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A Strategy for Culture: Five Nation
Study of Arts Support Systems

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Abstract

This thesis seeks to apply some concepts and theories from predominantly post 1960 research in organisational behaviour to the study of the Arts Council as reflected through its policies, in the belief that few, if any, real attempts have thus far been made by academics to relate some of the profound difficulties of the public administration of the art to this branch of the sciences. The project is based on an examination of the assumption with which the Arts Council historically has justified both its general operations and its particular decisions. A close examination is made of past and recent statements of policy (I am assuming that administrators often make policy and advise in the making of policy and am treating decision making and policy making as synonymous for purposes of this thesis), the main aim being to identify the various ideological and structural determinants which bear upon decision making processes necessary for a subsequent evaluation of the various representative systems. These determinants vary from political pressures to aesthetic preconceptions, and overt to covert hierarchical power structures within the framework. Specific areas of concern have revolved around the problems of co-ordination, accountability and control of public subsidy to the arts and in particular, what model or models of organisational structure and decision-making processes might successfully reconcile traditional cultural criteria and alternative contemporary conceptions of artistic and cultural development and worth, including all current non-art criticism. In particular, the research has focused on what might be termed the Arts Council's 'secondary accountabilities' (the word 'accountability' is usually only used when explaining its formal relationships with Government), in respect to artistic standards, artists and members of the general public. This is accountability imposed from 'below' the quango, a relatively undeveloped concept which this thesis examines in much greater detail. My points are illustrated by an examination of the policies of the arts agencies in Great Britain, New Zealand, Australia, America and Canada. Further comparisons are made between the Arts Council of Great Britain and

Sports Council of this country in view of the proposals in New Zealand and Australia for a more integrated policy framework based on concepts of recreation and leisure which could result in a new Department of Recreation, Arts and Sport whose primary function would be to develop a national recreation policy to allow for co-ordinated development of all aspects of recreation, arts and sport. The examination is made largely from the point of view of organisation theory. For while I believe the cultural debate outlined in chapter one represents the crucial question for arts councils to resolve, organisation theory fortuitously illustrates these larger issues and also suggests some means of resolving the conflict between public accountability and responsibility to the development of the arts.

Chapter 1

The Structure of the Problem

There are three reasons in particular why it is critical at this time to develop an effective framework for arts support. Firstly, over the past decade funding of the arts has increasingly become an important issue on the public policy agenda. 1 This reflects, on the one hand, changing demographics such as rising levels of education, the increasing role of women in economic and political life, and the aging of the general population which together have resulted in growing participation in arts-related activities. On the other hand, it reflects the growing economic importance of the arts implicit in their transformation from symbol to a source of national wealth. 2

Secondly, important changes are underway in the organisation of Government in response both to fears about its insensitivity and to concern over whether its policies and structures are keeping pace with current demands and expectations. These changes have been reinforced in the quango state where there has been increasing pressure on quangos working in the 'community' area to be more responsive to the public they hope to serve, and to some extent less to the next level up in the bureaucracy. It is this positive aspect of public accountability, the need for a fruitful interconnection between the making of policy and the views and reactions of the public who are its beneficiaries that is beginning to be increasingly stressed. 3 In future, the price of 'autonomy' from government direction currently enjoyed by arm's length arts councils, may well be standards of accountability (both for a system for determination of the best allocation of resources and for an improved system of checks to ensure that resources were allocated properly and effectively), higher than those applied to other areas of public activity. While arts councils have been judged relatively successful in harnessing artistic judgement (Applebaum, 4; Education, Science and Arts Committee, 1982, xiv 5 ; Wyzomirski, 1983, 6 ; Macaulay, 1984, 7) they have been unable or unwilling to integrate scientific evidence into their decision-making processes. (Nissel, 1979, 8 Urice, 1983, 9)

In line with this trend have been the demands to democratise cultural decision-making, though, in the arts, the term democratisation has been more grossly misused than most other words raised in a discussion on the subject. If the word has any meaning and can be used at all, and if the concept underlying democratisation is to be accepted as part of the decision-making process and as an argument for devolution from the centre it would appear that the term 'democratisation' must be more accurately defined.

The move to 'contract out' many functions of a traditionally public character, along with a variety of novel programmes to 'semi-official' or 'private' organisations reflects such trends as: (1) the need to create the sort of institutional arrangements that will enable the Government to maintain a strong central policy direction over the apparatus of 'private' institutions performing services for the Government while giving the private institutions enough independence to produce the maximum incentives for a distinctive and creative contribution to government; (2) the increased complexity of policy-making in our society; (3) the need for a range of professional skills to be involved in policy and administration; (4) the 'active society' 10 that assumes more and more responsibilities for the health, welfare and good life of its citizens; (5) the drive for wider popular interest and participation (a reduction in terms often associated with the conditional rule of a bureaucracy) in public affairs and the sometimes vague but insistent feeling that ways should be found to make authority less centralised and less distant. The interest in the use of the contract intersects with the related concern that British administration is traditionally too centralised, and to achieve greater efficiency and responsiveness should be substantially decentralised. 11 Implicit in the phenomenal growth of quangos in post-war Britain, was the acceptance by successive governments that Parliament should vote money for distribution to various areas of public life through intermediary bodies acting independently of political interests. In the arts sector the principle has been embodied in the creation of quasi-independent arts councils.

Another objective for establishing the Arts Council at one remove from Government in addition to the ones already stated, was to involve the arts industry in working out the most satisfactory role for the Council. At the same time, the Government felt that the industry and its consumers should pay for the work it does. This was seen as a sort of partnership between Government, the Arts Council and the arts industry/consumers, a premise which was embodied in the 1965 White Paper but which has since proven to be so fatally flawed. Thus, in today's socio-economic climate, it is that very point which has become an issue which is why arts subsidy in the 1980s can no longer be at arm's length from politicians, nor in some magical way above politics and that such a state of affairs is neither desirable nor appropriate to a period of economic recession when competition for attention and subsequent funding is made more difficult.

Despite its private face, the Arts Council is closer to being a public Government body (and fundamentally always has been), than many might imagine it to be. Evidence of the Council's Government orientation would be its protection from so-called undesirable market forces. Arts promotion (so the 1965 White Paper, 'A Policy for the Arts' stated), was not to be left, 'to those whose primary concern is with quantity and profitability'. That implication, that developments should be primarily concerned with the maintenance of metropolitan standards and should be small and unprofitable, was taken up as a theme of Arts politics in the sixties and early seventies. Some commentators suggested that by leaving the Council open to the vagaries of crude commercialism it would not only jeopardise those arts which it embodies but also the very future of the Arts Council as so constituted. 12 Former Chairman Lord Goodman once remarked when learning of the Council's most recent protestations that it was about to free itself from its traditional political restraints:

The idea that the Council can develop a 'new strategy' is a misleading one. It suggests that there is a latitude

available to it which is not bound by rigid constraints.
The truth of the matter, alas, is very different. 13

The degree of absence of censorship or criticism by Government of Arts Council policy could easily be construed as having a bearing on the extent to which the Council is Government-orientated. Another major aspect of the Council's Government orientation is its financial dependence on Government.

The Council must work within a small and predetermined segment of the wider arts world. In return for the safe annual deliverance of the government money they must attribute to that segment the kind of political effects the government of the day thinks most desirable. 14

In the words of Sir William Rees Mogg, the Council is now not at arm's length from government but the government's means of shaping the Arts. 15

The Council, as we know, receives its money from Government in the form of a grant. No clear line except in legal terms can be drawn between 'grants' and 'contracts'. The word 'grant' suggests the largesse of a donor to his supplicants while the word 'contract' suggests a hard but mutually advantageous bargain between equals. But even a 'gift' in general is now recognised to be an aspect of a continuing socio-economic relationship which may be short or long, formal or informal. 16 The nexus is drawn tighter if the 'gift' is a 'grant' made by a 'public body', which is itself subject to some form of 'public control'. Taken a stage further, it is not an easy matter to determine at what point a supplicant of either the Arts Council or a Regional Arts Association enjoying his subsistence grant on specific conditions is to be regarded as 'public' rather than 'private'.

The third and final reason why an evaluation of arts funding is important at this time is that public support to arm's length arts councils, measured in monetary terms, has remained constant or declined in the past ten years, this despite some evidence that consumers would actually be prepared to pay more for the arts. 17 This has resulted in heated competition for increasingly scarce funding between national 'flagship'

institutions and emerging artistic enterprise. Part of this controversy is reflected in the issue of 'double-arm's length', i.e., an arts council, having assessed the artistic merit of clients should not direct or control their activities. Control of resources lies at the centre of politics and in times of financial stringency Government may regard the length of arm as being rather short! Further encouragement for greater Government involvement (control is, perhaps, too emotive a word) in the arts arises out of the belief that the arts themselves have graduated to the status (in a civilised society) of a necessary social provision like Education and Social Services, and might better therefore be handled by Government at both national and local levels. A fear expressed by those to whom the ministry model is anathema is that the state might have a tendency to place culture at its service, rather than itself at the service of culture. Certainly government supported arts can be vulnerable to official pressure and, in extreme cases, they can even be manipulated by those in power to become a vehicle of political propaganda. However, some commentators (as we have just witnessed) would counteract this by suggesting that political pressures apply just as much when there is an arm's length arts council - they are simply more subtle.

In addition to greater Government participation in the arts an elected element to the Arts Council has been suggested. A move of this nature could perhaps be viewed as a natural progression, for if one is to accept the arts as a social provision in the way described then it follows that there will arise a need for the public to have their say. There is a requirement, somewhere within whatever structure is regarded as being most desirable (ministry or arts council models being the two main contenders) for there to be some mechanism, in addition to the normal ones of box office and sales, for the public to have their say in the kind of artistic provision that is being made for the community. More importantly, concern is being shown that the public have a real initiating role rather than a role which simply involves reacting to decisions already taken on their behalf by other authorities.

The acceptance some years ago of community arts into the Arts Council's portfolio after much petitioning is an important example of how committed members of the community have influenced decisions in the past. The potential community benefits, growing relevance and subsequent importance of so-called low art forms as community arts, ethnic arts, feminine arts and avant garde to modern western societies in particular is forcing some arts councils, most of which were modelled on the Arts Council of Great Britain, to review and in some instances make fundamental changes to their criteria for funding the arts, which at present do not yet fully embody nor easily reconcile such art forms with those traditionally funded. Indeed, arts council funding has been largely inimical to the advancement of these art forms. There is now the realisation and the inescapable need for the provision of opportunities for this sort of pressure to produce responses to be built into the system rather than the present haphazard way in which frequently there is no method of producing responses to new ventures in the arts. In addition it would appear to give us an insight as to the level at which democratisation in the arts needs to be introduced, in that it is only at the very localised community level that the sort of pressure which the community wishes to put on the funding agents of arts activity can hope to procure more funds, and a more equitable and flexible use of them.

In part the need may be simply to understand fully and, to some extent, protect reasonably satisfactory working arrangements which have come about either through adoption or by due process. This, in a quintessential way, is what the Arts Council of Great Britain has done believing its own peculiar brand of disjointed incrementalism to have achieved a modicum of success in moving with the times whilst safeguarding those canons which it holds most dear and upon which it bases all its fundamental policies. On the other hand, it may be

necessary to develop some new concepts to guide future undertakings as well as to revise those arrangements which appear on close inspection not to have satisfactorily served the public interest. Approaches used by the Arts Council of Great Britain were, by a kind of demonstration effect, adopted largely uncritically by other arts councils around the world. Today (1988), however, the arts councils of the U.S.A., Canada Australia and New Zealand have broken with tradition and are all experimenting with 'new' and different methods of managing the arts, an extended contrast of which forms an integral part of this analysis and can be viewed as exemplars of oppositional framings of the 'essential' definitions which may be forwarded as constituting authentic art activity and therefore worthy of subvention.

The purpose of this enquiry, therefore, is to determine which, if any, of these alternative models successfully reconciles traditional cultural criteria and alternative contemporary conceptions of artistic and cultural development, and worth. This assessment of the current situation in the field of arts administration and more speculatively, the direction that it is likely to take in the future, is conducted against a backdrop of primarily post 1960 organisation theory. In developing an approach to the study of problems of arts policy through an eclectic use of organisation theory some of the more debilitating weaknesses of existing perspectives are avoided offering a more fundamental, coherent, and it is believed subtle understanding, of the process whereby collective social action and comment is institutionalised and helps shape our conception of art. Before providing some indication as to the way in which these aims are to be realised, it is necessary to state the underlying conception of 'organisation analysis' which informs the arguments that follow.

The analysis conducted in this thesis rests on the fundamental proposition that the most significant developments within the field of arts administration in recent years has been that of theoretical change. This is reflected in changes of varying degrees of magnitude as between the various representative systems which collectively might be said to constitute the arts polity and to which

it is both possible and desirable to apply various forms of rational analysis and appraisal. Thus, the most far reaching and consequential transformations in arts organisations are to do with how they now perceive themselves. These perceptions are embedded in and embody new background assumptions concerning the way organisations react to an ever expanding political economy which focuses according to Michael Reed (with reference to Karpik's work) on the 'key structural transformations in socio-economic relations instituted by the move from 'industrial' to 'technological' capitalism'. 19

In the Arts Council of Great Britain's case this development has successfully reinforced the most intellectually powerful assumption on which the study of organisations has traded, which is as Blau notes, that 'once firmly organised an organisation tends to assume an identity and a mode of operation which evolves to make it independent of the people who have founded it or of those who constitute its membership'. 20 While this 'technocratic' view of social theory has been under attack in recent years writes Michael Reed, 'it should not be underestimated given its affinity with dominant cultural values' extolling the virtues of scientific and technological achievement and, more importantly, as Gouldner mentions, with 'the sentiments of any modern elite in bureaucratised societies who view social problems in terms of technological paradigms, as a kind of social engineering task'. 21 Consequently organisations were elevated in status over their surrounding environment, driven on by an assumed superior capacity for co-ordinating and controlling the actions of human beings in the furtherance of the 'general good'. Assimilated by the Arts Council of Great Britain this assumed benevolence, given a less flattering and more sinister interpretation by its critics, soon became the underpinning of its political strategy following its creation in 1946.

This view of organisational analysis described by Reed as an applied science of organisational structure and functioning directed to the manipulative needs of an enlightened elite, became the dominant mode of discourse of the 1950s and under-went subsequent refinement in the 1960s. Yet as Reed points out, it traded on a promise which has never been realised - the rationalisation of politics and the elimination of social conflict. As a result he says, 'organisation theory is bequeathed

a general theoretical framework which is forced to recognise the traditions generated by a metaphysic that assumes collective moral consensus as a social given and at the same time advocates the adoption of techniques whereby this may be engineered'. 22 Needless to say, attempts at sublimating the traditional concerns of political philosophy within a wholly technocratic rhetoric were not entirely successful thereby creating an opening through which other quite different conceptions of organisational analysis could enter during the course of the late 1960s, the 1970s and now into the 1980s, the effects of which are the main concern of this thesis as they have a bearing upon its central theme.

The failure of attempts to eliminate value-judgements from a general theoretical framework of organisational analysis is important in as much as it highlights one of the most critical recurring themes of this thesis. That is, the successive attempts by governments and arts organisations to resolve the internal tensions and contradictions contained within a conception of organisation as entailing necessary institutional restraint displayed in more traditional management accountabilities and as potentially at least a moral accountability to the community at large. Nevertheless, the pragmatism of organisational power is now less likely, according to Reed, to have as much dominance over the more idealistic sentiments an organisation might have for there is now less inclination on the part of organisations to oversimplify (and in so doing, ignore) subtle yet important interactions between intellectual and social change. 23

Weiss believes the condition of oversimplification credited to some earlier organisation theory was due in part to a distinct lack of historical depth. In reality he states 'coalitions frequently choose preferences that are historically and economically conditioned', a factor which has too often been overlooked though not by this thesis which returns to it throughout. 24

The analysis developed in this thesis shows that the historical development of arts administration is impregnated with themes, issues, problems, categories and concepts which are integral components of the Western tradition of socio-political thought. While a number of attempts have been made, as previously pointed out, to obscure, if not to deny, the historical roots of organisational analysis in this intellectual tradition, none have been able to sustain a technicist interpretation that excludes any consideration of the themes and problems which crystallise within the former. Insofar as it reinforces the general move to re-establish contact with this broader tradition of socio-political theorising that Reed describes in his book, the arguments advanced in this thesis are in keeping with the prevailing intellectual mood and tenor of contemporary organisational analysis. However, whilst the management structures discussed in the various comparative chapters are current, the reader must bear in mind that both arts administration structures and organisational analysis in general are in a period of transition hence, present structures cannot be described as anything other than fluid.

At the outset, the research has been conceived methodologically as a comparative study. There are international (and other) organisational models that embody principles and practical attitudes more favourable to new art forms, and with enviable social/educational results. Throughout the research makes use of those models of government intervention that are documented (Chartrand, 1986; Schuster, 1985; Pick, 1986²⁵) as and when they appear to be illuminating. To conduct an international evaluation of arts council funding it is necessary to describe arts council objectives, with particular attention to issues of mandate, policies, programmes and processes which can serve as the basis

for trans-national comparison. Citation and issues indices of the record of arts council debate and decision are cross referenced with the issues, goals and criteria contained herein. In this context it is contended that while some activities even some new ones, might be contained within the dominant mode of discourse others now vying for attention will require radical accommodation and reworking of the same. This issue is contexted within the argument around 'cultural democracy' and 'democracy of culture'.

Before presenting the model in greater detail it would seem appropriate to define the arts from the standpoint of what English speaking governments take it to mean. In contemporary western society the arts include the literary, media, performing and visual arts. Together they form a distinct and recognisable sphere of human behaviour. In turn the arts are part of a larger cultural sector which includes architecture, the crafts, fashion, heritage, multiculturalism and official languages. As part of this larger sector, the arts pervade and permeate the lives of people at work, at home or at leisure. There are three basic and distinct types of contemporary art, namely the high arts, the commercial arts and the amateur/community arts. Collectively they are often referred to as the 'arts industry'. The high arts are, for all intents and purposes, a professional activity which serves 'art for art's sake' just as 'knowledge for knowledge's sake' is the rationale for 'pure research' in science. In each high arts discipline there are deemed to be generally recognised standards of professional excellence. The dominant organisational form of production is the professional artist, and the non-profit corporation. The commercial arts, on the other hand, are a profit making activity which places profit before excellence. The two motives need not, however, be mutually exclusive. In fact the high arts often use commercial arts channels to distribute high arts products. When the high arts are distributed through commercial channels they do not cease to be 'high art'. The dominant

form of production, however, is the for profit corporation. Conversely the amateur/community arts are more commonly looked upon as a "recreational" activity where the emphasis is on the qualities of the art form to recreate the ability of an individual to do his or her job, and/or a 'leisure' activity which serves to develop the participator's creative potential thereby permitting them to attain to a higher level of fulfilment and appreciation of life. The amateur status of this branch of the arts is changing somewhat (which incidentally is why the term 'amateur arts' is now something of a misnomer) so too is the dominant organisational form of production which, in the past, might have been the unpaid individual and voluntary associations. Government non profit corporations and small commercial companies now share an increasing percentage of the organisational structure for the promotion of such activities. The three art activities are intimately interrelated. The amateur arts, in developing the talents and abilities of the individual citizen, provide an interested and active arts audience and lobby. It can also act as a springboard for those wishing to train for the high and commercial arts. The high arts, in the pursuit of artistic excellence as an end in and of itself, provide research and development for the commercial arts. This idea can be supported by the fact that of sixteen major industries only the entertainment industry has no reported research and development expenditure as per cent of income. 26 The commercial arts, in the pursuit of profit, provide the means to market and distribute the best of the amateur and the high arts to an audience large enough and in a form suited to earn a profit.

Evaluation begins with definition of stated objectives. In the case of arm's length art councils this is difficult for four reasons. First, there is an inherent reluctance on the part of arts councils and the artistic community to define objectives in rational and unambiguous terms amenable to traditional valuation methodologies. 27 Second, the legislative mandate of arm's length art councils, as will be demonstrated,

is enabling, not operational in nature. Third, as we shall see, governments may, and often with little sense that they are making such a shift, directly move, or cause their funding agencies to move, from one model of intervention to another. Sometimes, it creates irreconcilable tensions as we shall observe in later chapters. Fourth, arts councils, as public policy agencies, 28 tend to have a hierarchy of objectives that must be defined at a mandate, operating, policy, programme and procedural or process level.

There are three issues which should permit comparative evaluation of the mandates, and resulting funding patterns of different arts councils. The first is whether a council is an agent of the executive, or the legislative branch of government. The second is whether final granting authority rests with the chairperson, or with a management board. The third is whether the legislative mandate places explicit emphasis on the consumption of the arts, i.e. audiences. 29 Variation in these three issues result in a varying balance between pursuit of statutory independence and responsiveness and alignment to government policy objectives. For example, chapter seven demonstrates how the funding patterns of the National Endowment for the Arts, which is an agent of the executive branch and in which final authority rests with the Chairperson, is more responsive to changing government priorities than the Canada Council, an agent of the legislative branch and in which final authority resides with the Board of Directors. Similarly, if legislative emphasis is placed on consumption, which has been the case in New Zealand and Australia, then the pattern of funding tends to reflect a higher priority for arts education in the schools, audience development, community/ethnic arts, and outreach activities, such as television and other forms of media programming. Moreover, if the legislative emphasis is not placed on consumption, then the funding pattern is likely to be drawn towards the aspirations of the artistic community whose tastes may well differ from those of the general public.

In this case, an arts council will tend to become, like regulatory agencies, captive of the regulated sector, i.e., of the artistic constituencies. Board members and the majority of staff will be selected for their knowledge and practice of the arts, rather than expertise in management, or representativeness of the general public. To test hypotheses concerning arts council mandates it is first necessary to determine where the decision-making powers are within the organisation. Second, citation of issues of debate by the government and the arts council are required to provide a basis for determining council responsiveness to changing government policy priorities. Such examples should be cross-referenced to the programme goals described briefly below. Third, socio-demographic profiles of members of an arts council can be of assistance in determining whether they are representative of artistic constituencies or the general public. 30 Fourth, examination of the relative emphasis of council grant-giving to consumption activities, such as audience development and education is required.

There are two issues which should permit comparative evaluation of the operating objectives and the resulting pattern of funding of arts councils. The first is the balance between support to the high, the commercial, and the amateur arts. 31 It is the commercial arts and the new largely amateur status arts which have become, over the past decade, an increasingly important national policy issue, with a resulting reduction (though marginal in some cases) in the policy priority accorded the high arts. The second issue permitting comparative evaluation of operating objectives is the range of artistic disciplines and sub-disciplines supported, as well as responsiveness to new and emerging art forms. Arts councils have tended to support traditional art forms in dance, music, opera, theatre, visual arts, and literary writing. Emerging sub-disciplines are a test of an arts council's artistic judgement in recognising new art forms in a timely manner, and its commitment to support such new forms. For example, modern and experimental dance have emerged as significant

new art forms as have media art forms such as film, video and integrated technology.

All arm's length arts councils have adopted 'excellence' as the strategic principle to guide funding. Excellence, however, is a relative term which involves the exercise of artistic judgement at various levels of artistic activity. There are two issues which should permit comparative evaluation of the policy objectives, and the resulting pattern of funding of arts councils. The first is whether an arts council defines standards of excellence at the national, regional or local level. The second issue is the financial balance between support to artistic enterprises in the major metropolitan areas as opposed to the regions.

In effect, the tactic of arts councils is to organise support into programmes-in-aid to individual artists and to arts organisations. Accordingly, a primary issue in evaluation of arts council funding is the balance between support to individual artists and arts organisations. In the case of arts organisations the issue is the balance between support to large 'flagship' institutions and small, emerging companies. Beyond this it would be useful to develop clearly defined programme goals and criteria for measuring the degree to which arts councils have attained their programme objectives. Unfortunately, as Schuster has pointed out, deciding on a set of programme goals that would suit all circumstances and could be agreed upon by all, carries with it more than a degree of difficulty.³²

Arts council procedures are generally based on systems of peer evaluation. Artistic judgement must be used to assess the relevance and meaningfulness of resulting peer group evaluation. For example, the relevance of language and culture to the definition of a peer in the assessment of excellence is an issue which serves to highlight the importance of artistic judgement. A second issue is the degree to which arts council procedures are open to public scrutiny and comment.

Whilst the present structure allows some representation in decision-making bodies of the producers of artistic activities and creations, there is as yet no real way in which the consumer rather than the producer can get involved. Should indeed the consumer be involved? The answer of any democrat to that question would almost certainly be 'yes', and yet it must be understood that it is possible that total democratisation, in the sense of control of the artistic media by consumers, may lead to a loss of artistic independence. Clearly arts administrators must listen and take account of the 'demands' of the fee paying public but the argument for the consumer having ultimate control over the artistic product could be detrimental to artistic freedom quite apart from the difficulty of devising structures to exercise such control.

The second area where some degree of caution needs to be exercised, and a discussion is required of the value of democracy in the arts, is the conflict seen throughout history at the beginning of significant artistic advances of many kinds which constantly illustrates the importance of the individual in the development of new and significant artistic projects. It has been seen often enough that it is the drive and enthusiasm of one individual, sometimes in opposition to a hereditary nobility or appointed bureaucrats, but often fighting against elected representatives, which has produced major advances in artistic policy. Whilst scope for this kind of individualism may not be incompatible with a desire for democracy, there is a source of potential conflict here which needs to be borne in mind when democratisation of decision-making in the arts is being discussed.

The final word of caution has been expressed in times past by the Arts Council as the potential conflict between the desire to aim for the highest standards and the possibility that democratisation may result in the 'lowest common denominator' being the norm. In "The Promise of American Life", Herbert Croly raised the central question which haunted those who believed in democracy

and valued culture. He granted that the logic of democracy was to extend to self-determination from the narrow segment of the polling booth to the social, the economic, the educational and cultural realms. At the same time, he conceded that the majority lacked the training and the inclination to sustain and to promote excellence. Like his contemporary, George Santayana, he believed in individualism. Yet, he wrote;

The admirably competent individual cannot exercise any constructive social influence, unless he becomes popular; and current American standards being what they are, how can an individual become popular without more or less insidious and baleful compromises? The gulf between individual excellence and effective popular influence still remains to be bridged ... 33

The Promise of American Life was written in 1910. More than seventy years on, producers and consumers of art alike are still searching for that elusive bridge.

There are, broadly speaking, two types of decentralisation. The first is simple administrative decentralisation by which government, or if we are to look at the arena of sports administration, the Sports Council, sets up regional outposts of its own bureaucracy but where ultimate authority still lies with the centre. The second kind of decentralisation which might properly be called devolution, involves a real transfer of power to take decisions and to distribute resources to autonomous institutions which are themselves quite independent of central government. This second type would be descriptive of the way the Arts Council claims to operate. Each support system for the arts and sport has its unique origins, its own rationale and momentum, and its own particular myth. And yet it is contended that the Sports Council and the Arts Council are analogous institutions in that both are concerned with the 'quality of life', and both systems are on occasions intertwined. Both

are concerned with 'standards' and with the need to balance capital/revenue commitments; both spend money on behalf of others (ratepayers tax payers) and are thus in theory accountable to the public. It is however the intrinsic nature of the activity which determines to some extent the decision-making basis of the respective subsidy systems. It is significant, therefore, in light of what has gone before that the Sports Council is to do with things that are directly participatory while the Arts Council in general is not, and on past record would prefer not to be. The sports world, being more facility-based has a greater capacity for 'quantification' and for 'policy-making'. Arts administration on the other hand, represents a continued dichotomy between 'past' and 'present', between 'product' and 'process'. In a sense, the arts subsidy system has evolved through a series of compromises, rather than by means of a planned progression. We shall see how, in a chapter to follow, the development of sports provision has been on the face of it, a much more orderly affair. There is, really no valid reason why these two aspects of leisure should be so separate, but the subsidy systems themselves have been quite distinct in their approach to some of the issues at stake and that is what has drawn this enquiry.

Further comparisons are made between the Arts Council and the Sports Council of this country in view of the proposals in New Zealand and Australia for a more integrated policy framework based on concepts of recreation and leisure which could result

in a new Department of Recreation, Arts and Sport whose primary function would be to develop a national recreation policy to allow for co-ordinated development of all aspects of recreation, arts and sport. The return to more direct participation in the arts on the part of arts councils, with all its implications for policy, along with the advent of other conceptual and structural changes has perpetrated a feeling that never before have the two previously distinct branches of recreation been so proximate in their political, conceptual and administrative outlook. If the Arts Council is now looking to these countries in some way for its lead this exercise would seem essential to see how compatible the two branches are in this country and if benefits would accrue from the observation, and possible adoption of the others working practices.

Another similar, if not quite the same system to that of the Arts Council of Great Britain's is to be found in New Zealand. The Queen Elizabeth II Arts Council, like others in the Commonwealth, was established along the same lines as the Arts Council of Great Britain. The same administrative approach - and an identical set of assumptions - informed the work of the Council from its beginning in 1963. Its enabling legislation envisaged a structure and a range of responsibilities similar to those of the British Arts Council and it similarly saw its principal purpose as fostering excellence in the arts. For the first ten years of its existence the Council attempted to do this largely through subsidising professional theatre, opera and ballet companies and orchestras; through maintaining drama and dance training schools; through the support of selected individual artists; and through subsidising touring art exhibitions. The Council employed a small advisory and administrative staff, but depended for policy formulation to a large extent on committees of its own members who were in turn advised by specialist panels of up to thirty people. These panels were organised on traditional discipline lines of theatre arts, music, visual arts and so on - and panel members were generally drawn from the various

artistic professions. As a result, the Council's advisers were frequently its own clients. It became increasingly apparent to the Council that this system, despite the coherent approach it developed to its work, was failing to serve the cultural needs of the New Zealanders. In particular, this failure was seen as a consequence of the distortions produced by a system which depended for its operation on an alliance between a closed system of policy formulation and an incrementalist approach to policy development. With this in mind the Council has now moved on a stage and developed what it calls, 'creative functionalism'. A discussion of this approach and its significance for the Arts Council of Great Britain will constitute a second case study.

As one might expect, Australia is (1985) adopting a somewhat similar approach to the problem if not more overtly commercial. Like New Zealand much of the past subsidy to the arts carried a considerable bias towards disseminating live performances through a small number of select companies which had their operating and touring costs subsidised. This form of assistance did not result in significant dissemination of even the types of arts they practised. There occurred, in fact, a steady contraction in the touring of major companies. The funding bodies are now in agreement that the previous reliance placed by themselves on traditional means of dissemination - the use of live performing companies located at major population centres, and where possible, touring to other centres - is not the most efficient means of making the arts accessible to the population. Neither is it likely to be the most efficient means of assisting programmes for education and innovation now emphasised as being one of the more important derivatives of funding because of their essentiality for an improved dissemination of cultural activity. 34 Revised recommendations emanating from Australia provide for a complete change in emphasis in the recognised objectives of assistance to the arts. Government desires for a national identity is increasingly favouring the promotion

of the 'home grown' product. In an effort to generate this, more attention is being given to foundation art forms including ethnic arts in the belief that in broadcasting the definition or acceptability of various art forms a wider potential audience might be secured. The development of a contemporary statement of the Council's corporate mission involves the concept of 'cultural rights'. They accept that the arts deliver important benefits to individuals and groups, and can be categorised as 'public goods', and because they accept this, it follows that all citizens have a right to these goods and benefits just as they have political, economic, social and civil rights.

35 As a core ingredient of culture, the arts are essential to the development of national maturity and are an integral part of describing and transmitting new information, ideas and values. They are also important in bridging gaps between different sections of society, and in improving the individual quality of life, through extending creative experience and choices both in 'work' and in 'leisure' contexts. Reflecting these underlying values, the Australia Council's current list of priorities are:-

- Art and Working Life
- Artists in the Community
- Multicultural Arts
- Youth Arts
- Touring and Access
- Education in the Arts
- Increased funding for individual Creative Artists (as distinct from Arts Organisations)
- Improved opportunities for Women Artists
- Broader Access to the Australia Council and its Consultative process

The Council's primary concern is now to create conditions in which the potential of all the various art forms (rather than just a few heavily supported activities) to benefit the community as a whole is realised as equitably and efficiently as possible. The suggestion is that where an activity or type of performance is not available then (and as in the case

of any good), if the level of demand and the price consumers are willing to pay is adequate, the service will be provided. If the costs of any activity are so high that people are not prepared to pay an adequate price, then that is evidence that consumers consider their budget can be better spent by choosing other activities. In the absence of other grounds warranting intervention there is no justification for disregarding consumer preferences as a guide to the services they want provided. This principle, it is felt, should have relevance to the arts in the same way as to any private good.

The image of an individual choosing to commit his disposable income to a particular cultural experience against all other competition is an economist's profundity: it is a paradigm of the market system. It is on such transactions that the complex theories of neoclassical economics have been erected, for neoclassical theory -

'... is associated with a particular theory which places the citizen as voter in ultimate authority over the production of public goods'.³⁶

This method is seen as one way in which assistance might gradually be reduced to those heavily subsidised companies making them in time more reliant on and attuned to the commercial opportunities available to them. In addition, these suggestions would mean that the Council would no longer have to undertake to the same extent its previous detailed investigations, since the choice of consumers would automatically start to determine the distribution of assistance. Such systems of distribution could be an effective form of allocating adjustment assistance to companies over a period. They would also focus on these companies the disciplines involved in adjusting to the community's priorities. This may facilitate the adjustments on which the future of most of them will largely depend. The development of a wider variety of arts will help to offer arts relevant

to the differing needs and experiences of people - differences which can and do vary over time and with changes in circumstances. It is impossible to pre-determine which arts different groups or different people will find most pleasurable, relevant and beneficial at particular times. By providing education in the appreciation and understanding of basic art forms, by making a wider range of arts activities more readily available and by allowing consumer preferences to determine the allocation of resources within the arts, the variety of arts activities appropriate to the nation's current needs and expectations will develop. This would apply to those seeking to educate and express themselves both through active participation in the arts and more passively, through attendance at the arts as audiences.

In chapter six attention is given to the Australia Council's handling of devolution. The Council has been looking at a whole range of processes for decentralised decision making - not just devolution. There are a number of reasons for this. The Council has found it impossible to ignore proposals by some members of State and Federal parliaments for forms of devolution so extreme that they would virtually devolve the Council out of existence. Furthermore, there have been criticisms that minor decision-making is over centralised in Council, with effects that distract attention from the Council's national priorities. Also there have been criticisms that decisions are made in Council on matters that might be decided more effectively if made closer to individual fields. Finally, there has been concern shown with regard to questions of federal equity (alleged minimum requirements of a state) and social (per capita) equity. But there are other important factors to be considered in Australia's attempts to decentralise its decision-making processes. For instance in recent times much effort has been put into achieving regional equity in terms of peer group assessment and peer group decision-making. Restructuring by government along the lines indicated would

not only have a potentially detrimental affect on peer group decision-making but is also bound to have repercussions for the arm's length principle, for which the Council still shows loyalty. Albeit, the dangers of making the artist the decision-maker is discussed in chapter three and peer group influences on decision-making is highlighted in chapter four.

Another major aspect of Australia's diversionary approach to funding is its declaration that the pursuit of excellence whilst still a very desirable goal and worthy objective, is no longer an automatic justification for public assistance. Similarly, personal enjoyment, or the fact that the art form is a source of entertainment, do not of themselves justify continued assistance. The implications of this for a system of patronage fashioned as it was after the Arts Council of Great Britain, is obviously not only of enormous worldwide academic interest but also of some considerable import for current British thinking on the subject.

The impulse in Britain towards greater public accountability over the past two decades or so, is to a degree, the reverse of the more recent American trend and leads us to a discussion of the fourth case study. Whereas extreme pluralism with some unfortunate consequences has led to a renewed interest in strengthening the traditional government sector,³⁷ the British in general have been seeking accountability through devices which disperse authority. The Americans for their part have experienced the difficulties of managing the modern public sector, and wish now to establish a centre of gravity in the system by reinforcing the public sector. Both nations, however, are attempting to achieve a better balance between public and private initiatives in meeting social needs since in both nations the government has faced rising public expectations with regard to services, as well as pressure for making administrative structures more open, accessible and 'closer to the people'.³⁸ Despite differences between British and American

experiences, there are striking similarities in the objectives sought through the agencies of government and in the new demand on the systems which have led to administrative experimentation. This experimentation and the reasons behind it have been enormously well reflected in the arts administration field.

To most Americans who may give it any thought it would not appear a good idea to have a public policy in the arts that was official. Like Great Britain, America has in general shied away from attempts to define a comprehensive policy for the arts. If there indeed exists public policy about the arts, which even many in the field are not clear about, it is the product of plural influences, and Government is only a most recent, if vivid example. A major factor underlying the evolution of cultural policy in the United States is pluralism and diversity itself. Free expression and protection of the free market place of ideas were vital to the goals of the American Republic as it was conceived, as were the multiple cultures on which it was forged, and to which it opened itself.

The impact of private patronage and in particular the multimillion dollar Ford Foundation programme upon public policy in the arts, and also upon the National Endowment for the arts funds in 1966, has been enormous. If we look only to extract the programmes reflection of any public policy about the arts, it exists in the concept of a foundation staff making responses to objectives of the artists themselves, a catalytic use of these objectives as a guide to philanthropic goals consciously addressed. The private patron both looked upon art as elevating public taste and sought to associate patronage somehow with the artistic process. This is sequentially ahead of and distinct from peer review referred to earlier, which comes when actual choices of particular grants are to be made.

The major impact of Ford Foundation activity in the arts was of course, upon artistic resources in each field and upon

career opportunities of artists. The economics of the non profit corporation was known, though somewhat vague in its implications, nine years before the definitive work (if in some measure now discredited) of William Baumol and William Bowen (Performing Arts: The Economic Dilemma) and even before the Ford Foundation's own amassing of data (The Finances of the Performing Arts, 1974). But a secondary and pervasive effect of the Ford programme was the enlightenment that began to spread not only about the importance of non-profit artistic enterprises but more precisely their justifications for subsidy. The mixing, in many cities throughout the Country, of Ford Foundation with local monies, from private patrons, foundations, and corporations, helped prepare the way for the National Endowment and the state and local arts councils.

Though Congress had formally included in its statement of purpose that the new agency should 'develop and promote a broadly conceived national policy of support for the humanities and the arts', the National Endowment for the Arts had to begin operations with very little planning, only the most general of policies, and no research. The need for priorities and more systematic planning was pointedly expressed by Congressman Yates before his Congressional Appropriations Subcommittee in 1979. It is interesting to note that in the same year those precise demands were also being made of the Arts Council of Great Britain by the working party responsible for the 'Organisation and Procedures' report. In April and May 1984, the National Endowment for the Arts submitted in hearings before Congressman Yates, the results of a review of various fields of the arts and general plans of the Environment in these fields through 1989. But in the context of the framework for this enquiry we should note that no chairman of the Endowment has accepted responsibility for developing 'a broadly conceived national policy' for the arts but only, as the 1965 legislation says, 'for the support of the arts'. As in the case of the Arts Council of Great Britain the lack of co-ordinated national

policy has produced its own special kind of problems in contrast to those other European countries, like France, which have adopted a Government co-ordinated national policy for the arts. In the main, America, like England, would not wish to move towards Government control of the arts and yet pluralism, the contract state, and regionalism create, as indeed they do in this country, recurring demands for the devolution of cultural public policy which increasingly runs athwart steadily mounting demands for nationalisation of cultural policy. More than a decade after legislation in the field, there is no generally understood and defined federal policy about the arts which is apparent to all.

To determine the policy of the National Endowment for the Arts, one must begin by looking at the beneficiaries of its expenditures rather than at either legislative authorisation or the general objectives upon which the Endowment was founded. But this exercise is clarifying only to a point, and it leaves in suspension the question whether the federal government's priorities are the provision of career opportunities for artists and the stabilisation and expansion of artistic enterprise or perhaps more provision of community and welfare services, and the general education of adults.

It will be the argument of the chapter on the United States that it does have a set of public policies with relation to culture, but it does not have a single policy. It will also be argued that many of the 'public' policies are created in the so-called 'private' sector, and that they display important regional variation. Finally, in so far as they do have a general policy or attitude toward culture, it is in fact the result of the push and pull of a multitude of conflicting public and private policies, most of which were never specifically intended to impact upon the arts.

The vast distances, the embrace of two distinct cultures and

the proximity of the United States have exercised an impact on Canada's cultural concerns. The Canadian picture is complicated by the fact that in Canada there are three distinct levels of government - federal, provincial and municipal. Federal government responsibility for the arts is administered by the Department of Communications. The Minister exercises discretionary control over a number of cultural agencies (for which he is accountable to Parliament) including the Canadian Broadcasting Corporation, the Canadian Film Development Corporation, National Museums of Canada, the National Arts Centres (the only arts organisation directly funded by government), and the Canada Council. The legal status of the cultural agencies varies and so does the degree of their autonomy. The other government department most concerned with culture is the Department of External Affairs, which provides Canadian culture world-wide through its Bureau of International Cultural Relations.

The Canada Council is the main channel of government funds to the arts and the Canadian equivalent to the Arts Council of Great Britain. It was established in 1957 as a statutory foundation and its income was originally derived from a Canadian \$50 million endowment, which made it both artistically and financially independent of government. Today, however, endowment income represents less than 15% of its budget, the balance coming from government appropriations. As one might expect the 1980s have been a time of stock-taking for the Canadian authorities. First in 1982, a Federal Cultural Policy Review Committee (the Applebaum-Hebert Committee) completed a comprehensive review of Canadian cultural institutions and cultural policy. More recently (1986), the government appointed Nielson Task Force and the Task Force on Funding of the Arts chaired by Edmund Bovey, have undertaken major reviews on aspects of the arts. Correspondingly, the Canada Council under increasing budgetary pressures has begun to reallocate its resources with the hope that it will be able to increase its support for new initiatives. This will come at a cost to the largest

institutions. Because of those budgetary pressures there has been an increasing interest in diversifying the sources of funding for the arts. The interest is undoubtedly more economic than artistic at the moment, aimed at the simple goal of increasing the financial resources of the arts, but with this shift in emphasis, there is beginning to be a debate about the artistic desirability of diversity of funding resources. There is a fear that having to spend too much time on fund-raising will detract from the artistic side of the arts organisation. But diversity of funding may mean that recipients will be able to talk back to their donor, better resisting unreasonable pressures, and that innovative proposals will be less likely to be foreclosed for lack of government subsidy.

