the tensions that exist within today’s Arts Council were institutionalized in its early days. One of the things Keynes established was the principle of an ‘arms length’ relationship between Arts policy and the government of the day. Jennie Lee (wife of Aneurin Bevan) was the first Arts Minister who saw the development of the Council and the establishment of a network of regularly funded client organisations, such as the Hayward Gallery or the South Bank Centre, that formed the backbone of what we would think of as the Art Scene in London. In the late 1960s we also saw the creation of two committees known as the Scottish and Welsh Arts Councils. Eventually with the arms length rule went and the Arts Council was eventually politicised with attempts to destroy it by the Conservatives under Thatcher and her chairman, William Rees-Mogg who followed the quasi-religious economics of Hayek, Milton Friedman and so on, who were against public subsidy (except for subsidy of capitalism). This gave rise to the neo-liberalism we suffer from today. According to Stewart (2011) the recent round of cuts has again brought to the fore this dominant market-driven discourse of neo-liberalism: arguments regarding the centrality of value for money and the primacy of
quantitative over qualitative values are so poorly contested that: “even defenders of
culture rely predominantly on economic arguments so as to justify the maintenance of
existing levels of funding.” Sadly such Hayekian economics just don’t add up, they are
ideological. Take the Film Council (scrapped by the government): it had received £15m
per year to fund British filmmaking, experimental and mainstream, local and regional
with a global reach. It invested £1m in ‘The King’s Speech’ (2010) which won four
Oscars and generated in excess of £150m in worldwide takings—surely in accordance
with any economic logic, this success alone more than justified the existence of the UK
Film Council. The truth is there is no one there to listen to or understand these
arguments in any real meaningful way.  Stewart (2011) Stewart contends that a key
consequence of the prominence of market discourse in relation to cultural funding is that
we get stuck in what Georg Simmel termed the labyrinth of means:

Our participation in the money economy necessitates entering a sphere in
which we are distanced from objects by means of a mediator, in which we
participate in a ‘labyrinth of means’ and abstract relations between things, in
which the dynamic mediator of all values ‘emerges as the secure fulcrum in the
flight of phenomena.’ This domination by a common denominator, that reduces
all values to its mediations, contributes to ‘the flatness of everyday life.’
(Simmel, 1978: xix)

Getting stuck in this labyrinth means we forget the ‘ultimate goal’ of cultural funding
which is to provide money for value not value for money. Clearly cultural freedom is in
danger as a result of the marketisation of cultural creation that is damned if it does not
accord with specious ‘market logic’ and damned if it does. Does creativity operate in
accordance with the formal logic that governs bureaucratic office?

We loose sight of people here in this quantitative analysis—for my money the
individuals put in charge of the direction and the politicisation of the funding bodies is
relevant to understanding how and why the money is used; but start talking like this and
you are marked out. We can also ask a few questions here—How can we tell if the
Arts Council worked? How can they be ‘audited’? How can we tell if those paid
to run it are doing their jobs probably or conducting ruinous policies? These and
other questions are important because the money that funding bodies have dominates
the arts economy, particularly in Scotland where there is a very small private economy
that buys art. So where the bureaucrats put funds has a direct effect on the life chances
of artists. There is no question that money has been squandered, wasted on
bureaucracy, embezzled, lied about and we can forget this arms length principle: is it
the wishes of artists that is held at arms length?

Liverpool University Press

Virginia Woolf

Keynes was influenced by the Bloomsbury Group’s sense of experimentation,
particularly their willingness to take action to create new institutions, and their distrust
of bureaucracy (including the Royal Academy). The Group included Virginia and
Leonard Woolf, Clive and Vanessa Bell, Lytton Strachey, E. M. Forster and Roger Fry.
Leonard Woolf, Clive and Vanessa Bell, Lytton Strachey, E. M. Forster and Roger Fry. They stood for pacifism, feminism, friendship, creativity, freedom of expression and, above all, reason. The model for state patronage of the arts that emerged included making grants of public funds through semi-autonomous government bodies to individuals and privately operated arts institutions—this became a standard form of public funding for the arts by the end of the twentieth-century (Upchurch, 2004).

