

John Kieffer and Gilane Tawadros: the funding problem, or, a better way to distribute public funding

This is an edited transcript of the talk which took place on Wednesday 4 November 2015 at Block 336, as part of System Failure, a series of conversations about the art world's responsibilities and relationships between artists, galleries, funders, regeneration, education, and families. This conversation was between John Kieffer, writer, cultural critic and a partner in the consultancy Three Johns and Sheila, and Gilane Tawadros, Chief Executive of DACS, and was chaired by Russell Martin, Director of Artquest.

Russell Martin (RM): We wanted to start with public funding partly because it has such a huge impact on the art world. I would imagine most of the money for the arts comes from public funding: from government sources, from the Arts Council, from councils or from various other pots of money. It also gets a lot of bad press among artists, and among the wider society and culture. Public funding tends to be the bit of the art world that is the most visible and gets the most beating. So, it seems like a good place to start.

A couple of points about it: public funding is often synonymous with the Arts Council, but I don't want this just to be a conversation about the Arts Council and how we should change it. I want it to be much broader than any individual organisation, but inevitably it will touch on the Arts Council because they are such a big player.

So, what we want to explore is what is the place of public funding in the art world: what it does now, what it should be doing, what we think it should do in the future and what we can do to practically change it.

John Kieffer (JK): I'm going to tell a couple of stories to start off, quite a lot of stories actually. I thought it would be useful to look at the system itself. The series of talks is called System Failure, so let's start by looking at the system a bit. As I've been knocking around for quite a long time, I'm taking a perspective on how it's *not* changed over a long period of time. I've been involved in some form in the arts (as a funder, being funded or talking about it), probably for about thirty years now, and what's interesting is that it hasn't really changed at all. Things are called different things, funding is now called investment; there's NPOs and all this kind of stuff, but basically it's pretty much the same as it was thirty years ago and a lot of other things haven't changed over that thirty years as well.

There's some rather disturbing stuff coming out, that the audience for the arts hasn't really shifted at all in that time; it's almost exactly the same as it was thirty years ago; there's been hardly any change. So all of that investment (as it's called now) has mainly not created good news on the audience front. I guess more

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impressionistically, my feeling is that the position of artist hasn't really got a hell of a lot better over that period either.

There are probably more opportunities now, but in terms of people being able to make a living out of making art, it curves pretty much as it did thirty years ago. You all know, I don't really need to tell you: a few people making quite a lot of money and then everybody else making very, very little.

I think also the structure is quite an odd one. People knew Robert Paston who was the BBC economics correspondent. He's just going off to ITV now, but he was involved with the Warwick Commission and spoke at a couple of Warwick Commission events. Warwick Commission did a research project about cultural value; it was trying to find another way of looking at culture, which wasn't either intrinsic or instrumental. He said a couple of really interesting things, not in the main room, actually outside. He said it's a really weird system, the arts, it's completely paternalistic, it's tightly top down. And it's paternalistic in a way that most other parts of civil society have stopped being paternalistic. It's weird that people put up with it, is what he was implying. Why is it OK to have funding distributed in this way? And I think it's probably most paternalistic towards artists. There's nearly always an intermediary between artists getting funding and some kind of funding system.

So, he was basically saying, can't somebody re-design this? And I think part of the problem with the UK is that we've exported our funding system everywhere in the world. So everyone does it as we do it; except for the States, of course. I was in Australia at the beginning of the year and there the issues were almost identical to what they are here (except for the accent, I could have been living there), and similarly spending some time in South Africa. So, the same kinds of things happen. And you start thinking: maybe this is structural. Maybe this is not people not being nice, maybe it's actually something structural in the way this whole system works and maybe it's time to rethink it.

I was lucky enough to go to Greece a couple of times just before Syriza were elected there. What was very interesting there, is virtually overnight, the whole of public funding disappeared. Basically, all the funding was cut, all the museums were locked up, everything just finished. It was quite extraordinary, and people were just... – there was total shock. A lot of people appeared on the media to say this is an outrage and this is terrible. The sad thing was the public didn't react at all, didn't care, which is something we need to talk about in relation to funding later on.

But the artists' initial response was: we all need to get together, we need to take over buildings, we need to get artists' studios, we need to get temporary exhibition spaces. And when I went back the second time, they were saying: no, we're not going to do that; we're not going to do the usual thing and start behaving as artists are supposed to behave. We're going to start doing different stuff; we're going to share spaces with dentists or shoemakers. We're going to put ourselves in front of

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the public in a completely different way, because what we can't do is get to this position again: all this disappears and the public don't care about it. So we need to start embedding ourselves in wider society in a different kind of way.

And my guess is somewhere in there, there's a clue about how we can start thinking about the funding operation in a different way, by artists having some form of social capital as well having cultural capital as well. That's my kick-off.

Gilane Tawadros (GT): The subtitle of the talk was 'the funding problem, or, a better way to distribute public funding', and I like what Marcel Duchamp said, that there is no solution because there is no problem. I think the question is: what is the problem? Because actually there is a lot of money in the art world –this is a multi-billion pound industry– so we have to start off by thinking: what's the problem we're addressing here?

I wonder whether we really can start from a presumption of failure, because we're in one of the most successful countries and capital cities in terms of the number of artists, art students, public and private infrastructure, auction house sales. For all intents and purposes that is success with a capital S rather than failure. Or at least that's how it's presented and pitched, both when people are asking for money and when the government is saying 'no' to giving any money. This is an incredibly successful mixed economy.