On the question of independence the Canada Council has been in jeopardy from both political parties when in power in recent years, not least through allegedly political appointments to the Council. When the Government grant to the Canadian Art Bank was cut by the Federal Ministry a few years ago (partly on grounds of administrative competence), the Council rejected the decision and found the money from elsewhere in its resources to maintain the Art Bank. During his tenure of office, a recent Federal Minister of Communications made no secret of the fact that he believed matters of policy belonged not in the hands of appointed functionaries or representatives acting on behalf of the arts community, but must be decided by Government. In 1986 the Nielson Task Force criticised the Canada Council about the ways it made decisions and how it spent its funds and although it upheld the basis of the arm's length principle, it recommended that the Government should set broad policy guide-lines for the Council. Clearly, no organisation accepting such controls could any longer be regarded as the kind of autonomous decision-making group which the Canada Council Act had originally contemplated. Thus there are attempts to bring cultural agencies - and by implication the arts themselves - under tighter political and administrative control.

By way of conclusion, some final thoughts on some of the problems raised in this introductory chapter will now be discussed. There is bound to be some conflict between the need to provide for the independence of the artist and the need to make them in some way accountable. The dangers of introducing effective democracy into the arts are clear and will be elaborated on in later chapters. The dangers of introducing a level of participatory democracy into the arts are less clear but non-the-less present, since participatory democracy can too easily lead to an elitist control. In this context, the question of 'who has the right' is necessarily raised. It is likely that for some the issues of concern would be too important whilst for others, it may not be important at all. This is of course a paradox which has been seen from time to time in many western countries in the last couple of centuries and is connected with the phenomenon frequently known as 'populism'. In countries where there is no formal system of elected democracy, popular discontent with the condition of society can normally pin the blame, sometimes unfairly, on the unrepresentative character of the Government, and throughout history it is only too common to find the belief that the advent of Government by election will somehow be a panacea for all evils. When Government is democratically elected, it is not so easy to blame economic and social problems on the system and popular discontent seeks a variety of remedies. One of these is frequently a call for more participation in decision-making. However, in the arts, no less than in other spheres of social activity, what actually emerges is often quite different from what was originally claimed as the advantage which would come from greater participation, and from those who have assumed power under the new system claim is happening. As participatory democracy often has a rudimentary institutional structure, or even no structure at all, it is only too easy for self-appointed champions to proclaim that the policies they advocate are the will of the 'public', 'the people', or 'the community'. The lack of any formal structure means that there is often

no way of testing the truth of the assertions of the popular will. Those who claim most loudly to be the mouthpiece of the popular will, often have the least justification for their claims, and the strength and violence of their assertions sometimes only serves to increase the suspicions of others of their right or qualifications to make these proclamations. As creativity in the arts is frequently based on a personal revelation, there is a particular temptation for creative artists to assert their authority to express the will of 'the public'. Elected representatives often react with automatic hostility to any claim by non-elected persons to have the authority at all to represent 'the public'. Frequently this reaction in itself is excessive, and the best course appears to be to adopt a cautious pragmatism when this arises, and to bear in mind that any claim to represent 'the public' in itself rests on the fallacy that 'the public' is an homogeneous group of people of identical views and tastes, whereas, particularly in the arts, any substantial group of people almost inevitably will consist of a range of minorities. We all belong to a different minority as well as belonging to the total public. Any claim to represent 'the public' in the arts must therefore be tested against the variety of views and tastes it puts forward. The artist who claims to be providing what 'the public' wants is often damaging his own cause, as he may be preventing the work from being evaluated according to its proper artistic criteria instead of by some non-existent homogeneous standard, concentration on which may only divert the critic from the real value of the work.

We have indicated that there is a desire to de-centralise and that the de-centralised body must take its lead from nationally agreed social objectives which it then interprets in the light of local circumstances. The criteria for those organisations operating as organs of social policy are that they retain a certain degree of independence whilst also remaining accountable for their action. We are however less convinced that they must be democratic in the accepted sense of the word, except to the extent that the people they serve must have built-in opportunities to participate in the decision-making and that the people they serve must also be able to

question the final results of their activities. But perhaps the most important conclusion to be drawn from the first part of this study is the need for a flexible, problem centred approach to management.

This research has been restricted to those arts agencies (not all are councils but for the sake of simplicity the terms 'council' or 'agency' are used interchangeably) whose mandates have established them at arm's length from the government which supplies the major portion of their income and to which or through which they report. These five agencies chosen also share a common process of funding clients based on peer evaluation. Through individual profiles the research reflects the structure and activities of each agency; the analysis brings out their similarities and differences. As one compares the legislative mandates of the five agencies it is clear that the interpretation is the same across the board - to foster, develop and promote the arts (always specified in the broadest of terms) and to increase their availability and their accessibility to the public. After completing the model it was concluded that while the model was similar, each agency now exists with a distinct personality and somewhat unique approach no doubt partly due to historical and environmental differences. Each agency has endeavoured to fulfil its interlocking responsibilities of developing and supporting the arts to a level of excellence whilst attempting to disseminate the arts as widely as possible. With the onslaught of inflation they have been forced to make choices among programmes directed to achieve one or other of these objectives - not always both. With the advent of new technologies and new art forms, they were also faced with the decision to conserve the traditional or to develop the innovative. Additionally, conflict has arisen in protecting their arm's length status from governments who see it as their prerogative to shape the arts to the current social policy preoccupations. In summary, the agencies live in a constant state of tension; on the one hand between conflicting ideas partly engendered by the phenomenal growth of the arts in the post-war period, and on the other hand between the expectations of the artistic community and the perception of their performance by government. 39

Some issues central to the development of this thesis are now summarised below.

Opinions differ about the efficacy of the arm's length council as an appropriate mechanism for public funding of the arts in today's society. Through an intermediary body it was thought that artists would be protected from political pressures concerning the nature of work in which they would engage and that politicians would be spared the responsibility for making decisions based on frequently controversial artistic criteria particularly for new and avant-garde activities. Today, however, academics, government committees, practitioners and laymen are divided over whether the arm's length principle is an operational reality or a political myth. At the heart of the arm's length arts council is the peer evaluation system. This was devised to lend credibility to the decision-making process, as artists who were recognised by their art discipline were chosen to participate in selection committees which would review grant applications from artists working in similar art forms. Although it has been suggested that this only serves to polarise the arts. The growth in art forms combined with the restraint on funds to artistic agencies has given rise to research such as this which seeks to assess the value of arm's length arts councils under such conditions. Investigations in Great Britain and the United States in the early 1980s reaffirmed the roles of their respective agencies in funding the arts. In 1984 a special Committee on the Art in Ontario found that the principle of arm's length funding offered the best means so far devised for government support of the arts. Both the Nielsen report in Canada in 1986, and the McLeay report of September 1986 in Australia recognised the importance of the arts councils as buffers between government and artistic judgement and grant decisions. While the value of arts councils has been confirmed by these government-sponsored studies other opinions have been expressed through research such as this. One view of those less enamoured by the arm's length arts council is that they are 'past their time' and that as the arts economy has grown, the role and function of them has become less clear. The council with limited funds becomes a lesser player in the pluralistic support picture.

Further, it is claimed that the councils no longer speak for the entire arts world because most are hard pressed to extend their programmes to new initiatives and new areas of popular interest. 40

The question remains whether the apparent inability to respond to clients' needs is a reflection on the system of arts funding or rather on the growth in the arts combined with an adequate supply of public money to support them. Efforts to reduce the pressure on public funds has given rise to the view expressed by those who subscribe to the notion that it is time that subsidy should be provided to the demand for, not the supply of, the arts, i.e. a system of funding should be set in place to subsidise audiences rather than producers of the arts. Some observers also believe that demand-subsidy programmes should be accompanied by marketing assistance. 41

Of growing academic interest both to students of organisational theory and arts administration is the increasing intervention of governments in 'late capitalist societies', which displays a desire to provide a measure of protection to those areas of the economy like arts administration known to be at 'high risk' and which require constantly substantial amounts of technical, financial, and manpower resources. This is so to the extent that the state is now intervening in the productive processes of a number of arts constituencies around the world as the following case studies make plain. Yet these protective and interventionist state strategies are generating unintended consequences of 'fiscal crises' 42 and 'ideological crises' 43 that are in some cases producing severe internal contradictions which cannot be contained within existing arts structures. In Australia the McLeay Report (1985) proposed the introduction of ministerial directives although no action has yet been taken. In its relations with Congress, probably the most difficult era for the National Endowment were the early years of the Reagan administration when it survived the possibility of a 50% cut in its appropriation. The Canada Council too has lived through the possibility several times of having its Act revised to allow for ministerial directives and increased accountability to government.

Another issue with which all agencies are struggling is the question of excellence versus accessibility. Should councils give priority to improving the artistic quality of the arts or to extending the availability of the arts to audiences in more parts of the country with the possible risk of limited attention to quality. In the 1960s and early 1970s some councils were able to do both. But as inflation grew astronomically and budgets became erratic, councils found themselves having to make choices among programmes and clients. In addition, some clients (in the main national companies) had on the basis of more or less guaranteed levels of funding, got used to attaining lavish levels of production which increased greatly the demands on the limited funds of the council.

With the emphasis in approach to funding (if not always in monetary terms) now demonstrably changing in favour of access some councils, in trying to find an equitable solution, have set limitations on the number of a particular type of client supported or on the sub-disciplines which are eligible for funding.

A natural follow-on from questions of access and excellence are the related concerns of professional arts versus amateur arts, traditional art forms versus new art forms and individuals versus organisations. Emphasis in funding has been given to professional artists who by and large come from the high arts organisations for it is in funding these choices that councils appear to feel most safe. Councils must still decide what emphasis and ultimately what proportion of their funds should be allotted to such areas as community arts (now also represented by professionals) which may not always be of a significant quality but are offering people the opportunity to participate and gain first hand experience of the arts. New art forms sometimes falling within traditional art forms i.e. media arts and performance arts only serve to heighten the dilemma of the councils. Despite reservations, all arts councils recognise the need to provide a full range of support to the individual artist and have developed programmes to respond to these needs. When one examines the expenditures for each council, it is evident that the

larger proportion goes to the arts organisations. One can only estimate the proportion of the councils' money individual artists receive because of the diversity of programmes supporting them.

This chapter has served as an overview of the research highlighting some of the special features that apply to the specific councils as they have carved out their role in their country's framework for arts support. In addition it has laid out the basic approach adopted in the comparative chapters which follow. Chapter two serves to develop a greater understanding of the milieu within which many of the problems discussed in this chapter gave birth. Chapter three is an attempt at describing what institutional art is and how it influences the decisions that come out of it. Chapter four examines in greater detail some of the issues central to the development of the thesis, in particular accountability, independence and social innovation. Chapters 5-9 are comparative. Comparisons among those aspects of the agencies operations that are crucial to the development of this thesis are of course made whilst others are not examined in as much detail or with the same degree of consistency but may nonetheless be of interest or of help in understanding a particular point being made. Examples of this are the areas of budgeting and resource allocation.

Before concluding this introductory chapter one or two qualifying statements need to be made. It cannot be said that the large literature on organisations resembles an ordered state of knowledge. It is important not to forget the extent to which conflicting methodology and even ideological perspectives characterise the field. Nevertheless, the use of this diverse literature seems to offer more insights into the organisations which are the subject matter of this paper than conventional public administration. In addition it is contended that it is impossible to understand the whys and wherefores of Arts Council policy without first developing a deeper understanding of the Arts Council as a type of organisation, which is why reference to material on organisation theory would seem essential not only as a logical first step but as a constant source of reference. The argument being, that the managerial problems which includes policy formulation, are better understood from an organisation theory perspective.

This paper points to the advantages which such theory seems to offer of a distinct, systematic and precise vocabulary of organisations rather than a language constrained by the formalities of constitutional argument. This is of crucial importance if there is to be any comparative study of organisations. Organisation theory offers a number of conceptual schemes within which such comparative analysis might be carried on.

Generally speaking, it is advisable not to permit oneself to be bound too rigidly or dogmatically to a particular model or theoretical approach. I have therefore drawn on concepts and theories in an eclectic fashion as and when I thought that they would enable us to obtain an improved perspective on the subject matter. Eclecticism in approach helps ensure that fruitful avenues of inquiry will not be closed off by narrow or particular theoretical concern. I have certainly not tried to produce anything like a comprehensive survey of all the available theories and approaches. An eclectic approach seems intrinsically advantageous and indeed inevitable until a more integrated theory is recognised and/or is accepted. Meanwhile, I take encouragement from W. J. M. Mackenzie's description of organisation theory as a:-

sequence of schools gradually enriching thought and as a field in which all sorts of inconsistent theories survive together, for the good reason that no single theory is necessarily the best theory even for a single situation. 44

It is my belief that the explanation of political behaviour, rather than the validation of a given theoretical approach, should be the main purpose of political inquiry and analysis. Policy-making is 'political', it involves 'politics', and there is no reason either to resist or denigrate this conclusion, or to imitate those who dismiss policies they do not like with such phrases as 'It's just a matter of politics'.

It is also my belief that this research will go some way towards developing a fuller and more complete understanding of the international 'arts council phenomenon'.

1. Jean Battersby, The Arts Council Phenomenon (London: Calouste Gulbenkian Foundation, 1981) p. 26.
2. Harry Hillman - Chartrand, 'The Value of Economic Reasoning and the Arts' in The Economic Impact of the Arts, (Denver, Colorado: National Conference of State Legislatures, 1986).
3. D. C. Hague, W. J. M. Mackenzie and A. Barker, Public Policy and Private Interests: The Institutions of Compromise (London: The Macmillan Press Ltd., 1975) p. 378.
4. J. Hebert, L. Applebaum Report of the Federal Cultural Policy Review Committee, (Ottawa: Minister of Supply and Services, 1982).
5. Education, Science and Arts Committee, Public and Private Funding of the Arts (London: 8th Report, House of Commons, H.M.S.O. 1982).
6. M. Wyszominski, The Reagan Administration and the Arts: 1981-1983 (Chicago, Illinois: American Political Science Association, September 1-4 1983).
7. R. W. Macaulay, P. Day, G. Sharman, Report to the Honourable Susan Fish, Minister of Citizenship and Culture by the Special Committee for the Arts, (Toronto: Spring 1984).
8. M. Nissel, The Statistical Needs of the Arts Council (London: Policy Studies Institute, July 1979).
9. J. K. Urice, 'Using Research to Determine, Challenge or Validate Public Arts Policy'. Journal of Arts Management and Law, Spring 1983 and Federal Arts Policy and Research: The Non-Relationship, (New Jersey: Tenth Annual Conference on Social Theory and the Arts, Rutgers University, October 22, 1983).

10. Amitai Etzioni, The Active Society (New York: Free Press, 1968).
11. This view has best been developed in J. P. Macintosh, The Devolution of Power. (London: Penguin Books, 1986)
It is now almost a convention of the constitution that government departments should consult with interested parties and other affected interests in the course of formulating their policies. Society, or rather sections of it, feels it has a right to be consulted and the Government has increasingly acknowledged a duty to consult. The Government's consultative approach to the recent street riots in this country is a testimony to the growing importance of functional representation in society and the exertion of political pressure and influence through sectional and proportional organisation. Where the right to be consulted is not enshrined in statute it is often legitimised by close consultative links between departments and leaders of interest groups.
12. A concern for 'quality and profitability' is becoming much more of a discussion topic for the Arts Council of Great Britain in the 1980s as indeed it is for other arts councils as the main body of the text implies. The consequences this has for all arts councils is perhaps best illustrated in Chapter 6.
13. The Case Against Arts Cuts (Observer, March 25th 1984).
14. John Pick, Managing the Arts? The British Experience (London: Rhinegold Publishing, 1986), p. 55.
15. The Arts: A Great British Success Story (Arts Council of Great Britain, 1985).

16. Marcel Mauss, The Gift, translated (from the French) by Ian Cunnison (Routledge and Kegan Paul, London, 1966); R. M. Titmus, The Gift Relationship (Allen and Unwin, London, 1971).
17. Evidence to support the first half of the statement can be drawn from the Annual Reports of the various councils or their specialist publications. For example, an historical analysis of Australia Council funding can be derived from its Artforce publication No.51, and its reference book of statistics entitled The Arts: Some Australian Data. The Commonwealth/State Task Force on Leisure/Cultural Statistics also affords such information.

Evidence to support the second half of the statement can be drawn from such publications as:-

Inquiry into Commonwealth Assistance to the Arts Part A (Australia Council, 1985) p.11.

Americans and the Arts: Highlights from a Survey of Public Opinion (National Research Centre of the Arts in conjunction with the Associated Councils of the Arts, 1974) p.35,36.
18. A detailed exposition of Disjointed Incrementalism is to be found in - David Braybrooke and Charles E. Lindblom, A Strategy of Decision (London: Collier Macmillan, 1963)
19. In, Michael Reed, Redirections in Organisational Analysis (London: Tavistock Publications, 1985), p. 82
20. Ibid p.3
21. Ibid p.3

23. Ibid p.9
24. Ibid p.196
25. Harry Hillman - Chartrand, 'Towards the International Evaluation of Arts Council Funding' (Avignon, France: 4th International Conference on Cultural Economics and Planning, May 12th 1986). John Pick, 1986 op.cit. 149
J. M. Schuster, Supporting the Arts: An International Comparative Study, (Massachusetts: Department of Urban Studies and Planning 1985).
26. Business Week, March 21st, 1984 pp 236-286
27. W. Hendon, 'An Observation on Arts and Economics', in Economic Policy for the Arts, W. Hendon. J. L. Shanahan, A. J. MacDonald (ed). (Cambridge, Massachusetts: Abt Books, 1980), p. 367.
28. R. Breton. The Canadian Condition: A Guide to Research in Public Policy (Institute for Research on Public Policy, Montreal, 1977).
29. Harry Hillman -Chartrand. 1986 op.cit 6
30. J. Harris. 'Decision-Making in Government Programmes Art Patronage: The Arts Council of Great Britain', Western Political Quarterly, June 1969.
31. Harry Hillman - Chartrand. An Economic Impact Assessment Of the Canadian Fine Arts. (Akron, Ohio: 3rd International Conference on Cultural Economics and Planning, April 1984)
32. J. M. Schuster, Programme Evalution and Cultural Policy (Department of Urban Studies and Planning, MIT September 1975).
33. Herbert Croly, The Promise of American Life (New York: The Macmillan Press Ltd., 1910).

34. See. Inquiry into Commonwealth Assistance to the Arts, Submission to the House of Representatives Standing Committee on Expenditure (Australia Council, May 1985).
35. Australia Council Annual Report 1985-86, p. 3
36. John K. Galbraith, Economics and the Public Purpose (London Pelican Books, 1983) p.29
37. 'Watergate' and 'Irangate' being two of the more recent and famous examples providing ammunition to those demonstrating a desire for such a return.
38. D. C. Hague, et al. op.cit
39. Frank Milligan, 'The Canada Council as a Public Body', Canadian Public Administration, Summer 1979. The article examines the problems encountered by the Canada Council in defining its status, and particularly its relationship with government and with its clientele.
40. John Pick, Managing the Arts? The British Experience. (London; Rhinegold Publishing Ltd., 1986).
41. Steven Globerman, Culture, Governments and Markets; Public Policy and the Culture Industries (Vancouver; Fraser Institute, 1987).
42. J. O'Connor, The Fiscal Crisis of the State. (New York: St. Martins Press, 1973)
43. J. Habermas . Legitimation Crisis. (London: Heinemann, 1976).
44. W. J. M. Mackenzie, Politics and Social Science (London: Penguin Books Ltd. 1967) p.246.

Chapter 2

The Flagship Philosophy and Beyond

The traditional establishment approach to arts funding in this country involves three elements of discrimination - towards a few selected art forms, towards a few favoured companies and towards live performances. This discrimination, it has been argued, is justifiable on the grounds that these arts bestow the greatest cultural benefits; the selected companies are the most advanced in the pursuit of excellence; and live performances represent the essence of the performing arts by providing a measure of immediacy or inter-personal empathy between performers and audiences which cannot be achieved otherwise.

But the very nature of culture is such that no particular performing art or branch of artistic creativity can be shown to generate more benefits to the community as a whole than any other. For example, there is as yet no evidence that, within music, opera is more 'cultural' or more publicly beneficial than say, chamber music or a whole range of serious rock or jazz music, or that within dance, classical ballet is intrinsically more worthy than a whole range of other dance forms. Extensive testing of the concept of culture in Australia in recent years has shown the difficulties of determining the value of art forms at any one time or point in history arises mainly from the fact that culture is no finite or constant entity attaching to any particular activity but a changing complex of intangibles associated with the lives of individuals. 1 More specifically, it is the synthesis of the (highly subjective) personal experiences, relationships, attitudes and aspirations of the individuals comprising a community. In general terms this means that culture is, 'the expression of the community's way of life'. Meanwhile present structures are too absolute to accommodate the catholicity of human taste.

The flagship philosophy, a phrase used by Lord Redcliffe-Maud to describe the process whereby a few companies in selected art forms are heavily subsidised to pursue excellence discriminates heavily in favour of art forms which not only cater to particular minority tastes, but which tend, by their very nature, to be among the most expensive manifestations of our culture. The right of these particular 'high arts' - or, more specifically, the right of the leading companies presenting them - to have a considerable proportion of their financial needs met by the community cannot be supported by much logical evidence or rational argument. For some it is a matter of faith or personal belief whilst for others it is more a matter of convention which is easier to entreat than contest - a kind of lethargy. Such an approach has in the past given rise to a constant decision to opt for certain categories of arts without considering fully what their essential values to the community might be. If some favoured arts are insulated as they are now from both the economic realities of today's society and from the need to make contact with a much larger proportion of the population than currently supports them, it may well hamper their evolution toward greater relevance rather than assist it. Furthermore, the flagship philosophy fails to recognise, let alone seriously deal with the problem of public accountability in the broadest sense, an issue which is at the centre of this enquiry. In its extreme form it displays an element of social and intellectual intimidation - a sort of mutation of the now familiar 'cultural cringe'. As shown later in this report, the 'pursuit of excellence' - while desirable - should not of itself be a justification for public assistance. And while live performances do have special characteristics which can add to the enjoyment of both performers and audiences, this too is not in itself a reason for providing subsidies by the community as a whole. Also symptomatic of the flagship philosophy is the belief that where private patronage (which requires no public accountability) is inadequate public patronage should unquestioningly take over.

The alternative philosophy which underlies the reforms being carried out by those other arts councils under discussion here is an attempt to reflect the community values and a broader, more even-handed approach to assistance policies for activities in all sectors of the economy. Inherent in this approach is assistance that is equitable to the community as a whole and thus requires assessments of the benefits which the various art forms provide, or have the potential, to provide, to that community. Because the end purpose of subsidising the arts is now considered to be the promotion and development of the cultural benefits they have the potential to provide, not simply to assist selected forms or pander to existing conventions, culture cannot be equated with the existence of any particular activity which is stated by its supporters to be 'cultural'. More emphasis now is placed on the arts being a means to cultural ends not ends in themselves. This utilitarian theme has had many expressions. De Tocqueville noted that, 'Democratic nations ... will ... cultivate the arts that render life easy, in preference to those whose object is to adorn it. They will habitually prefer the useful to the beautiful, and they will require that the beautiful should also be useful'.² The main justification for assisting the arts is that they can provide a means of achieving the goals of improved education and greater cultural awareness. They are, as Ronald Berman, former chairman of the National Endowment for the Humanities put it, 'Socially useful'³ and as the Carter administration decided, 'should be incorporated into the federal agencies efforts to effect social, environmental, political and economic progress.'⁴ That they also provide a major source of entertainment is not something that justifies public subsidy. Discussed in these terms the contrast in the two approaches is at one and the same time an aesthetic and a political one. The various positions which can logically be taken on it, whatever terms they are couched in, can perhaps always be shown to articulate visions of times past, in which the evaluation of the social moment in which we live today is the object of an essentially political affirmation

or repudiation. This Enlightenment project of replacing arbitrary authority with the rule of the beneficent reasons has, in contemporary Western democracies, and in harness with capitalism, secured individual and collective freedom and aspirations which together, on the surface at least, is helping to reshape a society ordered to fulfil the needs of an increasingly autonomous principle of supply and demand.⁵ The 'new commercial' accountability being adopted by the Australian authorities exemplifies this. For this reason the alternative philosophy decrees that unless assistance can be shown to add to the cultural and educational environment, there can be no justification for artistic policies which distort the pattern of supply that would evolve if individuals, who constitute the community, were given the opportunity to make free and informed choices. Throughout the 1960's and 1970's, the period which dismantled modernist art and criticism totally, and now into the post-modernist period, the unsuitability of the Arts Council of Great Britain's position to accommodate changes which might threaten its established position is paramount. Criticism of the Arts Council is levelled against its attempts to carry on as before, labouring under the impression that its occasional acknowledgment will absolve it from the necessity of further thought and possible action in response to a democratic (re)assertion of a plurality of interest. Thus when ideas have been new they have been dismissed as 'fashionable' and/or 'obscure'. When they are no longer new they are summarily dismissed as passé. Community arts being a case in point.

It appears evident that the application of the rationale based on an even-handed, consistent approach will necessarily involve a change in the underlying philosophy now guiding Government subventions to the arts. Because the public benefits the arts can be shown to generate are best enhanced by improving the capacity of the community to interact with them, Australia and New Zealand are for instance attempting to ensure that the available assistance be predominantly employed in doing this. In other words, they propose that assistance be directed at better furnishing the nation's educational-cultural infrastructure in order to ensure that

the arts realise their potential for benefitting the nation as a whole. Meanwhile, the Arts Council of Gt. Britain has always maintained that, by subsidising selected arts and thus reducing the seat cost, new opportunities for innovation and dissemination are opened up and a cultural infrastructure thus developed. Statistical evidence provided by Paul Di Maggio and Michael Useem (to which further reference is made in the final chapter) would suggest that this is a sophism rather than a truism. More accurately, subsidising of seat costs is an expensive and somewhat inefficient approach to the question of how best to create opportunities for innovation and dissemination. Moreover, it does little to provide new cultural opportunities for the nation as a whole particularly since companies tend (or are enabled) to stick to tried and tested, and by definition, traditional repertoire in their search for permanency. The importance of the two approaches, as far as innovation and dissemination are concerned, is that they are a subsidiary aim subject to residual funding under the flagship philosophy and the primary objective with a specific and much larger budget under its counterpart. 6 The traditional approach would appear not to be an efficient means of fostering innovation nor is there any financial gain to be had for as Baumol has shown, performing arts companies pre-occupied with excellence are always in financial difficulties. 7 Instead it appears as a tacit way of ignoring the real problem, a form of lethargy as was described earlier. If public assistance policies continue to favour such companies with such aims there will be little money left over to do other things including innovation. The new approach involves making the individual, not the institution (or the art form,) the focus of endeavour by ensuring that assistance is mainly used to provide the means for enriching the individual's cultural and educational opportunities in whatever form they take, rather than the predominant support of traditionalist institutional art. Institutional art being art that originates from the matrix of the art institution and the art forms embedded in it to which we give the title 'Art World', and which defines arts by reference to those objects and practices contained therein. Just how art is institutionalised and gives rise to those practices under discussion here is covered at length in the next chapter.

At present, criteria for subsidy allocation appear to be strongly influenced by the needs of the recipients. The 'needs' argument currently discriminates

in favour of certain established art forms and higher income groups in the community. If an overwhelming majority of the funds available to support the arts are appropriated by its most expensive and traditional forms, there may be an increasing discontinuity between the level of their activity and relevance to current society resulting in ever diminishing community benefits. Apart from an increasingly inefficient use of resources, the present inequalities would be magnified. By the very nature of their history such traditional art forms as opera and ballet can become incalculably expensive. This is not to say that they cannot be, or are not, relevant to contemporary audiences. Clearly though relevance demands the ability to evolve in response to both social and economic changes. It is apparent that the high levels of subsidy necessary for the permanent performing companies to undertake expensive works of this kind would largely be at the expense of encouraging other art forms and recreational activities which a much larger proportion of the community may make use of if given the opportunity. At present, most permanent companies in these areas are essentially geared to presenting the classical repertoire - involving a very heavy investment in artistic and financial resources. Cost extrapolations indicate that to continue subsidy at the levels necessary to support such activities will impose an increasing burden, not only on the taxpayer, but also on other forms of artistic expression - many of which are thereby denied opportunities to develop and thus to broaden the spectrum of arts through which the community might better express its personality.⁸ The growing emphasis on the 'economic impact' of the arts that David Cwi, amongst others, talks about will lead to funding levels insufficient to support an institutions artistic aspirations.⁹ Given community taste and preference orderings, a point is likely to be reached when further investments in quality cannot be justified by the returns to the community. If it is impossible to evolve repertoires of opera and ballet which can be produced within (or which are very much more viable under) the economic constraints of present day cost and present day revenues - or,

perhaps even more importantly, if it is impossible to increase utilisation of modern methods of mass dissemination to spread the cost of producing traditional works over much wider audiences - such art forms should be regarded as losing, or having lost, their contemporary worth. There can be no doubt that availability of certain activities would be affected by changes in subsidy practices. Activities may not be available at all, or at levels of quality and variety that some may find deficient. But the argument by appeal to future generations assumes that future generations will, and ought to, share the proponent's cultural interest; and that future generations will be unable to revive the interest should this be necessary. The argument also suggests that artistic resources are like natural resources - once gone, gone forever. This may be true of art objects such as paintings or sculpture. But this is not as clearly true of other artistic traditions. More fundamentally, there appears little reason to believe that our artistic legacy is in jeopardy. Dick Netzer suggests that 'Despite long - term projections of financial disaster for the arts, most arts organisations are in relatively good financial condition ... On balance, therefore, it is unlikely that public subsidy for the high arts should fall so low as to threaten the preservation of the legacy for future generations'. 10

The Arts Council of Great Britain's development of the needs approach to subvention has in the past been motivated by three distinct arguments. First, by their very nature many performing arts could not cover their cost with the revenue obtainable from audiences and they, therefore, need subsidising to survive; second, that the benefits bestowed on the community were intangible and could not be measured in monetary terms; and third, that the public assistance was justified to enable the achievement of the highest possible standards. These three points are the subject of closer examination in the paragraphs that follow.

The activities of many companies could possibly be adapted to increase their revenue by reflecting the changing demands of audiences or by reducing their operating costs. Lateral thinking has of late given rise to an increase in the incidence of merchandising on the part of companies. The cultural benefits which the arts can provide are only likely to be realised if there is much greater flexibility within the companies and their activities than at present. Assistance policies based primarily on needs inhibit adaptation to the pressures of a changing society. Such recommendations, if they were to be accepted, could mean the total revenue earned by those companies currently receiving a large amount of Arts Council subsidy. They could have to raise ticket prices either explicitly or implicitly (possibly by a decline in the complexity and lavishness of productions). This should not cause significant welfare problems since by far the majority of those attending the most highly subsidised art forms appear, from audience surveys that have already been conducted, to be in the highest educational, occupational and most importantly, income brackets. 11 Because of this existing forms of assistance to the arts have been regressive in their incidence. The present extensive element of subsidy to some performing companies means that the consumer preferences have little, if any, impact on the allocation of resources, among other things because those patronising these companies are not influenced by the true cost of the performances. Resource allocation would, in general, have more impact if consumer preferences operated, unfettered, in allocating resources. In the absence of adequate justification for centralised funding (heavily impacted on by the social welfare question) more money could become available for other things if the audiences for the performing arts, in particular, were to bear an increasing proportion of the cost of such activities. Box-office revenue or contributions by individuals, companies or governments locally involved with them should thus cover an increasing proportion of their costs rather than (as is more often than not the case at the moment), a decreasing share. Furthermore, distributing the available assistance within the performing arts on the basis of each activity's financial needs involves discriminating in favour of

those whose needs are greatest and against those whose needs are least. Activities which need little or no financial assistance receive less public encouragement and may be positively disadvantaged if the available resources are pre-empted by the more heavily assisted activities. There are many arts activities, some of which can be attributed to community arts based companies, involving much larger numbers of people than are associated with the most highly subsidised companies which can operate with quite modest amounts of assistance and whose activities could potentially generate considerably more public benefit per pound of assistance than most of the more heavily subsidised activities. The discrimination commercial companies feel is because they receive no financial assistance under the Arts Council of Great Britain's remit, and yet have to compete against heavily subsidised companies for artistic and technical resources and of course, audiences. The inappropriateness of the main thrust of current assistance policies and the lack of justification for the present discrimination in favour of particular art forms or activities requires a redistribution (a fact which the Arts Council appears to be aware of when reading their 'Glory of the Garden') on needs to current recipients which, though only a minor part of the total arts scene, account for a large proportion of the most directly available assistance. This appears to be particularly important in view of changing technological and economic circumstances as well as the social considerations involved. It would clearly be contrary to the logic of the situation if existing companies were encouraged by public subsidy to retain their present structure, in terms of both audiences and finances, while these changes were occurring around them. Also, as a general principle, assistance should not be provided to insulate against change, rather it should be given if necessary, to facilitate it.

The second argument used in support of the needs approach to subvention namely, that the benefits the arts bestow on the community

are intangible and cannot be measured in monetary terms is a complex one, and one which lies outside the scope of this enquiry. The relationship between the potential benefits and the nature and level of assistance has of yet received little serious academic consideration. Nevertheless, it is evident that the community is at present committed to funding the arts on a fairly substantial scale in this country and abroad. The length of time over which assistance has been made available and the commitment to funding expressed by the major political parties suggest that the community considers it derives some benefits from the arts, or at least, that it is not antagonised by the existing subventions. Through the voting system the community may be regarded as indicating that it considers the arts beneficial and supports the notion of government intervention to assist them. However, the voting system is at best an imperfect guide because there is no voting on individual items of concern as there is in a referendum and the electoral choice which favours one party or another is determined by a variety of more significant and pressing considerations than assistance to the arts. Assistance therefore appears to be grounded on political judgement and it seems possible that continuing government support and thus official endorsement for the arts has helped foster the belief that assistance to them is beneficial to the community. Furthermore, because governments and their overseeing organisations have been more than willing to assist. In the main, those examples of traditionalist performing art that could not exist today in the forms they do without substantial injections of money, the need for a high degree of subsidy tends to be considered synonymous with the value of the activity (not only do we know it to be art, but we believe it to be demonstrably the best examples of art otherwise why would the Government through the auspices of the Arts Council spend the greater proportion of the available money on it.) The knock-on effect of this line of reasoning is that the converse view i.e. that these high art forms are the best examples of art and should therefore have priority of funding, carries equal weight. In such situations assistance to the arts and its 'justification' can be perpetuated without objective assessment. The process of discovery and proper evaluation can only occur

when there are people who regard art as a subject for dispassionate enquiry and are not committed, as many art administrators and politicians in positions of influence are today to the investigation and stamping of approval of only that art which they believe to be 'good'.

Our third point for discussion is that the Arts Council considers the degree of public assistance to the high arts justifiable on the grounds that they alone can achieve the highest possible standards. However, it was stated earlier that the pursuit of excellence cannot of itself justify support for any activity. If it did, then a Wimbledon tennis final for example, would be well deserving of subsidy as representing the achievement of world standards of excellence in the pursuit of the skills involved. Yet subsidy is not justified for this and in the same way the promotion and achievement of excellence alone does not justify support. In addition there is no reason why excellence in some arts should be more worthy of assistance than in others, since excellence is a quality that all arts can aim for and can achieve. Instead, the attainment of excellence should be seen as a necessary but not sufficient means of achieving benefits for the community as a whole. Most artists and artistic companies strive to attain the highest standards possible with the resources available. By their very nature they seek excellence. No matter for what purpose public assistance is given, their striving after excellence will not be affected.

In conclusion, the 'post modern', of which the issues raised in this chapter are an expression, is not so much a 'concept' as it is a problem, a complex of heterogeneous but interrelated questions which defy a unitary answer. Any position defining itself as such cannot be a solely prospective one, it is necessarily also retrospective. But most fundamentally, the 'political' and the 'aesthetic' are the inseparable, simultaneously present, faces of the currency

of the post modern problematic. The putative freedom of the artist is more or less constrained by the institutional legitimisation process which imposes a grid of the permissible upon the field of the possible. Obviously, a complex of considerations determine what is permissible in an institution - legal, economic, managerial, political, and so on. All such given determinants and constraints will, however, be submitted to the articulation of the 'master discourse' of the institution in question. This is reproduced through a network of self-constructed subjective meanings which become institutionalised over a period of time. It cannot be described or explained without a detailed knowledge of the subjective logic which informs the construction of these institutional configurations and the dynamics of their historical transformation. The master discourse organises the field of the generally permissible in terms of what, in its terms is thinkable. The discourse of the institution is, therefore, more fundamental to the identity of that institution than, say, the building or even its organisational hierarchies. Some may feel that the notion of conferring status within the artworld is excessively vague. Certainly this notion is not as clear cut as the conferring of status within the legal system, where procedures and lines of authority are explicitly defined and incorporated into law. The counterparts in the artworld to specified procedures and lines of authority are nowhere codified and the artworld carries on its business at the level of customary practice. Still there is a practice and this defines a social institution. The artworld could, conceivably, become formalised and indeed already has in certain political and administrative respects. One further important factor relating to formalisation is clear: through these comparative surveys of international samples it is clear that formalisation is one aspect of structure that clearly distinguishes U.S. and Canadian arts organisations from British ones. The same is probably true of other types of organisations. 12 The average American and Canadian administrator is subjected to considerably more control through procedures than his British opposite number. The reason for this cultural difference we can only speculate

on. It may be that in the more homogeneous British culture more can be taken for granted, whereas in the more heterogeneous American culture controls, even in smaller organisations, must be spelled out formally to be effective.

The power of the institution to define convention is derived from social structures. Thus in addition to the primary convention which is the understanding shared by the performers and audience that they are both engaged in a certain kind of art activity, there is also the secondary convention which points to the aesthetic worth of a performance or artifact, the intrinsic value of which is to a large extent now conditioned by our perception and association with the ideals of the supporting organisation (and the professionals or experts which go to make up that organisation) as embodied in their policies and subsequent performance of their considered responsibilities.

Chapter three is an attempt at describing what institutional art is and how it influences the decisions that come out of it.

1. Industries Assistance Commission Report. Asistance to the performing Arts (Australian Government Publishing Service Canberra, 1976).
- 2 As quoted in Bernard Rosenberg and David Manning, (eds), Mass Culture (New York: Free Press, 1964), p.27
3. Ronald Berman, 'Arts Versus The Arts'. Commentary 68 (November 1979). pp 46-48.
4. American Arts (May 1980) p.19.
5. Industries Assistance Commission, op.cit
6. Within the 'discretionary' area - i.e. the proportion of the budget which has not already been earmarked for organisational structures - Australia Council funding has reflected its own and government policy to increase access to and participation in the arts whilst giving priority support to individual artists. Since 1983 Council's methods of allocating funds has favoured the smaller Boards. Access programmes in 1985-86 totalled \$6.1 m representing 15.3 per cent of the total budget of \$39,771.000 for the year. (Annual Report 1985-86). By comparison in the same period the Arts Council of Great Britain allocated approximately 1% of its total budget according to Arts Council of Great Britain sources. They were unable to give more precise figures.
7. W. J. Baumol and W. G. Bowen, On the Performing Arts: The Anatomy of their Economic Problems. (In American Economic Review, 'Papers and Proceedings', Vol. 55 No.2, May 1965) p.497. "The significant point is that the objectives of the typical non-profit organisation are by their very nature designed to keep it constantly on the brink of financial catastrophe, for to such a group the quality of the services which it provides becomes an end in itself. As soon as more money becomes available to a non-profit organisation corresponding new uses can easily be found and still other uses for which no financing has been provided will inevitably rise to take their place'.

8- David Cwi, Perspectives on the Economic Role of the Arts and the Impact of Arts Impact Studies. (New York: Cornell University, 1981), p.3. 10.

9. The recent furor over funding of the National Theatre highlights this despite Sir Peter Hall's claim that the complex is a cost effective operation.

10. Dick Netzer, The Subsidized Muse (New York: Cambridge University Press, 1978), p.159

11. See:

Arthur Meadows and Co. Subsidised Theatre in Australia (1975), p379. The Ford Foundation, The Finances of the Performing Arts, (1974), Vol 2, pp14-16. Canada Council, A Survey of Arts Audience Studies: A Canadian Perspective 1967-1984. Society of West end Theatres. Audiences for London's West End Theatres, (1982.) p1

12. In support of this statement see:

D.S. Pugh, The Measurement of Organisation Structures: Does Context Determine Form? In D.S. Pugh (ed.) Organisation Theory -Selected Readings. (Harsmondsworth: Penguin Books Ltd., 1984), pp 79-82.

Chapter Three

Towards A Definition Of Institutional Art.

If one is to explain why an organisation like the Arts Council has developed one way rather than another, then it is necessary to look at such things as the legal, political, social, cultural and organisational environments within which the organisation has its place. To settle the problem of which art forms to support and at what levels cannot be achieved on aesthetic criteria alone for as Janet Wolff points out in her review of the major tendencies in aesthetic theory it is no longer acceptable to discuss art outside its wider social, political and institutional context.¹ Only by a thorough examination of those issues can some of the difficulties for traditional analytic approaches be resolved and a more truly representative or accurate definition of art be arrived at.

The question 'what is art?' is centrally a question about what is taken to be art by society or by certain of its key members. The sociology of contemporary aesthetic taste reveals a plurality of criteria and valuations within one society at a given moment. If it is the case that the accepted aesthetic judgements are merely those of strategically located groups of people (academics, intellectuals, critics, and so on) then we shall not be surprised to find that other members of the population have an entirely different taste in culture. Bourdieu's 'social critique of judgement' exposes the class based variety of aesthetic preferences in six hundred or more pages which contain few revelations.² The application of a yardstick becomes difficult upon the realisation that perceptions operate through the senses of separate individuals who ultimately remain the sole authority on their own sense-experiences. One can see that to arrive at a suitable definition of art is not an easy task. One of the most common approaches over the years is the one which attempts to qualify and quantify

what art is by an examination of such questions as, what art is trying to do for us, what art is doing for us, what the art of the past is doing for us, and what art has ever done for humanity. But in so doing we have already begun to put art into a social and political framework. In their traditional, or even their up-dated forms most aesthetic theories are handicapped to the extent that they isolate the aesthetic from other areas of social and political life; for the inevitable anomalies and difficult cases which arise for a theory of art (for instance, 'Is film art'?) can only be dealt with in the context of a wider understanding. 3 Scruton argues that the very vocabulary of aesthetics is artificially and detrimentally separated from related terms outside aesthetics.