The Bloomsbury Group believed that civilization came from reflection and education and distinguished our ‘actual life’ from our ‘imaginative life’: the imaginative life was distinguished by the greater clearness of its perception, and the greater purity and freedom of its emotion. There’s a slightly religious tone in Keynes’ ideas of art, he paraphrases the Bible:

The artist walks where the breath of spirit blows him. He cannot be told his direction; he does not know it himself. But he leads the rest of us into fresh pastures and teaches us to love and to enjoy what we often begin by rejecting, enlarging our sensibility and purifying our instincts […] Artists depend on the world they live in and the spirit of the age. There is no reason to suppose that less native genius is born into the world in the ages empty of achievement than in those brief periods when nearly all we most value has been brought to birth. (Keynes 1982: 368)

The Bloomsbury’s were wary of the relationship between artist and a patron and how when artists were subject to the egos of the wealthy it affected their degree of creative freedom; and they saw a similar problematic relationship between the artist and the state as patron: this is the issue of artistic freedom. Fry’s 1912 essay ‘Art and Socialism’ went into some of this and Bell’s work criticised the Bolsheviks for using artists for propagandistic reasons. Can the government conceive of any other use of art other than as propaganda and commodity? Bell put it like this:

Strange as it may seem, the essential quality in a work of art is purely artistic. It has nothing to do with the moral, religious or political view of its creator. It has to do solely with his aesthetic experience and his power of expressing that. But as no politician is capable of appreciating, or even becoming aware of, this essential quality, it is perhaps only natural that politicians should look elsewhere for the significance of art. (Bell, 1920a: 623)

Some other questions arise. Does funding just prop up a liberal elite who are cut off from what’s happening?

People, usually the wrong people, can be outraged by art. Quite a few artists like shocking people with their exhibitionism; what they seem to fail to realise is that the people they shock might want to get their own back. Here they will go for the weak spot of the jugular flow of public funding and leave it to the tabloids to plumb the depth of depravity. It is a type of ‘who speaks for the public’ argument where politicians act like performance artists and performance artists start sounding like politicians—with the voice of reason drowned out. Here arts funding is denigrated by the political use of morality: the artists are immoral, some on-the-take politician or religious hucksters and so forth are thus on the side of morality (the moral entrepreneur). A common feature of such discussion of arts funding is to ignore the vast majority of art works, institutions and focus on a few largely contrived ‘controversial’ moments. The artists and politicians make money from the publicity in the private sector and public funding takes the fall. Arguably if you make a work of art like Andres Serrano’s ‘(Immersion) Piss Christ’ and think there will be no come back you are assuming a politician or a priest is going to look at that and think: “yeah that’s what people like us did to Christ man, only much worse, and what of the atrocity of holy merchandising.” Presumably you were also thinking then they will lobby for oodles of cash to be given to every artist holding views at variance with their own via a national network of large well-funded proactive institutions. Serrano received death threats and the $20,000 works remains a target for Christian art attackers (now they should apply for a grant).
Lewis & Brooks (2005) explored this to focused on the late 1980s where to attack the combination of art, religion and homosexuality the right rounded on funding for the National Endowment for the Arts (NEA). They also focused on how, as a strata of the population, just like the Bloomsbury Group, artists tend to differ from the general population on attitudes towards religion, political ideology, drugs etc. So ‘morality politics’ i.e. issues guided by beliefs rather than reason, showed up how divided the Art World (and the public) are from the right-wing agenda on religion, sexual morality and civil liberties. The NEA had seen its responsibility as encouraging “experimentation and innovation,” so if you are a conservative you are upset right from the start. And indeed Reagan made great show of cutting the funding in half to gain votes. The purpose of such ‘moral panics’ is also that the hysteria will be sufficiently ‘news worthy’ to enable political realities (such as the funding right-wing death squads in South and Central America and Iran-Contra) to be obscured.