So I wondered whether, actually, what we're being asked to do is anticipate a system failure that hasn't quite happened, but we're afraid is going to happen sometime very soon. Over the last few years, we haven't seen huge change yet, but we have seen some incremental shifts and transformations and disruptions. Until now, they have been relatively unchallenged, but I think are really going to come and hit home. I sit on the board of a number of arts organisations, and on one board (as is the case now because the mantra is that it needs to be a mixed economy and mixed skills set on board), there's one person from JP Morgan and one person from Shell. We were trying to future-cast what's going to happen and how this arts organisation would respond to these things that hadn't yet happened, and they were saying: it's not *if* there's going to be another economic recession, it's *when* – and we just don't know what the timing will be.

So, something is going to change and I think we've seen it with the closure of manufacturing industries in the north: they're the canaries in the mine, literally. Something is coming our way. At the same time, with the austerity economy in the UK that we're led to believe is absolutely unavoidable, there is huge pressure on arts organisations to come up with a different business model or to generate more private money. Something has happened in the last five years which I think is very significant: to take Tate as an example, it has gone from having 60% of its core funding coming from public sources to, I think, now less than 40% (somebody will know the exact figures).

That is a very significant shift. That 20% is a shift from an organisation paid for by taxpayers' money for the benefit of taxpayers, with a brief for those stakeholders (whether or not you agree if it has performed that role), to one that is funded by the private sector, the majority of its funding coming from private sector. I think that's a very, very significant shift. What we haven't had to reflect on, and really need to think about, is what is the real difference between private funding or self-generated income and public funding?

Is there any difference where the money comes from? If so, what is the difference, or what *should* that difference be? What does it mean for artists, for arts organisations? How does that change what you do? Here I would say: artists or arts organisations, how does it impact on what you do?

The other thing we need to think about is value, but in a slightly different way to the way that we've thought about it in the past. We've all started using a language that is about outputs and deliverables and key performance indicators. Maybe you don't, but I see it, I hear it a lot – I'm not quite sure what it means. I run an organisation which has a turnover of £18 million a year. We don't use that language, but we do know what we're supposed to be doing for whom and what that should or shouldn't look like. We also know who the most important stakeholders are and we have to make a decision about who is the most important. We have lots of different stakeholders, but we have to, on a daily basis, make decisions about who is the most important stakeholder and whom we prioritise over another.

The other thing is that there's an environment where everybody is being asked to fulfil lots of agendas for lots of different people, and that's just impossible: you can't. So, can we be very specific about what different kinds of funding do, what impact they have, how they should impact, what value they add and how we determine what that value is?

The last thing I want to say is something about another buzzword: cost benefit. But I think it is useful because just expending money doesn't necessarily mean you're making a difference. That sounds really self-evident, but I'll give an example, again about how things are changing. I saw an advert for the Head of Giving at Tate and the job was advertised at £60,000 a year. Then I figured out that if you add in all the costs of that role, so the national insurance, the training, all the other stuff on top of that, you're talking about £75,000. And then that person's target, it said in the advert, was to raise £100,000 a year. And I thought, that's a lot of money to spend to generate £25,000, and that's one person and an investment that's being made in an activity to generate more money. But is that really the best value, the best use of that £75,000? It would be interesting, wouldn't it, rather than advertise that role, to say: OK, we have £75,000, we want to know what you think, how we could generate value by spending this £75,000 – what should do with it, how should we use it?

So, responding to John's point about thinking differently, but also being more rigorous, in terms of how we interrogate what we do now – because if we don't interrogate now and what we take as business as usual, then we're not going to be in a very good position to come up with alternative ways of thinking.

JK: What we have seen in the last thirty years is an enormous growth in the size of arts organisations. They are all massively bigger than they were thirty years ago and they all have a lot of new jobs being created within the structure. The arts management, people who have been churned out of universities every year to fill god knows what, the other people who aren't artists in the mix, have actually done quite well out of this in the last thirty years and it's no longer the case that they're going to be hit. One of the interesting things is –and I talked about the structure and how decisions were made– that if you're on a board like Gilane was saying, one of the first duties is to make sure you have enough money to pay the staff for three months. Not to pay the artists for three months, but to pay the staff for three months. There are things that are built in, which seem quite innocuous, but how boards think about their organisation is they're concerned with protecting their staff team. If it means cancelling exhibitions and so forth, and therefore taking money away from artists, that's not fed into it.

So I think it's about artists getting agency – and that's not going to be easy, because at the moment the situation, as a structure, doesn't give an enormous amount of agency. There are some good things happening in terms of bringing people together, but it's important to appeal to the public. I've had a very strange kind of dog's breakfast of a career. I spent about three months as a special advisor to a minister, and the one thing I learned during that time is they don't take any notice of evidence; that's not how they make decisions. And other people I've spoken to say the same thing.

So if you provide more and more stats on how important this bit of the arts is for the economy, all that kind of stuff (and this is the Arts Council's rationale for being here in some ways now), and plough it up to the minister and they're somehow going to have their minds changed – it doesn't work like that.