The theory of aesthetic perception fails-as do many other theories-by creating too sharp a divorce between the aesthetic and the non-aesthetic use of terms so that, ultimately, it leaves itself with no explanation of the meaning of aesthetic judgements. 4

So if a work of art is described as 'sad', this must be a judgement by the same criteria as those governing the use of the word in normal non-aesthetic conversation. 5 More important (as Scruton, Wollheim 6, Gombrich 7, and Morawski 8, have recognised) the nature of the aesthetic experience, and the existence and identification of works of art themselves, are determined and affected by extra-aesthetic factors. As Morawski comments, with regard to his enquiry into the criteria of aesthetic valuation:

What we need to learn is how and to what extent the traits of the 'aesthetic object' and the 'aesthetic experience' can be clarified by discerning these phenomena historically, and above all, as newly emergent phenomena still closely integrated with other heterogeneous phenomena. 9

The point of the foregoing discussion has been to indicate that from what Janet Minihan referred to as the nationalisation of culture in her book of that title has emerged (what some philosophers

of art now term) the 'institutional theory of art'. This theory perceives art in terms of its social, institutional definition. The sociological nature of the institutional theory of art is self-evident, for this theory relies on the social roles and institutions, with all their incumbent financial, political, constitutional, managerial and moral considerations, and it is from this melting pot that art is now promoted and accredited. Thus, the Arts Council, like it or not, is to a greater or lesser degree an organ of social policy. Deciding for example, to spend so much on the theatre of a particular region, is deciding on what is valuable for that community or for particular groups in that community. The institutional theory of art concentrates attention on the non exhibited characteristics that works of art have in virtue of being embedded in an institutional matrix which may be called 'The Art World' and argues that these characteristics are essential and defining. When we refer to the art world as an institution we are saying that it is an established practice.

Wollheim appears to be inclining towards this view in his discussion of how new arts are established as art, for he argues that in a context in which there are already certain arts in existence, whether or not a particular form is an accredited vehicle of art will be determined:-

by the analogies and the disanalogies that we can construct between the existing arts and the art in question. In other words, the question will benefit from the comparatively rich context in which it is asked. It is for instance in this way that the question 'Is the film an art?' is currently discussed. 10

The institutional theory of art defines art by reference to those objects and practices which are given the status of art by society in which they exist. Wollheim's comment on film is in line with this kind of definition, for he appears to be suggesting

that whether or not a new form is 'art' is a matter which is settled empirically, by looking at such works and forms which are already accredited. However, in a short essay included in the second edition of 'Art and its Objects', he rejects the institutional theory of art, or at least its strong version, which he defines as follows:-

By the institutional theory of art I mean a view which offers a definition of art; the definition it offers purports to be non-circular, or at least, not viciously circular: and it defines art by reference to what is said or done by persons or bodies whose roles are social facts. 11

Wollheim's main objection to this theory is that if the status of art is conferred by certain institutionally located people by virtue of their roles, then they must perform this task using good reasons, and not merely relying on their position. If, however, it is those reasons themselves, which when known, provide all we need to identify works of art, without the help of institutional mediators, of the art world, in this case, it is not an institutional theory at all. Wollheim nonetheless concludes by re-asserting the importance of recognising the institutional nature of art in many respects: 'To argue for the rejection of the institutional theory of art is not to deny a number of theses which assign what may be thought of as 'institutional' characteristics to art. 12 He repeats some of these, contained in the main body of his text — for example, the fact that new arts establish themselves on the basis of analysis with existent art, that individual works of art belong to traditions, and derive many of their characteristics from earlier works of art, and that the production of art is surrounded by factions and coteries. An institutional definition of art, Wollheim says, would have nothing to say about the nature of the aesthetic experience: nor would its approach to the question of aesthetic value be obvious, though, as he goes on to say, this could probably also be discussed in terms

of conferment of merit by people of appropriate status. He includes that institutional theories offer the possibility of explaining why certain works are considered appropriate objects for aesthetic attention.

When expressing his main objection to the institutional theory Wollheim seems to have overlooked the fact that it is the nature of the reasons, not the existence of the reasons themselves which is important in determining the validity or usefulness of such a theory. His objection would be acceptable if one could demonstrate that the reasons and their application were transferable in that they could operate successfully and have an equal amount of relevance in all settings, as for example in the hands of a private benefactor as well as those of an institution like the Arts Council. Such proof would render a discussion on the merits of an institutional theory of little value. Having said that, the point of this chapter, and the same can be said of this entire thesis, is that many of the reasons to which Wollheim alludes can be identified as being inherently peculiar to the institution as I will go on to show.

Questions of practice in arts administration necessarily raise questions of precedence; precedence in the provision of money to areas of need in the application of standards or the maintaining of tradition, in the application of censorship. That such distinctions are made and because they are, or at least are held to be, the basis of administrative decisions, they may be important.

In a similar way, because the Arts Council is invested with the trust of the government and by and large with the trust of the artistic professions, to make administrative decisions, as to what should be subsidised and what not, the general pattern

of its decision-making tends to be prescriptive also. Thus a decision by them not to include a particular painting in an exhibition may illustrate what to their minds is not acceptable art, while to others it may be construed as a genuinely viable work of art. One can see how in this way decisions, values and standards begin to be operationalised through an institution. Institutionalised values play a part in prohibiting certain organisational acts and encouraging others. They provide limits to behaviour, prescribing what is acceptable and proscribing the unacceptable. All of which helps to maintain or set a precedent as in case law, and so condition the circumstances of future decisions.

The whole complex of changing social, cultural and ideological relations has produced major problems for the Arts Council. The council has always placed great emphasis on standards of excellence when assessing clients. However, whilst most people today agree that it is still possible to talk meaningfully about something called 'excellence' they are far less sure about how it can be identified. Also, where a number of different activities have been identified as 'excellent' there is still the difficult task of deciding which is to be funded, as shortage of funds makes competition inevitable. Nor can the problem of selection be solved by counting heads, not the least because the fact of providing subsidy can alter the number of heads to be counted. In addition to which if excellence is the real determining factor when assessing applications, head counting must surely be deemed irrelevant.

The development of socially as well as formally experimental art (the fringe drama companies presenting plays in more public places than theatres; public performance art and the community arts) has led to problems in assessment which the talisman of 'standards' could not resolve. The Arts Council knows only too well that the normal methods of assessment as used by them in their approach to the traditional arts could hardly be applied in the case of community art where social benefits of a different kind are sought often

at the expense of traditional 'excellences'. What is needed is perhaps a more sociological aesthetics, which in one way or another goes beyond traditional aesthetics, in much the same way as the social history of art supersedes traditional, intrinsic, art history. 13

The subject matters of controversy are at times many and varied but regularly include such issues as the priority to be accorded community art as opposed to the often large scale, prestigious and expensive productions of the metropolis, the relative importance of attracting a new public and improving the taste of the old, and the primacy of traditional work over new ideas or creative experiment. Yet strict assessment of the quality of these uses of public money remains a necessity. In the Council the basic social policy decisions have in the past tended to be buried in implicit assumptions about what is good for the community. Certain applications were regarded as 'appropriate', as fitting the kind of thing the Council supports.

How does the Council go about choosing its clients? In the first instance it has to know something about the clients themselves. They have to be satisfied that the people to whom the grant is made are eligible to receive it, that they are people with a good knowledge of the art form concerned and that the money is used for the purpose for which it was given to them without being wasted or extravagantly spent. But once that is seen to be satisfactory how is the difficult decision of choosing between a number of equally deserving and legitimate requests for money actually reached. One study has suggested that the criteria used to assess applications are idiosyncratic - 'various instincts, preferences and needs, and then ... pretend that this system has some external validity'.¹⁴ An often used reply by the Council to criticisms of this sort is that it is a prisoner of its past pattern of expenditure. Whilst this is undoubtedly true it fails to give us the reasons why. At the very least, aesthetic theory must consider the question of why

the 'high arts' appear (if they do) to be the repository of all that is best in art. For answers to such questions we have to go to, as Sir Roy Shaw once put it, the interstices of Arts Council decisions.¹⁵ Here we might find that its choices are based on factors other than a simple belief that something is an example of either 'good' or 'bad' art.

Now if the processes of choice are prescriptive for the reasons outlined, then the reasons behind those choices are of interest. Could they be based on the need to satisfy the perceived consensus opinion; or are they based on the greatest need? Is it because a power-group has risen to predominance through competitive excellence in a fixed scale of values and see no reason why it should lose power even if the canons of excellence (canons constructed in ideological and social practices), on which its power rests have been outdated by art. A set of values which the Arts Council itself perhaps believes in and so attempts to ensure that what will in future be subsidised is of the same kind as that which previously has been subsidised. Hence some art is rejected in the fear that the uncontrolled play of perceptions may well erode an ideal before that ideal has been practically achieved as in many Marxist States. But as Janet Wolff points out, one must not unquestioningly believe that the 'great tradition' really is great, or put another way, that administrative art is of and by itself 'good' art. Thus it follows that what lies outside of the great tradition might not be 'bad' art. For the great tradition is the product of the history of art, itself ideological, both in the sense that it originates and is practised in particular social conditions, and bears the mark of those conditions, and in the sense that it so often systematically obscures and denies these very determinants and origins. The great tradition (in literature, art and any other cultural form) is the product of the history of art, the history of art history and the history of art criticism, each of which in its turn, is the social history of groups, power relations, institutions and established practices and conventions.¹⁶

The Arts Council understands the bourgeois nature of the arts it fosters and transmits and guards them carefully lest any changes bring a lowering of standards—commenting on the 1978 Conservative party arts policy statement:-

Recalling that the nineteenth century saw the transmission of a culture which was aristocratic in origin to the new bourgeoisie it (the Conservative party document) concludes that 'our century must do the same for the new classes of our time'... Everything possible must be done to enlarge the appreciation of the arts, while at the same time guarding against any lowering of standards. 17

However the Arts Council is in danger of not allowing its understanding to go further than this so that the problem of culture (in its widest sense) becomes no more than a problem of education:

'I (the Secretary General—Sir Roy Shaw) say as yet, because I believe (in fact I know after long experience in university adult education), that many people can be brought to the appreciation of the traditional arts when a significant educational effort is made to initiate them into the apparent mysteries of great art, backing up provision with related educational provision... The great democratic task of the twentieth century is to initiate more people into an awareness that the culture which they felt was 'not for us' really is their culture'. 18

To enjoy the arts, therefore, requires a high level of education. It is not the art which is beyond the reach of the people, but the people who are beyond the reach of the art.

Thus we might ask with regard to the choices made by the Arts Council, are they guided by the consideration of the kind described?

If all these things do influence the administrative decision then part of the basis on which that choice is made is to do with politics as much as it is to do with notions of the nature of art. Political values may intrude into aesthetic judgments in two ways; by supporting or attacking vested interests in the persistence and dominance of particular art forms; and by bringing political values to bear in the actual assessment of particular works. Problems of the latter kind often occur when politics and social innovation mix as they frequently do in community arts. Is it possible in these circumstances for the Arts Council to make a judgment about the quality of a play which for argument's sake carries an extreme 'Leftist' message that is entirely separable from its view of the perceived social or political argument? Is it not conceivable that their view might be informed by their agreement or disagreement with the social group which the play attacks? In an article written for 'Theatre Quarterly', Malcolm Griffiths, himself a one time member of the Council, describes the ways in which the concealment of the Council's real power in the 'interstices of administrative decisions' can militate against some forms of art and favour other safe so-called mausoleums of the cultural establishment:

There is a case of censorship from quite some time ago, but which I think indicates the way the Arts Council can use its internal structure directly to affect the work of a company it disapproves of by shunting it around inside itself. 7:84 Theatre Company did the Ballygonbuen Bequest which caused a furore at the time. They were on a touring grant, and the Arts Council were expecting them to apply for a revenue grant the following year. At the time there seemed to be no reason whatsoever why they should not be treated as an on-going client, but for some reason the Arts Council retained them on a touring grant on a tour-to-tour basis. This meant that they effectively were penalising the company from planning ahead and having the guarantee of a year's work. This was seen clearly at the time as a political move, an indication of Arts Council disapproval... The Arts Council does have a means by which it can directly affect companies by making decisions which never go through a committee but which are pre-decided by someone inside the Arts Council. It is a form of indirect censorship. 19

In a booklet about the Arts Council which it brought out for a wide audience, there is a paragraph which describes the way in which application for financial aid is to be made to the Council which underlines this point:

'Applicant organisations, whose constitution, policy and standards must be acceptable to the Council'... 20

Confronted with the task of having to make value-laden judgements, the Arts Council has over the years developed guidelines to focus attention on particular facts and relationships and thereby both simplify and regularise the decision-making process. The rule of stare decisis (in effect 'let the precedents stand') is often used by the judiciary in deciding cases. According to this decision rule, or principle, current cases should be decided in the same way as similar cases were in the past. The use of precedents to guide decision-making is by no means limited to the judiciary. Executives, administrators, and legislators also frequently make decisions on the basis of precedents. They are often urged to do so by those who would be affected by their actions, particularly if this will help maintain a desired status quo. Those adversely affected by existing precedents such as community artists found them lacking in virtue and utility. The Arts Council has developed decision rules which have helped shape its decision-making process and unfortunately militated against certain groups of artists. The development of community arts in the 1970's was in part a reaction against the social and professional exclusiveness that characterised much of the activity supported by the Arts Council. Primarily concerned to involve wider sections of the public in artistic activity, the work of community artists cuts across the distinctions between professional and amateur. The Arts Council has done a great deal to create the arts administration profession, and the weight of Arts Council subsidy and procedure has gone to maintain a professional exclusiveness. It is for the most part, professionals who sit on Council panels and professional arts who receive practically the whole

of the subsidies distributed by the Arts Council; indeed the terms of financial assistance offered by the Council to most of its client organisations inhibit them from using any of their subsidy for work with amateurs.²¹ But there is nothing in the Arts Council's charter to justify the policy of professional exclusiveness that it has, for the most part, pursued. Despite Keynes' original draft, the charter was worded to avoid the suggestion that the Council should maintain a high degree of professional exclusiveness. The present financial crisis has brought us full circle, nearer to the situation in which CEMA was created. Some would argue that under the circumstances there is a case for a reversion to something like the early CEMA attitude which was more favourable towards the amateur, but on a much larger scale. Instead, their response to the effects of financial pressure has been to re-inforce their already negative policy towards amateurs rather than relax it. It would seem therefore that it is for ideological, economic and also managerial reasons that the Arts Council subsidies have largely been directed towards professionals whilst interestingly enough those of its counterpart, the Sports Council, have mainly gone to assist amateurs. More will be said about this and other discrepancies later on.

What implication does all this have for our ability to make 'pure' judgements of artistic quality? If the arts are integrally concerned with our own perception of our own sub-culture, if a test of them is that they reflect something that we recognise, or in which we recognise ourselves, how can we maintain an objective judgement which will apply with equal dispassion to all examples of all art? In the environment described, can those sub-cultures maintain objectivity about the nature of art, and can they make comparative judgments of quality as between one form and another? Sir Roy Shaw feels that doubts about the possibility of making objective value judgements could,

... 'stultify the work of the Council, especially of its advisory panels and committees, not to mention its officers'.

He goes on to say:

'Our whole raison d'etre is to discriminate among the arts. The need to make value judgements is explicitly affirmed in our charter, where we are enjoined to "improve the knowledge, understanding and practice of the arts". 'Improvement' is a meaningless concept if there is no scale of values, and no 'top' to aim at. Of course, in practice, value judgements often tend to be tainted with subjectivity, but the point of a panel is through discussion to move beyond subjective limitations and arrive at a more objective collective judgement'.
22

However, the Arts Council's decision-making processes offer little opportunity for real collective judgement since most of the important decisions are made behind closed doors. I repeat what Sir Roy Shaw says, 'The policy is concealed...' and concealment is the key word there, 'in the interstices of administrative decisions'.

The concept of non-decision appears as a useful analytical and explanatory tool for such behaviour. Non decision-making has been defined by Peter Bachrach and Morton Baratz as 'a means by which demands for change in the existing allocation of benefits in the community can be suffocated before they are even voiced; or kept covert; or killed before they gain access to the relevant decision-making arena'. 23 Or, alternatively, they might be lost in the interstices of administrative decisions! The consequences of conflict in the funding of the arts is of such importance that it is conceivable that the Arts Council would not survive politically, should it not attempt to shape the system. They will in any case resist considering some problems, for, as Schattschneider contends:

...all forms of political organisations have

a bias in favour of the exploitation of some kinds of conflict and the suppression of others because organisation is the mobilisation of bias. Some issues are organized into policy while others are organized out. 24

In studying Arts Council policy it is as important to examine what the Council does not do as much as what it does do.

There is not only concealment from the general public, there is also concealment from its panels and committees. Sir Roy Shaw has come out publicly in support of the idea that the officers should have far greater administrative responsibility and that the role of the panel should be played down much on the lines recommended in the 'Organisation and Procedures' report.²⁵ This is not to suggest that at this point in time the Council has become bureaucratic in a pathological sense. What evidence there is however, does suggest that administratively the Council is remarkably like a civil service department whose actions could be indicative of a drift towards greater administrative power and control. Should that be the case, then we might expect to hear little effort to define art in any searching way rather, indeed, a force for artistic conservatism. This would seem to be of use if the Arts Council's policy should be to attempt to please consensus opinion, and so long as the admission of new sub-cultures was carefully controlled (which would be in the interest of those already admitted) we should have an explanation of why the Arts Council's definition of art appears to be so conservatively set within a mould created by predominantly educated middle classes.²⁶ The Art Council is the product of a class and has the loyalties of that class. Its policies might be regarded as the values and preferences of a governing elite since the policy-making and implementation activities are bound to reflect the interest supported by the dominant group. Elites are drawn disproportionately from the upper socio-economic strata of society and share a consensus on the basic values of the system and the preservation of the system as first delivered. Elites influence masses more than masses influence

elites. 27 So stated, an elite theory only serves to reinforce the institutional aspects of Arts Council policy.

It is on the level of cultural systems that ideas and values exist essentially and in their own right, and it is on this level of analysis that such Parsonian concepts as, 'total ideology' and 'collective representations', concepts which are being addressed here in relation to the Council, belong. Parsons himself, through his primary interest in the social system witnessed how values can be internalised in an organisation:

A set of beliefs, of expressive symbols, or of instrumental patterns may be institutionalised in the sense that conforming with the standards in question may become a role-expectation for members of certain collectivities...organised around conformity with morally sanctioned patterns of value-orientation shared by members of the collectivity in which the role functions. 28

The affirmation of values by elites is incarcerated in symbolic outputs. Symbolic (or intangible) outputs as opposed to material (or tangible) ones produce no real changes in societal conditions. More to the point of this discussion, however, is the fact that policy actions ostensibly directed toward meeting material wants or needs may turn out in practice to be more symbolic than material in their impact.

Thus it might be possible to explain why opera and ballet are considered to be art, but folk and 'pop' music are not, why mass media arts are not, but the minority interest may be. The definition has been empirically developed by those with control over the deployment of resources, with the consequence that the Arts Council's definition of art supports their cultural emblems, reflects their culture and

embraces their social ambitions. For whatever the extent of the Arts Council's power to act independently, its place as part of a governing group remains unaffected. We should not therefore be surprised to find their canon reflected in their policies for is it not characteristic of conservatives to insist on clinging to established policies? The Arts Council needs to be more conscious of its proclivity for relating artistic activity to other levels of knowledge (ideology, value systems, for example) and the social system itself.

Being too set in its ways is a criticism much levelled against the Arts Council these days and most recently by John Pick who accused the Council of becoming enamoured with its own workings.

'Is the Arts Council then, effectively defunct? Is all pretence that it operates as an independent unit, free of government pressure, now forgotten? Does the appointment of people whose managerial abilities seem to outweigh their critical faculties, mean that the Arts Council will now merely manage, setting up notions of efficiency and internal management for those clients whose policies most nearly accord with theirs and the government's own?... What is truly dreadful about the activities of the reigning Arts Council junta is that they are creating an organisation which may function without comprehension of its own purposes and effects, like a War Office that does not know the reasons for the strategic deployment of its forces, nor the use or capacities of its weapons, nor yet where its true enemies are to be found, but yet believes it can fight the war by bureaucratic means alone! 29

The decision making processes at the Arts Council could be characterised as 'disjointed incrementalism' - 'disjointed' because ad hoc and piecemeal, and 'incrementalism' because only a limited number of policy options are considered, and because, in practice, the Arts Council has gradually increased the range of its responsibilities, while resisting any radical revision of the guiding principles from which it has worked. Just as the elite theory reinforces the institutional theory, so too, it promotes the incrementalist one for incremental changes permit responses to events that threaten a closed

system of policy such as the Council's with a minimum of alteration or dislocation of the system. In accepting what has gone before it is to be expected that changes in policy will be incremental rather than revolutionary.

At the Commonwealth Conference of Arts Councils in April 1979 it was stated that:

'The Arts Council has been consistently unwilling to set up criteria, so it goes on funding a bewildering variety of activities. It has become dangerously outstretched and confused. Darting from side to side it seeks good repute by trying to be all things to all men! 30

The need for policy analysis frequently springs from such dissatisfaction with existing institutional arrangements which occur more often than not in times of crisis. The Arts Council's approach to the use of its funds, has over the years primarily been to respond to outside initiatives rather than be innovatory. While it is comparatively easy to respond to outside initiatives when there is enough money to go around, it is much harder to create a uniform or comprehensive policy for the times when there is not, which is the case at the moment.

Why does the Arts Council appear unwilling to produce a comprehensive policy for the arts? Researchers King and Blaug largely attributed the difficulty to the vague, imprecise nature of the statements concerning its aims as embodied in the charters of 1945 and 1967 'that of developing a greater knowledge, practice and understanding to the people throughout the realm and to improve standards of execution'.³¹ In common with other quangos, the Arts Council is subject to the often limiting operational directives (in detail, if not in scope) afforded it by the enabling body. These limiting operational directives create a situation whereby comprehensive policies are often given up in favour of more achievable policies which closely approximate those of its charter and are therefore by definition, incremental. Commenting on the institution through which successive governments have chosen to channel money for the arts, economist David Cwi, writes:

They have a mission, not specific objectives, and only the most general sort of plan. In fact, it is not clear that they can seriously plan since they were never intended to take responsibility for assuring levels of service or the availability of particular programs. 32

The Arts Council for its part has in the main resisted to prescribe officially or seem to prescribe a cultural policy for the nation which favoured the work of certain writers, painters etc., and frowned on that of others. Lord Goodman, Chairman of the Arts Council said in 1966:

What we at the Arts Council have always tried to do is not to seek to lay down an artistic policy, but to seek to lay down a sensible and organised use of money. 33

Lord Goodman's remarks reflect a deeply rooted distrust of bureaucratic intervention in the world of the artist, a distrust that found expression in a prejudice against any attempt to formulate rigid policies and a preference for grant aid, given in response to demand as and when it came. More recently Sir Roy Shaw described Arts Council policy with these words:

We have a policy even though it is perhaps not worked out in a schematic and logical way as say the French might have done it, and it has 'just grewed' like Topsy. The many decisions taken in the arts field in the past, and still being taken, do amount to a policy and a fairly clear one, and I dare to say impressive one at that. 34

It is important to note here that if indeed the Arts Council has, in Sir Roy Shaw's terms, a 'policy' and if, in Lord Goodman's terms, 'a policy rooted in an organised use of money', then it cannot also have (without great difficulty) a 'system of response'. Aside from demonstrating the inconsistency in Arts Council thinking it would appear to the critical observer that these two policies are at base, quite incompatible.

Certainly, the Arts Council has policies, and has of late published policy guidelines,³⁵ and the many decisions taken in the past have contributed to them. However, the Council's policies have in the past been too vague, too ambiguous, and partly in consequence little attempt has been made to fully evaluate the Council's work. The guiding principle of response referred to above has often been strongly defended by Arts Council spokesmen. For example in the 1970-71 Annual report:

The Arts Council is concerned with the artist and the ways in which they work in the community, some together in performance, some in isolation. Their needs and outlook change. In a society which we like to call free, the Council must not direct nor control. Its function is to support, to provide the means, to respond to changing needs.³⁶

The 1973-74 Annual Report has more to say on this point :

To some statisticians and other tidy-minded people a system mainly based on response to other people's promotional activities, haphazardly occurring which allows them complete independence, and tolerates ups and downs and bad patches - all this suggests bad planning and inadequate cost effectiveness. However, the short answer to those who call for a more precise statement of the Council's aims, principles and priorities, is that too precise a formulation would regularly be over-ridden by the need to respond to promising initiatives that did not fit the pre-conceived pattern. The Council pursues these and sometimes conflicting objectives by shifting the emphasis according to the opportunities which other people's talents, ideas and indeed locations, offer it, beyond of course its primary objective of raising standards in the arts. ³⁷

But a degree of flexibility gained at the expense of a more comprehensive policy, was of little value to new initiatives then without an accompanying supply of money and the same is true today.

It hardly needs saying that in the present circumstances it will be extremely difficult to find support for new activities to which the Council has not already pledged funds. An extension of support for community arts and a beginning of support for amateur activities must wait for easier times. 38

Intelligent response is an essential element of policy for any arts funding agency, but an undue reliance on 'response' in the absence of some clearly articulated priorities can result in too haphazard or too centralised a pattern of activities, which is why many people still hope to see a more comprehensive policy for the arts coming from the Arts Council. Meanwhile the Arts Council for its part is not convinced, believing as it does that all such hopes are based upon:

... A misunderstanding of the Council's function. The Arts Council's essential function is not to act as the universal provider. We remain and always will remain an auxiliary body. 39

It is not surprising that the Arts Council has never pretended to pass ultimate judgment on its contribution, or settle once and for all the proper scope of its activities for after all, the Council's disjointed incrementalist policies are only the mirror image of the Council's own developing view of itself and its role in the arts.

If one is looking for explanations for some of the difficulties faced by the Arts Council as outlined in the foregoing discussion, then the theory of disjointed incrementalism can be of further assistance. The focal points of the theory and their relevance to some of the ~~issues~~ raised in this chapter will now be discussed.

In the field of arts administration, information and facts of the

kind needed to make non-incremental changes is at a premium, and observation of recent policy steps is unlikely to be much use, since in most cases not enough time would have elapsed for firm conclusions to have been reached about their success or failure. The problem is exacerbated by the fact that analysis and evaluation are often socially fragmented, that is, that they take place at a very large number of points in society. Analysis of any single problem area and of possible policies for solving the problem is often conducted in a large number of places. A problem as many faceted as devolution of the arts, for example, is under study and discussion at many different levels-Government, Arts Council, Regional Arts Association, Local Arts Association, Local Authority, University, Foundation, client and individual. Regardless of efficiency many different approaches are taken simultaneously by some of these bodies in imperfect communication with one another. All of which helps towards creating an environment within which large scale reform or attempts at comprehensiveness is difficult to implement and is therefore passed up in preference for more achievable policies. A dominant characteristic then of those whose job it is to initiate public policy is that they focus on the increments by which the social states that might result from alternative policies differ from the status quo.

There exists of course, an infinite number of policies, but all are not acceptable or possible for a variety of reasons. While the conventional view of problem solving is that ends govern means, there is, according to Karl Popper, an equally fundamental sense in which proximate ends of public policy are governed by means.⁴⁰ What one establishes as policy objectives is derived to a large extent from an inspection of the means available. This necessarily implies that the objective sometimes has to shift with the shift in possible means. For example, it could be argued that a governing principle as to whether a particular branch of the arts is supported and to what degree, is determined to a large extent by the amount of money made available to the Arts Council by the Government.

Alongside question of fact are questions of values. As new facts are assimilated and proposals re-designed, shifts occur in the values deemed relevant to settling the questions in hand. But the process is reciprocal. It might equally well be described as starting with shifts in values which then affect both the design of policies and the attention given to various orders of fact. The resolution of conflict over two values is not exposed by a principle as in the rational deductive method of decision making, nor by a priorities list - nor is it implicitly embodied in a ranking of social status. It can best be expressed by stating how much of one value is worth sacrificing, at the margin reached in a given situation, to achieve an increment of another.⁴¹ One need look no further for an illustration of this than the Arts Council's marginal adjustment of its major funding of the high or traditional arts in recent years, in order to fulfil its obligation to carry out the popular will.

Shifts in values are facilitated by a widespread tendency in public policy to express values as themes of concern without formulating definite rules. The arts Council's most consistent theme is its infatuation with certain standards, often sought at the expense of other important considerations. One striking feature of the theory of disjointed incrementalism relating to this particular point is that what is omitted is often quite as important as what is considered.⁴² Martha Derthick writes with regard to the settling of public assistance objectives:--

'One of the functions of the quango state was to enable it to commit itself to serving broad national ideals (the best for the most) without assuming all the political choices (what is the best for the most). This is why federal (substitute for Arts Council) policy statements for grant-in-aid programs are likely to be inconsistent, ambiguous in what they state and altogether silent on much that is important!' ⁴³

However this is sometimes countered in public policy circles by saying to omit is often to make manageable, while to aspire to completeness is often to do a bad job of everything attempted.

Administrative decisions may take into account questions of quality (yes, it is art, but is it good enough?) and questions of distribution (how large an audience is proper or necessary?) These last two considerations (quality and distribution) are generally held to be in some relation. We generally expect that things of great quality are also rare. Is it the case that the best art is, as convention dictates, rare, and is comprehensible only by a rare audience, in the same way say, that the avant-garde is generally received? Thus we might ask with regard to the choices made by the Arts Council, are they guided by the considerations of the kind described? Is the pattern of distribution of subsidy to the arts, based on the assumption that excellence can of necessity only be found in a few? Is this why the Arts Council has for so long taken refuge behind the slogan 'few but roses'. 44

Along with suggestions of a consensus opinion influencing Arts Council policy one must consider the effect that a consensus of informed opinion might have. The consensus informed opinion argument necessarily entails a separation between the ordinary spectator and those who practice or study art - a separation created by differences in perception and understanding. Too often neither party (artist or public) has a clear idea as to the hopes and aspirations of the other. This vagueness can often hide significant differences between the goals of the donor and those of the recipient. All of which seems to mount an attack upon the essential ability of art to communicate, for it seems to propose that it is necessary for specialists to intervene between artists and spectators in order to decide what is best for the latter to see.

What alternatives are there? Suppose the consensus of informed opinion was derived not from a separable class of specialists, but from artists themselves. In other words, the view as to what is good,

is informed by artists themselves, who then go on to decide what should be encouraged or supported. On the face of it, this would seem to be an arrangement which possessed some element of democratic justice. There may however, be three deficiencies inherent in the system. The first problem is to do with communication, exemplified perhaps best of all in the visual arts where the incapacity of artists to communicate has been elevated almost to an aesthetic principle. A great many artists of course are exempt from this broad charge. Secondly, if the decision makers are appointed rather than elected by their artistic peers, then it is possible that particular interests might exclusively be served, while certain artists, or certain kinds of art, could be ignored. The third deficiency seems to be graver, for it is that such a system as is proposed might tend to enforce the separation of the artist from the public. It seems likely that artist decision-makers would have more sympathy with fellow artists than with a sometimes seemingly hostile public, with the result that defensive policies might be adopted, aiming to permit the artist to continue to work but lessening his exposure to unsympathetic spectators. Action on these lines would assume that the Council exists primarily for the benefit of the artist, when in reality it needs to carry the confidence of the artistic community as a whole. It's assigned task is to benefit society as a whole through the medium of the arts.

If there is such a thing as a blanket humanist process of civilisation in which art, politics, social welfare and the like are all part of the same operation, then it would seem necessary to keep definitions opened ended. If no rigorous definition of art exists, is it safe or prudent to allow too great a separation between artist and patron or public? If art reflects the culture of the society in which it is produced and if that culture is significant to the society to which it belongs, then it must at least seem possible that the separate development of artist and public could lead to a decreasing mutual relevance. Thus the importance of this question would centre around

the degree to which a real separation of interest, purpose or language could occur. In its turn, this argument might be countered by saying that the arts as defined by Arts Council policy, have already become either too culturally distant or too recondite, and that some redress of the tendency is desirable.

There are those who argue that only those works that have enjoyed sustained critical acceptance are proper cases for subvention. Others argue that it is the state's duty to support the development of the arts, and that this should have priority over the support of those things which are already established. Some argue that it is principally important to bring those arts that fall within the definition of the Arts Council's practice within the ambit of the people who do not currently understand such arts to an appreciation of them, or alternatively that those not currently served by the Arts Council's portfolio of arts could be served by extending the definition of art from which the Arts Council works.

Such reasoning has given rise to an intensified action in recent years by some artists and assorted pressure groups in an attempt to open up the Arts Council and make it more publicly accountable for its actions. There are those who feel that it is time the Arts Council considered in a more structured way than it has done in the past, the public benefits which they are trying to achieve through their support, or, put another way, they would like to see the ends or actual activities promoted and the means by which those ends are achieved clearly and precisely stated, so that politicians, arts administrators, artists and general public alike can form reasonable judgments about the usefulness of the support systems.

Not all criticism of the Arts Council has been from without. The Council's own 'Organisation and Procedures' report also reached

the conclusion that, 'Objectives must be more clearly defined; performance needs to be monitored'.⁴⁵ The fact that subsidy of the arts is no longer carried out by princes of the realm or the church, answerable to no-one but themselves, but by an Arts Council answerable to tax-payers, raises some interesting problems. The Arts Council is accountable to Parliament for its spending of tax-payers money and indirectly it is of course responsible to tax-payers. But in addition as the 'Organisations and Procedures Report' goes on to point out:

It has a responsibility beyond its financial accountability which can best be described as a trusteeship on behalf of the nation for the arts; this is not something that can be resolved by fiscal accountability alone, but rather discharged through its performance in meeting its stated objectives and through the confidence its policies command from year to year. ⁴⁶

In the past four years the Arts Council has begun to initiate changes in response to such criticisms. In December 1980 the Arts Council decided not to renew grants to forty-one organisations and at the same time, substantially to increase its grants in 1981-82 to forty-six of its regular revenue clients. The Council's Chairman argued that the Council had:

...come under increasing criticism from its clients, the unions, and the public generally for spreading available finance too thinly, leaving companies with insufficient funds to mount their work. Thus new theatre buildings have sometimes been closed for as much as a third of a year; new performing groups have often been unable to perform for more than a few weeks at a time; orchestras have been denied the opportunity to develop wider repertoire; and established opera and dance companies have had to restrict touring and cancel projected new productions. ⁴⁷

The storm of criticism that greeted the Council's December 1980

decisions arose not so much because the Council had redistributed resources or cut a large number of companies, but the manner in which they did so. Most reasonable men acknowledged that difficult decisions were going to have to be made, particularly in a period of economic recession. Clients wanted the Arts Council to discriminate, for even they do not wish to see money going unquestionably to companies deemed to be so bad. But the Arts Council did not consult nor give adequate warning in most cases. No specific reason or explanations were given to the companies concerned, and there was no right of appeal. What was forthcoming could be described as a propaganda appeal in support of compliance. (Propaganda is used here not in a pejorative sense but rather to denote efforts to gain acceptance of policies by identifying them with what are considered to be generally held values and beliefs.) Clients want discrimination but they want it to come from policies which have been democratically arrived at and to ensure this, what they would like to see is a more representative group of people on the Council, as a first step towards this. But why has it taken the Arts Council so long to make substantial changes of this nature? The difficulty of finding and using satisfactory constituencies is undoubtedly one reason. Altruism must be another for livelihoods would be at stake. Still another is inertia for it was always easier, with a consistent if often small expansion in available resources to go on acquiring clients or keep existing ones going than establish sharper priorities and lose faith. The Redcliffe-Maud Report is interesting in this respect for it says:

Further, the Arts Council's sympathy with bodies affected by this uncertainty inclines it to continue year by year its help for ventures once it has started to support them. This leads in turn to an accumulation of ongoing commitments and limits the Council's capacity to meet new needs as they arise! 48

Additional pressure to resist cuts is connected with the whole complex of local authority support. Drastic or controversial cuts could prompt a local authority

to withdraw it's measure of support, when what the Arts Council is always trying to do is increase local authority involvement, not diminish it. Thus, whilst the pound for pound formula is no longer official Arts Council dogma it remains an important underlying influence on policy. The Arts Council's position, like most other concerns is that finance takes precedence and pre-determines policy. It's area of response is limited by the money available: it's priorities are pre-determined by what is financially possible. Commenting on the affects of finance on policy formulation, Sir Roy Shaw said:

The real choice lies between an approach which is entirely adventitious and one which is based, and is seen to be based, on considerations of principle. The greatest danger of the adventitious approach is its inevitable domination by finance, which abhors a policy vacuum and will transform itself into a semblance of policy, in order to fill that vacuum and at a time of financial stringency the danger is that finance can only say 'No'! 49

This is where the real conflicts arise. It is a question of the Arts Council's doctrine of response - how quickly can it respond? Usually it is a case of if something happens this year the Council might be in a position to respond to it next year or the one after that. Naturally enough companies often require decisions to be made or financial assistance to be proffered at short notice. The Arts Council's now cautious attitude to response due in the main to the unpredictable supply of funds is only exacerbated by demands from it's clients which are increasingly outre traditional modes of thinking and established patterns of spending. It seems likely therefore that the policy of response will become increasingly more qualified. On this point of cautiousness Braybrooke and Lindblom write:

It is sensible to suppose that so far as the strategy of disjointed incrementalism is exploratory and

experimental some time will be required between each two steps to inspect the results of the latest move. It is true that in requiring small steps, the strategy demands extra time for consultation, negotiation and an inspection of the means available. 50

A concern to find the best way to run an organisation prompts the question, 'best for what and for whom?' It assumes some goal which should be maximised using resources in the most effective and efficient way. But whose goals? Should they be the Arts Council's or those of the various sub-cultures referred to in this chapter. Thus the social cost of choosing between individual needs and organisational interest becomes apparent. The question which, is most relevant to the problem of accountability in this context is how far the Arts Council is prepared to go in encouraging tendencies which may require modification of existing attitudes and administrative structures to accommodate new demands, or the revision of priorities for the allocation of resources, with all the attendant political implications that such changes have. For public opinion, in so far as it pays attention to such matters is surely in favour of broadening our conception of the arts, and there is much to be said for the view that this tendency must be carried further if the Arts Council wants to win strong public support. It has been suggested that whereas an organisation in the private sector has to think primarily in terms of the values and objectives necessary for its own welfare and survival, an organisation in the public sector ought to operate in accordance with a comprehensive system of community values and thus promote a symmetry between organisationally correct values and socially correct ones.

The position in which it has been placed is not an easy one for the Arts Council. On the one hand, it sees the necessity to do something about the pressures and demands for a change to more community oriented art forms; on the other, they are reluctant to set in motion changes which could conceivably threaten their own

established position which demonstrates a preference for the established or 'high' arts. Agencies in their decision-making are clearly affected by political considerations and also by the wish to protect their own power and status.

Could it be that the Arts Council feels comfortable with the idea that observing certain 'rules of the game' facilitates the conduct of public business, and that these procedural norms have something to do with the deeper values of society. Is this where the struggle between the desire to satisfy the current demands of its various sub-cultures while at the same time appear accountable in some deeply rooted constitutional sense arises? At a high level of abstraction as in the question of whether art in general is of value to society, it is plausible that most conferees would be happy with a traditional stance. But what happens when the discussion is turned more towards the substantive ends which the Arts Council is supposed to serve? Is it not likely that at this point when the question is not whether art is good for the soul, but how much money should go to community arts development, as opposed to the traditional or high arts, there will be less agreement.

What conclusions can be drawn from this? Because the unanimity of view held by all reasonable men has an unfortunate tendency to disintegrate on concrete issues, does that mean that important questions of choice such as the one just raised should be avoided? How can they? For how can the Arts Council pursue objectives that are in any sense less than those for which it was constituted and still be accountable? This would seem to be the Arts Council's dilemma. On the one hand feeling an obligation to adhere to the general procedures and methods of accountability traditionally expected of practitioners of public administration, while on the other also feeling a tacit obligation which extends beyond what may be narrowly prescribed in the legal articles of incorporation. Thus there is in some sense a dual accountability which at times may be at odds with each other.

Here seems to lie a central problem, for the practice of the arts can only exist within a social and political framework, while those qualities which make art, art, are abstract or at least very difficult to define in any satisfactory way.

Essentially what I have been attempting to describe in this chapter, are the kind of problems and differences in perception which arise when something as abstract as art is operationalised through an institution like the Arts Council. A distinction has been made between administrative art and the kind of art purists talk about. A necessary step if one is to have any chance at all of coming to terms with the intricacies of modern day arts patronage. Whilst this chapter has stressed that it is no longer acceptable to discuss art outside of its wider social, political and institutional contexts, it has not sought to collapse aesthetics exclusively into a model of the same. Thus the experience and evaluation of art are socially and ideologically situated and constructed, and at the same time irreducible to the social or the ideological.

Nevertheless the reasons we may give for approving a work of art, though based on empirical information (colour, form, use of language) are value-laden in the very choice of such empirical criteria, in the language in which they are formulated and in the numerous extrinsic (biographical, sociological, political, institutional, managerial) factors which necessarily intrude into those reasons with increasing regularity.

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- 18 Ibid. pp.9-10.
- 19 Malcolm Griffiths, 'The Drama Panel Game: an Inside View of the Arts Council', in Theatre Quarterly (Vol VII; No.25; 1977), p.11.
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Chapter 4

Accountability, Independence and Social Innovation

The problem anticipated at the conclusion of the last chapter was this: should we desire to hold the Arts Council accountable in detail for what it does, and so destroy its initiative? Or would it be better to insist on its autonomy at the risk of losing effective control over it?

The case for independence partly rests on the belief that, for the artist, Government, and ultimately for the public to reap the real benefits that quangos can offer, they must be independent. If they are anything less than this, their effectiveness will be compromised. Among the benefits can be a special capacity for experimentation, objectivity, the ability to recruit specialists or talented personnel, flexibility, economy and greater efficiency.

The case for accountability derives ultimately from the representative character of our democratic political system. The Arts Council is there to serve public purposes and remains almost totally dependent on tax payers' money that is received from the Government for its continued existence. This makes necessary a close accountability not only to Government, but also to the members of the general public it seeks to serve.

Policy made and enacted in the public sphere demands accountability, and this means that there must be closure: some point at which an account can be made. Yet the principle of modern art denies the existence of closure, and most social science models of art and society support such denial.

It is generally accepted that there are three basic types of accountability relevant to government grant-in-aid programmes.¹

They are: fiscal, process and programme accountability.

Fiscal accountability has to do with whether the funds received by the Arts Council were expended as stated by them and whether items purchased by themselves or their clients were used for the projects concerned. Before an award is made to a client company or individual by the Council, detailed forms have to be completed which assess the merits of their claim while their ability to use the money wisely and for the purposes it was intended is also judged. In this way the client is held accountable to Parliament, from which its grant-in-aid comes, for the stewardship of the money it receives. The charter stipulates that Annual Accounts must be prepared, published and submitted to Parliament, together with an Annual Report on the exercise and performance of its functions. The Secretary-General is appointed as the Accounting officer, and is formally obliged to see that the current Treasury rules governing the management of the public expenditure, as they apply to the Council, are observed. The accounts are audited by the Comptroller and Auditor-General's Department, and are available each year for inspection and comment should any members of the general public be so inclined.