Generally speaking 'obscene' art—let's take Chris Ofili's 'Holy Virgin' which included little bits cut out of porn magazines—is ‘obscene’ but yet comprised of what is on sale in most newsagents. The public funding it received means it has become more obscene —not in its combination of the sacred and the profane—but because for the ‘moral entrepreneurs’ the financial sanction means Ofili is working for the funding body to espouse their values (usually called ‘family values’) and not working for the exposure of the values of paranoid and outmoded anachronistic institutions. Local government responded to Ofili with funding cuts and monopolistic attempts to control arts organizations—a disproportionate and collective punishment: a repressive tolerance whereby what is proclaimed as tolerance is in its effective manifestation serving the cause of oppression (Marcuse, 1965). As artists and collectors such as Charles Saatchi use the Succès de scandale technique to hype their sales figures unintended consequences such as the gradual erosion of public funding are ignored.

Away from this hysteria (valuable as it is as a crude attempt to liven up a dry subject) we might look for a more economic theory concerning the avant-garde and what is often an argument over high and low culture. Clearly artists face choices between selling to the market and pleasing themselves or their friends, or for some other lofty motive as espoused by our Bloomsburys. Theories of supply and demand are a bit difficult here, but some of the important points are made by an essay of the American sociologist Nathan Glazer.
but what of changing public attitudes towards the funding of the arts. Society is sectional: money going to one section may not to be to the liking of another (we are not just talking about class here). There is a big difference between the private and the public sector—but if we have seen a convergence whereby the values of the marketplace are said to dictate the values of the public good: ownership of ideology is clearly problematic.

Drawing on McCormack (1984) we can say that the tradition of pluralistic funding of the arts represents a partnership between individuals, the government, local governments, foundations, businesses, and corporations. Even if all these groups participate, the system struggles to prevent an unhealthy dependence on one source and keeps any one source from dominating how we think about art and what can be done. If the public view the arts in a positive manner, actively and passively, then we can have progress. However, if the typical person does not seem to understand the pluralism of funding process, and the role government plays in the funding partnership then discord occurs—largely why the agenda of the right-wing press tends to avoid any discussion of art other than to demonise it.

The public needs to understand the benefits of government funding of the arts for our society. The public have rarely been won over by seeing art's worth, largely because the funders and elites don't value artists that way. Attempts have been made to win them over by focusing on how the taxpayer's investment in the arts provides tools for economic development and social stability in that money spent on the arts multiplies in the economy at large, it attracts tourists, and generates the need for related goods and services (the Royal Family are justified using the same argument). That engendered the trap of the New Labour indicative planning (targets) argument in the 1990s. Here the money went to market research agencies and consultants well versed in telling funders what they want to hear. Funding priorities grew more and more proscriptive and dissent from government policies was considered to make you ineligible for funding. Bureaucrats were, and still are largely unaccountable to the public never mind the art world—because of the amounts of money they control they became in charge of aesthetic directions, even suggesting that artists produce work like other ‘acceptable’ artists. We can see this in the absurdly ‘British’ (i.e. blasé about authoritarianism) quote at the start whereby: “Britain is a free country, without overt censorship of the arts,” but via system of funding “certain types of works fit better than others.” This Orwellian acceptance was by Victoria D. Alexander in The Journal of Arts Management, Law, and Society: is that sanity or madness. Why?

Tony Blair’s ‘Cool Britannia’ PR

That it expands the economy or that it contributes to (certain definitions of) mental health, that it unites the country, that it advances the national interest in the world: these are all laudable goals but should they be kept distinct from cultural goals? Government should serve the need for order and control. But culture by contrast, thrives on spontaneity and accepts diversity, discord and dissent as natural conditions—and withers if it is legislated and directed. These bodies were bureaucracies and bureaucracies do not think: artists think. To what extent are these calls to help the economy a symptom, an effect covering up poor social planning and the volatile nature of social inequality? Do they create an illusion of ‘order, predictability and control’ that does not exist?

So who opposes arts funding really, if we remove what the tabloids have told us. Well...
So who opposes arts funding really, if we remove what the tabloids have told us. Well we can predict opposition based on ideological, economic, and demographic characteristics. The most important predictors of opposition are found to be political views, gender, income, private donations to the arts, and region of residence. The results in some papers suggest that the benefits of public arts funding accrue primarily to those in the highest income class, and that support varies somewhat according to the level of government providing the funding. Or as Barbra Streisand, said in a speech delivered at Harvard University in 1995:

"The far right is waging a war for the soul of America by making art a partisan issue. And by trying to cut these arts programs, which bring culture, education, and joy into the lives of ordinary Americans, they are hurting the very people they claim to represent."