GT: The point about decision-making is a really important one and key people who have power to make decisions and impact. An artist I know who sat on the council and is still an arts councillor. They said that whenever the Royal Opera House came up for discussion at a council meeting, Margaret Thatcher's private secretary used to put something in her red box, and the phones would go off. There'd be suddenly like, no, no, no, this is a cut to the Royal Opera House on the agenda. And then loads of people would phone up and be absolutely outraged. Not that I think the Royal Opera House should be cut at all, the Royal Opera House is brilliant, but the point is that there are vested interests and it's my impulse to think that...

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JK: I think also what politicians *do* listen to is the public. Trying to lobby Arts Council who then lobby the politicians – it's a waste of time, whereas trying to think of a different way of getting the message across to the public... We're in a very low position at the moment. I've got a friend mine who is head of research at a market research company. I love looking at all this market research guff actually, it's quite interesting. Somebody here probably knows what it's called: it's a map of needs and desires, which people use in terms of looking at product launches and so forth, and it has kind of blobs all over it, basically, different sized blobs.

I always look at it because there're two or three things that look at culture and the arts. This time I was looking at the one published just before the election and I couldn't see them on it. I said that's a shame, they've taken the culture and arts off the map. No, they've disappeared, was the response, they no longer register at all in terms of the public. That is quite worrying, I think, if we're looking at what happened in Greece and so forth.

So part of the argument for public funding is we've got to find a different way of addressing the public and not just wait for the Arts Council to be our advocate.

RM: There's been an incredibly rich amount of stuff that we've touched on very briefly in what you've both said. I want to start to drill down into a couple of those bits in the time that we have. I think the conversation about values is interesting and valuable, particularly in terms of what you were saying about Greece, that all public funding disappeared and no-one really cared. Obviously, there's a difference between public funding disappearing and all of the arts disappearing. I read an article the other day about the NHS. People who've never had anything to do with the NHS think it's terrible, and people who have a lot to do with the NHS think it's amazing. It's kind of the same with the arts -- maybe not the Arts Council (although I've no idea) -- but certainly with the arts. The people think, oh, well, the arts, I can live without the arts, I don't really go to the theatre -- but they do go to the cinema or they do walk past. Whatever it might be, it's so intrinsic with everyone's entire life that if it all disappeared, they would absolutely notice it. I wonder if that's the way that we can help the public understand what the value of it is, and therefore to think how it is supported and who makes these decisions...

JK: I think partly, yes. The entertainment blob was still on this map. That was still there, but that had shrunk as well, and that probably has to do with people's disposable income as much as anything else. It's always dangerous to think it's people's false perceptions of things. You can say: but you do like the arts because you go to the cinema and you've seen Steve McQueen and whatever. It's always a bit dangerous to say that because you don't know what role culture has in somebody's life. We've made a lot of mistakes in the arts by making those kind of connections and assuming people are automatically going to get it.

I think it has more to do with what role artists can play in the world, rather than saying we're great for the economy, as you were saying earlier on, or we're great for social cohesion and everything else. We have to start looking at a different narrative in here somewhere, as the other one's not working.

GT: Yes, but at the risk of sounding like a terrible elitist, I do think there is a problem – what you're saying still sounds about what *we have to*. It very quickly becomes a conversation about how art has to justify itself and artists have to justify why they do what they do, and the only way to do that is through some kind of social inclusion, access and so on.

RM: But economically, through the creative industries...

JK: I completely disagree with that; I don't think that's what it is. I think there's a third way, which is neither saying, we're just artists, give us money and we deserve it, give us your public money, and at the other end of the spectrum saying, we're only useful because we're good for the economy. I think both of those are wrong. The third one is much more subtle, it's more difficult to define and it's something in between the two. It's for an artist and art organisations to be able to use that space and talk about these in a different kind of way. I don't think we've got the language yet to do it. My colleague, John Holden, has written a lot about this, that we need to start talking about cultural value and stop talking about art for arts sake, or arts for everything else's sake, just kind of a different way.

The *public* word in public funding is quite important and I think we have to articulate that relationship between artists, art organisations and the public. If we can't find a good story for that, or a good description for that, we're going to have problems in the future.

GT: I think that's not just up to artists and art organisations, that's part of the issue. Robert Peston's right about there being a huge amount of paternalism in the art world, but on the other hand, the Reithian project, the paternalistic project extraordinaire, did bring amazing cultural productions to huge audience through television, brilliant writing, brilliant acting. It was innovative and pioneering because there was –it's always dangerous to look back at the past through rose tinted spectacles – but there seemed to be much more of a social contract around the value of culture and of making it accessible. So it wasn't just about an arts institution or an artist, it was about television and media and books and a whole kind of project. Part of the problem is that it becomes --we become-- atomised and part of the competitive environment of putting in bids for funding. The whole point of putting in a bid sets up a competitive environment in which people are being set against each other, rather than an environment in which we say: we need lots of different things in this mix because it is a very delicate eco system in which you need lots of different things.

You need the obscure thing over there that five people are going to go to, as much as you need the box office hit, and we need to understand how these things are inter-dependent. That is an argument that's important to make because, you know, the King's Speech started off in a little theatre above a pub in Islington; the director's mum happened to see it and said, go along and have a look at this, this is really interesting, son. Son goes along – and then suddenly it's: oh my god, isn't this brilliant, aren't the creative industries in Britain fantastic. But without the small theatre over the pub in Islington, there wouldn't be this.

Not that it has to end in that success, because sometimes it just doesn't go anywhere, not in the first week or year or decade...