In this sense the Arts Council is clearly accountable for its finances and general operations. However, it is a well-known fact that government agencies tend to stress fiscal accountability because that is the easiest kind to assess. The accounting, budgetary, civil service and auditing systems were designed initially to prevent abuse, not to support, facilitate and evaluate the performance of an organisation. A financial audit of grant-in-aid programmes by state auditors is of limited value, therefore, if the funding body is unconcerned as to whether the programmes achieved the Government's and ultimately the people's intended purpose. A question such as this is not easily resolved by rules or formulae. Further, too great a concern over financial accountability has the proclivity to stunt success with process and programme accountability, or monitoring, whereby the organisation

should be detecting and preventing the wrong use of its grant-in-aid or discovering better uses for it. While fiscal accountability remains an absolute necessity, it is never sufficient as a complete test of accountability for the above-stated reasons. One must look, therefore, for additional ways of making the Arts Council accountable. It has already been stated that the 'Organisation and Procedures' report, 1979, felt that the Arts Council's further obligation could be discharged through its performance and through the confidence its policies command from year to year. This moves us on to the remaining two types of accountability, namely process and programme, which are arguably more important and certainly more difficult to assess than fiscal accountability.

Process accountability refers to the procedures and methods of operation by which a delegated assignment is carried out. The ideology of the structure holds that only through such a professional agency can the needs and desires of the public be best met. There is a demand not only for some accountability for the resources allocated, but also for some system by which the most intelligent decisions can be made by the sponsoring agency as to whom these resources should be allocated. Increasingly, the central core of art continues to shift from the product to the personality of the artist or performing organisation and on to the process.

Over the years the arm's-length principle and the peer-review system have ensured the art councils of a degree of insulation from process accountability at times to their own detriment. With the development of the process the identification of excellence of grant applications came to rest on the ability of arts councils to recruit the best professional advisers and to insulate them against all external pressures. Recognition that even the identification of the artistic critical structure involves a negotiation of power was a contributing factor in the National Endowment for the Arts' restructuring of the panel system into policy and grant Panels. This avoided structurally some of the pit-falls of the Peer review system. Nevertheless, Peer group decision-

making lies at the heart of the work of the Endowment as indeed it does of the other countries examined.

Administration theorists have identified two predominant approaches to policy formulation and implementation in the public sector. The first, referred to as incrementalism, I have already touched upon. This approach:

...essentially views public policy as a continuation of past activities. Existing programs and expenditures are considered as a base, and attention is concentrated ... on increases, decreases or modifications of current programs. Policy-makers generally accept the legitimacy of established programs and tacitly agree to continue previous policies.²

The alternative to this 'science of muddling through'³ is the goal-model approach exemplified by the Programming Planning and Budgeting System (PPBS). Originally developed for the Pentagon, PPBS demands greater clarity in the definition of goals and much greater scrutiny of the means of achieving them. Its aims are:

...the specification of objectives, the evaluation of program out-put as it relates to objectives, the measurement of total system costs, multi-year program planning, the evaluation of alternative program designs, and the integration of policy and program decisions with the budgetary process... It brings both the budgetary process and the analytic problem-solving approach into the specification of objectives and the selection of alternatives among programs.⁴

In choosing between these alternative administrative strategies, the Arts Council has in the past favoured incrementalism.⁵ Rather than establish specific goals, the Arts Council has adopted certain values which provide guidance for its decision-makers. These

values have centred on the notion of 'excellence' and it is to the panels that responsibility for the identification of the manifestations of 'excellence' has gone. Incrementalism deals with problems as they arise with little or no attempt to anticipate them, though Braybrooke and Lindblom as chief protagonists of the theory felt that the strategy, as they term it, should not be identified simply as one for attending to the short run in the hope that the long run will take care of itself.⁶ Nevertheless, the motivating force behind the theory is without question one of moving away from perceived ills rather than towards desired futures. What analysis there is, is not concerned with success or failure of achievement (answerability for actions already carried out being a more literal and arguably more correct view of accountability) so much as with ways of meeting the most recent demand. These factors (I hesitate to use the word 'shortcomings' at this stage in the discussion without first giving a more detailed explanation or justification for its possible use), are necessarily intensified in an organisation which depends for its policy guidance on a closed system of values. This is precisely what a panel system - constrained by the injunction to maintain excellence - represents for the Arts Council.

In the panel system, each discipline is considered as a separate 'problem'. Professionals give their opinion of applications in the discrete terms of the discipline. Thus, there is no overview and little real control over the directions the Council is taking. Decisions are made on information drawn from a restricted source. Essentially, the panels operate as standing lobbies for the discipline they represent. When the original theories were being worked out, the idea of an organisation composed of representatives of different art forms was thought likely to be a source of stimulus and to facilitate multi-arts developments. It was also believed that a council of experts could be more competent than career civil servants to decide how the general grant-in-aid should be allocated between the different art forms; but it has at the same time tended to create competing factions which can (particularly

when hard times aggrandise competition for funds) be destructive, and whose separate interests may well force them to lose sight of the big picture. A committee of public spirited, dedicated people, makes its decisions on information drawn from an extremely fragmented source and attempts to constantly adjust its operation on the basis of this information. Such adjustments, based on discrete elements of a discrete sector, have over the years brought the Arts Council to a situation where, concentrating with acute tunnel-vision on individual disciplines, it is pursuing activities quite unacceptable to the wider polity but which are not so perceived by (or are knowingly concealed by) the agency. Thus, to return for a moment to John Pick's analogy, an observer might be forgiven for saying that we have panels who, though committed to what they are doing, might be likened once again to a force advancing to battle as separate battalions without knowing what they were fighting for.

When combined with a close system of policy formulation, incrementalism not only consolidates vested interests; it also undermines the position of the professional staff of the Council. In any organisation, conflict necessarily arises between the pioneer hierarchy and individual professional authority. In agency decision-making, hierarchy is of central importance. In the Arts Council's case factors such as the decentralisation of authority, the responsiveness of sub-units to outside forces (such as pressure groups) and the participation of professionals in administrative activity have been working against hierarchical authority. Nevertheless, we shall see how in the ensuing pages complexity, size, and the desire for economical operation and more control over the bureaucratic apparatus are all contributing to a renewed hierarchical authority within the Arts Council.

As for its consequences for decision-makers, hierarchy means that those at the upper levels have a larger voice in agency decisions because of their high status, even though lower-level officials may have more substantive expertness. A separation

of power and knowledge may thus threaten the rationality of administrative decisions.⁷ Additionally, hierarchy can also adversely affect the free flow of ideas and information in an organisation, because subordinates, for example, may hesitate to advance proposals they think may run counter to 'official' policy or antagonise their superiors. This causes 'compliance', the relevance of which is discussed later on in this chapter. In the Arts Council where authority is vested primarily in a 20-member Council, advised in turn by panels whose members are selected from outside the Council's professional staff, this type of conflict does indeed occur. In delegating to the panels the power to make decisions the Arts Council has sought to honour the principle of diffused responsibility. But, however democratic the theory, the practice has frequently created systems too cumbersome for any responsible or responsive exercise of authority. Over the past decade the traditional boundaries of nearly all the art-forms have been far extended. These trends have led to two developments within the Arts Council. The first was a tendency for the panels to grow in size; the second was for the panels themselves to create sub-committees to advise through the panels, on each of those matters which called for specialised experience and knowledge. These accretions occurred upon a static framework, according to the 'Organisation and Procedures' report producing a complicated extended horizontal organisation with a whole system of complex channels of communication. The outcome of all this, in the opinion of the Working Party responsible for the report, is an organisation which is impossible to operate effectively.⁸ Increased members of panels, sub-committees and outside consultants may in fact abrogate the central responsibility of the Council because of the difficulties in keeping track of them, a danger now appreciated by the Arts Council which is seeking to remedy the situation along the lines laid down in the report.

The structure devised to diffuse responsibility thereby creating more flexible and responsive units has been, if anything, a little too effective, in relation both to grant-giving and to policy

advice. It is, of course, obvious that regular or process accountability from the panels to the Council must remain attenuated, for otherwise there would be little point in having this form of administrative organisation. But the increase in panels and committees has led to the steady diffusion of authority and control away from the Council and into the hands of its subordinate committees where once again in the opinion of the Working Party there was:

...too great an emphasis on the details of estimates and expenditure and too little on vital questions of policy, priorities and strategic planning. 9

It is possible to construct two competing images of what it is that the Arts Council does. First, we might see the Council as formulating definite policy objectives in the arts, through some appropriate means of consultation and decision, and then proceeding to give effect to these by providing funds to various groups and individuals who are prepared and competent to carry out the required functions. Thus the Council may launch a major new exhibition, decide to re-establish dance, or provide funds for programmes of regional touring by theatrical groups and so on and so forth. A second view sees the Arts Council basically as an institution dispensing subsidies to a range of well-established clients in the performing arts. These clients, in turn, view the Council as having a responsibility to support them and hopefully to help them expand. In total their demands constitute a major charge against the Council which consequently finds itself left with very little financial room for manoeuvre or for the development of new policy initiatives. Almost any grant-making body is likely in practice to see elements of both these pictures present in its workings but it is apparent in the Arts Council's case at least that it is the latter which has gained precedence. The policy problem is then one of balance.

Arts Council business is now largely dominated by the grant-giving

process. The exponential growth of advisory groups has been reflected in staffing policies designed to service the system. The Arts Council has created its own bureaucracy with systems and deadlines and a degree of impersonality and rigidity. By far the most important consequence of this preoccupation with grant-giving has been the drain on time which might otherwise be used for policy and planning. Demands on staff time are such that the quality of policy groundwork is not as good as it might otherwise be. The diversion of the expertise of members to the grant-giving process deprives them of time which might be of more value certainly in the long-term if allocated to policy consideration.

The concept of part-time membership based on rotating appointments has brought a range of expertise, but, at the same time, has had a constraining influence on the overall effectiveness of the organisation. Since most membership appointments are for three, four or five years this means that, at any one given time, between one-fifth and one-third of the organisation is relatively new and much time is taken up with briefing and going over old ground. The effect on the organisation is that the same support programmes tend to go on, the same types of grants continue to be given, the same budgetary allocations are made to the different art forms. If anything, and contrary to the original intention, the very volatility of the organisation has proved to be a force for conservatism. Thus, the tendency has been for the profession to develop towards what Nevil Johnson calls 'localism' where, "the pursuit of basic knowledge is stressed less than knowledge related specifically to the needs of the patron"¹⁰ (which is in its widest sense members of the general public). Where professionals are providing some sort of service, 'localism' can have the effect of narrowing or skewing their proper concerns for the public interest, or clients interests, towards an emphasis on the organisations own interests. In this way professional attitudes become indistinguishable from bureaucratic

attitudes which tends to erode confidence in professionalism being able to ensure rational or impartial policy-making.

The erstwhile neglect by academics in this country to relate some of the profound difficulties of arts administration to the field of management science is connected with the parallel neglect of the effects on public policy of increasing professionalisation in British society.

Larsen defines the move as "a collective attempt to protect and upgrade relatively specialised and differentiated activities".¹¹ Professionalism has been pursued as an end in itself, as a conscious ideology seeking to make social inequalities legitimate by several means. One is to stress the need to fuse together into one (professional) group the hierarchy of education or knowledge in some field and the parallel occupational hierarchy of practitioners. A second means involves tacitly assimilating the position of some employees of larger bureaucratic organisations to the more autonomous position within the class structure enjoyed by self-employed 'independent' professionals. This assimilation may be achieved in particular by accommodating the traditional ethical claims of independent professionals (to make final and authoritative individual judgements on cases or to decline certain 'unprofessional' tasks or roles) within the organisation employing these staffs and within the particular regime and definition of work which govern them.

The panels were meant to be, above all, advisory, but over the years they have become more and more an executive function. Thus, in following a trend already set by some academics and doctors, for example, they have wittingly or unwittingly (or perhaps more accurately been helped along) in adopting their role to make it a bit less like employment in general and rather more like that of professionals in private practice. Not altogether happy with this trend, the Council has recently begun to reduce the balance in favour of its Officers. Critics of the Council

remain divided as to whether this was indeed the correct thing to do. Those who have a more traditional outlook on accountability see it as a way of improving the same because it affords the Council more control over its activities and because it could be argued that the officers have a better overview than the panels. Others argue that it might in fact reduce accountability for whilst the panels may not be totally aware, they are, generally speaking nearer to the ground than the Officers. It is not easy for either party. Still, it is the full-time administrators who tend to be held accountable - certainly by the public and the bureaucracy - for the quality of decisions taken by other people and for their results. No doubt in attempting to restore authority for decisions to the Officers the Arts Council believes it to be making itself more accountable. But whilst we can appreciate the concern shown by the Arts Council in trying to guard against undue exercise of authority these continuing shifts of power have not only made it difficult to pin down executive responsibility, particularly in grant-giving, but they have tended also to enshroud the policy-making function and weaken the sense of strategic responsibility to those above and below it.

Over the years, the notion of excellence has become associated with specific art forms which, it is argued, are inherently capable of achieving excellence or which have a central importance in the nation's cultural priorities. But, as we have already noted, traditional criteria of assessment are on the whole inappropriate for some art forms. The problems of evaluating community arts has already been touched upon. Likewise, accepted establishment conceptions of 'quality' in the arts have militated against the support of ethnic arts.¹² They also disallow consideration of popular art or works produced outside the mainstream of the literacy or art worlds - for example, the autobiographies and other writings of working-class people which are published by the Federation of Workers Writers.¹³ A recent study of Arts Council grants to writers has suggested that reliance on vague and uncritical notions of 'quality' and of 'serious writing' in fact disguises

biased processes (of application, sponsorship, and possibly assessment) which favour certain kinds of authors at the expense of others.¹⁴ The feminist critique of art history and criticism has also challenged establishment notions of excellence for, as Griselda Pollock and others have shown, gender considerations do intervene in the search for excellence. This is very well illustrated by the well-known case of the painting by David (Charlotte du Vald'Ogines, c.1800), in the Metropolitan Museum, New York, which, when it was discovered to have been painted by a woman, Constance-Marie Charpentier, plummeted both in value and in critical estimation.¹⁵ So where, on the one hand, with community arts, ethnic arts and working-class literature, the guardians of aesthetic standards insist that everything must be evaluated by the same universal criteria, on the other hand, we find that, in the case of women's and particularly feminist art, different criteria are for some reason deployed. Findings like those just described only serve to damage and shed doubt on official Arts Council policy which has always sought to avoid all such criticism. Whilst therefore aesthetic judgements may claim the status of 'truth', aesthetic experiences generally do not. As with Keat there is the realisation that there are significant gaps between the truth of explanatory theories, the success of techniques and the theoretical rationale for such techniques.¹⁶

So the defence of 'objective standards' by those whose job it is to maintain them, it must be said, has provided little reassurance that they can either be defined or be shown to be objective. If therefore 'excellence' is nothing more than the preservation of the received heritage of art and literature, and finding terms in which to commend its already accepted, 'great works', then the difference of opinion between those institutionally placed to safeguard this heritage and others who may wish to challenge it may be (as Bourdieu maintains) nothing more than the class struggle fought in the area of cultural capital. One can see how, in this way, the support system can simply become locked

into the subsidising of audiences for established art forms - audiences which are often drawn from the more affluent sections of the community and which could therefore afford to pay enough to cover the costs of production of their preferred art form - audiences which are also drawn, by and large, from the socio-economic groupings as are the majority of our artistic elites in both performance and administration. Hermeneutic theory stands in support of such a notion where values reside in the interpretation of the material itself - in this case, the values of the decision-maker. Following Dilthey and Gadamer in particular, it demonstrates that all knowledge in history and social science is reinterpretation from the point of view of the interpreter, for the task of identifying totally with one's subject and eliminating one's own existential reality is an impossible one.¹⁷

Notwithstanding, the Arts Council continues to support those standards in the arts as one way of achieving accountability in the traditional sense of the word. Thus the Council continues to give money to, say, (the most striking example) Covent Garden, considerable amounts of money, seemingly without thinking beyond the simple belief: opera must be kept up to international standards. On the other hand, the audiences really are a small minority. The Arts Council's charter, meanwhile, is a clear exhortation that not only should the Council continue to support high art forms but in addition, should contribute more broadly to popular art where it must be said the audiences are often larger. The conclusion one is forced to draw from this present situation is that 'high' arts have standards of excellence and 'low' arts do not. While this is not necessarily true, for to say that community arts are lacking in the elusive quality of excellence is no longer valid, what is true, is that proponents and practitioners of community arts, fringe arts and related forms place emphasis on different values and, in general, operate on a less formal basis. From this is derived the notion that the Arts Council feels happier when giving money to the large professional institutions associated with the high arts for it is here that it feels more secure as an investor of taxpayers money. Thus

the Arts Council appears to apply 'standards' as an approach to accountability in two ways, both of which are based on an assumption which may or may not be accurate. The first is the idea that certain arts have a greater value since appreciation of them depends on some added effort of refined awareness (eg. through education). The second assumption is that accountability and credibility are to be found not so much in smaller groups operating at a regional or sub-regional level but in the larger, more prestigious organisations operating at a national or international level. Accountability and credibility appear to be synonymous terms to the Arts Council. But in whose eyes would the Council appear to have accountability and credibility? To which group does it feel most accountable? Is it to those below who would like to see a more equitable system of funding or is it to those above - its peer group?

Commenting on 'Public Policy and Private Interests', the late Desmond Keeling, who was Secretary of the price Commission, distinguished between official 'upward' accountability and "downwards" or general answerability (to public opinion or to specially interested groups) and emphasised that a tight control of the one does not logically require a tight control of the other. Where an organisation (whether advisory or executive) is acting as the expert and unbiased judge of subjective matters (grants to arts) it should enjoy minimum upward accountability in making its decisions but accept maximum outward or downward answerability by joining in public discussion of its field and work. If this distinction is not made, Keeling felt, the basic nature of accountability could be clouded.¹⁸ Dunleavy is also of the opinion that where quangos have been launched with overtly promotional objectives, the relationship between their base and the body is ultimately more important to its success than its upwards relationship to its sponsoring Government Department.¹⁹ Howbeit on past evidence the Arts Council has in fact demonstrated a greater responsibility to its peers seeking a more horizontal accountability. The Carnegie studies gave considerable attention

to the effects of peer group pressure. The relevance of this to accountability was discussed by the introduction of the term 'self-policing'.²⁰

While the potential value of self-policing in preventing an organisation from going off the rails unnoticed was elaborated upon in the Carnegie studies and is to some extent self-evident, the dangers or potential drawbacks to it are perhaps less so, and were not so enumerated. The way a peer group operates can be influenced or even manipulated in a number of different ways. Some of the ways in which those who help shape Arts Council policy are heavily influenced by such things as class, politics, tradition, economics, inertia, etc. has already been discussed, and despite the arms-length principle we know Government influences the way the Arts Council behaves,²¹ despite having formally relinquished management responsibility for the arts to the Council. The arts, and indeed sport, provide two of the most characteristic examples of the peer-group in operation. The peer-group is an enormous convenience to Government who are able simultaneously to retain global control over finance while abdicating responsibility for internal priorities in the arts to the Arts Council. The attraction to the Government of being able to abdicate in this way is that (by definition) they are not expert in the field and do not wish to take responsibility or face criticism for decisions within it. Yet they are influential in the direction of policy, making authority harder to locate for those observers seeking to pinpoint it. In the dozen or so years since the Carnegie research began, Government has increased its presence in, for example, sport, women's rights, racial equality and the self-regulation of firms dealing directly with the public by means of 'codes of conduct' or good practice. The link between codes of conduct and professionalism has been discussed at some length by Dunleavy, who has been monitoring its progress and its effect on quasi-government.²² The idea of a 'professional ethic' as serving the 'public interest' is by no means an absolute truism.

Professionalism in peer group form is seen by many as a way of safe-guarding the public interests. The danger is that people come to see professionalism as an easy way out and therefore begin to prefer so-called professional safeguards to traditional democratic accountability. The Arts Council has, to date, firmly resisted all attempts to bring about a democratically elected element to the Council in the belief that it would destroy its professionalism.²³ But, if not careful, this ethic can replace the professional's responsibility to his or her clients with a sort of self-regulating ideology of its own, capable of insulating itself from all outside influences not judged to be in the organisation's own interests. The danger is that it is becoming something of a 'total institution' where those within the institution are separated from the world and closed in on themselves. But an organisation closed off from the world cannot act upon the world in the way the world might wish it to do. There is, in fact, a danger that lack of accountability of bodies nominated through political patronage may mean that they are not particularly effective in interpreting and carrying out policies directed to furthering the best interests of the arts. In addition, whilst there is always suspicion and criticism when governments get involved, should we not be more concerned if government were to allow such political issues as described herein to be solved by peer-groups of experts who have no political responsibility? However, the notion that there are social, constitutional, political, managerial and economic boundaries and discontinuities for institutions like the Arts Council runs like a thread through this discussion. The main proviso is that, to be significant to the aims of this discussion, these boundaries must be permeable, in ways that can be to some extent manipulated. Like many other organisations in a similar position the Arts Council has on occasions seemingly forgotten that it is there to serve the public and not itself and has therefore spent a large part of its life floating above many of the problems of discrimination and inequality of funding. The Organisation and Procedures Report felt that the Council had come to rely too much on peer-group judgement and that some

distancing from the general public had taken place as a result of this. They concluded that more time should be spent on pursuing objectives which would allow it to contribute more broadly to desired social ends.²⁴ The theoretical devices that Thompson discusses in 'Organisations in Action', focuses on the way in which the discretionary power of the 'dominant coalition' within an organisation is severely circumscribed by such factors as incomplete knowledge, limited control over technological operations, prevailing political interests and commitments and a dynamic socio-technical environment which result in imperfect coping strategies being implemented.²⁵ This implies a clear recognition of the political constraints in which organisational management are forced to operate. Indeed, the latter constitutes a complex coalition of interests which have to bargain with other coalitions before a policy can be formulated or implemented.

It is true that self-policing may prove to be simply another word for complicity. Hague Etal suggests that something akin to coalitions can be found in the quango state, where a set of rules are to be applied, and that collusion is therefore to be expected to apply the rules to the mutual advantage of the organisation and those who most closely align with it.²⁶ In the Arts Council's case these rules have been in force since its inception in 1946 and have therefore had a lengthy period of time in which to take hold. Parker is also aware of the impact compliance - or non-compliance - can have on public policy.²⁷ Governments and their agencies seek to limit the acceptable choices available by attaching penalties to undesired alternatives and rewards or benefits to desired alternatives. We can see how, in this way, agencies who are dependant on others for funding are somewhat obliged (arm's length principle or no!) to interpret and administer policies in ways designed to comply with the requirements of the provider. The Arts Council is conscious of this when approaching Government. Similarly if a prospective client is to be successful in attracting Arts Council, or Regional Arts Council/Local Government funding, they too must be conscious of the issuing agent's ideals.

Better take account of its preferences even if it finds itself adverse to those preferences. In this way the pattern is established, and as a general proposition, the longer a pattern of policy has been in existence, the harder it is to modify it or if needs be, terminate it. The division over professionalism and standards in the arts would certainly give credence to that suggestion. In the Arts Council's case, self-policing has worked to impose the kind of group norm members of the artistic fraternity have come to expect though often with an air of mistrust and a sense of disappointment. More recently the differences of interest between the Council and many of its clients have become so wide that self-policing is only serving to widen the gap between the two camps for in this situation self-policing reinforces only the negative or controversial aspects of policy. Self-policing is no longer having a positive effect since the differences of interest between the parties is (or is made to appear) too big. As one might expect the authenticity of the Council (and its panels) is now being questioned, and, if one is questioning the membership-legitimation process, this can only create a lack of confidence in the value of the policy-shaping process.

Self-policing is not a sufficient condition for accountability for the reasons just stated. The Carnegie studies went on to suggest that the only other real means of attaining a plausible degree of accountability was by an 'open', democratic system.²⁸ The Working Party's objections to an elected element to the Council have already been raised. Nevertheless, if greater accountability is to be achieved, some combination of greater openness and an actual shift in the authority for actual appointments is probably required since openness of itself need not be enough to change decision-making habits. Both greater openness in the process of appointment and some transfer of powers of appointment are required, since greater openness will not of itself change ingrained habits. Modest reforms continuing on the lines of the Organisation and Procedures Report which recommended widening the trawl for members even further, and making known more clearly to the public

how members are chosen, might let in some fresh air to this enclosed world and even perhaps the germ of a new idea or two. 29 In this way the consumer voice would be engaged at policy-making level while avoiding the continuous association with current management practices which is recognised as being damaging to the independence of organisations like the Arts Council. 30 Again, if self-policing by the Council's peer groups has of and by itself not ensured a satisfactory amount of community accountability, then opening the Council to greater outside participation at least in the determining of policy must surely improve matters. For have not the Arts Council's clients broadly speaking a right not only to know what to expect but also the consequential ability to detect inequitable or unreasonable treatment and thus bring about the necessary changes? If one looks at the problem from the standpoint of accountability then it would seem that the underlying question is whether the Arts Council is prepared to risk falling short on social accountability in order to maintain a maximum degree of traditional forms of accountability. The Arts Council has made some concessions to openness and democracy however in the area of devolution.

One of the desired social ends in more recent years has been to redress the balance between money spent in the capital and that of the regions. In particular, much attention has been given to the plight of community arts. The decision by the Arts Council that this portion of its work should devolve to the Regional Arts Associations as presently constituted or rely on new government money was regarded by many as a flagrant dismissal of its responsibility to such under the terms of its charter. On the surface, devolution would seem at odds with accountability and social responsibility, but is it? Could it be that through devolution the Arts Council sees itself in the long run becoming more client-oriented in that there will be centres of responsibility closer to the scene and more able to help? That such a move would promote accountability by opening the bureaucracy, widening the arena of policy debate and creating more flexible and responsive administrative units. But, to decide whether some delegation of responsibility can promote

greater accountability, we need to know more about which arrangements between the Arts Council and those under it have in some sense 'worked' and which have not.

What is apparent when reading the Annual Report is the extent to which the Council seeks to attract local authority support to compensate for its inability to fund sufficiently many of the activities of the regions:

... a second element in the Council's policy has acquired an extra urgency. This is the effort to obtain for its clients some supplement to its own grant from local authority and other sources. 31

But the long-standing hope that local authorities would provide a more consistent and permanent source of funding for local activities such as community arts lacks a realistic base. The methods as well as the amounts of municipal subsidy have, by and large, been as piecemeal as the Council's own and will no doubt continue to be so in the current squeeze. Experience has shown that where an initiative was taken by a community arts group, by the time they had secured a spokesman for their cause amongst the aldermen and councillors, then run the gauntlet of committees, their plan for support had floundered because it had become a political issue between the rival parties. Such encounters has only served to persuade local authorities that, 'Support of innovative work was more suitably provided for by agencies such as the Arts Council'. 32

The RAAs have often found themselves equally unable to help to the extent that was needed as a result of their difficult position at the meeting point between central and local systems of public patronage which differ from each other in important respects. On the one hand, they are financially dependent for around 80% of their income upon the Arts Council which, in theory at least, is relatively free of political control. On the other hand, they are also constitutionally dependent on the goodwill and the financial

support of the local authority, whose work is obviously subject to political considerations. In practice, the RAA probably feels more accountable to the local authority which increases with the amount of money the authority contributes or the extent to which the RAA has to go cap-in-hand. An example of this kind of problem which one RAA had to face might be helpful. In 1977 a member of the management council of the North West Arts Association objected to a proposal grant for the North West Spanner theatre group on the grounds that it was preaching Marxism. The group was exonerated after the hue-and-cry has subsided, and a firm decision was taken by the management council that political questions would not be allowed to interfere with artistic judgement. This illustrated the difficulties which can arise when political (democratically elected and publicly accountable) bodies give funds to a non-political body which has a higher degree of autonomy than the local authorities themselves. The placing of local authority representatives on RAA's management council leaves it open to debate whether such appointments (or any grants made by the local authority) could be said to make the RAAs 'local governmental' or 'fringe' bodies of those councillor's local authorities. From the local authorities' point of view such participatory machinery is good public relations in that the RAAs provide a channel of communications whereby the authorities can promote a favourable image of themselves to important sections of the public.

One of the most pressing difficulties in making the system of arts provision work has been the need for local authorities to have contact with the Arts Council. This view was, expressed several times at the Calouste Gulbenkian Foundation's Local Government and the Arts seminar held in June 1978. But the persuasion of hundreds of local authorities to accept the diminution of autonomy which common policies would inevitably entail is not an easy task. Local authorities exist to administer

their own districts and tend jealously to defend their rights in this respect. Further, one must not forget that they are essentially political institutions, thus, on occasions, are wont to resist what they might feel to be attempts at dictation from the centre. In addition, by maintaining a discreet distance between themselves and the Arts Council and promoting directly, they can if they wish put their own political, social, moral or educational stamp upon what they support. Politics therefore is one of the root causes why Arts Council and the local authorities have not yet achieved, and probably never will do, the kind of partnership which is often discussed and always hoped for. Relative financial power as between the two is of course another reason. Meanwhile, the local authorities seem content in carrying out those programmes they feel are right for their community and are prepared therefore to look elsewhere for a way of being part of the total system.

Because the RAAs have been shown to be easily vulnerable to political pressures coming for the most part from the local authority representatives or their Councils, they are regarded with suspicion by those community arts groups who sometimes promote political or controversial philosophies in their productions. The RAAs will obviously never be able to rid themselves of the political element provided by local authority representatives until such time as they rid themselves of their supplicant role. The likelihood of this happening is not very great for, as the latest document on Arts Council policy states:

... To finance many of its proposals, the Council will issue challenges to local communities to match its funding, at least in part whether from local authority sources or other locally raised funds. This principle lies at the heart of the Council's hopes for the future development in the region.³³

But it is the supplicant role which is producing what has often been called the 'double hurdle' effect. This means that RAAs cannot judge things on artistic criteria alone because they also have to consider whether their local authority will be prepared to support it with them. Local authorities remain wary of the RAAs because of their reluctance to toe the party line when it comes to disapproving of clients who are obviously political or, in some sense, controversial and therefore potentially damaging to the local authorities' image. Hence community art groups with RAAs as their funding bodies have to go through a double hurdle. This may not present a problem to the more right-wing groups but could create difficulties for the avant-garde community arts groups, should their local authority object to the material of the production.

The Arts Council's report, 'Towards a New Relationship', attempts to deal with the problems briefly outlined so far. 34. Its answer was to define devolution as the most appropriate assessment base for a client which in theory would allow reverse transfer and therefore a return to direct funding by the Arts Council if the move was justified. However, in reality, it does not seem likely that a community arts group which has already been devolved would be welcomed back into the arms of the Council when the main recommendation in the report by the Arts Council's Community Arts Evaluation Group was that 'Community arts is an activity which should be assessed and funded locally'. 35. Consequently the recommendations of the devolution of the responsibility for subsidy from Arts Council to the RAAs, together with suggestions as to how financial responsibility should in future be divided lack a realistic base. The possibility, therefore, of a more comprehensive policy which would adequately represent both the Arts Council's national ambitions and those of the regions and the greater degree of accountability which such comprehensiveness could

afford to the system, does not under the circumstance seem likely now nor in the foreseeable future. Accountability is impossible if those under the Arts Council find themselves unable, or are reluctant for whatever reasons, to accommodate the devolved client or activity. Similarly, having reached a decision to devolve a client, or a category of arts activity it would seem essential that the Arts Council accompany it with a realistic assessment of the financial and other implications of such a decision before accountability can be credited to the process and the bodies individually involved in the process.

Thus we arrive at the last category, that of programme accountability. This form of accountability addresses the question of whether government and ultimately the public are actually getting the results they seek from the programme apart from the conformity to standard of propriety in the disbursement of funds. Programme quality cannot be judged easily which is why many organisations tend to stress its surrogate form of process and fiscal accountability. Not surprisingly, it is in the area of programme accountability that most organisations come in for criticism from members of the general public or more commonly, interest groups, and in this respect the Arts Council is typical.

The chief desire of the agency at the highest level is to fulfill successfully the goals set out in its charter. In the Arts Council's case these are:

... To develop and improve the knowledge, understanding and practice of the arts to increase the accessibility of the arts to the public throughout Great Britain, and to co-operate with government departments, local authorities and other bodies to achieve these objects. 36.

The obvious concern here is for the beneficiaries which raises

the concept of 'social' accountability. In other words, beyond the formal institutions and procedures of government the Arts Council owes a loyalty to 'society' in some larger sense. From whence comes the notion that accountability could not be real or complete unless the various parties responsible for the formulation of policy internalised to an acceptable degree the basic values underlying the charter. Is not this the very same point that the Working Party responsible for the Organisations and Procedures report made - that whatever the formal requirements, an activity was only truly accountable if it inspired general confidence and served what were widely regarded as desirable social ends. And yet there is evidence to show that at this point in time the Arts Council is still not inspiring the kind of confidence one might expect from its policies. In defence of the Council, as King and Blaug pointed out, it is working in an inchoate policy field and it was given as some might see it, a suspiciously vague remit. Because Government has left the Council free to interpret the eligibility criteria and spend money allocated to it in grants to individuals as it thinks appropriate, it therefore has discretion over both policy and casework. Using discretion flexibly means that the Council cannot be easily called upon to show that its grants are equitable. However Bradshaw has demonstrated how in similar cases discretion became limited first by the requirements of the organisation to establish bureaucratic procedures in order to speed up the processing of application, then by the development of internal guidelines, and finally by budgetary constraints. 37. We might also add to that list social change which has produced a growing desire on behalf of consumers to get involved in the policy-making process. All this has brought the Arts Council to the point where it is once again making renewed efforts to improve its performance, particularly in those areas where it has come in for the strongest criticism. The present state of play

is to be found in the policy document. 'The Glory of the Garden', which is worth quoting at some length, here:

... The Arts Council has been in existence for nearly forty years but not until now has it undertaken a thorough and fundamental review of all its work ... The need for a review has increased in recent years, since the resources made available to the Council by the government has remained virtually static in real terms, making it very difficult for the Council to respond to changes in the arts and the expectations of society ... For some years the Council has been stuck in a groove. It has committed itself to a long list of revenue clients ... The Council has also been wedded by long practice even to the categories of grant available to its clients ... Against this background it is understandable that the Council should ask itself whether it has been spreading its resources too widely and hence too thinly, at the expense of the vital, primary aspects of its work. The Council's anxiety about this matter has been reinforced in recent years by increasingly vociferous expressions of the same concern by a large number of its clients and by other commentators on the arts ... There have also been important changes in the nature of the society which the Council seeks to serve through its spending on the arts. 38.

In seeking to adapt its policy to emerging needs, the Council has formulated four broad principles to serve as the foundations of future development. They are:

- i raising the quality and increasing the quantity of arts provision in the region to bring it nearer the standard of the provision in London;
- ii in identifying new developments in the regions for direct support from the Arts Council itself, focusing on the dozen or so areas within England where the population is most densely concentrated;

iii making a start towards redressing certain historical imbalances in funding which favour some art forms at the expense of others;

iv in appropriate cases basing the Council's own subsidy decisions more consistently and deliberately than in the past on the availability of matching funds raised locally. 39

It is obvious that the Arts Council's policy of 'response' is becoming increasingly more qualified. It is equally obvious that it does not intend to move away from this policy towards elected representation. Its obsession with professional standards, still apparent from these principles, may prove to be a stumbling block in its efforts to devolve responsibility for certain arts. For professionalism can seriously undermine attempts at devolution whilst at the same time the reverse is also true: effective devolution of administration can subvert professionalism. Either way, professionalism and devolution pull in fundamentally opposed directions. Time will tell if the Council's attempts to redress the historical imbalance will do anything to break what Walter Bagshot called the 'cake of custom', those unexamined and often implicit premises and assumptions upon which so much politics rest. Much will depend on the Council's success with the last of the principles itemised above, though the problems accompanied with such thinking have already been raised in this chapter and are still there to present a formidable barrier to a more equitable system of funding. What is clear is that acceptance of the dominance of process over product forces the programmes and policies created to prepare and allow for structures within themselves to accept this condition. The artist and society remain locked in a reciprocal determination of roles and rewards which shapes the structure of art in the public sphere. 40 As always, 'the concept of art and of the work of art were and are dependent to the highest degree on the social value that is attributed to the position and the work of the artist'. 41

The model will now be used to describe public support to the arts in New Zealand, Australia, the United States and Canada. In doing so it is intended to provide a preliminary descriptive model for the further assessment of the States role in supporting the arts. The organic nature of the arts contributes to ongoing confusion and disagreement over the design and purpose of public policies, e.g. what is the relationship of art, Government and the people it seeks to serve? What is the relationship of the high, commercial and amateur arts? The model is intended to clarify such theoretical and policy questions. In light of the difficulty of the nature of the subject under investigation the model is organic, i.e. definitions are offered as tendencies rather than absolute or mutually exclusive categories. The thrust of the various comparative chapters follows the country's own unique approach to the problems outlined so far. Thus, if one was attempting to categorise them it might be said that New Zealand has adopted an obviously functional approach, Australia an overtly commercial one, the United States an extremely pluralistic one whilst Canada, with its combined ministry and arts council models, represents the most 'mixed' case.

The aim of this monograph is to identify the various ideological and structural determinants which bear upon their decision making processes together with a brief evaluation of the strengths and weaknesses of the various systems in reconciling traditional criteria and alternative contemporary conceptions of artistic and cultural development and worth.

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Chapter 5

The New Zealand Experience

It would appear from the foregoing discussions that the rapidity of change affecting the Arts Council of Great Britain is forcing re-appraisal of its purpose, contexts (social, political, artistic and economic), structure and modus operandi. The diagnosis of its ills is being made. Elsewhere some councils have already begun, by practical experiment or by studies on organisational restructure, to try and treat some of the problems raised in these opening chapters. The Queen Elizabeth II Arts Council of New Zealand is one such body justifying its inclusion as a suitable case study.

The Council was established by the Queen Elizabeth II Arts Council Act, 1963, and began operations on April 1st, 1964. Its responsibilities were very much modelled on those of the Arts Council of Great Britain. In the main the Council's mandate required it to bring all forms of arts activity to the widest possible audience. It endeavours to do this through the activities of the Regional Arts Council network (established 1974) and through its several schemes for touring both the performing and the visual arts. At the same time, it works closely with the Department of Education to bring the arts to the schools and to young audiences. The Council's role, from its inception, was seen as a funding body providing financial support to the arts community with, in more recent times, the added responsibility of offering support services to the arts. This has been reflected in the development of a Resource Centre and Arts and Business programmes designed to assist the arts community and business find ways of helping one another through sponsorships and partnerships. The Council's commitment to audience development and education programmes is well founded. Since 1975, the Council has pursued policies designed to develop and strengthen, the teaching and training resources and facilities available in New Zealand. It established and maintains two training schools in the form of the New Zealand Drama School and the New Zealand School of Dance. The Council directs operating funds to the

schools, but scholarships for students are provided by the Department of Education. Some organisations have been funded by the Council as the employers of local artists and the venues for the marketing of New Zealand artistic talents. The Council regards funding for service organisations in various art disciplines as extremely important to the support of individuals and groups.

Annual grants to organisations are made by the full Council on the recommendation of the relevant Council committee. It used to be the case that the Council reported to the Minister of Internal Affairs, but in 1980, a Minister of Arts was appointed to whom the Council has subsequently reported.

In 1975, with the passage in New Zealand of the amended Queen Elizabeth II Arts Council Act an opportunity was created to review the administrative methods of the Council and to construct its activities on a more rational basis. The question was how? Having experimented with incrementalism up to that point and not been happy with the results, the Council abandoned it in favour of a more goal-oriented approach. At the time the restructuring of the Council occurred, PPBS was fashionable in the New Zealand public sector. It was linked to various other management and planning systems in state services such as the Committee on Public Expenditure (COPE) and the System of Integrated Government Management Accounting (SIGMA). As practised by the New Zealand Treasury, PPBS involved; a systematic approach to budget formulation oriented towards the objectives of government policy; a programming device which translates objectives into specific expenditure programmes and annual budgets; a method of control and evaluation to provide government and departmental management with the information necessary to evaluate progress towards defined goals.

While the shortcomings of the PPBS have been extensively discussed,¹ it seemed to the New Zealanders to provide a more

rational approach to considering the efficient use of the community's productive resources and translating them into more equitable and appropriate support programmes for the times than those already existing. It was hoped it would also assist in overcoming inadequacies resulting from tunnel vision, boring away obsessively into separate arts disciplines. It also, of course, would help to satisfy the Treasury's insatiable appetite for quantification. But it became clear that there would be problems, problems which have subsequently become evident in attempts to introduce P.P.B.S. on a public sector wide basis. It would not be appropriate to attempt to treat them all in detail here since it is not the purpose of this thesis except to say that, since P.P.B.S. is the opposite of incrementalism, incrementalism assists to clarify the problems of P.P.B.S. and raises a variety of theoretical objections. For instance, how in a fluid area such as the arts can fixed and static goals be defined? How are complex goals reduced to comprehensible form? Do goals remain tamely static long enough to be identified, let alone achieved? How are economic measurements made of complex social and artistic events which enable progress towards such objectives?

In discussing funding objectives two main approaches are evident. One focuses primarily on art forms whilst the other builds around functions. The two approaches are somewhat compatible, at least over a wide area, and to an extent simply reflect different perspectives. Practitioners naturally focus on needs and aspirations of their own art form whilst those concerned with other aspects of policy necessarily pay attention to opportunities and problems which occur in a variety of art forms. Seen in terms of art forms the test of successful artistic and cultural policy lies in the extent and quality of activity achieved. For example, in any major British city we now expect to see an art gallery and museum, a professional theatre, a developing level of orchestral and choral activity, and periodic visits from national ballet and dance companies, and growing numbers of individuals active in a wide range of arts and crafts. The more extensive and higher

quality of activity in these areas now demonstrates a significant measure of success in cultural policy over recent decades. However, the main policy problems remain essentially the same. These are how to determine the range of extent of support offered to institutions and individuals.

The general absence of dialogue on these issues and the frequent feeling that those who do speak are either talking into a vacuum or talking past each other reflects something of the basic dilemmas which arise around the role of the arts in any society. The arts exist in tension; on the tension between their reliance on magic and the community's dependence on the machine; on the tension between the subversive potential of any art form and the rewards which can flow from soothing and reinforcing the viewpoints of those in positions of power. The artist expounds his case for support in terms of his craft and the administrator cuts him short on grounds of cost. The fact that at the end of the day arbitrary decisions must be made in allocating grant money among institutions and art forms has provided a stimulus to attempts to define objectives primarily in terms of functions rather than institutions. The 1976 report of the Australian Industries Assistance Commission on 'Assistance to the Performing Arts' demonstrated the reasoning behind moves towards functionalism in the arts both in Australia and New Zealand. The report argued that the community benefits which flow from the arts can accrue from any type of performing art and that there was no basis for maintaining that one art form was a superior source of such benefits to any other. In addition the Commission argued that a need for assistance did not of itself justify such assistance or provide any basis for discrimination between one art form and another. Similarly the promotion of excellence which is the first operating objective stated in the Australia Council Act was felt to beg the question of excellence in what, and this also to provide no basis for judgement between art forms from which a policy could be enacted. From such premises the Commission argued that it was not sensible to maintain a policy which aimed at the maintenance of particular performing arts institutions.