So art becomes part of a battle about the type of people that should exist. What does analysis of the variables tell us? I'll look at some of them drawing on Brooks (2001) on who opposes government arts funding. Obviously they are up for debate:

1. Clearly **ideology** does indeed explain a substantial amount of opposition to arts subsidies. But studies add legitimacy to the position that government arts funding, as currently administered, is primarily a public subsidy to the rich—that was the right wing popularist argument.

2. While the people have a mistrust of elites they are open—the public is **open**—to funding as a progressive value connected to social reform, even when it goes against the sociopolitical attitudes of where they come from: even if you live in a mid-west US suburb you might feel yourself drawn to music calling for revolution.

3. **Men** are more likely than women to oppose government art subsidies.

4. **Attendance at arts events** is a mild but significant correlation. This is harder to explain, except for the possibility that attendance is actually somewhat related to funding attitudes through giving to the arts.

5. Attitudes toward the government's involvement in the arts vary according to the **level of government**—local national etc.—also middle class respondents are less likely than other groups to favour arts funding.

6. **College and graduate education** has a positive effect on the disposition toward local funding, but not on funding at other levels of government.

From the variables we can produce portraits of those who oppose or argue for funding. Funnily enough they could be a married couple.
Funnily enough they could be a married couple. A male earning less than $90 thousand per year, not from the Midwest, a self-described conservative, who does not donate to the arts privately is the stereotype of the arts funding hater.

A woman earning over $90 thousand, from the Midwest, who is a self-described liberal and donates to the arts is the opposite.

Moving from a "moderate" to "conservative" political ideology results alone in a 29-point increase in this probability on average. Moving to "liberal" leads to a 12-point drop. To understand public funding further we can contrast studies such as Moir & Taffler (2004) on corporate funding, the reason why big business gives include:

(1) It is no more than advertising.

(2) It is used as a way of managing the corporate environment for political ends.

(3) It is an expression of some sort of duty or social contract, altruistic behaviour or something else.

(4) It is normal profit seeking and a strategic pro-business instrument to gain influence.

Governments think much the same way. The question might be what is there for society? But I think we should realise that Big Business is aware of negative press and tries to tackle it, part of that is a continual process of propagandising your employees and your customers. If Shell caused the destruction of the environment on a large scale again and again, and they make the news, employees might feel a bit bad, a trip to the theatre might buck them up as long as it is not about the 1995 hangings of Ken Saro-Wiwa and eight other protesters or wild life choking on oil by the millions.

This is much the same argument for funding the arts after the war. There are two main findings here concerning who funds:

(1) Advertisers—these are businesses who use the arts primarily as a form of reputation enhancement in a marketing sense.

(2) Legitimators—those who seek a license to operate and who are also concerned with the benefits to reputation. Pure altruistic philanthropy is rare and obviously this plays into the hands of lobbyists.

So we are in the territory of a Situationist-like 'Politics of Culture and the Culture of Politics'; but what of the idea that the people don't benefit from arts funding? It is the people who give the money. To compete effectively for funds it became increasingly important for cultural institutions to document the economic contribution of the arts and culture. There is no talk of talking to the public directly by either side—the mediators in the labyrinth do not want that—they are to have things done to them by bureaucracies who swallow up millions. The Minister for culture is going to make pronouncements from a safe distance. But we are nowhere if we believe that art flourishes of its own accord—there is no eye in the sky looking after us, no light at the
flourishes of its own accord—there is no eye in the sky looking after us, no light at the end of the tunnel. But three approaches seem to emerge here: Market, Welfare and Nationalist.

Market: The Market Model states funding for the arts should be primarily through private and corporate philanthropy. That so many of the artists are on welfare is ignored: the market model offers years of frustration and dependency with little more than the sporadic prize or scholarship. Works of art are commodities that can be exchanged; value is determined by supply and demand. Investors can consult a financial weekly, to learn the closing prices at art auctions according to the Sotheby Index. For the market model the best form of subsidy might be one that (a) does not deviate too far from the market mechanism (b) does not interfere with the possibility of present market failures becoming future market successes, and (c) does not compete unfairly with the infant industries in the arts.