RM: But that's where public funding becomes so valuable, because of that risk - it allows the possibility of failure. But going back to what you were talking about, this language of business that's in the arts, there's also a language of politics as well. This idea of bidding and having consultations, the paternalistic culture, that is a civil service political culture as well. I'm wondering if, given that it's public funding, given that it's coming from the government, are there any ways to circumvent that -- is that just what we're stuck with?

JK: It's interesting that nobody, as far as I can tell, has ever gone to the Arts Council or the government and proposed a completely different funding system to them. Everybody accepts it as it is. It's always been seen as being the job of the Arts Council and the government to rethink what they're doing, tweak it here and there, and put this new funding.

The whole funding process is bonkers, as far as I'm concerned. It's the most amazing waste of time and energy imaginable. You have people in arts organisations consumed for two and a half months a year writing their bids, and you have somebody in the equivalent of the Arts Council spending two months a year reading them, and everyone knows what the results are going to be anyway.

GT: And if we costed up how much that all costs...

JK: Huge, massive.

GT: But I think your point about intermediaries is really important.

JK: Just for that one point – one of the things I picked up in Australia was: there's a basic group of Aboriginal artists scattered across the whole of Australia and they decided they're not going to bid against each other. They're going to put a bid in together. They're refusing to bid for the pot of money, they're saying: the pot of money is this, this is what we're doing and this is what we're going to put a bid for.

Now that's quite radical and the equivalent of the Arts Council are saying no, you can't do that. And the artists are saying, well, we are going to do it, so either you're

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not going to give us any money at all or you're going to accept that we've put in a consortium bid. We sat down together and we worked out what we will need to do what we're doing, had a few arguments to do it, but actually we think this will work, this means we can all do our stuff between us.

GT: I think it comes back to the intermediary question. How could any of us get away with saying: actually, let's get rid of, let's have an experiment – let's try a non-intermediated art world for a bit over here? There's no Arts Council, there's no Tate, there's no brokers, there's no education, there's no-one to intermediate, and taking your example, say OK, we'll divide up the pot. There's an allocation of money (there has to be some allocation, I guess, at the beginning), and then it's divided up by population and the creative community, and the people in that place negotiate what they're going to do with that money.

JK: I think if you start breaking it down, you can see that happening. You can say OK, support for individual artists: some of that comes directly, not very much, but some of it comes directly, some of it comes from the other agencies, some of that comes through galleries and arts organisations. Why not sit down together with artists and work out how that could be more effectively spent? Maybe not getting right down and saying this artist should get money, this one shouldn't, but saying is there a better way of doing this?

Because artists have all kinds of networks, a lot of barter systems going on between people making them work, and so forth. There are hidden structures within how artists work already and just use some of those. Yes, let's get rid of the intermediaries.

RM: Yes... playing devil's advocate for a second, but another important function of public funding is that it validates the activity that's being funded: so this artist is doing a good project. 'I am not an artist, I don't know much about the art world but this has got this logo on it that says Arts Council or says the council are funding this, so someone, somewhere has decided this is a good use of public money. Public money is my tax money, so whoever is spending it has been very careful about how they're spending it, so I'm going to trust that this is a good thing. I might never go and see it or I might hate it, but I'll at least have some idea that someone, somewhere along the line is validating this as a good thing.'

So how do you do that if you're kind of working it out commonly?

JK: I think it still wouldn't change, actually. I'm not suggesting getting rid of the Arts Council completely, but what you would have is a different way of planning how you're going to spend the money and one that has more intelligence to it as well. So often in decisions, first of all, they're not aware of things that are going on in the sector, but also they're not aware what's going on with audiences; they don't

understand a whole range of stuff. So it just ups the level of intelligence in the whole process. It's kind of crowd sourcing it, really.

GT: I think you're absolutely right about validation; there is a role for validation. The problem of validation is when there's too much agreement between the people who do the validating. That's anathema to any kind of difference or any diversity or any kind of risk taking. We haven't used the word risk, but we should go back to the question of failure and risk. I think public funding has a really important role. It would be a disaster if public funding wasn't part of the eco system, but that public funding has to be ring-fenced to do specific things and that's got to be about taking risks. It can't possibly be about reaffirming the things that have been validated already in ten different other places, because that's too easy and that can be funded elsewhere. When I ran an organisation called INIVA, we were constantly told that we'd failed because we hadn't managed to get any sponsorship or private funding -- and why couldn't we be more like the Serpentine Gallery? And my point was: we're not here to be the Serpentine Gallery, precisely because what we're doing is something very different. It should be about working with artists who haven't been established, who aren't known, curators who aren't known, writers who aren't known, and it has to really be about difference in the widest possible sense, not just racially or culturally.

But, as soon as you set measures and markers of success which are all the same, then what you get is the same. So I don't think validation is a bad thing, it's just how the branches of validation...

RM: Getting enough diversity amongst those gatekeepers or deciders or whoever they might be... Well, maybe this goes back to what you were saying right at the top about audiences and how the audience hasn't really shifted over the last thirty or so years. Maybe that's a reflection of the...

JK: I don't just mean generically, I mean everywhere, it's class...

RM: Maybe that's a reflection of the fact that the top of the arts world probably hasn't changed very much either. The people making those decisions about what to fund haven't really changed either.

JK: Absolutely.

RM: So they're making those decisions for the same demographic.

JK: The other thing that has changed is -it's always the massive elephant in the room- the art market. There's a wonderful book called The New Economy of Art...