At the time of writing, the New Zealand Council's solution to the problem has been to return to the old fashioned division between policy and administration and between government and the servants of government by taking literally the functions, set out in the Arts Council's enabling legislation as its operating objectives. It has refined them into four major functional divisions. It has also tied budget and system to these functions, and developed other structural overlays to complement the information set of the new classification. In P.P.B.S., a function is usually a budgeting device used to group activities which ultimately lead to a defined objective. In adopting the theory and giving it a new name of 'creative functionalism' the Council has worked from the other end and defined its functions from pre-determined ends provided by the legislation. The Council reviews its funding activities in terms of these established ends and modifies or extends them where necessary. In other words the Council has abandoned fixed specific goals in favour of process - in favour of administrative action informed by guiding principles sanctioned by legislation - in the belief that it would avoid the rigidity inherent in goal-oriented policy models arising from perceived objectives which are never adequately reviewed and which have their origins more in a desire to be seen as going somewhere than in any choice of real destinations.

Goals may be implicit in the functions, but such goals are capable of highly individual interpretation. In fact the Council's functions may most accurately be described as a series of broad injunctions; they are:

The Development of Professionalism

The Development of the Practice and Appreciation of Arts

The Accessibility of the Arts and Regional Development

Public Education, Promotion and Research

These functions, it is believed, serve a unifying and directive purpose. The process is aimed broadly towards creating a more equitable and truly representative funding base through a wider variety of art forms while avoiding the inevitable divisiveness

which could result in attempting to define one art form as superior to another. The strengths of creative functionalism as seen by the Council is that it has the potential to overcome some of the rigidities inherent in the P.P.B.S. approach and avoids the often traumatic experience of attempting to define objectives in a polyglot arena. It maintains the flexibility of incrementalism some elements of which are still seen as essential and therefore irrefutable, while still allowing a momentum towards a future desired in common. Like incrementalism it states certain imperatives to which all involved - Government, artists and the Council - can subscribe. 2 It also retains one of the other major features of the incremental approach - that of incorporating values in proposed changes. 3

Before moving on to the constitutional implication of such an approach to public administration it might be worth making a few observations on what has been said this far. The simplification accomplished by creative functionalism may already appear to some readers to have been accomplished at too high a cost and may even appear to be so arbitrary as to undermine immediately any possible defence of the strategy. First, it is clear that in shifting the focus from assistance to particular art forms and institutions to the promotion of broad functional objectives, one comes up against the problem of deciding in which art forms professionalism, education and dissemination are to be encouraged. It would be a mistake to assume that the organisation of a grant programme around the pursuit of purely functional objectives can lead to situations where decisions do not have to be made between major arts institutions on other than purely functional grounds. Judgements do have to be made on questions such as the priority to be accorded to various art forms and to institutions and developments within art forms.

The second point springs from the collective nature of most arts institutions. Institutions rise and fall but arts activity has come to depend upon the existence of an array of such institutions.

Professional companies are creative unities. They provide the framework within which artists strive to distil their craft. The form of the company can vary widely but is fundamentally influenced by the nature of the art and by the necessary range of skills. Although it is possible for the State to make its support for an art conditional on the promotion of particular functional objectives it would be unrealistic to assume that this could be done other than through groupings of artists working with professional companies not essentially different from the ones already operating today. The central purpose of British Arts Council funding has always been to enable a core of strong professional institutions to continue and hopefully beyond that, to sustain a high level (quality not quantity) of activity than would otherwise be possible. Only if this base is secure is it sensible to talk of promoting objectives such as education, innovation and dissemination. But the fact remains that there is discontent and disagreement over some of the values which the core is attempting to disseminate. Creative functionalism sees its goals as being explicit and its values as implicit. But if one were to take just one of the functions, that of the furtherance of professionalism, the inherent dangers of assuming implicit values with respect to this fixture of Arts Council policy has already been highlighted. If on the other hand values were less implicit and more explicit and more importantly still, if they could achieve a real measure of agreement, then one could see how they might be used to test conflicting arguments by reference back to a functional base. But, before we can reach that point as Bachrach and Baratz argue:

We still need an analysis of the mobilization of bias in the community; of the dominant values and the political myths, rituals and institutional practices which tend to favour the vested interests of one or more group, relative to others. 4

It is only with the aid of this kind of analysis that we can isolate what are the important policy issues: the ones which challenge predominant values and the rules of the game. There is also an obvious danger in any functional approach that too

detailed a specification of objectives will intrude upon the artistic independence of artistic companies. I do not intend to suggest that arts administrators should not attempt to specify functional objectives. Obviously they need to do so. Rather my point is that they do not remove the need for judgements among art forms nor is it an escape from some of the more fundamental problems raised in this thesis.

The Council has developed a broad range of programmes to assist both individuals and organisations to achieve its six goals derived from the functions set out in its enabling legislation. These goals are:

- . to stimulate and support creative expression within all communities;
- . to secure a base for the development of Maori art;
- . to promote the development of new work by New Zealand artists;
- . to secure a base for the development of arts industries;
- . to promote the professional development of people working in the arts;
- . to ensure the provision of the information skills, services and resources required to achieve these goals.

As a direct consequence to this grants are both varied and imaginative with emphasis on local participation in the arts. Grants are provided in support of crafts, dance, film and video, management and administration, music, theatre, and visual arts. The Council supports a range of visual arts exhibitions which tour the country. Film productions of an alternative nature are funded. The Council supports projects relating to New Zealand composers and the promotion of New Zealand compositions. Individual choreographers are funded to develop New Zealand original works. From the Council's Annual Report 'Revenue and Expenditure' figures there was an increase in funding for 'Promotion and Participation in the Arts' from \$156,000 in the financial year 1980-81 to \$348,000 in the year 1984-85. Further support for local participation has come from the system of regional and community arts councils. With the doubling of Government appropriation in 1985-86 from \$3,238,000 to \$6,238,000 the Council has been able to strengthen the community arts council

network by increasing the number of full-time community arts officers to eleven, with a goal of eighteen positions - six per region - by 1987-88. Touring officers have also been added in three regions.⁵ In all its programme activities the Council has been concerned to promote the highest levels of artistic quality both at national and local levels. For these reasons, it has stipulated that activities which are professional in character and standard will receive priority in consideration for the Council's financial assistance.⁶

We turn next to the constitutional implications of creative functionalism. Through basing its definitions of functions on its legislation the Queen Elizabeth II Arts Council has used the will of Parliament to provide the large objectives - that is objectives derived from a political context. The purpose set down in the act are thus translated into administrative functional categories which define a broad path and a process towards a desired future. In this way they see themselves as being able to avoid some of the drawbacks inherent in a purely incremental approach. It cannot, for instance, set off on a course that radically diverts from the political expedient that brought it into existence. Its activities are defined and tested against functional categories linked to legislative objectives which in their case, if not in the case of Great Britain, are taken to be sufficiently explicit if not also conditionally compatible, as to promote such links. Its processes are in their turn defined and tested against the progress of the organisations and individuals responsible for those objectives. The Council also has an advisory function to Government, which provides a feed-back loop - a sort of safety valve, which can be used if it becomes clear that the functions of the Council, and therefore the government objectives, are diverging too markedly from artistic reality. Any change resulting from this would be explicit and cause a new functional relationship between the government, the Arts Council and artists within clearly stated relationships. The system is seen as a form of contract between the public, whose will is expressed through legislation, and the Council which is obliged to develop effective means of realising specified cultural goals. The expertise of the art world is drawn on to define and assess alternative strategies for achieving these

objectives. And the public - through its elected and appointed representatives at a national, regional and community level - is left with the responsibility of determining which strategies are likely to be most effective, and establishing their relative priority. On the surface this arrangement would seem to offer a greater degree of openness and participation by all those involved in the decision-making process than that currently exercised in Britain. In particular it seems to do away with the 'arms length principle', or at least its more sinister aspects which establishes a corporate buffer between government and artists - a means of keeping artists at arms length from the minister's door or at least ensuring in this most volatile and controversial area of public life ministerial responsibility extends only to the good news. If accountability is about greater openness leading to greater participation and involvement by all parties concerned then in this respect at least the British can learn something from the New Zealand system.

To complement the functional approach significant modifications have also been made to the Council's administrative structure to ensure that a diversity of information can be obtained for the assessment of policy proposals. The Council now divides into four committees, Arts Employment, Arts Development, Support Services, Community Services, but only two meet at any one time, so that every council member is on two committees. The committees are deliberately structured so that they are not defined strictly either in terms of disciplines or in terms of the functional elements; rather they are based on structural elements within the arts arena— projects, individuals, institutions and regional development. Thus the committees, defined by the nature of the items placed before them, must consider funding proposals in a multi-disciplinary context, related to finite budgets, and within the broad parameters provided by the functions. As a result wider perspectives are provided for in the consideration of any single issue. Apart from their role in approving annual budgetary allocations and guidelines for the programmes under

their control, these committees are not generally involved in grant making; this function is instead delegated to a variety of sub-committees comprising Council members, staff and co-opted arts professionals who also have access to confidential referee's reports.

A further overlay of perception is provided by a staff organised on traditional arts discipline lines but drawing on the advice of a wide selection of consultants referred to individually for information on specialist matters. The decisions which are made cannot be achieved simply on the basis of arts world consensus - as is the case with the panel system; these discrete value judgements must be tested against those public priorities reflected in the objectives each Council programme is designed to realise. The disjunction between the needs of the arts and the public good cannot readily occur since both concepts are necessarily defined within a common set of terms. The small risk to artistic freedom is considered justified. More significantly the New Zealand system not only acknowledges the importance of the continuing debate about the nature of culture: it attempts to institutionalise. For the functions of the Council demand the consideration of certain key relationships which are central to the cultural debate. The question of professionalism in the arts, for example, required clarification of the desirable relationship between art and work.⁷ Developing the appreciation of the arts raises fundamental questions regarding the relationship between producers and consumers of art - the artists and their publics. ⁸ Making the arts accessible nationally entails an appreciation of the relationship between the national cultural resources and community cultural expectations. ⁹ Questions such as these must be confronted in a national, regional, community and multi-cultural context; the realisation of which the British Arts Council is now seemingly beginning to fully appreciate and make efforts towards as testified by their new criteria for grants and assessment which include for the first time, in its formal assessment criteria, the extent of employment and other opportunities provided by its client organisations to members of ethnic minority groups. ¹⁰ It is hoped by those

parties who stand to gain most from these modifications to policy that the Arts Council's intentions are sincere and that this is not mere political tokenism on their part. Since these controlling concepts are not necessarily considered in relation to the conventional pattern of arts support systems, institutions, and so on - they can be developed as the basis of a more thorough-going critique of the nation's cultural life. The New Zealand System thus allows the possibility of an approach to cultural development which is both:

...goal and process. It is a goal because it means giving a society the ability to create its own life and environment. This ability means participation. But the process of cultural development entails more than participation alone. To be meaningful, such participation must be critical and continue to feed the sources of change. 11

The Council is now devising systems to measure the contribution of its various client institutions to the advancement of its functions though the programme is in its infancy. Nevertheless, MBO (Management by Objectives) is progressively being introduced with staff currently being trained in developing quantitative and qualitative standards for each programme area based on a methodology already used in other areas of the New Zealand public sector, as advanced by the American management scientists Ernst and Abney. Information on policy matters, (required to help formulate performance criteria which is always specified in advance as an integral part of the annual corporate plan) is gathered and processed by specialist staff drawing on inputs from individuals selected from the informal networks each staff member maintains. In addition, advice is sought from the professional associations (e.g. Actors Equity, Musicians Union, Composers Association, New Zealand Association of Professional Performing Arts etc.), the many client organisations and adhoc or standing committees of the Council which often include co-opted members from the various regions. The health, justice and social welfare programmes designed to demonstrate community impact and community cultural values are assessed by the Arts Access Committee. MBO allows for periodic reviews of those objectives and results which at

present occur on a half yearly basis though it must be said that their first report entitled, 'Arts : '85 - A Report on Progress', was noticeably more quantitative than qualitative in its approach. It remains to be seen whether a better balance will be achieved with the passage of time. Such an audit may mean that arts institutions receiving subsidies will see themselves directly participating in one or other of the Arts Council's functions. This functional and synergetic relationship should help to minimise the possibility of council/client conflict which regrettably is such a feature of the British arts scene at this point in time. The last chapter highlighted the problems of co-ordinating the effects of the Arts Council, RAAs and local authorities for the mutual benefit of their respective clients. Present roles and relationships were shown to be confused and inadequately defined resulting at times in duplications and omissions. One frequently heard solution to this problem is that if the Arts Council were to only lead in the confirmation of the part to be played by the various members of the system and if there was some point or points to which they could all relate other than their basic desire to serve the community, then everything else might fall into place. Could it be that a more functionally oriented approach to policy might go some way towards providing that common bond much needed in the British system? It will not do away with the suppliant role of the RAAs (already seen to be a drawback to a more efficient system) however, it could provide greater unity and a degree of standardisation which is usually necessary (if not always sufficient) for a test of accountability. And yet, this is unlikely to occur until such time as the Arts Council's own responsibilities are finally determined. Of late the Council has been making concerted efforts to do just that, but it would seem to the critical observer that it still has some way to go.

In administrative terms adoption of a more functional approach to policy must mean a change in the view of the Arts Council as an organisation. If such a common purpose is to be developed then organisational boundaries must be flexible. In other words,

the view of the Arts Council as a self-contained rigid entity will need to change, and the boundaries of the organisation be clearly seen to include aspects of the arts arena integral to the achievement of its purposes. This means a new anti-centrist and much more flexible approach to bureaucracy. A much freer information flow, greater participation and a flexible system of authority and control is really what is needed. The question remains how far is the Arts Council prepared to go in modifying its traditional establishment position. It is characteristic of bureaucracies to rely on known frames of reference to limit perceptions, to withdraw into their own bureaucratic boundaries and to insulate themselves from information or experience which might disrupt the even tenor of the organisational way. This thesis has already made known the trend in Arts Council policy whereby it is handing out devolution with one hand whilst clawing back control lost to its panels, sub-committees and other parts of the framework with the other. This centralist philosophy is frustrating local workers and organisations who feel the shift of resources to regional and local communities should be accompanied with the power to allocate these resources on the basis of regional or local needs as assessed by people close to the action. The encouragement to local authorities to accept greater responsibility for the promotion and support for the arts in their community has long been a feature of Arts Council policy. It has been reinforced through the £ for £ formula and yet the retention of too great an influence of centralised decision-making over regional funding schemes has made the achievement of this most important of objectives more difficult. Centralised structures have consistently been unable to impact sufficiently on local communities and the individuals within them. For these reasons it is vital that a body like an arts council should build into itself mechanisms which will remove certainty, security and complacency. To devise a process that ensures that choices must be made, and all relevant input sought and absorbed. In this way the 'system', the 'policy' or the 'structure' is less likely to become the master.

Routine perceptions inhibited by considerations of security is what arts councils, with all their incumbent difficulties and inherent weaknesses, have to contend with. Such considerations stifle action in favour of the known and safe. The objective must be the development of the administrative means to achieve a symbiosis between social, political and artistic realities.

- 1 For an introduction to the subject of PPBS see Charles Schultze, 'The Planning, Programming, and Budgeting System in the Federal Government' in Managerial Economics and Operations Research, Edwin Mansfield (Ed); (London: Macmillan 1971).
2. David Braybrook and Charles E. Lindblom, 1963, op. cit 134.
3. Ibid p.132
4. P. Bachrach and M.S. Baratz, Power and Poverty: Theory and Practice (Oxford University Press, 1970), p.11.
- 5 Mary C. Sullivan, Arts Councils in Conflict (Ottawa: The Canada Council, 1988) p.122
6. Ibid p.124
7. As Clement Greenberg (and many others) argue, the professional arts, supported by subsidy are not 'culture', but simply a specialised form of work: 'a set of special disciplines practised during working hours by professionals'. Art is therefore downgraded by professionalism to become merely 'a department of industrial work'; not 'art, not ... humanistic culture;... a thing worked at, but not flowing from work'. See 'Work and Leisure under Industrialism' in Mass Leisure, Eric Larabee and Rolf Meyerson (Free Press, 1958) p.42. There are other valuable perspectives on this question: they all essentially demonstrate that cultural policy would be more coherent if it were more widely recognised that we do not have a problem of leisure, but rather a problem of work.

8. The following comments suggest the complexity of the issues involved in developing cultural 'appreciation': 'The choice of good culture is not monopolized by the high culture public: most of the time, people from all publics want the art, information and entertainment they judge to be good (p.137).... If people seek aesthetic gratification and ... if their cultural choices express their own values and taste standards, they are equally valid whether the culture is high or low ... The evaluation of people's choices cannot depend only on the content they choose but must compare what might be called the incremental aesthetic reward that results from their choices: the extent to which each person's choice adds something to his or her previous experience and his or her effort towards self-realization' (p.127). This argument, developed by Herbert J. Gans, concludes that there are two 'alternatives for public policy... implied by these statements. Either society must find ways of implementing cultural mobility that would allow people to have the educational and socio-economic background prerequisite to choice in the higher task cultures' (p.129). Given the practical difficulties in achieving this, it would be preferable in the short term, Gans argues, to provide public support for the development of a variety of taste cultures in order to allow members of a lower taste culture the same 'incremental aesthetic reward' as a member of a higher taste culture: 'For the reward has nothing to do with the quality of the content; instead it judges the person's progress beyond his or her own past experience (p.127). The claim that the fostering of high culture is the only important priority 'is insufficient for public policy' since it... assumes... that only culture is important, but that the users of culture are not important..' (p.126). See Popular and High Culture: An Analysis and Evaluation of Taste (New York, 1974).

9.

Susan Cream has argued effectively in a Canadian context that accessibility of the arts - touring from a metropolitan centre - is an ineffective way of promoting cultural activity.

'The similarity of (touring) arts programs throughout the country is sometimes advanced as evidence of growing cultural unity, but if unity in a democracy requires the coming together of people through a mutual understanding of similarities and differences, then cultural autocracy is a better way of describing the situation. What valid claim could be made for playing Beethoven's Fifth in Edmonton and Halifax to heighten the awareness of Nova Scotians and Albertans for one another? Stated in the terms of cultural politics, the problem is one of unequal access to input; or, to put it another way, the majority of our citizens, collectively and individually, have, no influence on the cultural messages these organisations transmit. Consequently, although the arts are being made available to more Canadians, they seldom reflect the taste of the people and communities they purport to serve. In the light of all this, the concept of 'democratization' of the arts, as it has been interpreted by our cultural policy-makers and arts organisations, is a sham. It has dealt only with the technicalities of distribution - taking a ballet company to the Yukon, keeping museums open in the evenings, subsidising ticket prices so that more of us can afford them - while ignoring the real cancer of alienation. How can most Canadians be expected to have an appreciation of the fine arts when the art they see has about as much to do with their own experience as the ceremony of the Black Rod?'

It is a view which would elicit a sympathetic response in this country. See Who's Afraid of Canadian Culture? (General Publishing Co., 1976).

10.

ACGB Bulletin No. 60 June/July, 1983.

11.

International Fund for the Promotion of Culture (UNESCO).

Chapter 6

The Australian Experience

It is not easy for people separated by long distances to come together to exchange ideas or to share artistic interests from which new thoughts and directions might emerge. Australian planners of cultural development have to cope both with the sheer size of some of the states and territories, which makes internal communication difficult, and with huge disparities in urban and rural settlement. In the absence of comparative standards and rigorous and informed critical thought, cultural values hitherto were largely dominated either by a sense of inferiority towards Europe or by uncritical applause for the home-grown product, a condition referred to commonly as the 'cultural cringe'. Because of a perceived genuine community 'need' for arts expression,¹ together with a related view about the desirability of an Australian 'arts image' a blueprint for a homespun national cultural policy is now something that has acquired a sense of importance if not urgency.²

Australians live under a three-tier system of government (federal, state and municipal), with each tier operating relatively independent of the others. Cultural development as it currently exists in Australia has been essentially dependent upon all levels of government support. Recent dramatic expansions in government cultural policy have been handled for the most part through extensions or modifications of existing machinery rather than by radical restructuring of the system. Some restructuring however has already taken place as a form of aegis for the new diversionary emphasis now being placed on community art, cultural equity and art education. In administrative terms there is interchange between government cultural bodies but as yet, insufficient systematic co-ordination for exacting

policy and the corresponding financial initiatives necessary. Much still depends on the internal priorities of each state. In some areas the respective roles of the federal government and the states are moderately well established, with federal interests and finance focusing largely on national and international functions and services, on assistance to compensate for particular state advantages and on incentives designed to encourage greater state or local commitment. However the relationship of federal and state finances and policies still requires some clarification.

In March 1975, the Australia Council Act was passed and through amendments in 1976, the Council was formally given the role of the Government's advisory agency in the arts. From the countries under discussion here Great Britain is the only other country to be given an explicit responsibility by its mandate to advise government on matters concerning the arts. While the Council is by statute the advisory agency on the arts to the Minister, there are several other organisations in government administration which play a role within a number of departments. Thus in 1984-85, the Government set up an Inquiry into Commonwealth Assistance to the Arts, conducted by the Standing Committee on Expenditure chaired by Mr. Leo McLeay, M.P. The committee held hearings in several cities and received 228 submissions, both written and oral. In September 1986, its report, 'Patronage, Power and the Muse: Inquiry into Commonwealth Assistance to the Arts', made thirty recommendations to the government which included proposals relating to cultural policy in general as well as to specific agencies, such as the Australia Council. Recommendations about the Council concerned the structure, devolution of small grants, ministerial directives, triennial funding for major clients, equity of funding and other less weightier matters. By way of response, a report entitled, 'An Australia Council for the 1990s', was written

in which the Council acknowledged its responsibilities in supporting arts participation and arts education in the community with the caveat that without further government money or alternative sources of funding its contributions to education will of necessity be limited. The enormous growth in the diversity of new art discussed in the report is a product, so the Council states, of its, 'reviewed efforts to achieve greater self-determination, a broader basis of arts decision-making combined with an equitable distribution of resources and an enhanced quality of decision-making'. This is expressed in the Council's suggested changes to the Australia Council Act also documented in the report where it is concerned, 'to make explicit, in any future formal revisions to the Act, its role in the advocacy of artist's rights - legal, moral and financial - and of individual rights to access to the arts; in developing a wider diversity of arts support; in promoting the place of the arts in education, the media and other major social institutions which significantly impinge on daily life; and in recognising and supporting the contribution made by persons practising the arts to the expression of, and public awareness of, the nature of Australian society'.³ In May 1987, the Minister for Arts, Heritage and Environment announced the government's response to the McLeay Report and the proposed restructuring of the Council which would be the basis for a new mandate. The new structure as anticipated in the Council's Artforce No. 56 publication included a fifteen - member Council comprised of a chairperson, all Board chairpersons, arts practitioners and public interest representatives. Government representatives would no longer sit on the Council because of the difficulty of reconciling that role with their duty to put the interests of the government before any other interests. Council and Board Members would continue to be appointed by the Governor General and the Minister, respectively. The Board structure of the Council should be streamlined by a

reduction in the number of Boards and the classifications of Board staff to reflect changes in the role of the Boards recommended in the McLeay Report. A Community Cultural Development Unit would be created, comprised of the Council Chairperson, all Board Chairpersons and six other members appointed by the Minister which would assume the functions and funding role of the Community Arts Board as well as broader responsibilities to assist the cultural development of community activities, which may not necessarily be 'arts' in the narrow sense of the term. In the amendments to the Act being proposed, no wording was changed which would provide for ministerial direction to the Council. Technically, therefore the Council makes the final decision on policies and guidelines, and on the grants to clients. Although the remainder of this chapter exists as a qualification of that statement.

A major policy objective of the Council is still that of promoting excellence. With that in mind, the Council directs its funds to professional training, continuity of professional employment, interaction among professional artists, exchanges with artists and teachers from other countries, and opportunities for each level of artistic activity to improve its standards through exposure to higher standards.⁴ In response to recommendations of the McLeay Report the Council is attempting to ensure that its function of promoting excellence applies to all art forms with which it is involved and not just the high arts from which excellence might be expected. From this comes the notion that there is now a duality of purpose to the Council's approach to funding in that equity is an explicit requirement as excellence in the displacement of funds. Of course the argument can extend to the disproportion between funding to individual artists and arts organisations as well as between art forms. Council's response to claims of inequity has been to conduct seminars throughout the country to raise levels of awareness of the

arts and their contribution to cultural life; to have a special committee analyse statistics based on the grants made in the previous year; to hold a conference including State arts authorities, to discuss general questions of inequity in the arts, support programmes and questions of policy; and to have the Community Arts Board review and investigate methods of funding community-based activities in rural areas. However, the Council points out that, 'per capita equality is not the only workable basis for equity or the main basis either in the matter of regional distribution of grants'.⁵ If by equity is meant equality then an even hand-out could spell disaster for one company whilst another might have more than it needed. The relative size of companies is just one such consideration. It remains a fact that some companies are going to need larger grants because a broad base is a condition of their defined existence. An alternative approach is that equity is related to a claim to existence, but with a recognition that there are different basic levels of existence for different kinds of companies and of course, an overall shortage of resources.

Through making sure that smaller companies as well as larger companies are funded one allows for market changes. When arts agencies subsidise the larger performing groups at a base level that keeps them in existence, the agencies are intervening in the market place. Intervention to offset funding that favours the larger groups is not only an 'equitable' gesture but also a prudent one in as much as it helps keep the taste market operating. If therefore one is looking for a general philosophy from the cultural initiatives now being taken by the Australian government, it is that government support should not discourage or substitute for the efforts of private individuals or organisations; nor should it merely duplicate or take charge of ventures that are or could be, commercially viable. The arts are part of an economic system in which

it is necessary to reconcile society's limited resources with unlimited wants. The allocation of resources to serve particular wants can be achieved in a variety of ways as we know, chiefly through the free market system or by bureaucratic control over the distribution of resources.

Government intervention may be justified (or so consensus opinion would suggest) if there are factors that prevent the community's resources from being allocated efficiently. In general it is intended to make possible developments and standards that are held to be desirable but are not always possible on a purely commercial basis; to achieve an acceptable level of quality (good work being an important ingredient in attracting a growing audience); to compensate for the disadvantages of some states as was mentioned a little earlier; to make provision for an increased range of services and hopefully an increase in public interest and use of these services; and finally as a stimulus for innovation and development of new cultural resources. There are of course a number of possible sources of inefficiency. For instance, a monopoly in the supply of a product or an input may make it almost impossible for anything or anyone else to compete. Australia is just now beginning to realise that in its hitherto unrestrained support for the high arts and the very small number of institutions that were construed to be its best example it has produced a major source of inefficiency.

All previous forms of assistance have been directed towards developing a body of arts in Australia fashioned after that existing in the societies from which the majority of the Australian population have emigrated. So, for example, it has been hailed as a great artistic development to establish a national opera company in Australia since many European countries also support one. However, such art forms should probably be seen as a starting point from which more distinctly Australian cultural achievements can evolve, rather than as ends in themselves. At the federal

level, assistance given' by the different authorities has been largely unco-ordinated. There has been no evaluation made in the past of the best means of using the wide variety of resources devoted to assisting the arts. Nor has there been any coherent rationale for assistance, at least in terms of the benefits the celebrated arts can provide for the community and which cannot be provided equally as efficiently by other activities. A further characteristic of the existing subsidy assistance is that it has been discriminatory in its incidence over the performing arts. This assistance has been confined mainly to non-profit seeking companies and it has been made available primarily on the basis of needs. Companies undertaking apparently similar activities can get widely different levels of assistance. Further, some types of companies have been excluded from eligibility to receive general assistance on the basis of irrelevant criteria. For example, profit-seeking companies have been excluded because they are commercial. This discrimination has favoured certain established arts companies and institutions. Also some companies appear to have been assured of receiving whatever funds they need to continue their operations, largely irrespective of the cost of this to the other performing arts and ultimately to the community.

Companies whose activities are valued highly by consumers and whose product is of benefit to the community at large, would receive subsidy that would provide them with relatively greater encouragement to continue in their work. Companies presenting activities that do not appeal and are of little community benefit would receive correspondingly little encouragement. In this way commercial companies could also be the beneficiaries of government money. Under whatever method is used to distribute this adjustment maintenance, it was suggested that the Australia Council set a ceiling on the amount of assistance that any company could get to cover its operating costs. To those ends, the Theatre Board

announced in 1986 that it was instituting a ceiling on its general-grant funds that any one company may receive for its activities in a year. The ceiling was established at \$300,000 in 1985 dollars, indexed annually and the subject of review. This decision was taken only after a lengthy review of its policy, involving consultation with the theatre industry. This is consistent with the Council's claims to be broadening its decision-making base. Only after consultation, and after formal endorsement by the Council did the Board issue the following statement. in April 1985. -

The Theatre Board ... has decided to pursue a different direction in the light of the following convictions:

- . institutional forms in the arts must be appropriate to the social forms and economic circumstances of society:
- . we live in a pluralist society with diverse social, cultural, economic and political backgrounds and frames of reference:
- . it is important to develop a diverse and pluralist theatre that emerges from and responds to that society.

Australian theatre is in a crucial stage of development as to its social incidence, its acting style, its subject matter and its institutional forms. It is important that, at such a time, there be as few as possible constraints upon the emergence of individual talents and the development of different institutional forms ...

Under existing policies a disproportionate amount of its resources were directed to the funding of a limited number of client organisations. This meant that most of the funds went to organisations with a relatively similar kind of institutional structure. The development of an institutionally oriented framework similar to the one to be found in the structure of British Arts today, created a situation where there was virtually no flexibility in

encouraging new developments in Australian theatre. Of course other Boards were experiencing the same difficulties in responding to similar demands for changes in policy. The institutional structure as it stood was not generally flexible enough to accommodate the changes expected of it. In contrast the Theatre Board now wished to develop strategies which would:

- . redress the current inequitable distribution of funds:
- . encourage the development of a diverse and creative theatre responsive to the needs of our society and more attuned to the resources available:
- . Respond to new initiatives:
- . limit the Board's contribution to the expansion of certain companies, thus enabling the development and maintenance of others.

Although the Australia Council as a whole has in the past felt itself unable to take such remedial action it now believes that stringent decisions of this kind are unavoidable.⁶

Even given that a perfectly competitive market exists, there may be factors which cause the market to fail in some way, preventing the efficient use of the community's resources. These factors take the characteristics of a 'public good'. In its pure form a public good has two distinguishing characteristics; an inability to exclude non-contributors from consumption of the good, and the fact that the consumption of the good by one individual does not reduce the quantity available to other individuals. A public good, such as a radio and televised recording of a concert can be contrasted to a private good, such as a ticket (one of a limited number) to go and see the concert.

In the case of a private good no difficulties are encountered in excluding others from consumption, and consumption of the good by an individual reduces by the same amount, the level of opportunity available to others. In contrast, consumption of the radio and televised recording of the concert (allowing for the fact that only 3% of the population do not have access to one or other form of medium at any one time ⁷) by one individual does not reduce the opportunity available to others and excluding others from the benefits of mass communication is virtually impossible. Pure public good and pure private goods represent the two poles with most goods falling between the extremes.

Although few, if any, pure public goods may exist (Cwi along with some other commentators would perhaps take exception to calling the Arts a public good ⁸), the presence of either of the public good characteristics can lead to market failure. ⁹ For instance, the difficulties associated with excluding non-contributors from the consumption of a good will lead to spill-over benefits or costs commonly referred to as 'externalities'. The arts have a mixed private and public character since there are public externalities prompted by the private consumption of the arts. It is suggested that these external goods are a basis for public support in that they rebound to the acknowledged benefit of the general public; that these goods are generally desired; and that additional benefits can only accrue if the private market is augmented by public support. Baumol and Bowen, for example, have compared the arts to education. In one sense, education is a private good 'It can be sold to an individual purchaser because it yields benefits specifically to him'. However, 'education is also a public service because it enriches society as a whole - it not only increases the productivity of the individual, it makes for a better life for everyone in the community'. ¹⁰ In the case of the arts, various

externalities have been cited as a basis for public support. Governments fund the arts because they believe them to enhance national or local identity, pride and international prestige. They offer important direct and indirect economic benefits to a country's infrastructure.¹¹ It is claimed that the arts have an important role in the education of children and adults and arts councils, through their educational programmes, would seem to support this view.¹² In addition to the reasons already cited, Alvin Toffler notes that, 'The arts play an important role in integrating individuals into subcultures within the larger society; they act as value systems that accelerate or retard change and they educate individuals to new role possibilities and style of life.'¹³ Art forms could also be said to be interdependent for as Netzer notes, 'all the musical art forms - opera, dance, concert, 'serious' music, jazz and the 'popular' music forms - tend to support one another,' in that they draw materials from one another and provide training and employment opportunities for professionals.¹⁴

If one is to accept that these arguments justify public support to the arts in the same way that any public expenditure has (collective) externalities then one would need as Throsby has noted to identify whether the external benefits, 'may in fact be produced in sufficient quantities without the need for further support'.¹⁵ For as Cwi points out, 'If the basis for the public expenditure is simply the externalities then we would want to know who benefited, at what cost and whether an expenditure on another class of activities might bring the same benefits at less cost or greater benefits at the same cost.'¹⁶ Matters such as these raise a host of empirical questions for which it is difficult to obtain answers. Suffice it to say, if individuals will not take the spill-over benefits or costs arising from an activity into account, the free market may fail to achieve a socially optimal level of activity.

Moreover, the mere existence of benefits or costs to others for which a price cannot effectively be charged does not necessarily result in market failure. The benefits for which a return can be extracted may be sufficient to induce an efficient level of the particular activity. The key test is whether, if a return could be extracted for all the benefits the level of the activity would increase or remain the same. In the latter situation, despite the existence of externalities government intervention is not required. Despite the likely existence of some of the external benefits government intervention can afford, it is not clear that their intervention is either necessary or capable of achieving an efficient allocation of resources. Academics are divided over the question of whether there is market failure in the arts. In the 'Performing Arts: The Economic Dilemma', William Baumol and William Bowen argued that subsidy was needed to maintain any given level of output in the performing arts. They stressed that the non-profit performing (and the same could be said of the visual arts) arts organisations could not expect to earn sufficient income through ticket sales to pay for the labour and goods they require for their performances. Consequently, their 'earnings gap' would continue to expand requiring ever increasing increments of public subsidy to augment increases in private contributions that are unlikely to be sufficient. Twenty-two years on, the Baumol-Bowen model has proved to be somewhat of an oversimplified characterisation of the real economic world. By 1979 Baumol was forced to concede that 'past evidence suggests that even in the most difficult periods the arts have managed, by and large, to find financial resources.' He concluded that 'crisis is likely to remain a way of life, but crisis is not equivalent to disaster.'¹⁷

If there is market failure in the arts it is probably more to do with a wrong approach than with a lack of funding. Cwi suggests that as economic enterprises, arts

organisations are mostly built to fail.¹⁸ While Peter Drucker suggests that the achievement of results 'in the budget-based institution means a larger budget.'¹⁹ Their success is measured in terms of size of budget therefore increased government support is a mark of success, not failure. Alvin Peacock believes that where government subsidy is needed in order to increase use it should be directed toward the user, not the organisation. Talking of solutions he says 'The short-term one requires that support is moved away from the subsidising of producers of cultural activities towards the subsidising of individuals. The long-term one is to devise a means of altering the preference functions of future generations so that 'Baumol's disease' may be counteracted through the market as well as through the political mechanism which offers state support.'²⁰ Combined government and Australian Council policies would suggest that they are trying to do just that.

Irrespective of the need for government money there is a growing amount of empirical evidence from public services and research undertaken that Australians strongly endorse government involvement in the arts.²¹ Given incentives, private action can often be relied on to undertake production of a collectively consumed good. For instance, television and radio broadcasting services are primarily undertaken by private enterprise. Excludability is not a problem because, in effect, by consuming the broadcast an individual is 'paying the price' by consuming the accompanying advertisements. One essential element in Australian cultural policy is to persuade people through marketing education and choice to give the arts a higher priority in personal expenditure.

If the Government does choose to provide the goods or service itself it faces difficulties in determining the efficient level of the good to provide. First it does not

have the benefit of the price signals which operate in the market to ensure resources flow to their greatest valued use. Individuals pursuing their own self-interest will not reveal their true preferences for public goods. Consequently a government will experience difficulties when determining the level of public good to be supplied and when attempting to allocate the costs according to the allocation of the benefits. While a number of devices have been proposed to elicit true preferences from individuals, these are far from operative. ²² Second, there is no acceptable way for the government to raise the necessary finance for the provision of the good without creating distortions in production and consumption decisions and thereby reducing welfare. This means that, although market failure may be a possible outcome of the presence of public goods or public good characteristics, there is no guarantee that government intervention will be an efficient alternative. Public provisions of the good may create greater inefficiencies than it ever set out to remove. This caveat applies to each of the plausible types of market failure commonly suggested as grounds for intervention in the arts.

Apart from imperfections in the competitive system and the possibility of market failure due to the presence of public good characteristics, there exists a number of other common justifications for government intervention. One of these is the misallocation of resources which is said to arise from the existence of ignorance or irrationality in the community. The basis of arts funding in Great Britain is constructed on the premise that individual judgement should be regarded as inadequate. Goods arising from this due process of thinking are termed 'merit' and 'demerit' goods. They are distinguished by the failure of consumers to evaluate correctly the benefits and costs of a good or activity. ²³ The merit good case assumes that there is a more informed and correct group of individuals that knows

better the community's interests and knows that its consumption patterns are falsely based. Economic theory has no role to play in the area of subjective judgements about the rationality of consumer decisions. However, it is relevant in two respects to the assumption of ignorance that is inherent in the merit goods approach. Firstly, if there is market failure due to ignorance, caused as Netzer believes by a lack of information on the part of potential consumers, then government intervention to correct this should employ direct instruments, that is, the provisions of information to correct the distortion and do so preferably without producing any undesirable by-product distortions.²⁴ Secondly, information is just one of the many goods between which an individual must allocate his resources. Consequently the consumption patterns of an individual will reflect rational levels of ignorance. Therefore, intervention by the government to adjust this level must rely on a belief in the superior wisdom of the funding bodies and the irrationality of the consumer. Thus, the provision of so-called merit goods ultimately relies on the denial of consumer sovereignty and the acceptance of the greater insight and wisdom of a select group of individuals.

Another reason for government intervention is to ensure an acceptable distribution of income. The Government can alter the distribution of resources in a number of ways, for example, by the distribution of disposable income through the income tax system, by changing prices charged for goods and services, or by the Government providing services itself at a price different from that which would be charged by the market. In general, direct income intervention is the method preferred because, in effect, in these cases, the Government is saying that it knows best how some of the redistributed income should be spent. Any Government policy which is characterised by a lack of coincidence between the benefits and costs is, effectively redistributing income. Thus while income redistribution is usually associated with direct government instruments, such

as income supplementation, every public policy which alters the prices facing consumers and producers generates an income redistribution. This provision of so-called 'merit goods' serves as a device for distributing income away from those who are non-consumers of the merit goods (yet pay for it through the tax system) to consumers of the good.

The arguments raised thus far focus on the principal of public support for the arts. By themselves, they justify no particular piece of spending. To develop policy it is necessary and indeed vital to have some notion of the optimal level of public support by each level of government given the realities of budget constraints. Merit-good notions by themselves only lend weight to the argument that we should spend money on the arts because the arts are important and are therefore deserving of our support. The addition of market-failure notions constitutes an advance only if we already agree on how much consumption and production ought to be provided by the private market - of what quality, when, where and how often - but these are value judgements, not based on economics as was said earlier.

The new developments taking place in Australia (although by way of a postscript it should be said that further important transformations have occurred since late 1987, and the time of writing of this chapter), not the least of which is the increase of government intervention in the arts, are now analysed in the context of the foregoing principles.

In the preface to this chapter it was noted that the arts form an important part of the culture of the community and contribute continually to its development. The term 'culture' was broadly interpreted as the expression of the way of life of the community - the synthesis of knowledge, beliefs, feelings, attitudes, etc., of the individuals constituting it. The arts are one means for expressing and communicating ideas and emotions and as such can contribute to the enhancement of a community's culture. In particular, it is believed that in Australia's current state of development, the performing arts can contribute to a sense

of national identity which is of current concern. It is suggested that if the nation is to be charged for the potential benefits the arts can bring to it, then the arts must be truly representative and not supported for the primary benefit of a select group of individuals.

Since the Australians believe there are external benefits to be derived from fostering the arts (and there is no evidence to suggest otherwise) the question arises whether, as a result, the level of artistic activity is less than socially optimal, and if so whether government intervention will lead to an improvement in total welfare. 25

The 1976 Education and the Arts Report by the Australian Schools Commission was something of a watershed in Australian thinking. It presupposed more varied and enlightened objectives than had previously characterised Australian education and cultural endeavours and was intended to assist forward planning in the social application of the arts. The report concluded that the full cultural potential of both the arts and education and in particular their interaction was not being realised and that the present and future cultural needs of Australian society were therefore inadequately served. Recommendations centred around a much higher percentage of art in the curriculum, significant changes in teacher training (including the use of artist teachers) and special treatment for minority groups (the especially talented, the handicapped, migrants and the physically isolated). Looking at community interests, it stressed the need for improved quality of television programmes for young people with a higher incidence of artistic content; for community based arts officers and the community use of school facilities; for liaison work to help find community outlets for the personal art interest of school-leavers; for the development of special performing arts groups to provide drama, dance and music services to education; and for opportunities

for special art activity through holiday camps, residential training and tertiary institutions.

In analysing ways in which these objectives might be achieved, it identified the social and political factors that were likely to provide an obstacle. The report stressed that the vital changes required in the underlying philosophy and practice of the arts as an educational tool could only be effected with the concurrence and total involvement of the governments, the public service and organisations providing related services. A minister can work towards defined cultural goals by influencing and co-operating with colleagues in other ministries, e.g. education, environment, welfare, etc., in addition to which he is in the best possible position to argue the case for the arts when government budgetary allocations are being decided. The report went on to call for a change in the political priorities with respect to the arts and the related policy and funding priorities of the Australia Council and State art authorities. The success of the report in effecting reform has been mixed since its impact has tended to be dispersed rather than concentrated. Nevertheless, since its publication in 1977, it has provoked widespread discussion and a greater degree of longer term planning and trial programming. In fact Australia is now showing a predilection for long term planning as part of a major cultural reform programme, as if in defiance of its incremental heritage which does not lend itself easily to such action.