Welfare: The Welfare model is based on social need rather than the free enterprise market model. Art is regarded as a public resource, and access to it is a social right belonging to everyone. Class structures, because they create cultural disparities means enlightened social policy must address this and (a) the question of access—the over-availability of bad art and the under-availability of good art (b) the question of education for the less-privileged and (c) that this can open the door to art which had a socially conscious message: highlighting the richness of regional folk traditions; the dignity of people who were coping with devastating poverty; the desirability of social change. Conservatives think it is subversive, while radicals thought it didn't go far enough.

Nationalist: The Nationalist model is purposive: unlike the objective of the Welfare Model and the reduction of cultural inequities, the nationalist model aims to develop a collective identity, a national awareness that has either been distorted by colonial experience or eroded by various internal experiences. The assumption is that (a) an aggregate of people who share the same territory, same history, and the same ethos do not become a community without some larger unifying sense of oneness (b) there is no directive governing of the sources of subsidies; it can be a mix of private and public, direct and indirect (c) it can represent a parochial mind-set rather than a wider, more cosmopolitan culture whereby the nation should not be criticised.

In the UK culture (and not capitalism) has been seen as a national institution. Recent cutbacks in spending on the arts usually causes a (some would say ritual and controlled) re-examination of the place of culture in our society—rather than a focus on the tawdry, petty and mundane reasons behind the cuts. For political parties of all type it has become as effective as targeting single mothers or people on benefits or foreigners using the NHS: its a vote winner in those marginal seats where people are forced fed a Daily Mail world-view. The government wants the arts to raise income from private companies and individuals no matter what the economic ‘market’ conditions are. It has gradually ignored the blurring of a clear distinction within the UK establishment's mind: the public world of service to the community and the private world of commercial gain. Since the 1980s the tendency has been to encourage populist arts ventures over genuinely innovative ones. This is because politicians feared the arts because of its left-wing political potential. The high streets were supposed to be full of shops: culture was commerce with no escape. Recently when a tour was made of Enniskillen by G8 dignitaries facades resembling shops were put up along the path they would take—the real ones don't exist; dereliction does—the cost was £1m. Back to the Potemkin fake villages, built only to impress Empress Catherine II during the Crimean war, this has become the function of funded art. It is unlikely this macabre situation was Keynes’s dream—Hayek was a propagandist and would have loved it (if he had been capable of any form of compassion).
Within a repressive society, progressive movements and that might include the arts, threaten to turn into their opposite to the degree to which they accept the rules of the game. No government can be expected to foster its own subversion. In a democracy where right is supposedly vested in the majority of the people they will always follow the powerful or find many obstacles put in their way. As artists, we can try to remove these obstructions: to unblock the obstacles that confront the majority—it could develop, at least in how art funding is organised: a reawakening does not need undemocratic means it needs a change in social institutions. The institutions and movements that promote aggressive and regressive policies, armament and war, sexism, discrimination on the grounds of race and religion, or which oppose the extension of public services, social security, medical care—these are our targets.

There is no need for funding bodies to act as secret police or as propaganda bodies and there is no room for fake impartiality and neutrality here. If we really bring what are called ‘audiences’ into the policy processes and take the arm's-length principle seriously, the agencies themselves can become more fluid and creative. Officials are animateurs rather than corporate executives; their job is to create an environment conducive to exchange and consultation. The large Foundations (particularly in the US) are staffed by people who are from the large financial institutions: they might be museum curators or employees of government granting agencies.

The language of accountability is especially prominent but its reality is nowhere. Similarly the application process encourages art organisations and individuals towards a slave-like use of language shibboleths, overblown claims and descriptions, ridiculously grand statements of aims and goals, and outright deceptiveness. These are the unspoken requirements of grant applications, unconsciously (and in some more sadistic cases deliberately) transmitted from funders to potential recipients. Every artist and every administrator who approaches funders regularly is in a relationship of giving answers to someone else's agenda, the application will say the words to be heard to demonstrate submission. When they are greeted by this the funders believe this sycophancy has achieved some form of consensus. It is not consensual it is coercive. We should all remember that Economists are the trustees not of civilization, but of the possibility of civilization. Keynes’ vision has been inverted.

References


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