RM: It is, I've read it!

JK: Researching my bit, I was just stunned by how big it is. If it was a country, the art market would be about the 42nd largest country in the world. The art market in the

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UK is bigger than the combined spend of all of various cultural bodies in the UK put together and there is a direct benefit that the art market gets from public funding. Nobody follows the money, nobody knows where the money goes, but we all know that artists benefit from it, galleries benefit from it, dealers benefit from it as well.

It's almost like you can't go there; it's a conversation you absolutely can't have in terms of looking at any kind of structure where there was some kind of payback from that. I know you look at sales and so forth, but from a...

GT: That's another way we could fund it: we could actually tax the art market. We regulate it and tax it: it's the last unregulated market. There is a reason why there's an art fair in Miami...

RM: At Davos they were talking about it being basically a giant international money laundering scheme.

JK: That seems very weird; with the values of most artists, it's a very odd combination. Obviously some artists might be into money laundering, I don't know – my guess is not that many. There's something that feels very strange about this weird thing that sits on top of people working, making work, doing their stuff.

GT: I went to a talk a couple of weeks ago about fakes and forgeries in the art market, and Eric Fischl, American painter, told a story about how he'd been invited to give a talk at a Swiss auction house. When he was there, the auctioneer was really excited and said, Eric, so great to have you here, and we've got one of your works, one of your drawings, on sale in our London auction house. And Eric said, oh, that's really interesting. He showed him a picture of it and Eric said that's not my work. It was a drawing, very like one of his paintings – he said it couldn't ever be one of my works because I just don't do drawings after my paintings, they're drawings which inform and lead up to the painting. And the auctioneer turned round and said, how can we be sure that this really isn't one of your works because, you know, you might have had a girlfriend and split up with her, and then decided to disown the girlfriend and disown the work and maybe... – we can't really trust that you are telling us this is your work or not.

My illustration here is how even an artist of that stature and success, is disempowered at that moment and his integrity is disavowed.

JK: The art market is very interesting; it operates completely opposite to the general economy. The only two bits of the economy that do that are the luxury goods industry, the Aspreys and Garrards, and the art market; everything else tends to attract the general economy. So when an economy goes down, the art market goes up – it's actually very, very strange. There was a great piece in The Art Newspaper, and it does not behave like anything else, and that shows there's something funny about it basically.

RM: I did have a conversation with a sociology professor a few months ago, who writes about the luxury goods market – and he’s now increasingly writing about the art market, because it acts in such a similar way. But I don’t want to talk too much about the art market and I wanted to go back to...

You mentioned crowd sourcing as a way of making decisions and you were saying what if there was this bit of the art world that was over here and we just did it as a test. Isn’t that what crowdfunding is, or at least approaching it? That people decide what they want to fund and they put their own money into it? It’s a bit different because it’s not public funding or, on the other hand, it’s pure public funding because it’s funding actually coming from the public. But it’s a way of funding – someone comes up with an idea and someone says I’ll put some money towards that.

GT: Yes, it is in a way, but my problem with it is that it’s again atomised, isn’t it? It’s about the individual project, the individual payment, so what gets stripped away in that is the conversation about shared cultural value. It is in there, it is a statement in a certain way, but in others I think it strips out that negotiation.

JK: I share an office with Hen Norton, who set up We Did This, which now part of another platform. She’s saying that crowdfunding is actually not about money. The money is great, but it actually creates a different relationship with people who like your stuff. Some people want to get involved and some people don’t, and that’s what you don’t get when everything’s done by proxy for you, by the Arts Council or somewhere else. And the kind of sums now are going up and up and up. It is still project-based, undoubtedly, but there are people getting quite a lot of money out of crowdfunding now.

What it does is it gives you a fan base, and we don’t have many fans in the arts; we have audiences and professional relationships. We don’t have people who will get excited about what we do on our behalf, which is absolutely key, I think, to rebuilding the base. So, that’s the interesting thing about it. If there are other ways of bringing that kind of constituency in, which is not just about crowdfunding, then there’s a clue in there about how you can start to...

And people will get involved with something – sometimes they’ll like the artist, most of the time they’ll like the idea. It’s not about recognising a famous artist, but saying I just like the idea of this thing, this sounds really interesting, I’m going to put £50 in. It’s not a replacement for public funding but you’re right, it is a form of public funding.

RM: No, it’s not a replacement but maybe there’s something in it. I am quite sincere about this being a solutions-focused thing, and this is some primary research to go away and think about other ways that it might actually work. Maybe at some stage we would say to the Arts Council, how about this as an idea – but there might be mechanisms within it with the technology...

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GT: Another model perhaps, and again I go back to this idea of a contract, which I think is really important. There's something about negotiating the terms of engagement, which are really important if you're going to get beyond a transaction. That's what I'm uncomfortable about with crowdfunding, even though I take what you say about the fans and the engagement with the idea. It's still a transaction; I'm still buying into an idea and I transact and it lacks something about what's a more involved process of negotiation.

Barbara Steveni, who's in the New Economy of Art, was involved with John Latham in the seventies in those negotiations of putting artists in a different industrial context. When you talked to them, what comes across really strongly is that most of the art work was in the process of the negotiation of the contract. It ties with what you were saying earlier about Greece and embedding yourself in society, because part of that process and negotiation of the contract was getting a group of people who are not natural art lovers, if you like, to understand what an artist does, how an artist works, how an artist is valuable, how an artist could function within a space which isn't an art gallery or an art school or where you would expect to find an artist.