The Australia National Commission for Unesco sponsored research has also helped promote further government involvement and administrative reform. Administrative reviews were carried out on government cultural policy and practice in community development, education welfare, migration, the environment, the arts, libraries, recreation, sport and Aboriginal affairs. Most of the enquiries implied recognition of the need for social

change and above all a need for empirical data in order to formulate policies for development. They have provided a detailed inventory and analysis of the cultural situations in Australia and made recommendations for government action. The outcome has been the recognition of a legitimate and indeed indispensable role for government in cultural planning, followed by action to establish new procedures and organisations and to provide funds from government sources for aspects of cultural development that previously had received little or no support. This impetus gave rise in 1983 to a statement by the Government that expressed their wish to see further emphasis given towards providing access to the arts, and community participation in them. In response to the Government's emphasis in its arts policy on promoting community access, the Council established a special Touring and Access Programme in the same year. The principal Council objectives in 1984-85 were once again, access and participation for the general community and increased assistance for the individual artists as opposed to the institution; both of which were accompanied by significant increases in funding. These were responses to the development of new relationships between community groups and artists, which were seen to transcend the traditional relationship of an external expert commissioned to perform a specific task. Although not directly involved in the dispersal of funds, two new standing committees of Council were formed. The Women and Arts Committee concerned with promoting equal opportunity for women, both in the Australia Council itself and the arts generally was formed in response to Government policy on women's rights and in the light of Council's own and other research findings on the adverse circumstances of women involved in the arts. 26) Also formed was the Electronic Media Committee, responsible for broadening access to the arts via the electronic media.

On the basis of the National Commission's findings and all other available evidence, increased government intervention would appear an unavoidable and essential aspect of the drive

towards the political, ideological and administrative reforms now considered necessary by the Government. The last two decades have been a period of widespread review and changes in social conditions and objectives. Australia's somewhat unique cultural infrastructure requiring at times rapid and innovative solutions in response to complex and diverse problems of communication in its broadest sense has undoubtedly given rise to the feelings of urgency now being shown for cultural reform. Individuals and minority groups have mounted vociferous challenges to systems devised for hypothetical norms. Simple appeals to philosophical values, supported by a thin veneer of what is usually anecdotal evidence is no longer sufficient. The period has been marked by challenges to materialism and to out-moded attitudes and inadequate cultural institutions. Discussion has taken place widely in the media and through the community and has been sufficiently strong as to have had considerable political impact. In Australia the arts are now much closer to being a vote catcher than ever they were. 'Managerialism' or 'consensual technocracy', phrases first used by Trevor Smith to describe the dawning of a new era and the end of an age of class conflict and ideological dispute has itself fallen prey to that which it once sought to remove and render redundant. A reconciliation, it is felt, would contribute towards actualising the potential for human learning, which has been called the ultimate planetary resource ²⁷ towards developing a more mature, balanced and healthy citizenry ²⁸ and towards defining goals and values for public policy appropriate in the post-modern era. ²⁹

By comparison with other branches of government where change has been a little less radical and rather slower, there has been a rapid increase in the number of organisations providing cultural policy, advice and carrying out development work. At federal level, departmental responsibilities have been modified to accommodate new cultural initiatives, most of which are now the consolidated responsibility of the Minister of Arts,

Heritage and Environment. At state level there have been parallel developments in administrative arrangements. Hasty implementation has on occasions only served to highlight the problem of how to provide for acceptable levels of art while catering from finite resources for mass interest. The rapidity of growth has strained the available resources of professional knowledge, managerial skills and talents, so that a period of less than desirable quality may well be necessary before adequate systems and laudable results can be achieved. To nurture the push for more innovative and experimental art it is acknowledged that it might be necessary to sustain something of an artificial market for a period until such time as public taste has a chance to catch up. An eight year transition period during which it was expected that there would be a three year hiatus (artificial market period), was considered not unrealistic by the Industries Assistance Commission. Companies that had been supported in the past would obviously have become reliant on its presence for their existence. It is envisaged that a reasonable transition period would allow alterations in structures and give them time to reorient their activities so as to capitalise on the opportunities created by the proposed education, dissemination and innovation initiatives. For the presently subsidised companies the major difference would be that they would now have to compete with other companies and activities for the available assistance on the basis of the contributions they could make to furthering education or innovation in the arts. The assessment of claims for assistance for innovation will involve artistic expertise and some judgement. It will also require co-ordination between different innovations and with the dissemination and education initiatives. These are among the reasons for centralising administration in the Australia Council. The Council's fears, however, are to do with its future role. Increasing Government intervention combined with the general push for more local government community centred decision-making has left the Council wondering whether,

its functions may become limited to those of a clearing house responsible for administrative arrangements only, such as co-ordinating the disbursement of funds - a far cry from its present power and responsibilities of largely determining to whom and at what level those disbursements should be. But even in this role the Council would have its critics who claim the centralisation of client applications in its Council's offices in Sydney and the inability of Council representatives to visit clients in the regions makes for less informed assessments. The Council has also commented on the folly of this aspect of centralisation which sees a disproportionate share of its resources absorbed in processing applications for small grants. Claims of (unwitting) favouritism shown by Council's staff toward the Sydney arts community, although not necessarily borne out by the evidence, are serious enough to warrant further comment here. The allegations that the Council is biased toward Sydney and New South Wales reflect a need for it to make greater efforts to be accessible to the arts community. Responding to the challenge the Council has installed a toll-free telephone line, which has been so much in demand that a second line has been provided. The Council is also examining ways of increasing the effectiveness of its grant programme publicity. At the same time it considers that more travel by its staff is a key element in improving communication with the arts community. Both the arts community and the State Arts Directors have called for more personal contact between the Council's staff and its clients. The Council is trying to appropriate more funds for increased travel and is examining the feasibility of establishing small access offices in other states.

One of the ways, at least in principle by which the Australia Council can pursue its policy objective of increasing access and thereby reduce the putative effects of its location is the devolution of some of its grant-making responsibilities to other bodies.

Devolution was first considered by the Council in 1976. A report prepared by the management consultants, McKinsey and

Company, recommended that the Council 'decentralise decision-making for programmes which are regionally based and involve small grants, but implement (devolution) at a manageable rate'. Accordingly, in 1976-77 a devolution programme began, involving the State arts authorities and other bodies. It was beset by obstacles however, including those arising from the limited 'free' funds available for the purpose, opposition from some of the Council's Boards (the Aboriginal Arts Board, for example, was unwilling to relinquish its decision-making powers to any group that was not wholly Aboriginal), and concerns expressed by most of the states arts authorities about the administrative burdens imposed in relation to the amount of funds devolved. In 1976-77 about \$274,000 was devolved. However, by 1983 the amount had fallen to approximately \$135,000.

In December 1983, as a result of the debate arising from the work of the Study Group on Federal and State Funding of the Arts, the Council considered a comprehensive discussion paper on devolution. Several possible models for devolution were reviewed besides that used at present by the Council in which a small part of its funds are devolved to arts/community organisations, which then make grants to end-recipients.

The Council agreed that further devolution might achieve some worthwhile objectives and should be explored. However, there was concern that in some art forms devolution was less appropriate than in others, and also that in some art forms there were no appropriate bodies to administer devolved funds. The Council expressed the view that devolution should be considered in respect of arts organisations, not the states arts-funding authorities. It adopted broad guidelines on devolution and referred them to the State and Territory Arts Directors for consideration.

At their April 1984 meeting with Australia Council officers, the Arts Directors supported limited devolution in terms of

guidelines proposed by the Council but noted that there was still some artist resistance to, and suspicion of, devolution; that devolution could create more rather than less work for funding bodies; and that a number of State and Territory arts authorities had experienced difficulties with devolution in the past. It was agreed that, the Council should continue to examine the matter, with a view to presenting a report to the Cultural Ministries Council in due course. In the meantime, the Australia Council asked its Boards to consider introducing further devolution of funds in appropriate cases.

The Council is stressing that devolution is a complex issue in which many interests and principles are involved. Large-scale devolution of funds (with the concomitant transfer of grant-making to other bodies) would threaten the all-important (or so it is seen from the Australian point of view) nexus between policy development and grant-giving. The need to maintain this link is strongly supported by the Council for two reasons. One is that, without funding capability, a policy-making agency lacks muscle to give effect to its developing strategies. The other reason is that the process of grant-making and follow-up is the principal means by which artists and art organisations at large can influence policy development - in particular through reports and representatives at the completion of their projects. The Council believes that, in any case, the fullest possible consultations with the arts community and State and Territory agencies must be undertaken if the question of extended devolution is to be considered.

During 1986 the Council spent a great deal of time considering the processes relating to the arms length principle and Ministerial directions about Government policy. In particular, at its February, April and May 1986 meetings, the Council discussed the possibility that the Minister might wish to seek an amendment to the Australia Council Act to specify more clearly his power to give general policy directions, while still permitting the Council and its Boards to operate on an arms length basis

with assessment and decision-making on grants being carried out by peer groups. The issue was whether Government intended cutting across the principle of arms length funding and peer group assessment and decision-making, concerning grants.

The Australia Council strongly affirms the value of its arms length relationship with Government, believing that its statutory independence is fundamental in upholding freedom of artistic expression and in ensuring that government funds are not restricted to politically acceptable art. It is clear that in this they also have the support of a large number of artists as was noted in the communique of the Commonwealth, States and Territory arts ministers following their meeting in February 1984, and of the community, following research carried out in 1982.³⁰

The previously agreed convention was that Governments should refrain from explicit directives about the funding of artists or organisations although it was always understood that Councils should take account of government policies concerning both arts support and statutory authorities and their operations. In reality, the Council is subject to overall Government policy through its budget appropriations including the approval of new policy proposals. Ministerial approval of the forward estimates of expenditure for each financial year is required. The Minister has the power to make appointments to the Board and to make recommendations to the Governor-General on appointments to the Council. The Council has an obligation to keep the Minister informed on its activities and maintain discussion on policy priorities in the light of Government objectives. In its 1984 submission to the House of Representatives, the Council by way of inadvertant admission of its role referred to itself as 'a mechanism by which Government policy is implemented

in the arts' providing a clear indication of where major policy decisions for the arts originate..³¹ The reader will recall how in chapter one, Sir William Rees-Mogg described the Arts Council in similar terms. Moves to clarify processes for control and accountability in respect of the Australian Council are part of general trends in Australian public administration. Government has been looking critically at the rights and position of statutory authorities and their role within modern government administration. On this subject the McLeay Report stated that while the Committee accepted that a high degree of independence is desirable in grants administration it could not accept that the Australian Council should establish policy independent of government. In exploring the concept of an arms length arts council as opposed to an arts ministry, the Committee acknowledged the advantages and disadvantages relating to grants administration, arts advocacy and policy development. Whilst supporting an arts council as the best avenue for the former two, it felt that this model which has been traditionally the champion of the high arts was not the most appropriate body 'to be granted autonomy in an arts (in the broadest sense) support policy'. The Committee further felt that the peer review principle had been taken to mean that arts grants should be under the control of, in the Council's words, 'artists and their colleagues' (from its submissions to the Committee).

It was the Committee's opinion, however, that apart from the difficulty of deciding which artists or colleagues should make the decisions, a difficulty incidentally which has led to much contention among artistic factions, the peer review principle ignored the public interest in the direction of what is after all, public funds. Significant was the Council's response to this which is taken from its 'Artforce No. 56' publication which states, 'there remains a significant gap between the Committee's thinking and the Council's own position on the role of Government'.

The fact remains that subsidisation of the arts as a means of increasing and diversifying the flow of social comment must naturally raise the question of possible direct or indirect political influence on the ideas expressed. Whatever the theoretical impartiality of the arms length system of subvention (theory being the strongest word that could be applied to it), it is entirely possible that there will be bias towards views acceptable to the government of the day. Furthermore, even if there is no direct influence involved, social comment produced with the aid of government subsidy could be seen - rightly or wrongly - to be, to some degree, tainted. Meanwhile, the arms length principle remains a major source of self deception and, at times an unnecessary obstacle to progress.

It is in this area of the processes governing Ministerial directions that difficulties are arising for the Council. The degree of alarm emanating from the Council is not unlike that arising from those companies who no longer feel safeguarded to the same extent by the old pattern of funding. Like the Queen Elizabeth II Arts Council, a once self-contained, rigid, bureaucratic entity, the Australia Council will of necessity be required to change as part of the new rather anti-centrist and much more flexible approach to decision-making. Changes to the structure on the lines discussed are reflective of the positive relationship between public accountability and the concentration of authority, ie, the degree to which authority for decisions rest in controlling units of line' personnel outside the organisation and is centralised at the hierarchical levels within it. The new initiatives are producing a greater awareness of the need for better accountability at all levels but especially between the funding bodies and the consumers below it. Efficient public accountability is a principle which is applicable to any form of public subvention but is especially relevant to an area so prone to subjective judgement, self-interested initiative and often intangible results. The Australia Council's own accountability is being reviewed

in the context of the Government's revised policy for the arts and in terms of carefully argued assessments of the public benefits involved. Apart from providing the co-ordination necessary to reduce the present waste of resources (discussed in the Australian Industries Commission Report'), reference is being made to the desirability of treating the available assistance as a whole, for distribution purposes, so that to the extent practical and appropriate, the activities of the different instrumentalities complement rather than compete with each other. The comment was made by the Australian Industries Commission that the Council should be required to issue regular reports throughout the year on the functioning of arts policies as well as its Annual Report which is somewhat perfunctory. These additional reports should not only satisfy traditional accounting conventions but should give reasoned assessments of the effectiveness of public assistance for the arts in terms of benefits to the community and national policies that are increasingly more specific in their content. It should, in its reports, indicate the reasons it has for favouring innovatory activities it has assisted over others. Public scrutiny of the objectives which the Council considers desirable, and of the patterns of assistance directed to those ends, would assist in ensuring that the funds made available for the arts are being used in ways which the community considers justifiable. Currently this is not generally possible. Other funding bodies provided with direct federal assistance like the ABC, ABCB and AETT must be given the same criteria for more effective accountability. In turn the ability of the various funding bodies to discharge their joint responsibility for implementing national policies and their ability to account convincingly for their actions and disbursements and generate understanding of the place of the arts in society, would be enhanced if applicants for assistance were also required to justify (or endeavour to justify) their requests in terms of the benefits the community might reasonably expect.

The Australia Council's expectations of Government accountability especially in light of its greater involvement are equally expectative. Irrespective of whether the power for Ministerial direction is given statutory form, the Council would wish to see certain principles applied to the process. Accordingly, at its February 1986 meeting, the Council agreed to recommend, with respect to such directions, that there should be prior consultation between the Minister and Council; that any direction should be in writing and tabled in Parliament not later than fifteen sitting days after being issued; that the direction and its content be recorded in the Annual Report, together with any significant consequences; and that Council accord it appropriate publicity in the meantime.

One alternative that has been given some consideration is that of a supreme co-ordinating body with the authority to ensure that all federal assistance was utilised in a complementary and rationally planned manner and with the responsibility to account for it. This approach however is not generally favoured and for good reason; for it may well encourage rather than discourage, the imposition of a particular groups' cultural standards and priorities on the community at large. It may also have similar dangers in the social or political field.

A wider accounting of all the various representatives in the arts framework is bound to create a greater understanding of the contribution the arts can make to society and the information and experience gained from careful monitoring of the results of the proposed policies, should allow subsequent assessment of assistance to the arts to be more factually based. Notwithstanding, the Policy and Planning Division of the Australia Council commissioned in 1985 an analysis, taken right down to the local government level of funding by the Council, State arts authorities and local government bodies throughout Australia. Among other projects in this field, negotiations are continuing with the Australian Bureau of Statistics

to help ensure that its major collections such as the Census of Population and Housing and the Household Expenditure Survey will be able to provide suitable information for arts policy development purposes.

In an effort to reflect current government thinking (and thereby procure more Government money) the Australia Council, following the Galbally Report in 1978 (a Government review of post-arrival programmes and services for migrants) and a subsequent evaluation in 1982, responded by adopting a Multi-Cultural Arts Policy and set up a Central Incentive Fund to encourage all Boards to participate in the programme. The Incentive Programme was extended to incorporate Artists-in-Community, Art and Working Life and Youth Arts. In the main, the appearance of community arts in local government has been in the large metropolitan and provincial-centre councils, and in New South Wales and Victoria much more than in other states. Although needs, problems and priorities are different in each state and in each type and size of council, by local government standards, the pace at which community arts have spread into these local government areas has been nothing short of remarkable. This is largely attributable to the influence in Council of the Community Arts Board and its programme of financial support for municipal community arts officer appointments. 32

Special interest is being shown at community level, for it is here that government policies are most likely to come to terms with the social problems that frequently deprive people of access to the arts. Special community arts services have been developed for disadvantaged children, people in hospitals or old people's homes, and for prison inmates, and for outer suburban regions where population growth has outstripped the provision of amenities for recreation and the arts. The same applies to ethnic groups which can seek financial assistance and advice on ways of maintaining their cultural traditions. The Aboriginal programme is central to the Council's responsibility

to preserve Australia's artistic heritage and national identity. In this quarter of arts funding the Council's aim is to encourage non-traditional art activity as well as traditional forms. The Australia Council's commitment to, 'Central Touring', 'Access' and 'Artist in Community' programmes is demonstrated by the fact that in the years 1982-86, 97% of the real increase of the \$M 5.851 in the support appropriations supplied by the government was spent on access and participation. In the same period Council also gave a higher priority in its budget strategy to central and Board programmes that created employment for individual artists.³³ There seems little doubt therefore that the balance between the metropolitan areas and the regions and between large institutions and small companies/individuals is changing in favour of the latter in each case.

These changes at the community level are beginning to be reflected in the structures of the funding bodies. In choosing board members for the Australia Council efforts are being made to reflect the main trends within the different art forms as well as regional and other relevant interests.

Board members are appointed by the Minister who seeks advice from Council and other organisations involved in the arts. More importantly the Minister is also obliged to take into account nominations received from the public in response to annual advertisements placed by the Council. In addition the Boards have over the last ten years been experimenting with different methods of consultation with the arts and wider community.. Most of the following methods are used by one or more Boards:

- . Public meetings - held in various centres both city and regional, with all Board members attending; advertised in the press; generally in conjunction with a Board meeting.

- . Public meetings held by a Board Director; or meetings of associations to which the public is invited because of the attendance of the Board Director.
- . Discussion groups or seminars with invited people; participation in outside seminars or forums.
- . Discussion at Board meetings or other functions with artists and client organisations invited to attend.
- . Circulation of draft discussion papers for comment by the arts community.
- . 'Open interviews' - where the Board Director or project officers will advertise their availability in the city or country town on specified dates and invite people to make appointments. This is usually arranged in conjunction with State arts authorities or local arts groups; particularly to meet people who have no previous contact with the Council, to broaden the Board's knowledge of needs, identify artistic skills and encourage people's ideas for arts practice.

The former predominance of professional artists among Board members was intended to provide informed judgements on art development. In the circumstances, judgements were once again largely subjective, and the approach to art developments largely empirical. The generalised guidelines of the Council helped artists interests prevail and these were not always seen to coincide with the interests of the community. This skewing of interests was in some ways not as bad as that to which the British system has fallen prey since the existence of a small population means that the art world is sufficiently small to allow for a higher degree of personal familiarity which makes for a levelling out effect. Nevertheless, for the benefit of the aforementioned programmes, a higher incidence of arts educators was called for. New initiatives of this kind may well have the desired effect of producing a better balance in the make-up of the Boards, Panels and Officers. Allied to this last method is the Community Arts Board's field officer programme which is concerned with the assessment of special

needs. Under this scheme local government authorities are funded by the Council to employ short term consultants to assess the arts needs of the community, to assess proposals and investigate opportunities to expand arts activities. Networks of community arts workers exist in most States and Board and staff members attend their meetings regularly. This contact provides a valuable basis for the assessment of needs at grass roots level. Information collected by the Community Arts Board in these ways is shared with other Boards as appropriate, as these Boards are now also concerned with fostering the arts at community level.

In light of this and other considerations touched upon, the Government may consider it appropriate for the Board to represent an ever widening range of interests in the community. In turn this will require the Council having a new modus operandi from which to work, providing government with one more justifiable reason to be more closely involved in what is going on. Growth schemes being implemented by the boards include moves to make quality art activity more widely available by touring, by improved marketing and promotion, by consumption incentives and above all, by generating such a large increase in the art-activity flow of information that everyone has the opportunity of either doing, seeing or joining something to do with the arts. Incentive programmes are being aimed at those who are at present indifferent or antipathetic to the arts.

Whether entertainment provided by the arts is a justification for their being assisted is another issue currently being debated in Australian cultural circles. The Industries Assistance Commission report which decried such justification did so on the grounds that in their opinion the provision of entertainment and related forms of personal enjoyment or the enhancement of personal satisfaction (either for audiences or performers) do not themselves justify public assistance. It was felt by them that the unique qualities of the arts, and performing arts in particular, are not expressed by either of these functions. It is true that there are many other activities which serve

the same purpose and, on those grounds, could have equal claim to public assistance. These include reading and a growing number of alternatives such as cinema, foreign travel and sporting and recreational facilities which compete for the individual's resources. The new recommendations now being made may well foster the general availability of the arts, and thus of entertainment, but this would be for reasons other than the provision of entertainment alone. It appears self evident that if government assistance were able to be claimed for entertainment value alone, the drain on resources would be endless. Albeit the counter Australian argument that leisure activities and entertainment should be subsidised can be advanced only on merit good grounds since it is clear that the entertainment value of a performance accrues to the audience attending it and apparently also to the performers taking part and as such is not an external benefit the presence of which may justify intervention. Other critics disagree with the same point of the rationale, arguing instead that those enjoying the performing arts would be likely to engage in less socially costly behaviour because of their attendance. This argument seems to have little, if no, validity; it seems more likely that the performing arts for instance will attract the type of person who will be less likely to undertake socially costly behaviour anyway. Rather it might justify specific assistance by the appropriate government authority (for example, Department of Foreign Affairs) to whatever activities it judges will be most effective in achieving the goals in this area. The authorities seeking the achievement of these specific objectives should be responsible for deciding which activities, performing arts or otherwise, will best achieve its end and provide funds accordingly. In this way they will have an incentive to ensure that their funds are used in the most efficient and effective way from the viewpoint of the nation as a whole.

As was noted earlier, in cases of market imperfections the allocation of resources will be prevented from reflecting consumer preferences and relative costs of producing different goods. Monopoly in the supply of inputs or outputs and institutional restraints on competition are examples of market imperfections.

Again traditionalists suggest that, without continuing subsidies at least at the present levels, some elements of the performing arts in particular will not survive to be available should there be a future demand for them. This is an argument for the maintenance of the present groups of highly subsidised, performing companies but there is no evidence and therefore no real justification for believing that future tastes will be favourable to this group of companies or activities. It would be presumptuous, would it not, to assume that the future availability of the arts depends on the survival of the current existing companies. Arts work generally will continue to exist and to be created. As in other types of performing arts not produced live in Australia, or anywhere else for that matter, recorded presentation will be available to provide the experience that can allow people to judge whether they want the art presented live. Ways of overcoming the present inequalities in funding patterns must go beyond touring and outreach, important though they are, to considerations of the electronic media. For those concerned with per capita equity, so far as access is concerned, this must in future be of enormous importance. Much of the arts access debate of the future will be a matter of broadcasting and video policies.

Those concerned with achieving the best allocation of national resources in this field should consider a different compromise between reaching many people as cheaply as possible (by making more use of electronic and related means of dissemination) and the alternative of offering experience of live performance to the small numbers to whom it can be made available - particularly with any regularity and variety. The use of television as a means of direct promotion for the arts has not gone unnoticed by the Australia Council. It

has therefore allocated funds for the development of a national campaign which will (in keeping with its new aims and aspirations), present an image of the arts as diverse and exciting local activities. It is expected to bring substantial benefits to arts organisations and artists in terms of increased local community support, and in the longer term a changed image of the arts. Additionally, and of import to this discussion, an effective growth of dissemination through the recorded and mechanical media will have far reaching repercussions with respect to the validity and practical application of the arms length principle as currently conceived. Whilst this may concern the most traditional elements of the Australia Council and those of like mind, it does not appear to be deterring the Government or the remainder of the arts populace eager to see cultural reform and technological advance.

If there is adequate demand for a particular type of work then the resources will be attracted for its presentation. If the costs of presenting a particular arts activity live are so high that people are not willing to pay an adequate price then that is perhaps the best evidence available that consumers consider their money can be better spent on other activities. In the absence of other grounds warranting discrimination in favour of particular art forms or activities (and thus at the expense of others) there is no justification for disregarding consumer preferences as the prime guide to the services consumers want. And as regards international prestige (often used as a counter argument) the 'cultural life' of a nation can be one factor prompting mutual respect and understanding but it seems likely that these benefits, if they do arise, will come at least as much from the community's general cultural level as from certain types of performing arts. It is clear that achievement in the performing arts is one route which a country may take towards international recognition. However, it is not the only one and may not be the most effective. Recent attempts at cloning, in an

effort to popularise the Royal Shakespeare Company and Bolshoi Ballet, have done little for their respective countries either at home or abroad.

It was noted in the preamble to this chapter that government intervention, a feature now very much a part of the Australian cultural scene, may be justified to redistribute income and that generally income supplementation should be the preferred means of intervention. However, there are obviously many cases where, as a means of redistributing income, the Government does decide to provide services that the market could otherwise provide. The clearest cases are payments of income-in-kind to low income groups through, for example, subsidised housing. However, the public provision of parks, art galleries and museums are also examples of cases where this type of decision is being made. Other branches of the arts (and again presumably the activities being subsidised) have been compared to them as justification for subvention. Indeed it is the opinion of some that unless the most expensive art forms are subsidised, only the very wealthy would be able to attend. Others do not agree that museums and art galleries are publicly provided as a form of income redistribution. They see them instead as either a type of merit good or public good, and justify intervention in the former case on the grounds that some group in authority knows best the interests of society and in the latter case on the grounds that they will not otherwise be provided in socially optimal amounts and that the consumer's choice will thus be restricted.

However, the services of museums and art galleries do not have the characteristics of public goods elaborated on at the beginning of this chapter. Instead people can be excluded from consuming them if they do not pay and the amount consumed by one person at one time reduces the amount available to others at the same time. In the case of museums, parks and art galleries, the services need not necessarily be provided

by Government or with government assistance. Private collections of paintings or artefacts exist and there are private parks operating that charge an entrance fee.

The performing arts may, in some sense, be analogous to services such as parks and museums. But even if they are, there is no need for the Government's decision to provide one (say parks), automatically to imply that it should provide others, much less does it imply a case for providing certain types of 'high' art at the expense of those that are not. While there is general acceptance of the justification for Government redistributing resources for welfare purposes there is far less accord when that intervention is seen to favour certain arts and not others.

Many of the proponents of public support of the arts adopt, implicitly, a 'merit good' approach. This implies that individuals, if faced with the true cost of the arts, would be irrational in their consumption patterns. This approach relies on someone taking the view that 'individuals do not know what is good for them'. In the absence of any sound evidence the Australian authorities are proceeding with the plans to democratise cultural decision-making by attempting to give more credence to market forces and by allowing wider representation in decision-making processes. The findings of the commissions documented in this appraisal of the Australian cultural scene bear testimony to the possible external benefits that can be derived from the arts. Additional evidence supported by the arguments contained herein suggest that total welfare in the arts could be improved by a higher profile of government intervention which is why the Australian cultural authorities are concentrating on describing a form of intervention which has more desirable characteristics than that which presently exists under the arms length principle.

1. B. J. Thompson, C. D. Throsby and G. A. Withers Measuring Community Benefits from the Arts (Sydney: Macquarie University School of Economic and Financial Studies, February 1983). p.3
'The actual willingness to pay for arts support indicated by respondents, even after controlling for various methodological biases ... substantially exceeds current levels of public funding for the arts in Australia ... The results of the survey are consistent with the suggestion that present levels of arts support are justified and perhaps in fact some increase in arts subventions at this time would meet with general public approval. The wider public is appreciative of the community benefit that it sees as being provided by the arts in Australia'.
2. See Opera Music Theatre in Australia. Report to the Australia Council by the Committee of Inquiry (May 1980) pp 9-10
3. Australia Council, An Australia Council for the 1990s Advice to the Minister for Arts, Heritage and Environment under Section 5(c) of the Australia Council Act in Response to his Request for a Review of Role, Organisation and Operations, 1986.
4. Jean Battersby, Cultural Policy in Australia (Paris: Unesco, 1980).
5. Australia Council, Inquiry into Commonwealth Assistance to the Arts: Submission to the House of Representatives Standing Committee on Expenditure (Part B), May 1985, p.27
6. Ibid pp29-31

7. See Radio Sets and Their Users, (BBC Research Department, Table 1, Vol. 4, 1982) and Social Trends (Central Statistical Office, 1987 Edition).

8. David Cwi, 'Merit Good or Market Failures: Justifying and Analysing Public Support for the Arts in, Kevin V. Mulcahy and C. Richard Swaim (eds.) Public Policy and the Arts (Colorado: Westview Press, 1982).

9. For mathematical and diagrammatical proof of the intuitive explanation given, see:
P.A. Samuelson 'Diagrammatic Exposition of a Theory of Public Expenditure'. Review of Economics and Statistics, Vol. 37. 1955

10. William J. Baumol and William G. Bowen Performing Arts: The Economic Dilemma (New York: The Twentieth Century Fund, 1966) p.381

11. The role of the arts in urban economic development is examined in David Cwi The Role of the Arts in Urban Economic Development, Urban Consortium monograph, the Commerce Department, Economic Development Administration, Washington, D. C., 1980 and in 'Models of the Role of the Arts in Economic Development', in Hendon, et.al., eds., Economic Policy for the Arts.

12. Kevin v. Mulcay and C. Richard Swaim (eds.) op.cit p 42.

13. Alvin Toffler, 'The Art of Measuring the Arts,' in Bertram Gross, ed., Social Intelligence for America's Future Explorations in Societal Problems (Boston: Allyn and Bacon, 1969), p.263

14. Dick Netzer, The Subsidised Muse (New York: Cambridge University Press, 1978), p.23
15. C.D. Throsby 'The Economics of Melodrama,' Current Affairs Bulletin (Australia), September 1977, p.8.
16. David Cwi, op. cit p.81
17. Hilda Baumol and William J. Baumol, 'On Finances of the Performing Arts During Stagflation: Some Recent Data,' The Journal of Culture Economics 4 (December 1980) pp.12-14
18. David Cwi, op. cit p.78
19. Peter Drucker, 'Managing the Public Service Institution' The Public Interest 33 (1973); reprinted in Managing Nonprofit Organisations (New York: Amacom, 1977), p.22.
20. Alvin Peacock, 'Welfare Economics and Public Subsidies to the Arts,' The Economics of the Arts Mark Blaug, ed., (Boulder, Co: Westview Press, 1976), p.333.
21. Australia Council, Submission to the House of Representatives Standing Committee on Expenditure: Inquiry into Commonwealth Assistance to the Arts (Part A), October 1984, p.11.
22. See in particular E. H. Clark 'Multipart Pricing of Public Goods' in Public Choice (Autumn, 1973) pp 17-33.
23. J. G. Head provides a comprehensive analysis of the merit good approach in, Public Goods and Public Welfare, (Durham: Duke University Press, 1974)
24. Dick Netzer, op. cit p. 82.

25. The Arm's Length Principle and the Arts: an International Perspective - Past, Present and Future, Canada Council, Research and Evaluation, Ottawa, 1985.
26. Women in the Arts: A Strategy for Action. Australia Council, Sydney 1984.
27. J. Botkin, M. Elmandjra, M. Malitza, No limits to learning: Bridging the Human Gap. A report to the club of Rome. (Toronto: Pergamon, 1979)
28. M. McLuhan, "The Eye and the Ear of the Hemispheres of the Brain", Futures Canada, Vol 2 No. 4 1978.
29. W. Harman, "Mind Research and Human Potential", Congressional Clearing House on the Future, Vol. 4 No. 5, November 1979.
30. David Throsby and Glen Withers, What Price Culture, Australia Council, Sydney, 1984
31. Submission to the House of Representatives Standing Committee on expenditure - Inquiry into Commonwealth Assistance to the Arts. Part B (Australia Council October 1984). p.32
32. See Local Government and the Arts in Australia, Australia Council, Sydney, 1982.
33. Australia Council, Artforce No. 56, 1986, p.11.

Chapter 7

The American Experience

Both Australia and the United States have a national governmental arts funding and fostering organisation. Other similarities are difficult to find. There are, for instance, no real Australian equivalent organisations (except West Australia) for the State controlled arts councils in the United States. Unlike the West Australia Arts Council, however, these state bodies receive direct federal grants for their arts activities. In September 1965, Congress established the National Foundation on the Arts and the Humanities as an independent agency of the executive branch of the federal government. The foundation is a legislative umbrella concept; it has no administrative or programming identity separate from its components. The Foundation included the following organisations: the National Endowment for the Arts and its National Council on the Arts (in existence since 1964), the National Endowment for the Humanities and its National Council on the Humanities, and a Federal Council on the Arts and the Humanities.

A fear expressed in 1965 was that government would come to dominate the cultural life of the nation through its predominance in funding arts organisations and institutions. However, through the provisions of the Act certain protections were incorporated to help prevent this eventuality. For instance, except in certain rare circumstances, the Endowment is not permitted to fund more than 50% of the cost of a project. In fact, during the 70s, the level of Endowment subsidy to arts institutions was between 10-15%, and in the 80s it is much lower.¹ Though Endowment grants have been project-oriented, its funds have been concentrated among a relatively few organisations; an indication perhaps that these

organisations have been able to develop fundable projects which provide them with a fair degree of ongoing Endowment support.² Decentralisation had been written into the Act through the mandate to transfer Endowment funds to State arts agencies. Accordingly, the Endowment must pass along no less than 20% of its appropriation for grants to the State arts agencies. It used to be the case that the chairman, on the advice of the Council, decided what fund would go to the states but as of 1973, Congress took it upon itself to establish the levels. It is still the case that Council advises the chairman on programmes, policies and procedures. It also reviews and makes recommendations on applications for grants to the chairman, but, by law (if not always in practice), the chairman makes final decisions on policies, programmes, procedures and the awarding of all grants and contracts. The relative emphasis of the state arts agencies grant giving to such areas as audience development and outreach activities as opposed to institutional funding is in part dictated by their enabling legislation. Massachusetts is obliged to commit 20% of its grant money for producing and presenting the arts to contemporary work. New York, under current legislation, is required to provide cultural services equivalent to 55¢ per capita to each county (there are sixty-two in the State). By contrast, New York is currently required to award 50% of its local assistance funds to primary institutions. California, on the other hand, is required to spend at least 50% of its funds to provide outreach activities and services.³

The fear that government patronage would lead to government censorship concerned artists when the Act was passed. Feelings aroused by the events of the 70s - the Black Revolution, the Women's Liberation Movement, and opposition to America's participation in the Vietnam war - found expression in the content of artistic production making it difficult for the Endowment to meet its commitment to

support of the contemporary arts and at the same time retain the confidence of Congress.⁴ Nevertheless, despite occasional pressures from special interest groups, the Endowment has been largely successful in maintaining its autonomy.

The Endowment is constantly assessing its effectiveness in the changing arts scene. Its successes prompted Margaret Wyszormirski in 1987 to speak of it in the following glowing terms: 'Within the last decade, the federal government specifically the National Endowment for the Arts, has become the leading patron of the arts in America, being both the single largest source of financial support as well as the conceptual pacesetter in the field.'⁵ Throughout the 80s a number of changes have taken place. The Design Arts Programme was revised to concentrate more on advocacy; emphasis was increased in the Challenge and Advancement Programmes for assistance to arts institutions to enable them to build capital funds allowing them to take risks in the repertoire produced; funding was passed along to regional arts agencies for projects aimed at the entry levels; and more emphasis has been placed on arts Education in the hope that it will become a basic part of the school curriculum. Increasing emphasis is being placed on the development of the arts audience where the endowment has a duty (cited by National Endowment for the Arts, 1984) to provide information about the arts, their artistic and financial health, and the state of their audiences. The Endowment considers that its mandate to support access to artistic excellence, is intertwined with the objective of supporting such excellence and has devised programmes to disseminate the arts to as broad an audience as possible. State and local arts agencies with more immediate contact with the public are also very much involved in expanding the audience for various art forms. To fulfil its mandate to preserve the country's cultural heritage, the Endowment has developed programmes to assist apprentices to work with

master folk artists and to reward in some way master traditional folk artists who have made significant contributions to the nation. ⁶

Access and availability have become keynote themes in recent years. In 1981 then chairman of the Endowment Livingston Biddle, implemented the Advancement Grant Programme which was designed for small artistic organisations but as Lawrence Mankin has demonstrated, large art organisations remain the prime beneficiaries of the Endowment's grant programmes. ⁷

There is a diversity of funding in America. According to the 1988 publication. 'The National Endowment for the Arts; How it Works'.

83 per cent of total arts funds in the United States come from the private sector in the form of property, financial contributions, bequests and volunteer time. Foundations account for an estimated 15 per cent of the 83 per cent. Most arts projects in the United States are privately funded but because city funding, state funding and federal funding are also available, quite often each agency of each level will be required to pay for a particular part of the programme. Applying for funds from two or more sources in other countries would usually result in some suspicion; in America it is not only desirable but usually necessary to seek matching grants from as many sources as possible. In many projects, federal money frees state and city money, which in turn frees foundation money. As a general principle public money carries with it a 'Seal of Approval' which is often very important in securing funding from other sources in the private or corporate sectors. Corporate support has traditionally gone to health, education and welfare; as government takes on more responsibility in these areas and as the arts become more intertwined with them, it now seems that more corporate money is finding its way into the arts. As with foundation money, much of this funding is used to attract matching grants made by state and national grant giving bodies. The existence of the Business Committee for the Arts (B.C.A.) is of considerable lobbying importance in United States

arts funding. It is a private tax exempt national organisation formed in 1967 with seed money provided by the Rockefellers. The BCA reported that corporate giving to the arts rose 32 per cent in 1982 - notwithstanding a 45 per cent reduction in pre-tax corporate earnings that year. Public sector funding accounts for approximately 17 per cent of the sums needed to fill the earnings gap in the professional, non-profit arts economy: state and local arts agencies provide 12 per cent while the National Endowment's share is 5 per cent. 8

Diversity in cultural policy is one of the touch stones of the American position. The states, cities, private groups and individuals are free to develop separate and unique positions independent of Washington. Freedom of expression is embodied in the Mission Statement of the Endowment, adopted in 1983 which serves as a warning for the Endowment lest it, 'under any circumstances, impose a single aesthetic standard or attempt to direct artistic content' (cited by National Endowment for the Arts, 1984). It could be argued that a more deliberate policy could result in less waste of time, money and energy. It is apparent that it is extremely difficult to develop long-range plans under this system. Since there is no deliberate controlling force, there can be no single evaluation of its work. Certain kinds of negative evaluations can be made - the problem did not diminish because massive action is never brought to bear. However other countries with more forceful ideological cultural policies can also appear to evaluate negatively. These countries (England being one of them) tend to view with suspicion those projects on the fringes of their political and ideological experience, whilst largely leaving the centre alone, assuming them to be successful and palatable to the people at large. Long-range plans are hindered by a lack of long-range funding for the most part. If a reasonably simple method for producing local and national, private and public future resources could be developed, then planning to meet needs could be more effective. The threat to arts funding in the current economic climate has prompted discussion on the feasibility of a national artistic economic council, meanwhile, it is necessary to expend in hand-tailoring each separate long-term project and persuading each sector of society of

its potential benefit. Developments in the United States and the United Kingdom are in part mirror-images of each other: in America the forced increase in acceptance of responsibility for financial support by the various government bodies is paralleled by our own growing search for support from the private sector: again, the reluctant acceptance in the United States of responsibility for ongoing commitments and not just 'new' programmes crosses the United Kingdom's attempts in recent years to shed this burden where possible or share it at least.

After nearly a quarter of a century of sustained economic expansion and prosperity, the American economy, like that of most of the rest of the world, has recently been struck by the impact of both inflation and recession. Like Australia, this has meant a necessary increase in direct government funding of the arts which in turn is having a profound effect on the cast and complexity of cultural policy. If legislatures are to provide substantial increases in funding they must be convinced of popular support for such a move. Through policies which attempt to reach a broader public, grant-making agencies hope to secure further increases in government funding. Under such circumstances, social objectives are not likely to be neglected by them. In the 1983 Annual Report chairman Frank Hodsoll reiterated that 'the Endowment must continue to ... explore effective ways in which the arts may be used to achieve desirable social objectives'. That is not to say, the aesthetic question will disappear, for professional participation at both the policy and staff levels of the government funding agencies assures that aesthetic criteria will also be considered. Excellence will continue to apply as a fundamental criterion in assessment as Frank Hodsoll makes plain in the same Annual Report when he says 'the Endowment must continue to exercise leadership in recognising excellence wherever we find it, particularly in those areas where recognition is not easily attained

... specifically of the experimental, seldom performed or exhibited, ethnic and longer-term'. Michael Straight claims in his book, 'Twigs for an Eagles Nest', that during his time as Deputy Chairman the Endowment 'refused to fund minority projects on ethnic grounds alone; it resisted the introduction of quotas into its funding of artists and arts organisations; it withheld funds from state agencies that failed to meet minimum standards; it reduced grants to well known arts institutions whose standards were slipping ...' 9

Of increasing popularity is the argument that the arts have economic as well aesthetic and social importance. This need for additional advocacy 'ammunition' has become increasingly important in an era of retrenchment in government. David Cwi writes 'to the extent that this hypothesis can be supported by data (if on occasions erroneous), it has been particularly effective in convincing legislators to increase funding'.¹⁰ When Cwi wrote that in 1981 he noted that arts impact studies had been conducted in at least twenty-eight American cities and seventeen states. Arts organisations are awakening to the fact that if they are to attract more public subsidy they must enter the political arena. Impact studies are a consequence of this realisation and as such are increasingly exhibiting a political rather than policy focus.