JK: And most of the APG [Artist Placement Group] artists actually just did their work. They were not there to do an outreach project, they were just in a police station doing their normal stuff. It was great, I loved it.

RM: So, does anyone have anything they want to add, questions, comments – I'm sure we're quite happy to keep going but I'm sure someone's got something they might want to say? If you want to, if you could say a little bit about where you're from – I think I know where you're from but if you don't mind, if you don't want to, then that's also fine...

Audience member: My name's Lindsey and I work for the Arts Council. I was interested, if you take away the Arts Council, where is the money then coming from – is it coming directly from the individual? Where is then the relationship – is it just between the individual and the artist?

GT: I don't know but I think what you're sort of raising is the idea of arm's length. One of the really troubling things for me, and something that has changed, is how far we've moved from the John Maynard Keynes originating idea that the Arts Council should be about artists and making things or productions or events. What has become compromised in the last few years has been that arm's length. I think the desire that we're expressing here to disintermediate is really to try and get, once again, that distance, in order to ensure that it's possible to do things in a slightly different way and open up the possibilities of what can be done.

But in terms of how the money would be transferred, you know, we've been hearing about Kids Company, where £40 million was handed over to one organisation on the

basis of a proposal of what they were going to do. So, there's lot of precedent for that...

RM: [unintelligible] always gets into every discussion...

GT: That doesn't mean that it shouldn't be evaluated. I'm not saying just give them money, where nobody checks on it to see that it's spent properly or that people don't say this is how we're going to do it. There's room for robust processes and negotiations. It's a bit like we distribute money for royalties for licensing from photocopying and scanning of books. If you're a photographer with a big photographic agency, then the money goes from, say, a university to the copyright licensing agency, who take 11%, and it comes to us, and we take 18%, then it goes to Getty maybe, who will take something between 50 – 80%, and what's left, for the photographer, is hardly anything at all of that 100%. I think in the same way you're saying, follow the money – it would be interesting to look at all those intermediaries and what money goes out, before you get to the exhibition, the artist, the performers. The issue is that there's an awful lot of spend and when there aren't very many pounds, how can we ensure that more of that pound goes to the actual thing that we say this is all about?

JK: I probably wouldn't get rid of the Arts Council actually, I just want it to behave differently, to think of others ways of doing things. We were lucky enough to do a book last year with the Wellcome Trust – they're about medical humanities, and we were interviewing lots of doctors and scientists. I remember talking to this group of people who were working in a really strange corner of human fertility, a really experimental area of that, and they just all sat down at the beginning of the year, all the people involved with it, cut through the whole system, and worked out how they were going to spend the money.

They said, how do you do things in the arts? And I described it and they said that sounds really weird, what on earth do you want to do that for, it sounds completely bonkers! They were saying, we're all in the situation where nobody has enough money –that goes without saying in the health service– but we think it's much better if we sit down and work it out between us, rather than let the minister, Jeremy Hunt, decide how the money is going to be spent, so that's what we do.

And I just think that it's probably trying things – because it's not only organisational business models that are broken, the funding business is broken as well. And what's coming down the tracks in terms of there being effectively no local authority money at all probably in five or six years time, really big cuts – it's just not going to work, it's just going to be chaos, if it carries on as it is at the moment. We need to get some brains going right through, not just have four or five people sitting in Bloom Street thinking about it; it really needs to be thought through on a collective basis.

Audience member: My name's Susan Mumford, I'm the founder of two organisations: Be Smart About Art and also the Association of Women Art Dealers. To give you some context, I was actually raised by an economist; I feel like I approach the art world from the back, particularly in respect that I've never studied it... I'm interested, before I ask my question, John, what you said about how you don't think the art world actually reflects the general economy. My take on that is it really depends on what part of the art world we're talking about. Any small gallery or artist barely struggling to survive would be lying through their teeth if they said the last recession hadn't affected them severely – and I say that as someone who had a gallery at the time. So my question is about our responsibility in the sector: what's the solution?

JK: In terms of artists' responsibility?

Audience member: No, our responsibilities, in this room: organisations... but yes, as artists. Good question because, what can the artists say when they're asked to do things for free?

RM: Just before you respond, I would imagine most of the people in this room probably are artists, but yes...

JK: I think we just have to be really straightforward about this as well. I'm going to be a bit controversial: I thought the paying artists thing was a great idea but was pointed in the wrong place. It was talking to government and the Arts Council, whereas the people who weren't paying them were probably in the room with them every day...

Audience member: It's across the arts...

JK: I think we need to look at what we do to ourselves in the arts. And I couldn't understand why having meetings with [unintelligible] was a good idea, what's he got to do with it, when the person who has decided not to pay for an exhibition is upstairs? So I think, yes, we've got to clean our acts up. That gets back a little bit to the thing I mentioned earlier on, about most art organisations being not for profit charities with boards. And when you start looking at how you're going to spend the money, boards will prioritise the staff; they tend not to be artists and everything else gets squeezed in the whole thing. So there's probably a role for the Arts Council to start really looking at the percentage of what organisations are spending that goes directly to arts, and whether they're being paid or not. I think that needs to happen.