Entering the political arena need not compromise the artistic integrity of an institution. Political activity to date has been centred upon the appropriation process, and even where decision-making is political or where government underwrites a substantial proportion of the expenditures, it has only on occasions interfered in the actual operations of an organisation. Rather more commonly, federal and state legislative stipulations have been primarily confined to mandating formulas which insure a reasonable geographic distribution. Additionally, there are safeguards against undue political interference within the existing political system. America is fortunate enough to have a well developed system of communication between arts organisations and the public so that issues quickly become public issues aired in the press. Second, there is an organised arts constituency developing. Organisations like Advocates for the Arts have already sued the government on issues of political interference and unfair taxation policies for artists. This visible and organised arts constituency acts as a counterweight to executive attempts to use the arts as political spoil should they overstep the mark. Third, the pluralistic nature of the American system

protects arts organisations from total dependence upon government for survival; an enviable position not attainable in the English system of patronage. Any form of subvention carries with it some degree of political pressure. The National Endowment for the Arts own annual reports indicate that like the Canada Council's influence on the Provincial arts bodies, or the Arts Council of Great Britain's influence on the Regional Arts Associations and likewise with the other examples contained herein, the Endowment exerts a profound influence on the state arts policy through its fund allocations. Despite this the National Endowment for the Arts is the best example of a 'pure' arm's length agency, receiving its appropriations directly from Congress rather than through an intermediary government department.

In supporting, promoting, and encouraging the arts the Endowment provides financial assistance and acts as an advocate for the arts. 11 Three major types of financial assistance are provided by the Endowment and they are: Fellowships to artists of exceptional talent, matching grants to non-profit, tax-exempt organisations, and grants to state arts and regional arts groups. These grants or fellowships are provided through a programmatic structure reflecting specific artistic disciplines and interdisciplinary fields. The art forms assisted by the Endowment are prescribed by enabling legislation; however, the emergence, growth and variation among programmes reflect the dynamics of internal processes and mirror the power configurations of the constituent groups served by the agency. The Endowment currently awards grants in the following major programme areas: Architecture Planning and Design Arts, Dance, Education, Expansion Arts, Federal-State Partnership, Folk Arts, Literature, Media Arts: Film/Radio, Television, Museums, Music, Opera - Musical Theatre, Special Projects, Theatre and Visual Arts. Some of these correspond fairly closely with departments of the Arts Council of Great Britain and of a number of British Regional Arts Associations. Others have no real parallel in the British public bodies for the support of the arts. The Endowment has a wider brief, including within its purview activities that in Britain are assigned to other public bodies such as museum councils, education authorities and environmental agencies. The agency structure has remained fairly consistent over the years as most changes have been cosmetic and added in response to additional funding categories. The advocacy efforts of the Arts Endowment stem from co-operative efforts with other federal agencies, the catalytic role of its

grants (especially the Challenge Grant Programme), and the agency's proclivity to comment on other areas of federal activity which affect the arts and artists. The Endowment's efforts in energy policy and programme accessibility exemplify this kind of activity. 12 In the areas of financial assistance and advocacy, the agency's advisory bodies (the National Council on the Arts and the panels for each programme) play central procedural and policy making roles. In the grant deliberations and the specific policy discussions, both the panels and the Council set the tone for the Arts Endowment. By deciding the priorities among and within programmes these panels determine policy directions and the eventual distribution of programmatic benefits, that is, the grants. 13

Grant applications received by the Endowment are collected by programme area in 'panel books' and reviewed by panels, meeting in Washington, D.C., as well as around the country. Panel recommendations are forwarded to the Council for approval or rejection. Questions of policy inevitably surface during the application review and in 1978 the Endowment moved to a system of policy and review panels in programme areas. Each programme creates guidelines spelling out the appropriateness or otherwise of submitted projects, though the panels constantly review and revise such guidelines to retain a necessary degree of flexibility. The Arts Endowment points to this review system as evidence of its ability to be responsive to non institutional art forms such as community arts. The accuracy of this statement will be examined later. The guidelines mentioned earlier set general criteria for awarding grants and panel members have considerable freedom within these limits. Politics enters into the process since a common denominator for success seems to be the personal knowledge of the applicant by one or more of the panel members. 14 After panel reviews and recommendations, applications are sent to the National Council for the Arts.

The Council meets four to five times a year to consider grant applications, general policy, and budget appropriation. As

with the panels, it is difficult to separate budget and policy from application review. Since 1971, however, the Council has devoted one full meeting to policy considerations alone. The National Endowment's growth and the increased volume of applications is necessitating the Council to provide policy direction and evaluation. The enhanced policy role of the Council is witnessed by the committee structure that has evolved: Budget, Policy and Planning, and State Partnership. These committees meet throughout the year and provide some continuity.

The amount of actual involvement and time spent by the Council in both application review and policy planning is arguable.¹⁵ The congressional staff report remarked that very little time was spent in application review and affirmed a widespread belief that the real work was done by the staff and during panel review sessions. The Council acts more as a rubber stamp and, on occasions, as an appellate body.¹⁶ The effective 'final' decision would appear to be made in panel meetings with the Council representing a final, and symbolically important, legitimization of decisions already made. The role of policymaker is split among panels, the Council and the Chairman. The advisory bodies' role is largely as a source of ideas and a legitimization of steps contemplated or already taken.

The Council has always had a policy-making role. It is prescribed in the enabling legislation that established the National Endowment in 1965. This policy role was reaffirmed in 1972 when their Chairman, Nancy Hanks, told the House Appropriations Subcommittee, 'the role of the Council is to advise the Chairman of the Arts Endowment on policy directions of the agency in terms of programmes, as well as the reviewing of submitted applications.'¹⁷ Somewhat in contrast to the English system where the grant process still has the tendency to stifle policy, it now appears in the United States that the policymaking role of the Council is replacing

its considerations of applications as a primary activity. The manner in which the Chairman uses the Council and the panels also enhances their policy role. Both are used as a source of ideas and a legitimation of agency direction. There is an emphasis on the panels as a source of ideas or leads for planning while the exact nature of the policy role rests with the Chairman. The Planning Division monitors both the Council meetings and the panel sessions and uses those meetings and expressions of interest as points of departure for policy and programming ideas for the Endowment.

While the Council performs a policy role, the budget is primarily the result of the agency's programmatic priorities. The Council essentially legitimates staff decision-making. On occasions, however, the Council is used as an appeals body. One notable occasion occurred in 1973 when Expansion Arts publicised what they felt was a miscarriage of justice in respect to their low appropriation. It was an appeal against the apparent low priority given to cultural opportunities for minority groups at local level. Expansion Arts is a cross-cultural programme that does not hesitate to regard the arts as a tool for social ends, and is determined to move away from the Establishment image. Its advisory panel is the most mixed of all the Endowment's panels, both racially and socially. The Programme, after the petitioning mentioned above, received an increase so that in 1974 - the third year of its operation - it held 6.2% of the budget. Their approach was to tackle the previously neglected blue-collar white ethnic constituency, to work with labour unions and big business organisations like Xerox, and to push towards support for individual artists, whom it endeavours to bring into communities that ask for them. More recently in a November, 1980 meeting the Jazz programme made a similar appeal. Billy Taylor, a former Council member, spoke for the Jazz programme and made a plea for greater attention. He noted the indigenous nature of the art form as the 'center of the American aesthetic' and 'most important the rise in applications from 800 to 1400, a 76.5% increase in one year'. 18

This research is testimony to the fact that Council and panels both serve a trustee role in their capacity as experts and public servants. As documented they need to be responsive to the overriding criterion of quality as well as receptive to, and representative of, special interests. That this is acceptable in any sense rests on the assumption that all interests are equally equipped to participate in the process of cultural politics. Historically, equality of opportunity was a term not commonly associated with branches of the low arts. Whilst equality could still not be used as an accurate description of current events, improved opportunity most certainly could be. Opportunity perhaps has always been associated with the United States, unusual this in spite of its society being more highly politicised than that of Britain, with a stronger penchant for instant public accountability and investigative journalism, and with a constant awareness - born, admittedly, out of much unfortunate experience - of the need to demonstrate that the taxpayer's money is being properly and responsibly spent.

By rising to the political challenge aided and abetted by the general call for cultural democracy, community arts are fighting for their position within the overall programme of arts funding within the United States. The programmes which are looked upon more favourably are those which are able to make their influence felt in the 'corridors of power'. It is in this way that politics enters the development of art. An assumption which makes this acceptable is that equal participation serves the public (and the arts, presumably) by enabling all interests to compete equally in defining the public interest, i.e. the development of art. Reality negates this. The more powerful art lobbies are able to insure a certain amount of support for 'their' programme areas and the process is biased from the beginning. It is not that Congress or the President can reject or approve specific grants, it is that they are able, by allocation of monies among line-items in the budget, to direct the Endowment's distribution of its funds among art forms. As was mentioned earlier the

National Endowment shapes the funding patterns of its clients in much the same way. This ultimately affects the growth and survival quotient of various art forms. The procedural and organisational matters offer means to facilitate certain kinds of policy by providing multiple points of access for the arts constituencies which the Endowment serves. Representatives of institutions and individual artists serving on the panels and on the Council are an installation of the agency's clientele in the agency. Thus the determination of arts policy is within the purview of the groups and individuals which the agency serves and represents an institutionalisation of 'interest group policy process' 19 in the Arts Endowment.

The National Endowment has consciously followed a policy of decentralisation of resources and encouragement of indigenous art forms. It has achieved this because it has stayed a minority funding role, requiring that grants be matched by other money. The growth of artistic activity encouraged by this policy raised the question: How many new activities can the private and public sectors sustain? Traditionally Americans have believed that the economy would continue to grow. A declining economy poses obvious implications for the arts. As with the other Councils discussed here, the National Endowment is having to make fundamental choices. Economic pressures pose an insidious problem for community and experimental arts access to the various funding and promotional channels in the United States. One pattern of response to the financial difficulties is that box office considerations now hold sway over all other priorities. In the museum world, popularisation has become a major controversy. This charge was levelled against the then director of the Metropolitan Museum of Art when he announced a twenty-five per cent reduction in the number of paintings to be included in a forthcoming major exhibition

was being made for budgetary reasons. Critics charged that the cutback involving lesser known works was imposed in order to give the exhibition greater popular appeal. 20 Other evidence is that theatres have been producing more old Broadway hits, and less contemporary or experimental works; symphonies likewise are playing Bach and Mozart; few organisations are commissioning new (and expensive) pieces. 21 As Michael Newton of the Associated Councils of the Arts put it, 'Political considerations are playing a greater part in what is not being done than what is being done'. 22

Despite the political pressures which invariably accompany the spending of government money, it has tended to be the case that public money has led the way in terms of support for new, experimental and innovative work, a role which it is increasingly unlikely would be filled by the corporations or foundations, most of whom tend to follow the safer example of federal and state agencies rather than break new ground. If community and other innovative art forms are to receive the funding they require, they must ensure their place in the political process. This done, it is possible to affect change as former Chairman of the National Endowment (and simultaneous Chairman of the National Council for the Arts) Nancy Hanks proved. What her period of office showed was that, 'the development of a desired policy for the arts required principally a commitment on the part of the White House'. 23 This she got and in so doing created a shift in arts policy. The Endowment would begin funding the nation's museums and symphonies which prior to Mrs Hanks, had received little or no support. 24 At least two extremely, powerful and eventually persuasive groups were standing by to put pressure on the committees and Congress if required. In the event it was not to be, for President Nixon could see that he would be able to reap political benefits from a relatively small investment of political capital. 25 Increased support for the arts represented a low-risk, high yield addition to the President's political portfolio. The Arts Endowment budget is minute compared

to other agencies and, in addition, the investment was safe. The effect on the National Endowment was that the increase in budget made possible a shift in agency policy which in turn made possible the agency's budgetary growth for a period. The change was not one of continuation or elaboration but, rather, one of a shift in policy focus. However in reality the growth did little for community arts funding, for it moved the National Endowment closer to the centre of the cultural coalition and, in the process, insured that progress in arts patronage meant more money for the arts organisations and art forms which had already had the most of everything - political clout and operating deficits.

Three conclusions can be drawn from this example. One is that it is clearly possible within the American system for change to take place if one has sufficient backing and an understanding of the political system. In a smaller way Expansion Arts and the Jazz programme achieved similar successes through due process, as was described earlier.

The second piece of understanding is that the policy change which came about demonstrated that funding priorities, hence policy, flow from the political process.

Thirdly, it demonstrates that the budget lies at the heart of the policy process. ²⁶ In actuality, it would appear that the various statements of policy goals very often have little to do with what the organisation is really doing. While official pronouncements, testimony, and annual reports all purport to testify that an organisation budgets by its advertised goals, they do not always truly represent goals towards which the agency plans; rather, they are an imposition of a seemingly rational character upon the political and economic logic of the budgetary process. This is consistent with the recognised distinctions between operative and official goals. ²⁷ Official goals, purposely vague and general (a criticism the reader will remember has been levelled against the Arts Council of Great Britain on many

occasions) contrast with operative goals which are indicative of what the agency is really doing. Operative goals provide the specific contents of official goals and reflect choices among competing values within the organisation and in the external environment. While Mrs Hanks promulgated the goals of the agency (to make the arts available, give greater help to individual artists and indigenous art forms, and strengthen the cultural resources), the actual distribution of grants among art forms represented what the agency was doing. The budgetary profile for the Biddle and Stevens years of chairmanship, provide a similar contrast. The budget profile has not changed noticeably since the Hanks years and the National Endowment's official goals have also not changed, at least in substance. 28.

The National Endowment underwent a policy change and shift in institutional focus during the Hanks chairmanship. Disjointed incrementalism does allow fairly major programmatic changes from time to time, but as with the Arts Council of Great Britain, the National Endowment's pattern of funding is now too well established. 29 Whilst the American system allows some participation in process, it is likely that the political pressures which generated and supported a shift in agency policy in 1970 will prevent a major shift in focus in the opposite direction. The alliance which shifted the agency's funding priorities now exists as a guardian of the funding patterns. The symbolic verification of this will come with substantial line-itemisation in the National Endowment's budget as a way of solidifying patterns even more. This will have the effect of passing programmatic control to Congress and insure a greater continued politicisation of arts policy. The haves of the arts constituencies saw the priorities of the agency adjusted in line with their needs. These constituencies generally representing institutional art are working hard to maintain their share of the available revenue. The result of the direct government support largely favouring institutional art was not only an indication that government also feels safer supporting such art but that the future direction of cultural policy will probably also favour such art.

1. Mary C. Sullivan, Arts Council In Conflict (Ottawa: The Canada Council, 1988), p.80.
2. J. Mark Davidson Schuster, The Interrelationships between Public and Private Funding of the Arts in the United States (Massachusetts: Department of Urban Studies and Planning, Massachusetts Institute of Technology, 1984).
3. Mary C. Sullivan, op. cit p. 4.
4. Michael Straight, Twigs for an Eagles Nest Government and the Arts: 1965-1978 (New York: Devon Press, 1979).
5. Margaret Jane Wyszomirski, 'Philanthropy, the Arts and Public Policy,' The Journal of Arts Management and Law 16-4 pp.5-29, 1987.
6. Mary C. Sullivan, op. cit p. 86.
7. Lawrence D. Mankin, The Changing Leadership of the National Endowment for the Arts (Tempe, Arizona: Centre for Public Affairs, 1984).
8. These percentages are still assessed as being the same in the more recent September 1988, 'The National Endowment for the Arts', p.5.
9. Michael Straight, op. cit p.76.
10. David Cwi, 'Perspectives on the Economic Role of the Arts and the Impact of Arts Impact Studies. Paper Prepared for the Conference on the Economic Impact of the Arts, (1981) p.3,10.
11. Enumeration and cursory description of the agency's programmes are available from the Arts Endowment.
See Guide to Programs (Washington, D.C.: Government Printing Office).

12. Kevin V. Mulcahy, 'New Challenges for the Arts: The Disabled Consumer', Short Essays, National Capitol Area Political Science Association, Fall 1979.
13. Michael Straight, op. cit p.80
14. C. Richard Swaim, 'The National Endowment for the Arts: 1965-1980', in Public Policy and the Arts, (eds.) Kevin V. Mulcahy and C. Richard Swaim (Colorado: Westview Press, 1982), p.175.
15. 'Report to the Committee on Appropriations, on the National Endowments'. This report was requested by Congressman Sidney Yates as a means of determining what the Endowment was doing as well as to broadcast the virtues of the agencies. Unfortunately, it fell short of expectations and had the effect of generating re-buttal, surrebuttal and so forth.
16. U.S. Congress, House, 96th Congressional First Session, pp. 529-530.
17. U.S. Congress, Nancy Hanks in testimony before a subcommittee of the Committee on Appropriations, Department of Interior and Related Agencies, Hearings, House of Representatives, 92 nd Congressional, 1st Session, 1971.
18. C. Richard Swaim, op. cit p.178.
19. J. Leiper Freeman, 'The Bureaucracy in Pressure Politics', Annals, 319 (September 1958), pp 10-19; Theodore Lowi, The End of Liberalism (New York:W. W. Norton & Co., 1978) and David B. Truman, the Governmental Process (Boston: Little, Brown & Co.,1952)
20. New York Times, March 2, 1975, Arts & Leisure Section p.1.

21. Sara P. Garretson and Carol B. Grossman, 'The Arts in the United States: Inflation, Recession and Public Policy', in The Arts, Economics and Politics: Four National Perspectives (New York: Aspen Institute for Humanistic Studies, 1975) p.77
22. Bernard Jackson, 'National Endowment Programmes', in The Arts in America (S.C.R.A.A. (1975).
23. Michael Straight, op. cit p.96
24. Otto A. Davis, M. H. Dempster, and Aaron Wildavsky, 'A Theory of the Budgetary Process', American Political Science Review 60 (1966) pp 529-547. For a more extended discussion and an applied definition of incrementalism, see their paper 'Yes, Virginia, There is No Magic Size to an Increment'. Centre for the Advanced Study in the Behavioral Sciences, University of California, Berkley, May, 1975. The relatively small share of the federal budget consumed by the National Endowment does not undermine this analysis, rather it helps to explain the political cost benefit analysis for the President. In addition, Davis et. al., suggest that participants in the budgetary process think in terms of percentages (P. 531).
25. For elaboration of this concept, see Oliver E. Williamson 'A Rational Theory of the Federal Budgetary Process', in Gordon Tullock, ed., Papers on Non-Market Decision-Making Vol. II. (Charlottesville: Thomas Jefferson Centre for Political Economy, University of Virginia, 1967).
26. Dick Netzer, The Subsidised Muse (New York: Cambridge University Press, 1978).
27. Charles Perrow, 'The Analysis of Goals in Complex Organisations', American Sociological Review, 26 (1961) pp 854-866.

28. In support of this statement see the Annual Reports, Cultural Post and Public Policy and the Arts, pp 182-187.
29. Despite the good intentions of the 1965 'Policy for the Arts' document in this country, many of its proposals were in the end unable to beat the system.

Chapter 8

The Canadian Experience

Canada, like Australia, embraces a huge land mass (the second largest country in the world) yet the population is less than half that of the United Kingdom. There are two official languages with about one quarter of the population - many in the Province of Quebec - speaking French as their mother tongue. It has a federal government divided into ten self-governing provinces. Local government authorities differ from province to province, but there are 4,457 in total. The vast distances, the embrace of two distinct cultures and the proximity of the United States have exercised an impact on Canada's cultural concerns.

The Canada Council is the main channel of government funds to the arts and the equivalent to the Arts Council of Great Britain. In accordance with the Canada Council Act 1957 which brought it into being, the twenty-one member board of trustees are empowered with the overall responsibility for its budgets, policies, programmes and funding decisions. Under that (sections 18.(1) (2) (3)), an Investment Committee consisting of the chairman of the Council, a member of the Council designated by the Council and three other persons appointed by the Governor in Council 'aid(s) and advise(s) the Council in making, managing and disposing of investments under the Act.' Its mandate was modelled on the English one with the same goals of 'fostering and promoting the study and enjoyment of, and the production of works, in the arts'. The vagueness of how these goals were to be achieved might also have been modelled on the English one. The arts are defined (section 2 of the Act) as 'architecture, the arts of the theatre, literature, music, painting, sculpture, the graphic arts, and other similar creative and interpretative activities'. Council's concerns are said to include not only existing but also emerging new artists audiences, arts organisations and works in the arts. In fulfilling its objective of promoting 'the enjoyment of the arts', the Council believes it must

bring the arts to as wide an audience as possible and endeavours to ensure their distribution to all parts of Canada. A number of ways to develop and expand the audience for the arts have been pursued by the Council. For example, Council had demonstrated its concerns for the interests of young people and the need to provide opportunities for them to develop an understanding and greater appreciation of the arts. Grants are being made to theatre and dance companies and music ensembles to tour throughout the provinces often performing for school audiences as well as adults. Through the programmes of the Touring Office, the expertise of community presenters has been strengthened, the network for the touring of the performing arts has been expanded and audiences are said to have broad access to the variety of Canadian talent searching for a market.¹ In addition, film production cooperatives have developed in centres across Canada allowing film-makers to practice their craft in their own regions. The Explorations Programme, initiated in 1973, was established to provide assistance to individuals, groups and organisations for new art forms and innovative developments in the arts. According to the Council's guidelines, applications for this scheme are encouraged from any Canadian, whether professional or not, who have an imaginative idea and the ability to carry it through.

Approximately one hundred programmes are offered by the Council, through its art sections - Dance, Media Arts (includes film video and audio, and computer-integrated media), Music and Opera, Theatre, Visual Arts (includes architecture, painting and sculpture, print making, mixed media, crafts, photography and performance art), Writing and Publishing, Art Bank Explorations and Touring Office, and usually through the Arts Award Service for individual artists. The Council also supports innovations and new initiatives through a broad range of programmes geared to the needs of each discipline.²

The Canada Council like other arts councils has adopted as its general policy objective to recognise, foster, and promote excellence in the arts. As a tool for selecting clients they too however are

unclear as to how 'excellence' should be interpreted and applied. Peter Roberts director of the Canada Council highlighted the problem at the 1987 International Conference on the structure of arts funding when he said:

We say our standard is 'excellence'. But whose 'excellence'? What should be our role in developing excellence where it does not exist? We, as a Council, lack clear answers to these questions and clear attitudes. Sometimes we say that we put our money where the quality is: no quality, no money. At other times we say if a community has struggled to put something together, we should be there to help raise the level. At still other moments we think of dividing our budget so that the new, the poor, the highly innovative, the unconventional the non-traditional, the risk takers are not competing for the same dollar as the established and the comfortable. I think that our greatest shortcoming as an arts council is our relative failure to think about these problems and have developed views on them.

Sandra Gwyn Sums up the Council's quandary as to how best to divide up its funds between the high, commercial and amateur arts and still maintain its objective of achieving excellence throughout. Quoted in the Canada Council 20th Annual Report 1976-77 she says:

The Council is different now. Partly this is quantitative: the difference between \$1 million to spend on the arts in the early years and nearly \$37 million this year... The difference is also qualitative 'Pick the best and give only to it' has given way, in the era of populism and small is beautiful, to, as the current annual report puts it, 'Canada simply cannot afford to let many reservoirs of artistic talent across the country lie undiscovered' ... The search for excellence and for Canada, however, still continues... The Council for all its vicissitudes, remains a symbol of the best we can do.'

There exists a corresponding lack of clarity of thought and consensual agreement over what Canadian culture is or should aspire to. Not surprisingly, most Canadians appear to want a culture which both represents them to the world and defines them to themselves.

4 Running through much Canadian writing is a strong sense that many of the problems of, and prospects for, Canadian culture are rooted in the global cultural context. The Canadian Institute for Economic Policy, using the language of Social Science, made much the same point when it said, "the position of Canada within

the international market for cultural goods is that of a small country which is committed to remaining open to the entry of imports from other countries. However the impact of the global context is clearly different in different artistic fields and cultural disciplines. Much of the contemporary visual arts, music, opera and ballet is fundamentally international. Thus there have been relatively few calls for protective measures against the influx of international cultural products. Rather than protectionism, the preferred strategy has been one of directing efforts towards an aggressive world marketing of Canadian cultural products, combined with a determined effort to recapture the domestic market (in the main from the Americans) through quality productions growing out of the Canadian experience⁹.

Earlier chapters have demonstrated to the extent that the commercial arts have become or are in the process of becoming, a preoccupation of government (and therefore a major reason for their growing intervention), they are beginning to overshadow the high arts. This has certainly been the case in Canada where for example, between 1978 and 1984 the government dramatically increased direct and indirect funding of 'end-product' commercial arts, compared to a significant decline in support for the research and development-oriented high arts. 5 There are two dimensions to the federal commercial arts policy. First with respect to its own agencies, the federal government engineered a Canadian communications conglomerate consisting of Telefilm Canada, funded by a special cable television tax, concerned with financing; independent producers, supported by tax expenditure and grant policies, concerned with production; the Canadian Broadcasting Corporation, funded by Parliament concerned with distribution; and the National Film Board, funded as a department of government, concerned with process research and development. Second, with respect to the private section the Government created a commercially viable media arts industry through regulatory changes. Progressively, it created a commercial television industry in the 1960s the most extensive cable television system in the world in the 1970s and a pay-TV system in the 1980s. The state by legislation and regulation created a market-place and profit making opportunities which previously

did not exist. Whereas Canadian artists working in traditional media forms have rarely reached world class status, Canada's new media and performance artists are considered leaders on the international scene. Despite this there is some disillusionment over the accruing benefits to the arts. George Woodcock writes:

The Canadian Radio-Television commission for example, has thus far offered a record of dismal failure in its attempts to use the regulation of cablevision and pay-TV to support a reasonable degree of arts programming.... even public television in Canada remains lamentably deficient in its exposure of the arts, in its commissioning of original dramatic and musical works and in its employment of performing artists.

6

The effects of commercialism on the system can also be seen in the provinces. Ontario has shown a certain degree of business orientation in its granting, as demonstrated in the Arts Council's Writers' Reserve programme, by which a writer nominated by a publisher is given a grant towards the writing of a book, the idea being that publishers are the best judges of writing that deserve financial support. It follows that the publisher's criteria may well be sales potential rather than literary quality. Ontario has consistently attempted to balance the Canada Council's stress on the large performing institutions with its own stress on those activities ancillary to the arts. In 1975 it set up a branch of the Ministry of Culture that was called Cultural Industries; its basic aim was, according to its first director, David Spence, 'the duality of commercial and creative viability'. As the provinces have developed their own schemes for aiding the arts, a variety of institutional approaches are emerging from politically dominated branches of government on the one hand to bodies drawn from the general public and as theoretically autonomous as the Canada Council on the other.

The introduction of lotteries was a further commercial influence upon the framework for arts support in the 1970s. With the exception of the Manitoba Arts Council, lottery funding did not accrue to arms length arts councils but rather to ministries of culture. At the national level lottery funds were used in 1979 to create the programme of Special Cultural Initiatives of the Department of Communication, the Canadian equivalent of the English Office

of Arts and Libraries. Department funding of the high arts includes deficit retirement, capital and equipment funding, activities the Canada Council has been unable to continue supporting due to limited financial resources. The Department has also increased funding of touring and special projects conducted by high arts organisations, activities the Canada Council still supports. At the local level lottery funds permitted the creation of local ministries of culture during the 1970s. This development radically altered the pattern of funding in only ten years:

The pattern of support to the arts in the 1950s and 1960s was one of arms length agencies created by the provinces, but with the provinces playing a relatively small role. Both the provinces and the arms length agencies tended to take direction from the programme initiatives of the Canada Council. By the mid 1970s the arts support pattern had changed to one of provincial ministries of culture using lottery revenues playing the leading role in innovative arts support programmes. The role of arms length agencies declined both in relative dollar terms and in terms of initiating innovative support programmes. 7

In general, state or provincial lottery funds have been used to develop the amateur rather than the professional arts. This has resulted in a relative period of growth for community and other innovative art forms. As in other countries, growth has been aided by the increasing pressure on government to achieve egalitarian social policy objectives. The status of the individual artist in Canadian society is now explicitly recognised in social assistance policies. 8

At the provincial level, concern has been shown over the need to protect and foster artistic activities that give expression to a regional kind of awareness which, it was feared, might go unnoticed in the national viewpoint of the Canada Council. Furthermore, it was recognised that the Canada Council, because of the limitations of its funding, would necessarily wish to concentrate its grants mostly on professional artists and performing groups, in many cases leaving talented amateur individuals and companies without the necessary funds to produce art. Provincial governments like Saskatchewan with a generally more populist approach have been perturbed by the Canada Council's inevitable neglect of the crafts as distinct from the arts and have taken it upon themselves to foster them,

thus projecting a culturally democratic sense of the visual and tactile arts as not being limited to what can be put in a frame or set on a pedestal.

When the Canada Council was formed in 1957 there was no ministry of culture, no minister responsible for the arts. As early as 1960, in its Third Annual Report, the Council showed its awareness of the rising tide of public feeling for a more diverse and open ended pattern of funding: "Should money be used essentially to raise the standard of the arts, or should it be devoted to spreading whatever arts there may be as widely as possible among the people ... There is a limit to what the Council can do, and in many cases the less populous areas will have to rely on other local and special federal resources'. The mould was set and in due course the Council in failing to assume total responsibility for all the arts in Canada created a vacuum now filled by the Department of Communications which bears all the hallmarks of a ministry of culture, if not officially designated as one. The Department's influence in the arts was strengthened with the advent of the first regular parliamentary grant to the Council in 1967-68. The money the Council received each year from Parliament was termed an 'Unconditional annual Government Grant', but in fact it subjected the Council to the criticism and scrutiny of parliamentary committees who were more concerned that there was seen to be accountability than that the arm's length principle be upheld. Starting in the mid-sixties and gaining impetus after 1968, the central machinery of government showed a preoccupation with 'rational decision-making'. Rationality was measured against predetermined ends:- the notion of which was radically changing in Ottawa during that time. At the apex of this process stood the Priorities and Planning Committee of the Cabinet, created in January 1968, backed by the secretariat of the Privy Council office. For cultural activities a subordinate co-ordinating role was entrusted to the Secretary of State, to devise a framework of cultural policy that would ensure consistency of effort in programmes touching the arts and conformity with the broader goals of government. The Canada Council which had been accustomed to making its case directly to the Treasury Board and its secretariat, by the mid seventies found itself obliged more and more to present its plans to the Secretary of State who asserted,

with increasing firmness, his right to exercise independent judgement as to which plans were to be endorsed to the Board and which were not.

As Council policies showed signs of becoming subsumed and subordinate to a cultural policy of the federal government, the process of consultation and accommodation became an intergovernmental affair, to be conducted within the broader framework of federal provincial negotiations. This had the effect of further intensifying the intrusion of government, both federal and provincial in cultural matters and reinforcing the tendency towards the politicising of the arts. In the Federal Cultural Policy hearing of 1982 concern was expressed that official language minorities might be eclipsed by what the Centre Cultural franco-manitobian called, 'the mythology of statistics', the idea that the rights accorded to an official language minority should be determined by or limited by that minority's numbers in any particular locality. Desire for a fair share of the available money is not, it should be stressed, sought at the expense of the different cultural traditions the Canadians cherish so much. Since the mid-sixties the Quebec government has been developing a cultural policy as a central element in its effort to emphasise the special character of the province. It has always been difficult for the people of Quebec to accept that the majority in Canada should run their cultural life for them and have therefore largely been suspicious of a federal arts council. Quebec policies in support of the arts are largely centralised and bureaucratically controlled. A provisional arts council was established in 1961 but, far from rivalling the Canada Council it has rarely met. Under the Parti Quebecois regime it was revived, again as an advisory body, but again seems to have had little or no impact on the actions of the department. The series of regional cultural councils which Levesque's administration also established were similarly limited to advising the department on regional cultural situations and the actual work of administering aid or carrying out projects would be kept in the hands of the regional offices of the department. As Bernard Ostry remarks in 'The Cultural Connection', 'To my knowledge, no Quebec Prime Minister or Minister of Culture has ever supported publicly this 'arm's-length' philosophy". 9

Most of the infrastructure of present-day arts policies in Quebec were created under the Liberal administrations. The Department of Cultural affairs had played an active role in the building of the Place des Arts in Montreal and had been responsible for the establishment of the Grand Theatre de Quebec in the late 1960s. It had reorganised the regional museums and established a National Library. Perhaps most important of all, it had emulated Andre Malraux's ideas regarding the democratisation of culture by establishing a network of some fifty-five local centre culturelles in the smaller cities and towns in the province. 10 In addition much needed assistance was given to individual artists. It was no accident that the cultural policies of all three ruling parties in Quebec during the 1960s and 1970s, the Liberals, the Union Nationale and the Parti Quebecois should have evolved during the period when Gaullist France was intent on fostering nationalist sentiment in Quebec, just as it was no accident that the attempt of the Trudeau Liberals to politicise federal arts should have been initiated by Gerard Pelletier, a friend and admirer of Andre Malraux. Although the federalist and the separatist Quebecois leaders have not always agreed on the political courses to be followed they have shown agreement in their Gallic and Jacobin view that art should be used for political ends and that aid should be directed with this in mind. To an extent, when the Parti Quebecois came into power, it was thus merely giving more money for already established services and policies. The main change was an even greater politicisation of the activities of the Department of Cultural Affairs; consequently it was elevated in status to one of the new super ministries, the Ministry of State for Cultural Development. However like Ontario, and like the federal government in more recent years, the Quebec administration has been inclined to stress the industrial rather than the vocational aspects of the arts. There have been infusions of capital into schemes, like the accreditation of locally owned bookstores which then become the only places where provincial agencies - including schools - can buy books. It would be wrong however to over-emphasise the difference between Quebec cultural policies and those of the federal government and the English provinces. The main difference is the traditional lack in Quebec of autonomy in any of the funding agencies.

Once the Canada Council began to receive regular parliamentary grants, it became a legitimate object of attention not only on the part of the Treasury Board but also on that of Parliament itself. In 1965, in view of the proliferation of governmental ventures into the cultural field, Prime Minister Lester Pearson agreed to the establishment of the Standing Committee on Broadcasting, Film and Assistance to the Arts. Ever since, cultural agencies have been subject to investigation by such a body under a variety of titles; at present it is the Standing Committee on Culture and Communications. Within this structure the minister, now referred to as the Minister of Communications is responsible for approving the budget estimates of the agencies, which are, in status, Crown Corporations; it is he who speaks for them in Parliament though officially he has no control over their internal workings. Nevertheless, it is from this source that many important policy decisions now flow ever broadening the federal government's intervention as patron of the arts.

As in other countries where the arts councils and their juries or panels are present, there exists in Canada, a common focus of discontent over the composition of the same. In 1986 a sweeping review of the arts in Canada revealed that patterns of distribution were not necessarily linked to artistic judgements. More than half of the subsidies from the Canada Council were awarded on the basis of pure recommendation alone - those given to major organisations without scrutiny by juries or advisory committees. Nor were medium-sized institutions assessed by juries, but external assessors, whose names had not been published and who were selected by the advisory committees who were in turn selected by the council's staff. The system has been criticised as being unfair in its treatment of small organisations and almost impenetrable to the external observer. 11 Of equal concern is the autonomous nature of the council as a whole, which still enjoys a large degree of immunity and is largely above accountability. The only real requirement of accountability, that of publishing an annual report is seen as information after the event, after the decisions have already been made and action taken. Despite this, the arm's length arts council and its system of panels has been consistently endorsed through the Massey - Levesque Commission 1951, and the Applebaum-Hebert Committee 1982. That there is competition in Canada between the ministry model and the arm's length arts council model and that both currently co-exist is now a dominant feature of the Canadian cultural scene.

In the case of Trudeau's Liberal government the most important aim was the transformation of Canada from a confederation with a balance of federal and provincial powers into a centralised state, a transformation to be carried out in the name of 'national unity'. Trudeau's appointee for the position of direction of the Canada Council, Charles Lussier, initiated his term in office with a warning to his clientele to make their programmes accessible to 'wider publics' (which implied a radical change in council policy towards directing rather than supporting artists on the grounds that such a broadening of appeal was necessary if the council hoped to gain adequate funding from Parliament). He was suggesting, in other words, that a politically required 'democratisation' might become a condition for artists to continue receiving public funds. Such a statement bears little resemblance to the Massey Commission's declaration of faith that not abstract political concepts but 'arts and letters ... lie at the roots of our life as a nation'. The mood of the moment was further captured in an highly publicised policy speech which the Secretary of State delivered in 1969 in which he said:

It may be necessary to transform completely the notion of culture to replace the notion of a middle class culture with that of a mass culture. Why should the theatre and opera have a monopoly of culture? Why should not the movies, jazz, popular songs and psychedelic happenings also be a means of culture expression? ... When culture has become a source of alienation - and this is increasingly the case with middle-class culture - it is high time for us to examine it. The demoncratisation of culture will not otherwise be achieved.

12

The secretary's speech came at the end of a decade during which actual participation in the arts had increased phenomenally.

In a similar speech of the same year Pelletier drew attention to the four hundred amateur theatrical companies performing regularly in Canada and the growth in the number of potters, print makers and Sunday painters, to the vast increase in private and little magazines supporting hitherto unknown poets and writers, to the fact that for the first time in Canada people were actually making a living (even if only a few people and a modest living) from

practising the arts. Community art forms were experiencing a degree of growth through the rationalising of funding but not as some might suppose at the expense of the traditional arts. In 1972, only three years after the ministers' respective speeches, a survey carried out by Pelletier's own department revealed that 2.5 million people a year were attending live theatre and ballet performances, 1.8 million attended classical music concerts and opera and 3.1 million visited art galleries and museums. These figures were growing in steady ratio to mass entertainment attendances, for which the comparable figures in the same year were: movies, 8 million; non-classical music, 3 million and fairs and exhibitions, 2.5 million. This seemed to support the idea that democratisation and high culture cannot only exist together but given the right environment, flourish together also.

The arms-length principle has been subjected to further testing in recent years. In 1977 the government interfered directly in the affairs of the Canada Council, depriving it of its role in the academic life of the country by setting up a separate funding agency, the Social Sciences and Humanities Research Council. In doing so, it openly abandoned the arms-length principle, since under the Government Reorganisation (Scientific Activities) Act, the new council was set up as a corporation subject to a governmental 'directive power ... of unlimited scope'. Whilst no attempt was made at that time to similarly reduce the Council's autonomy, Government intervention was actively at work in redressing the balance in favour of themselves. In 1977-78, \$1.715 million was given to the council to be spent on 'national unity'. To refuse would have meant to forfeit the \$900,000 offered for the next year specifically to promote a national book festival. The latter may have only been marginally political in its intent, but the former was overtly so. At the same time, the National Arts Centre was offered \$1 million to put on touring shows that would serve the cause of national unity. Other funds were directed toward specific interest groups such as publishers. The 1979 Clark Conservative government made it clear that it wanted more emphasis on regional distribution

of Canada Council money. In part this was to make up for the different character spending of the municipalities, which rarely involved support for individual artists, and where it was not merely a matter of supporting local community arts councils, ran towards a kind of monumentalism that enhanced the city's image as well as giving a more lavish home to its performing arts. Splendid but somewhat redundant buildings have drained off a considerable portion of the funds municipalities regularly devote to the arts. In greater Toronto, for example, approximately 40 per cent of the annual cultural budget goes to the upkeep of the O'Keefe and St. Lawrence centres.

Perhaps the greatest test to the principle of arms-length funding came in 1984 with Bill C-24. The Bill which sought to limit the powers and bring greater accountability to the Canada Council, the Canadian Film Development Corporation, the National Arts Centre and the Canadian Broadcasting Corporation was supported by Pierre Trudeau who expressed a desire to secure the bill's passage before his resignation from the Prime Ministership became effective. Francis Fox, who as minister of Communications, was responsible for representing the interest of the cultural agencies, did not protest. The background paper listed four specific areas of increased control in that it sought control of the corporate plan and operating budget of those agencies, wished power to impose directives and if need be remove from office at any time the Chairman, Director and Council members and in addition wanted control of their by-laws. Clearly no organisations accepting such controls could any longer be regarded as the kind of autonomous decision-making group which the Massey Commission and the Canada Council Act had originally contemplated. Amid strong protests from the Canada Council the bill was eventually dropped.

In 1968 the system of museums that had grown rather haphazardly over the years with institutions under the vague supervision of a number of departments and later loosely gathered together under the Secretary of State was rationalised in part by the creation of yet another autonomous body, the National Museums Corporation.

As a quango with a large bureaucratic disposition it was only a matter of time before this whole arm of the arts would become the focus of attention of a government review. When it finally did arrive it concluded that the corporation's '... excessive bureaucracy was impossible to defend in the face of public scrutiny'. The reaction was a proposal to abolish the corporation and place its business directly in the minister's control. Surprisingly the English-Canadian press (a barometer, if not always totally accurate expositor, of public response) was no less than diminutive in its response to this new attack on the principle of autonomy; this, despite its defence of the arm's length principle on so many previous occasions. In summing up the present interplay between the two approaches Lise Bissonette has this to say:

Frankly, I have no idea what the Canadian pattern of funding will be in the long-term... I am sure that we are going to have a mixed pattern of funding. But it does not seem to have any real leadership; a transition is taking place and yet nobody is genuinely taking the initiative. At the moment in Canada there is most assuredly a vacuum as regards future decision-making. We do not know who is going to have the money for arts funding; will it be the government, will it be an arts council kind of organisation or will it be the private sector? 13

Lise Bissonette talks of a transition. The Federal Policy review committee also talked of a transition and in doing so aired the suggestion that there should be a regrouping of cultural agencies and their policies along broad functional lines as if responding to the initiatives already taken in New Zealand. 14 The Committee concludes that the general approach of Canadian cultural policy is to stimulate the supply side in the supply and demand equation. The assumption being that once supply is present, the demand side will rise to meet it. It reflects the view that if Canadian consumers - be they theatregoers, readers, filmgoers or television viewers - had more ready access to Canadian cultural products, the increased consumer market would provide a commercially viable base to sustain and expand production. The consequent employment of Canadian creative resources, moreover, would lead to a 'critical mass' of professional

production, which would satisfy the new demand. The transition to an era of increased competition is seen by the Canadians as a challenge representing a tremendous opportunity to reach larger audiences, chiefly through the use of new technology. 15

Of the five international case studies under discussion here, Canada displays the more obvious signs of a country in a state of flux - divided as to the suitability of an arts council as against a ministry of culture to best pursue its cultural ambitions. Meanwhile, the two approaches continue to co-exist in what is (without further accommodation on the part of the two approaches) an uneasy union. Nevertheless, the position in Canada is perhaps a statement of what other countries can expect (and will have to come to terms with) as their system is forced to give way to an increase in Government intervention.