GT: I think you've really put your finger on something that is a systemic issue. It goes back to not so much the paternalism, but the patronage model of the art world. I've been struck throughout my time in the art world by the presumption that you can do things without being paid, or there's somebody to look after your kids that you don't have to pay for. So there is a presumption of being of independent means. That is

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how we are still, if people are honest, in this nineteenth century model of the art world. It's only quite recently that I've seen women who have children running organisations. But, this is something really relatively new in the art world and I know that's going to be the topic of a later...

RM: Next week, we're doing a session around artist income with a-n, who run the Paying Artists campaign, and Artists' Union England, and then two weeks after that, we're doing one around artists with families and how they cope with that. I just want to try and keep the focus about public funding.

GT: I'll come back to this point. One of the things we do is make a point of charging people when an artist's work is used. We're constantly coming up with people saying: oh, this is helping artists promote their work. And if they can't get round us, they will go directly to the artist and say: this will be really good for you, really good for your career. One artist put it really well. He said: well, how come when a plumber comes round, you don't say, just do it for me, will you, just fix the toilet, it's leaking? The presumption is within all processes: when you're making a book, that somebody will be paid to design it, the printer will be paid for the publication and so on. But very often, if it's an artist, and sometimes the creator or the writer, people assume that somehow the kudos of doing this is sufficient.

So it's a really, really serious issue because it also excludes lots and lots and lots of people from participating.

Audience member: [unintelligible 56:26-56:47] I'm really interested in what Gilane and John have been speaking about. The problem with getting rid of intermediaries is there always has to be some intermediary. As somebody who's been an intermediary and also an artist, but somebody who's been between the artist and money, and provided the services, the thing is, you could cut the staff and you don't have an organisation. There're always going to be a certain sector of the population who take organisational role and are capable of doing that, and others who really don't want to deal with it.

JK: I think it's a question of scale though. Amanda and I both worked for London Arts for a while and it was great fun, but one of the things – when we were there, between London Arts and the Arts Council, there were about nine people looking after the visual arts in London. And ten years, no, less than that, five years ago, there were twenty-eight people doing it. So, there has been a massive expansion in some parts of the art world. Now, I don't think things got twenty-eight times or four times more complicated than they were then. And you can see that all over the place, huge expansion. It's much less than that now, but when the money was there, the money was not going to artists: that's what I'm saying. It was going to beef up other parts of the system.

GT: I think we're being a bit provocative, aren't we, by saying we're all intermediaries. The example of the Tate, the job, is important, because if you look at the Whitechapel, they've now more people who are in the fundraising department than in the curatorial department. So it comes back to this question of costs benefit. What is it you're there to do, when do you stop being an arts organisation and become simply a fundraising organisation? And is that the best use of public money, to pay people to go and raise money from private individuals who then get privileged access to those public assets? Does that really make sense, is that really where we want to go?

Audience member: Also the point you made about the system churning out management – it's unbelievable the shift that's happened there with more curators than artists – what's that about?

JK: Well, also, there's people called producers now and I don't remember them being around at all twenty years ago.

RM: Any other... Amanda, yes...

Audience member: Something that has been alluded to by all speakers because they're here to talk about the arts funding system, but what is perhaps the third way John's talking about, is this idea of the sector arts organisations and an artist working together and being much more proactive and so upending that top down system that we work under. Over the last eight years, I've been working in the South East region in and around a network consortium model and it has been so difficult for all sorts of reasons. One, because we work within a competitive context, so on the one hand, there's a lot of rhetoric around arts organisations working together in partnership or in collaboration, but at the same time you're all working against each other because you've all got to have a USP, so you're working with one hand tied behind your back. The other experience I had, which was very dispiriting, was, I think post-Warwick Commission: the RSA tried to get the cultural sector to write a compact for themselves – do you remember, were you there?

JK: I remember - no, I wasn't there...

Audience member: ... was it the Third Sector compact it was based on? It was about the sector saying this is what we want, in response to your government money, this is what we will do: to be absolutely self-determining and setting the parameters. And it died a death in the room, nobody wanted to subscribe to it. So I think at times we are our own worst enemy, because we talk the talk about whether we're together and collaborating or working in a network, but it's bloody difficult...

RM: Well, I think also we are quite institutionalised as organisations. I work part-time at Artquest, and a lot of people in the arts work part-time and are also artists. It's interesting, being an artist and working in an organisation, and seeing at least a little

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bit... I've worked in organisations for a long time, so I would not say that I am also not institutionalised, but at least I feel like I've got my head outside the door a little bit. And being able to see that, talk to artists and find out the way they do things, talk to organisations about the way that they do things: it's so vastly different and absolutely doesn't make any sense, a lot of the time, the way that organisations operate...

Yes, we are institutionalised. We are institutionalised into thinking that it must be this competitive bidding system, which comes with a huge cost attached to it to administer, and finding a way to cut through that was part of the motivation for this series of events as well.

JK: There's a great story about the mining industry. There was a guy who worked for Rio Tinto Zinc and they had a real problem in one of the mines they were drilling: they couldn't find any way of accessing this particular kind of chunk of gold or coal, whatever it was. He was talking to his son and his son was telling him all about what happens on the web, because he had no idea at all. So, he copied all the plans of this particular mine and stuck them up on the internet and said help me, I don't know what we're doing here, knowing that he'd probably get the sack in the morning. Went to bed, woke up in the morning and thousands of people had contacted him saying why don't you try and do this and so forth... And now in the mining industry, at certain levels, people completely open source all their data and let other people together find problems.

If you think of the mining industry and the whole cultural history: if they can do it, we can do it – I really think that.

GT: I'll take your mining story and I'll up you!

JK: You'll beat my Rod Stewart story!

GT: In the early days of aviation, a very high proportion of planes crashed, and so the aviation industry has one of the highest and most widespread adoption of people actually saying when things are wrong. It's rewarded and it's part of the culture that if there's anything that's not quite right or isn't working right, you will say it, record it, let people know, because that's how you keep safe. And I think that's quite an interesting thing – if we all just sort of – and that's the opposite of institutionalisation...

JK: Here comes everyone...

GT: Yes, and it's a kind of collective responsibility rather than collective action, but responsibility about improving, seeing if something is wrong, addressing it, not leaving it to somebody else but doing it, taking your responsibility.

JK: And the difference between that and the kind of instrumental thing we worried about earlier on, it doesn't mean people do different stuff, it's just they think about their stuff in a different way. It's not something they just generate themselves in their little world, it has some value to outside as well.

RM: I think we've got time for one more question, comment, addition...

Audience member: I'm just thinking about the way the funding system works in this country that is different to non-Anglo-Saxon countries. One of the strengths and also the issues is that there is a huge transparency. The Arts Council try to be very fair. Grants for the arts are an example of that, when you compare, for example, to France, where public public funding is a lot more about people you know and the relationships over time. Whereas here in theory, with grants for the arts, anyone can access and make a good case for it. On the one hand, that's really positive, giving a lot of emerging artists access to small pots of money to get off the ground, but then it throws them into the system and they get caught in the system. Then it feels like the way to go to get a project funded is to be an NPO, and they get caught in that reel. I don't know how can people resist that, and I know a few are trying, but...

RM: It's a good question. With a couple of friends for about three or four years, we ran an arts event monthly thing at Bethnal Green Working Men's Club. We started by funding it on the ticket price at the door, it was a fiver at the door, and then –this was back when a small grant from the Arts Council was £5,000– we got a £5,000 grant the second year. Then the third year, I think we got a £10,000 grant. And the fourth year, they said, we really like you and we'd really like you to apply to become an NFO (as it was at the time). We thought about it and decided that it was the last thing we wanted to be, and actually just stopped doing the project. Because the other thing about that system, as it was then, is that it's project funding, so it has to be different each time: if you go back, it has to be developed, it has to be different, you can't just do the same thing over and over again.

The thing is, it was full every time we did it. We did it once a month, it was getting good press, people really enjoyed it, but we had to keep changing it in order to get the funding to be able to pay the people that we wanted to come along and be able to guarantee the fees for the artists that we wanted to pay. The only way we could do that was by being forced increasingly into the system that we wanted to resist, because it would just take up more time than it was worth.

JK: I'm working with a couple of very young artists, people in their early twenties, mostly people working in performing arts rather than visual artists. They seem to have an almost promiscuous approach to funding and are looking at quite sophisticated models, across subsidy licensing bits and pieces of content here and there, doing bits of crowd funding, getting bits of public funding. They've got no choice because there's not much else happening...

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So I think it's possible to get on the funding ladder without having to climb to the top of it and they have absolutely no expectations of becoming an NPO; they wouldn't be interested in that; they see themselves developing somewhere else. And the re-emergence of things like collectives as well, people actually working as collectives again, is really interesting. It's coming from the same kind of impetus, knowing that probably in the future there's not going to be any great benefit to being a charity board NPO thing...

GT: I'd love there to be kind of slush funds available, where we say here's £100,000–200,000 we're going to put aside; we're not going to give you more than £3,000 a shot but we don't want very much for it, just send a paragraph of what you're going to do and send us a paragraph at the end of what you've done.

JK: We kind of did that a bit...

Audience member: ...with City Racing, that's exactly what happened. We gave them money, just said do it. The other interesting thing is that they were brilliant, they shone brightly and then they just decided that was it, they were going to do something else. This thing of developing, developing, establishing, building – it's actually not healthy.

GT: And a grant for the arts – why don't we just stick them in a big hat and pull them out? Would it really result in less success? Really? It would be good to experiment in a closed environment: one is a placebo and one is what you'd have, one set of grants for the arts which are all scrutinised, put through all the things...

JK: The most successful arts organisations can be a placebo arts organisations.

GT: And then you'd have another one and it wouldn't be assessed or anything, you just give them the money.

JK: I think also, in defence of funders, it's difficult to be radical for a funder; it really is hard. You get really beaten up.

RM: Everyone is invested in their own bit of the system, which started so long ago that no-one can really understand... The purpose of the Arts Council originally, way before the Jennie Lee White Paper, was about rebuilding buildings that had been bombed after the war.

GT: But it would have been nice if everyone could have got into a risk contract. The Arts Council could put a certain percentage; not all of it, it's risk mitigation. Or you do your placebo and your rigorous assessments, you're not throwing everything up in the air; every arts organisation has one slot a year, which is completely open and is just pulled out of a hat. And artists: you could also decide on a commission, you could invite people to bid – we're not good at bidding – propose you make an artwork

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for them, and they don't quite know what they're going to get. It would be so much more fun, apart from anything else!

RM: I think we should end this bit on fun and develop placebo public funding – it sounds amazing! I want to thank the speakers, Gilane and John for their fantastic contributions. All of you very much for sitting and listening and contributing as well.