1. Mary C. Sullivan, Arts Councils In Conflict (Ottawa: The Canada Council, 1988) p.49.
2. Ibid p.50
3. Peter Roberts, 'The Arm's Length Model', in The Arts-Politics, Power and the Purse (London: Arts Council of Great Britain, 1987), p41.
4. Federal Cultural Policy review Committee Summary of Briefs and Hearings (Ottawa: Information Services, Department of Communications, Government of Canada, 1982), p1.
5. The Arm's Length Principle and the Arts: An International Perspective, Past, Present and Future. (Canada Council Research and Evaluation Department, 1985) p31
6. George Woodcock, Strange Bedfellows. The State and the Arts in Canada (Vancouver: Douglas and McIntyre Ltd, 1985) p136
7. H.H Chartrand, J Ruston, Lotteries and the Arts: The Canadian Experience, 1970-1980 (Ottawa: Research and Evaluation Department, Canada Council, 1981) p.50
8. Canada Council Research and Evaluation Department, 1985
op. cit p30
9. Bernard Ostry, The Cultural Connection (Toronto: Oberon Press 1973)
10. Andre Malraux was the energetic minister of culture during the influential times of Charles de Gaulle-a writer, as well as being a French Patriot, he was imbued with a profound sense of art as a universal language.
11. Lise Bissonnette, 'The Arm's Length Model' in The Arts-Politics, Power and the Purse (London: Arts Council of Great Britain, 1987) p4

12. George Woodcock, 1985 op.cit 113
13. Lise Bissonnette, 1987, op cit 44
14. Federal Cultural Policy Review Committee, 1982 op. cit 33
15. See, George Woodcock, 1985 op.cit 127

Chapter 9

The Sports Council

The purpose of this chapter is to describe and analyse some of the differences between subsidy - funding for the arts and that for sports. In doing so it is hoped that additional ways might be found in which the Arts Council might tackle its problems. The arts and sports world are, after all, both supported by the 'state' (using taxation) and the 'locality' (using the rates). The origins of each particular support structure are extremely interesting, and help to explain many of the differences in approach now visible between the two systems.

Inconsistencies are usually revealing - but solving these inconsistencies is quite another matter. An examination such as this can at least offer some possible alternatives - the case for non-mendicant RAAs is a case in point, as the regional structure of the Sports Council has by and large worked well, partly because its relations with the local authorities are done outside an atmosphere of the annual plea. But rather than looking simply at the inconsistencies it is important for the sake of fairness and clarity to look at the systems as they stand - and what they actually spend their money on. For an indication of their origins might help explain why the spending pattern of the two respective national bodies is so different; why the Sports Council runs six National Centres; why the Arts Council and not the Sports Council has taken upon itself massive, and almost inescapable, revenue commitments. One conclusion an individual cannot fail to reach is that each national body has different aims - but in examining the two it might be possible to discover areas of policy in which one can learn from the other. For example, an Arts Council slimmed down of its revenue pressures may be free to adopt the equivalent of a "priority-sports" idea which is espoused by the Sports Council. Is this, in fact its present intention? Recent change on the part of the Arts Council to rearrange

its revenue commitments to complement its new and reaffirmed priorities and overtly more functional outlook, would suggest this is so.

As we shall see, the regional picture is quite revealing. One thing that emerges is the unity of sports subsidy thinking, a unity between national and regional level. Much sports subsidy is based on capital grants - and, rightly or wrongly, there is usually less argument about a brief for a sports centre than for an arts centre. The sequence of this chapter is to progress from the macro - to the microcosm, that is, from the 'national' to the 'regional', to the 'local'. The 'local' presents a problem as always in that it is difficult to see where the objectives lie: while the Sports and Art Council can state some national objectives in their Annual Reports, and in other occasional statements, local policies are obscured by a bewildering array of figures and local idiosyncracies. There is no unitary 'local objective' or view of objectives for either sports or the arts - things 'just happened', land was acquired under certain Acts of Parliament, theatres were sometimes subsidised, and so on. This piecemeal expansion was, to some extent, satisfactory insofar as everyone had a slightly larger slice of cake each year... But when the expansion of local finance is halted then the process is in disarray. One can expand with incrementalism as perhaps the Arts Council has shown, but it is not easy to retract using the same strategy - thus in the absence of a clearly defined policy former beneficiaries of Arts Council money such as the National Youth Theatre demand to know 'Why Us?'. The lack of coherent policies, combined with the presence of what are seen as unavoidable commitments, makes it difficult to examine the local subsidy with presuppositions that apply to every case. Generalisations about local authority arts or sports objectives are thus fairly tentative just as the actual practices vary enormously from one authority to another.

Ironically, the regional picture is probably the clearest of all, at least as far as the handling of money is concerned. We know the monies involved since, by and large, the regional bodies do

not apply hidden subsidy systems. Unlike the national bodies, they are not so dependent on government policies and national political exigencies. I say ironically because it is the regional support systems that represent the most precarious aspect of the arts structure. On the other hand, the sports equivalent of RAAs are quite different in status, though regional staff of the Sports Council have helped to foster the various Regional Councils for Sports and Recreation which are, in some ways, analogous to the governing bodies of the RAAs. Also in contrast to the RAAs supplicant role, the Sports Council Regions have not needed to ask for any money - instead, they have been able to offer capital grants, for which the local authorities have been grateful. The local authority knows where it is with the Regional Officers of the Sports Council and vice versa. The same is not always true of the relationship with the RAAs which are still something of an unknown quantity. Arts Council grant-in-aid has always been greater than that given to the Sports Council, although the percentage increase has not been so different. One justification for the lower level of grant-in-aid given to the Sports Council is that local authorities have on the whole spent much more on sports provision and promotion of the same than they have on the arts. Thus the Sports Council role has been somewhat supplementary if one takes the country as a whole. To a greater extent the role of the Arts Council and that of the RAAs has been to compensate, to level out inequalities in provision and standard of performance. Support for the 'professional' has been a much greater priority with the Arts Council than with its counterpart, 'Professionalism' and 'heritage' are two words which the Arts Council uses perhaps out of necessity, but which the Sports Council can avoid. There is no 'sports heritage' as such, at least not as we know it in the arts, so the Sports Council can concentrate on the present and the future without too much reliance on the past. As far as 'professionalism' is concerned, the Sports Council does not give direct grant-aid to individual sportsmen/women - this task falls to the Sports Aid Foundation - and therefore it does not have to worry about the status of those who eventually receive the benefits of its subsidy. Unlike

the Arts Council, the Sports Council can operate its own arms length principle by giving much of its non-capital money to the governing bodies of sport.

At a regional level the precise interconnections are often difficult to discern, as many of the organisations involved are purely advisory. The regional sports subsidy system.. appears much more straight foward though paradoxically, less secure.

It will be evident to the reader that there has never been a single regional level of government in Britain, i.e. one that is intermediate between local and central government. The case for provincial councils, advocated by the Redcliffe - Maud Commission and by the Crowther - Kilbrandon Commission, received less and less attention over the last few years. In 1973 both 'devoluton' and 'regionalism' were concepts that were receiving serious considerations. Lord Redcliffe -Maud himself makes the point:

Quite apart from helping to relieve congestion in Whitehall, provincial councils are now more certainly needed for local purposes than they would have been if local government reform had followed more closely the lines proposed by the Redcliffe-Maud Commission. This is particularly clear in the metropolitan areas. The boundaries of Merseyside, Greater Manchester and the West Midlands have been far more narrowly drawn by the 1972 Act than by the Commission. In restricting them to continuously built-up areas the Government claimed as justification that the geographic extent of their potential influence was far too large to serve as the basis of their definitions as units of local government, and that such problems as overspill and transportation must therefore be solved by collaboration between neighbouring authorities within a regional context. There can indeed be now no doubt that if the housing and other planning problems of the north-west and the west midlands are to be solved, the new counties of Lancashire, Cheshire, Staffordshire, Hereford and Worcester, Salop and Warwickshire must reach agreement with the metropolitan authorities that they surround. If such agreement cannot be reached through local government, decisions will have to be imposed by ministers - something which local government reform was intended to make less necessary. 1

The view expressed above seems over-optimistic in today's context when decision-making is being increasingly centralised by means of greater financial controls exerted by the Treasury and the Minister. The idea of 'regionalism' or 'localism' appears to be something of an anathema to the present government which has already dismantled some of the quangos that hitherto existed to serve distinct regional areas. There is no doubt that the growth of these bodies - not to mention other, more independent, ones in the public sphere - has produced great density and irregularity in the administrative topography. This accentuates the problems which have been discussed in connection with control and accountability. But administrative complexity has serious implications for relations between the public and their governmental agencies. Complexity makes life difficult for the citizen as well as making it harder for the observer to describe and understand what is happening. There is here a real danger that an anti-bureaucratic reaction will steadily grow in intensity. There is no doubt that in this country and elsewhere there are presently signs of hostility to bureaucracy and evidence of a vague but persistent desire to push back the frontiers of public regulation and control. 2

The quotation from 'English Local Government Reformed' makes the point that the nearest things we have in this country to regional government are the large Metropolitan Counties. Having already abolished the Greater London Council it is also the intention of the present Government to abolish all the Metropolitan County Councils. The Government is looking to the borough and district Councils to assume nearly all the GLC's and MCC's responsibilities and interest in the field of arts and leisure. This strategy which depends so much on the right sort of local action combined with a reinforced centralist notion has already been demonstrated in earlier chapters of this paper to lack a realistic base. The problems in the arts have been made plain, we will go on to examine the difficulties faced by sport at this level in due course.

Ultimately, the definition of government must relate to a) the power to spend money and b) the power to raise it. Few regional examples

exist: the Regional Health Authorities derive their finance directly from central government, for example. The bodies which most closely approximate to the definition are the Regional Water Authorities (set up under the Water Act, 1973), which manage hundreds of facilities and employ many staff within their boundaries and which levy a rate of their own. Until quite recently, the water rate was collected by the local authorities, by means of a precept, but the Regional Water Authorities are now entitled to collect their income direct.

Other regional bodies may be purely voluntary and, thus, advisory. Like the regional management bodies for Water and Health, the advisory bodies will derive their powers from central, rather than local government. Regional Advisory Council's for Further Education exemplify such advisory bodies; a similar pattern was advocated for adult education by the Russell Report, but virtually all the Report's recommendations were ignored, including this one.

National organisations may also have regional bases, where there is a regional policy to achieve certain objectives or where there is a need for administrative convenience because of scale. The National Trust is organised on regional bases, with each region having its own Director and specialist staff. The Sports Council is similarly organised, with nine regional offices and Directors. As with the National Trust, all the employees in the regional offices are responsible, ultimately, to the central organisation. Such a structure is quite different from the arts, where the staff are actually employed by the RAAs, not by the Arts Council. In this respect at least the Sports Council demonstrates an overtly greater degree of centralist control. However the Arts Council has the ability to influence the course of events by the fact that it is the pay master of the RAAs. Returning to a regional structure similar to the one it had in its early days is not a prospect which seems to attract the Arts Council. The possibility of reviving its old regional structures was examined by the Council but rejected on the grounds that it could not constitute a

direct precedent for consideration in present circumstances since those offices were primarily concerned with direct promotion of the arts, which is a far more limited role than the RAAs have since come to fulfil. 3

As far as England is concerned the RAAs show a degree of comparability with the regions of the Sports Council. Corresponding with the nine regions of the Sports Council are the Regional Councils' for Sport and Recreation. Department of the Environment Circular 47/46 provided for their foundation. Their role was seen as autonomous consultative bodies although they have no staff of their own, the secretariat in fact being supplied by the Sports Council. Yet another tier is evident in the regional structure: the Regional Standing Conference of Sport and Recreation, which, according to the C.C.P.R. provides, 'a forum for sport and recreation at regional level and elect sport and recreation representatives to the R.C.S.C.R.s'. 4

As a result of the similarity in nomenclature and roles, it is difficult to distinguish between the various committees or organisations involved in the overall sports structures. The obscurity is made worse by the proliferation of the national bodies which feed into the regional process. An array of standing committees and ad-hoc sub-committees testifies to the need to reduce conflict and create a consensus. Conflict, in this instance, refers to the tensions that are inherent at National level, between the C.C.P.R. and the Sports Council, between the Sports Council and the Governing Bodies of Sport. At regional level, consideration has to be given to the collective needs of the constituent local authorities, and thus each one is represented on the Regional Council - so it is that the R.C.S.R.s are large bodies, with membership in the order of one hundred and fifty, which meet once or twice a year. An Executive Committee normally receives delegated power to carry out the detail of the Council's work. Before returning to the RAAs to make further comparisons, there is a need to say more about the way in which the Sports Council uses the R.C.S.R.s. As one R.C.S.R. Annual Report Points out:

The staff thus serve two masters, their employer the Sports Council, a national body, established by Royal Charter, whose fundamental aims are to increase participation and to raise overall standards of performance in sport and physical recreation, and the Regional Council for Sport and Recreation, an advisory body representative of the main providers - the local authorities - and the users - the sports bodies... Generally the aims of the two bodies are compatible and the situation causes little concern to either staff or Regional Council. Indeed the Sports Council who establish the policies and direct the work of their staff throughout the country, allow ample flexibility to cater for regional differences. They welcome the involvement of the Regional Council as a knowledgeable and sympathetic advisory body which provides the vital ingredient of local understanding and democratic accountability and helps to ensure that real regional needs are met. 5

Despite the somewhat complex picture of sports/recreation functions at the regional level, visible differences between the two systems are none-the-less apparent. The Sports Council can exert its power and influence at regional level through the making of policy and the setting of 'standards of provision'; through the direct operation of its staff in the nine regions, each under the control of a Regional Director; and through its 'influences' within the Regional Councils for Sport and recreation. The Sports Council's regional structure is inherently more stable, as it is staffed centrally, and as the R.C.S.R.s are largely responsive and not obstructive. The future can be predicted with a degree of certainty since objectives are often more clear cut than in the arts, and income levels are not at the mercy of a myriad of political decisions. The Regional Directors, too, have a mechanism by which they can help alleviate any potential conflict (outside the arena of the Sports Council) because the machinery for dialogue already operates in the R.C.S.R.s.

The Arts Council's influence is not as direct and really stems from the fact that it provides a high percentage of the RAAs income. The RAAs are not just vetting or advisory bodies as are the R.C.S.s, but are regional organisations which employ their own staff, and which raise income from the constituent local authorities that make up their

regions and from the ACGB itself. Being at the mercy of a multitude of circumstances beyond their control, the RAAs are unstable organisations. Their income, at least that derived from local sources, cannot be predicted much beyond two years. Their constitution and operation can be disrupted by representatives of external bodies as RAAs have no impact-absorbing equivalents of an R.C.S.R. Their relationship with the Arts Council, as perceived by many of the local authority representatives and by some of the RAA staff, is ambiguous and not sufficiently defined.

If the primary justification for the existence of the RAAs was to increase local government spending on the arts, then by comparison with the Sports Council's regions, they have failed. Spending on sports/leisure centres by local authorities during the last decade or so has dramatically increased while spending on arts (buildings and programmes) has not kept pace. A major de-stabilising force for the RAAs must be the dichotomy between their role as benefactor and that of beggar. Many local authority delegates, and their parent bodies, do not really understand or condone the constitution of, and rationale for, the RAA they are in partnership with. As the Redcliffe - Maud report is at pains to point out, 'In general, local government is still wary of Regional Arts Associations, as it feels that they are not responsible politically and that they duplicate local government at high administrative cost'. 6

Understandable as it is that RAAs should endure a constant state of flux and strife in order to maintain a degree of artistic freedom one must, in today's circumstances, surely question whether it is really necessary. Indeed an analysis of the administrative methods of our framework for arts support on the basis of management principles begins to suggest that to a large extent the Arts Council and its subsidiaries, the RAAs, have to some extent been authors of their own misfortunes - eventual victims of their own advisory structures and the philosophy underlying the planning and control of their expenditures. The real issue is whether this intermediate level of the framework for arts

support is to be allowed to go on in this unsatisfactory way, or whether the time has not come to think coherently about it with the aim of introducing principles of order which may enable rather better solutions to be found to the problems of control, accountability and effective performance. Perhaps it is time to reconsider, and make some concession towards, the alternatives to the present regional structure in the arts as discussed in Appendix 1 of 'Towards a New Relationship'. It is interesting to note that a combination of points (a) and (b) as outlined in the report would align quite well with the present Sports Council regional operation. The constraints upon the relationship between the RAAs, local authorities and their clients stems not so much from the nature of their business with each other but from faulty mechanics in the machinery which binds them together. Without attempting to overcome some of the problems at the regional/local level, which admittedly could involve some restructuring, it would be unrealistic of the Arts Council to expect additional support, financial or otherwise, from the local authorities particularly when they too are having to implement their own cutbacks. Neither the RAAs nor the Arts Council can give such a clear indication of policy to the local authorities as the sports world can - and this apparent vagueness must be off-putting to all but the most determined. If, then, the local authority can more easily inherit or develop the sports - subsidy system than it can handle the arts, is it any wonder that the arts are more vulnerable to cuts, during a time of economic restraint?

Local sports or arts councils may also be seen as a part of a subsidy system, and here may be a case where the arts has done somewhat better. Many local arts councils, or associations, receive grant aid from the RAAs and, simultaneously, from their respective local authorities. Some have done much to raise money from local industries, in order to promote events. There are now almost two hundred local arts associations in England and Wales, some of which are affiliated to the National Association of Local Arts Councils.

Local sports councils do not receive grant aid through the Regional

offices of the Sport Council. They are therefore entirely dependant on the local authorities for their finance. To this extent, they tend to be less independent than their arts counterparts, and 'closer' to the local authorities. Some local sports councils are purely advisory, and that role is included in their title: assisting the local authority in grant-giving may be the limit of such a local sports council's power. A closeness to the local authorities and general, albeit moral, support from the Sports Council does at least help to give these local bodies a voice.

Local subsidy, for either arts or sports derives largely from the local authorities. The machanisms which operate to sustain the systems are , as we have seen, quite varied. Some parts are 'open' such as grants to third parties; others are 'hidden', such as land-maintenance or discretionary rate relief - 'hidden' in the sense that subsidy is built-into a larger financial operational structure. The arts, being a more recent arrival on the local authority's catalogue of responsibilities, does not benefit as much as sports from the 'hidden' subsidy system, at least not at this level. Where 'hidden' subsidy does exist in the arts, that subsidy tends to come from regional bodies, as where a given artistic product is subsidised at source, e.g. as for a regional tour.

The preceding discussion has demonstrated just a few of the ways in which the subsidy - system for sports and arts, at national, regional and local levels, are different. Although the principle of subsidy is virtually the same for the two spheres of activity, it is the systems which decide on and dispense portions of that subsidy which are so very different.

Judgements in sport are, by and large, more easily determined than in the arts because standards of performance are explicit and easily measured. Attitudes to amateur and professional are also different in each of the two spheres. Because the pursuit of the leisurely sports was the province of the wealthier classes, the amateur sportsman was highly regarded; to be a professional sportsman was to be viewed with suspicion, at least in some circles. The Governing bodies of

Sport, such as the Amateur Athletic Association, are the first line to grapple with the problem of amateurism, before the Sports Council or the C.C.P.R. have any direct involvement. The Arts Council has no such first line of defence in its support of the professional as opposed to the amateur artist.

Standards of excellence are the concern of both national bodies and, in many respects of their regional counterparts. But it is easier for the Sports Council to withdraw subsidy when performance has not come up to expected standards than it is for the Arts Council, for the latter may be faced with the problem that the art form is of special significance and therefore merits continued support despite all else.

There is most definitely an heritage element to Arts Council policy. Past and present may be distinct concepts to the sports administrator, but the arts administrator is aware that the complexities of arts subsidy systems, and the dilemmas of aesthetic choice, make it impossible to segregate the two. The arts which come from the past often need interpretation before they can be fully appreciated by the layman. Neither artifact nor interpretation are the concern of the Sports Council, which can therefore distance itself from subjective (albeit collective) judgements of standards. The word 'excellence' can be used quite openly in the corridors of the Sports Council, as it is not the Sports Council that actually defined that state. Passing references to 'Centres of Excellence' and 'Elite' training squads are now commonplace. And though distinctions may be made between 'lowbrow' and 'highbrow' e.g. wrestling as opposed to say fencing, fewer class connotations are attached to the division. Subsidy from the Sports Council is indeed selective, but its spread is so wide-ranging that an attack on grounds of class bias, is less likely than in the arts. As it is, the Arts Council consistently attempts to influence the standards achieved in the performing arts. Had it given capital grants only, then it could not have influenced as much as it does, what

happens in the venues thereafter. The Sports Council, by concentrating on capital grants where local/regional provision is concerned, can avoid being tied down by large revenue claimants. Being freer to move from policy to policy and priority to priority the Sports Council and its regions demonstrate a real flexibility (as opposed to the Arts Council's often theoretical one only) that is at the same time coherent.

So in conclusion how might the arts benefit from the experience of the sports subsidy system? It would be wise to re-examine the position at the national level. The sports Council's officer structure is not based on 'art' form but on function, with a Director General, Deputy Director General, Director of Administrative Services and Director of Development Services. Below these are the Principal Officers of the Sports Development Unit, Technical Unit, Press and Publicity Unit, Research Unit, Finance Unit, and Finance and Administration. The Arts Council as we know is structured on distinct divisions which accord to the pattern of specialist Panels and Committees: interdisciplinary consultation is therefore sometimes difficult to achieve. The Sports Council's Regional directors are senior staff of the Council, as are the six Centre Directors. The nine regions are part of the overall structure of the Sports Council: words like 'centre' and 'periphery' mean less because the National Centres are themselves dispersed and because the regions make up most of the national strategy - the regions are, in fact, largely the means of achieving those objectives. Whilst there is less autonomy, there is greater openness in the sports structures and perhaps, as a result, more downward accountability. Had the Arts Council remained a 'national' body on the lines of the Sports Council there would have been benefits not only to the Council itself but more importantly to the regions and localities. Certainly more direct ties with the regions would have made it less prone to the insularity brought about by a metropolitan dominance and arguably more aware of the regions needs. After all, the Arts Council has only now begun to implement real changes following its recent declared statement of intention to correct the inequality in funding between

London and the regions. To achieve truly effective downward accountability and greater efficiency, the arts framework is going to require some modifications to constitution, structure and policy along the lines suggested in this chapter.

- 1 J.Redcliffe-Maud and Bruce Wood, English Local Government Reformed (Oxford University Press,1974)
- 2 This thought was expressed in California by 'Proposition Thirteen' and in several other Countries by commitments accepted by political parties to cut expenditure. The campaign against quangos launched by certain members of the Conservative Party, and endorsed to some extent by members of the new Government since it took office in May 1979, reflects the same climate of opinion.
- 3 The Arts Council of Great Britain and the Regional Arts Associations: Towards a New Relationship (May 1980). Appendix 1 examines 'Alternative Structures for the Future' and is well worth reading in full as it looks at five different options.
- 4 C.C.P.R The Regions (Sub-title: The Role of the Regional Standing Conferences of Sport and Recreation, the Regional Committee of the C.C.P.R. and the Regional Councils for Sport and Recreation.) (1978) Notes to Diagram (6).
- 5 Greater London and South-East Council for Sport and Recreation: Annual Report 1979/80, p.1.
- 6 J. Redcliffe-Maud, Support for the Arts in England and Wales (Calouste Gulbenkian Foundation, 1976) p.105.

Chapter 10

Emerging Proposition And The Move Towards Radical Thought

By demonstrating the existence of disjointed incrementalism in Arts Council policy, the Council's ability to formulate a comprehensive policy without fundamental changes to its designated role and constitution is consequently challenged. However, since one of the basic purposes for establishing a quango is to offer those responsible for certain areas of public policy the kind of flexibility required for fresh solutions to complex and novel problems, we should not be surprised to find the Arts Council practising disjointed incrementalism which offers policy makers a less rigid prescription than those associated with more comprehensive forms of decision-making.

Analysis of Arts Council policy shows how the Arts Council quite often finds itself in circumstances to which no one plan is especially suited. The atmosphere in which particular problems are encountered in today's social, economic and political conditions seems especially unpropitious where the arts are concerned. An objective like cultural democracy which, it might be concluded, is at the bottom of competing claims for subsidy from both established and newer forms of art, is so abstract and general as to preclude detailed guidance to policy makers who are constantly forced by scarcity of resources to choose one course of action from among a multitude of available and conceivable alternatives. The problem of reconciliation of interest is not usually such a stable well-informed problem that all consequences of all alternatives can be forecasted with any real degree of confidence. Thus, where preferences and means change constantly, as they so often do in the arts, the concept of an all-encompassing comprehensive policy achieved through successive approximation needs some amendment, hence the Arts Council's use of incrementalism over the years.

Nevertheless, it would be quite wrong to ignore the concern of a great number of people including those responsible for the 'Organisation and Procedures report, over the Council's style of management which

sometimes displays an apparent inattention to needs for completeness and co-ordination. Chapter four highlighted the problems of co-ordinating the efforts of the Arts Council, RAAs and Local Authorities at a regional level. To those who are already critical of Arts Council policy, acceptance of a strategy for decision which sometimes has the appearance of disorder to it would be difficult.

The times when observers have suggested that the systems of subvention in Britain, the United States and for that matter, in the other countries covered here, were working cohesively, and when policies were co-ordinated were times when the prevailing systems of government subvention, or parts of those systems, broadly matched the more vocal arts constituencies' political ambitions. In Britain, such tranquil times did not mean that the Arts Council had any one coherent set of guiding principles which worked then but for some unknown reason are not working today. It is more the case that they were in a better financial position to satisfy demand (if on occasions only through token gestures) thus allowing them to display a number of approaches some of which were formalised and are characterised by Chartrand and Pick in their coverage of the more commonly accepted models of subvention. Remarking on some of the inconsistencies of the period, John Pick had this to say about the Arts Council:

It funded some organisations because they contributed to national glory, and others because they wished to overthrow such establishment bastions. It funded tiny performing venues and savaged others because their attendances were too small. It primly announced it didn't support amateurs but carried on for some years supporting the National Youth Theatre, which was amateur. 1.

But its actions over the period, confused and often contradictory though they were, met the major rhetorician's demands, and kept them satisfied in meetings and panel discussions, playing the funding game the 1976 Redcliffe-Maud Report characterised as, 'He

who shouts loudest gets most.' But when, for reasons already stated, the different expectations which have been aroused can no longer be met, and when the contradictions and confusions within the system are therefore starkly exposed, then it is too readily assured that 'politics' has crept into the arts world - whereas the truth is that more limited resources mean that some political accommodations can no longer be sustained, and what remains appears (as it is) political, partial and inadequate. One frequently heard solution to the problem of duplications and omissions is that, if the Arts Council were to lead in the confirmation of the part to be played by the RAAs, then everything else might fall into place. And yet, as was pointed out in an earlier chapter, this is unlikely to occur until such time as the Arts Council's own responsibilities are finally determined.

Unfortunately, the Arts Council itself has suffered from weak management. This was diagnosed by the Council's Organisation Working Party in 1979. More recently, a team of researchers from the University of Sheffield, who spent more than two years studying the internal workings of the Council, particularly as they relate to opera, came to the view that:

Decision making for opera subsidy is fragmented in the Council. The roles of the various committees and panels are not clear in practice, and there is confusion on the part of Music Panel members as to what is expected of them. There is still disagreement within the Arts Council as to the role of financial details in the overall assessment of companies, and whether the Panel members should, or even can, take it into account. Information provision to be used as the basis of policy evaluation is limited. Although Council and the Music Panel sometimes spend considerable amounts of time discussing individual clients, there does not appear to be any routine evaluation of the overall effect of the opera subsidy in Great Britain; the one time such an overall analysis took place in a formal and observable way seems to have been in 1972 when the Opera Report was published. 2.

What all this amounts to is that a control system which has grown

ad-hoc by accretion is bound to be inadequate in some respects. Obviously what is needed most in the arts is a revised structure which can provide greater participation in by all interested parties, to assess overall results and to produce a cohesive programme for the best use of the total, and unfortunately limited resources, available to the arts at this time. Of course, it would help those working in the field of arts administration if the process could somehow be speeded up. Unfortunately in requiring small steps, the strategy of disjointed incrementalism sometimes demands a longer period of time than is usual in other forms of decision-making for consultation, negotiation and, ultimately, progression. It is sensible to suppose that, so far as the strategy is explanatory and experimental, some time will be required between each two steps to inspect and digest the results of the latest move. With hindsight, would it be fair to say that the systems were running hard to stay in the same place? Are they not being outpaced by the arts rate of growth and by the rate of change in the context of social, political and economic conditions which instantly affect the arts? But the problem is not entirely one of structure, it is also one of attitude. The Arts Council has tended to view art as an abstract concept - aesthetic and rational - abstracted from any social context and political overtones.

However, the notion that art can create a sense of well being - of community - is an important concept now, and in the future it is likely to become more important, both as work declines as a basis of life-styles and if an increasing number of people become alienated from the social and economic restructuring caused by technological changes - the 'future shock' syndrome predicted by Alvin Toffler. ³

What the Arts Council should now be doing, (and perhaps has already begun to do so), given that the cataclysm was inevitable, is to question whether the administrative attitudes and systems they inherited, or were responsible for, have shown themselves to be adequate in times of crisis. Or could they perhaps have had, in

their development and hardening, weaknesses which have not proved entirely equal to taking the strain, perhaps even to the extent of avoiding it or seeing clearly enough the possible adverse consequences? An incremental approach to policy formulation which draws on a single source of information within a single value system can readily lead a Council on a divergent course from those it is seeking to serve. Whilst an incrementalist approach might well have been the right one for the Council's embryonic period, and given that other important factors such as the availability of money in relationship to demand were then more favourable, it is obvious that it is no longer so, being too slow and too vague to match current demands on policy. That is not to say that it should be discarded altogether, indeed, it would probably be impossible for the Arts Council to do so since incremental politics would appear to be an inherent part of the quango status as Douglas Hague and Bruce Smith (to whom reference has already been made) have largely demonstrated. Nor would it be in their best interests to do so for incrementalism retains many advantages over other forms of decision-making. But the Arts Council's role is changing. Some would argue that its life is half over and its work half done. 4 Much of its grant-aiding function is gradually being handed over to the RAAs. But however much increased diversity is introduced into funding the arts, the financial resources available for arts activities will never be able to match the claims made on them. Unpopular and tough decisions have already been made by the Arts Council and will continue to be needed in ensuing years.

Devolution in its present format is very far from being a panacea. There is nothing to guarantee that it will lead to an increase in democracy, equality or indeed, social accountability. If the Arts Council is to take its own commitment to devolution seriously, it should see its strategic role over the next few years as particularly important. The organisations it has fostered are looking to it for leadership. This strategic role might include the setting of priorities and establishing better procedures for assessment and more importantly, policy making. But in addition there must be more openness, as a condition for social accountability. In the autumn of 1981, it was announced that the Arts Council had, 'reached the unanimous conclusion that a greater degree of openness was desirable in the conduct of its work'. 5 In practice, this means that grants and guarantees to companies are being announced as they are agreed (previously this information was only available when the Arts Council's Annual Report was published each autumn), some policy papers will be

published and the possibility of opening certain advisory panel meetings to the public is being considered. This represents an important change of heart for the Council although much could still be done to improve matters. Open government at the Arts Council could help clarify the assumptions behind decisions, and thereby produce a better informed arts lobby: and it could help satisfy the taxpayer who has a right to know that the whole range of views and opinions have been considered by the Council. Nothing arouses the anger of the media more than a suspicion that information is being withheld. The two disadvantages that we have to particularly note about the operation of the arm's-length principle in this country, and the same is apparent from the Canadian chapter, is that it protects a kind of secrecy in the way that decisions are taken which is at the least irritating to the arts world and may, indeed, be highly dangerous and, secondly, at a time when there is a call for the arts to play their role in social policy in a wider way; a principle which protects the politician from accountability to the public must militate against that practice. Later announcements have less credibility - *qui s'excuse s'accuse*, they say. Perhaps there is a way to find the balance between secrecy and undiplomatic disclosure and a new way of finding the happy medium to defuse future fracas.

Greater openness alone may not be sufficient. In discussing the Arts Council, Raymond Williams argues for greater representation:

We should not start from the centre and work downwards; we should start instead from different forms of organisation appropriate for different particular arts and for different particular regions.. 6

Commenting on the sometime polarization of the pluralist approach Hall et al have this to say:

Given the emphasis on the management of conflict and the absence of overt conflict it is difficult to know how some theorists would recognise cumulative discontents when confronted by them. Their minimization of the problem of conflict is important precisely because it justifies a political process which treats issues essentially as positive sum problems. It also discusses the possibility that some major interest groupings may be unrepresented because they are denied this influence by those currently holding power. Authorities may use power actively to promote some interests at the expense of others; but they are implicitly presented by pluralists as relatively passive, unbiased adjudicators

between competing interests. If, in practice, they promote particular interests it is important to consider which interests are neglected and whether a relatively narrow range of interests is consistently promoted over time. The structure and balance of political forces may in fact permit considerable political bias of this kind. A democratic ideology may, in this situation, veil the prolonged and almost complete suppression of even major constellations of interest. 7.

Lindblom raises this possibility only to dismiss it briefly. He accepts that 'interest group organisation is much easier, much better financed, and hence much more effective for the educated and well-off than for the disadvantaged...'. He goes on to argue that, 'the bias in policy-making is of course not limited to interest group participation. Elected and appointed proximate policy-makers are overwhelmingly from the more favoured classes...They will therefore seek out and listen to interest group leaders with whose desires they are already sympathetic. To be sure officials do not see themselves as representing the interest of some classes against others; rather it is that they see the general interest in the light of their own group affiliations.' 8 The message of warning for the Arts Council in Lindblom's indictment of the policy-making process in western organisations is quite clear.

The lack of urgency in tackling the problems of public appointments partly reflects the political convenience of patronage to successive Governments, whatever their pretensions to radicalism. It also reflects the fact that patronage has seldom been flagrantly abused. Perhaps the main drawback to the Arts Council's present system is not so much abuse of power or responsibility but the avoidance of risk which has in the past (although this is now beginning to change a little) led to the unimaginative and repetitive appointment of 'safe' names by methods unknown or misunderstood by those outside the cordon sanitaire.

The strengths of the present system, which are by and large self-evident,

have been covered in this paper. To keep some of those strengths and at the same time improve on efficiency and accountability will not be easy, but with the right sort of thoughtful experimentation should not prove impossible either. Crisis management in the arts is not enough; it is important to look further ahead. One possible way forward in connection with the subject of this dissertation is for the Arts Council, and for that matter, the rest of the system, to acknowledge that they have performed in a 'disjointed incrementalist' way and not only make better use of its strengths but also look to ways of compensating for its weaknesses by combining its strengths with compatible strengths to be found in other approaches discussed in this dissertation. Half-hearted tinkering around with the status quo will not solve the Arts Council's current dilemma. The Arts Council's choices are now not only more numerous but also more difficult but, despite this, it is going to have to establish priorities rather than continue fence-straddling between the elitist and populist perspectives. Internal structures on the departmental model may well increasingly prove to be less relevant. If art forms themselves now acknowledge no frontiers, arts council officers can no longer be specialists in limited fields. It is a management cliché that the departmental system tends to empire building, to defensive attitudes towards personal territory, unhealthy competition and entrenched ideas. The need for crossing the frontiers of the department's information, and communication barriers is a strong argument for internal management review not only of the Arts Council itself but of other aspects of the system. In a more real and basic sense than ever before, departments must see themselves as integral parts of a corporate whole. The five case studies underlined the need for this perhaps more than anything else and detailed how it might be achieved.

The need for some rationale for public support is especially necessary given the growing mood of budget-cutting. The double-barrelled attack that 'public arts programmes are, frills', and 'the culture funded is unrepresentative' - has made funding the arts increasingly difficult and politically controversial. In the past forty years, public funding of the arts in Gt. Britain, and the framework through which it was carried out, has gone

from being unthinkable to popular to questionable. Such volatility may be inherent in the nature of cultural policy making. Since it touches on our basic societal values, public support for culture can elicit strong public reactions. The following discussion examines, howbeit briefly, some of the arguments raised in this thesis on the framework for arts support in five respective countries, for public/government support of the arts and the influence they have had on the structural reforms and changes to the modus operandi now evident in some of these countries which are a direct result of such influences. Not all the arguments are of equal importance but examining each of the arguments (economic, social, educational, moral, political) it is hoped that a rationale for the changes to state funding in different countries will become clearer.

The commercial model has, until recently, rarely played any part in British debates about subvention in the arts market, unlike the other countries we have examined. The prime argument for this condition was that the arts by their very nature, were unprofitable and needed subsidy to 'bridge the gap' left by the excess of their necessary expenditure over the maximum the public could be expected to pay. Cultural institutions became somewhat conditioned to 'crying wolf' financially in order to scare up contributions, both public and private. Latterly, in recognition of the fact that too great a reliance upon public charity breeds over-dependence and because governments have been increasingly disinclined to support 'lame ducks', the Arts establishment is increasingly attempting to meld the commercial arts world with the subsidised Arts world, pretending in some way that the grant support system is an 'investment' in the whole arts economy. This obviously weakens the older argument for subsidy, by suggesting that the arts are not by their nature uncommercial thereby producing, as John Pick has suggested, a curious twinning effect. For it is now thought desirable for arts organisations to supplement their government grant (given, for so long, because the arts cannot hope to be a profitable investment) with industrial support and commercial sponsorship (argued for on the opposite grounds, that the arts are a profitable investment.) For some time in the United States and increasingly so in Australia, government money has been used as 'seed money' for the purpose of enticing other money from the private

sector.

Request for public subsidies stem from the financial deficits incurred by most cultural institutions. These institutions, most commonly exponents of the high arts, are usually at a disadvantage in the market place because of characteristics inherent to their organisational structure as Baumol and Bowen have pointed out.⁹ There are other disadvantages:

- (1) Since labour costs increase yearly, production costs rise constantly
- (2) Cultural production does not lend itself to assembly-line methods but requires single-unit production.
- (3) For the most part audiences cannot be substantially increased without incurring further costs; larger halls or extra performances.
- (4) Since it is very difficult to judge audience reaction to new productions, risk estimation is difficult.
- (5) And, since the performing arts are 'live', the organisation cannot build up an inventory for the reduction of risk.

In America, the Committee for Cultural Resources observed that this leads to a paradox. "The more technologically advanced we become as a nation the greater the economic burden on arts organisations." As its 'National Report on the Arts', concluded, the only solution to this problem is a government subsidy of twenty percent of the total costs of arts organisations (ten percent each from state and federal sources.) This is needed 'to maintain the quality and stability of the nation's arts organisations and to enable them to provide full service to the public.'¹⁰ In other countries with less private funding even more government money is needed. But, since there are increasingly more arts organisations needing support than money available, grant-making agencies are having to rank cultural objectives according to some standard of public support. The assisted arts organisations have an obligation on their part to maintain the highest possible production standards; serve the community as broadly and as equitably as possible; perpetuate the finest in our artistic heritage; develop new and experimental works; provide opportunities for new talent; and maintain educational programmes.

To argue the social utility of the arts is now commonplace among cultural institutions. Much of the contemporary argument for public support carries with it a missionary zeal. In order to attract funds (as well as a genuine concern on the part of many for equality of opportunity),

public arts agencies defend their appropriations before legislative committees with examples of the breadth of appeal that the funded programmes have to the population at-large (or, more especially, to the constituents of the elected official before whom they are testifying). In reporting on the results of a ten year investment by the National Endowment of the Arts, then Chairman Nancy Hanks highlighted the following successes of community arts orientated funding (no matter how politically motivated it might have been),

The Expansion Arts program has encouraged the creative vitality of our citizens in inner cities, in geographically isolated communities, rural areas, among those less privileged than others. Because of Endowment initiatives, these needs are receiving a new national focus as are the needs in jazz and in folk art and crafts the so-called community arts indigenous to our heritage. 11

The new programmatic emphasis is clear and the salient point about it is that it is increasing access, even if it is not necessarily broadening the sociological composition of the audience at this point in time. The strongest association with cultural attendance is thought to be educational awareness - not income level. 12 In particular, the most frequent attenders of cultural events (people going more than four times a year) are overwhelmingly those who first attended before age twenty. This suggests that early arts education can compensate for some of the cultural limitations associated with income and class. In recognition of the importance of education in the arts most countries have given it a much higher programmatic status in recent years. In Australia, as we saw earlier, it now ranks along with innovations as one of the more important derivatives of funding. In England also it has gained a much higher profile through the initiatives of former Secretary-General and educationalist, Sir Roy Shaw. In America, they have an added problem of giving support to education beyond that which all other countries face of never having sufficient funds in that the National Endowment for the Arts does not have arts education as one of its legislatively defined purposes. Still, it is striving to remedy some of its educational deficiencies through its various Out-Reach programmes and in particular through its Artist-in-Schools Programmes. Lending its support, the Rockefeller Panel recommended an expanded cultural curriculum based on the principle that "the fundamental goals of American

education can be realised only when the arts become central to the individual's learning experience'.¹³ Without support for culturally-innovative programmes, greater emphasis on cultural education would help to create an audience receptive to artistic innovation. Arts education can compensate for some of the disparities in cultural opportunities that exist because of socio-economic differences. While education cannot remedy the problems of cultural disequality, it offers a vehicle for increasing opportunity and access consonant with the new, emerging political structures for support of the arts.

A change of emphasis in favour of the low arts, now clearly evident in some funding patterns, is an essential element of the new administrative structures. As Herbert Gans has pointed out, many of our cultural judgements are deeply rooted in educational privilege and class biases. Opponents of mass culture have translated this personal evaluation into a public policy position, 'which not only ignores other people's private evaluations but seeks to eliminate them altogether'.¹⁴ Gans argues that such a stand is analytically indefensible and socially unjustifiable. The new structures being experimented with in New Zealand, for instance, are seeking to replace such an exclusionary cultural policy stand with a more comprehensive and hopefully equitable approach. In general, the greater availability of the arts that is made possible through the new structures makes more probable culture that cuts across class barriers and ethnic backgrounds.

Surveys have demonstrated that, 'the best predictors of individual willingness to endorse government involvement in the arts are the individual's educational level and whether the individual is an active arts consumer'.¹⁵ Consequently, there is reason to believe that, as educational levels increase and as culture is made generally more available (largely because of government involvement and money), support for public culture will increase. The public supports government subsidy for those cultural activities with which they are most familiar. This underscores the importance of the milieu in which an artistic activity takes place. The barriers inherent in high culture itself are heightened by the social context and milieu in which the works are performed. For instance, open-air arts patrons have been found to be more representative of the local population in socio-economic terms than are indoor audiences for the same type of artistic performance.¹⁶ But perhaps the lowest barrier to participation in cultural activities is

found in public broadcasts hence Canada's growing interest and expertise in this form of communication as a means of furthering cultural experience. The medium offers almost universal accessibility and the absence of social intimidation; it is familiar, unthreatening and cheap.

Indeed, public broadcasting may not only transform the way in which cultural experiences are acquired and developed; it may also shape a new constituency to give political support for public culture. With the increase in Government intervention the arts have been judged tainted because they are participating in the political process: gathering constituency support, making appropriations on regional grounds, seeking broad citizen involvement, establishing principles of equity. In short, public money is now political money, and as such it tends to promote expansion, decentralisation, and re-definition in order to show that the arts are capable of reaching the broadest possible constituency of tax payers and voters. The arts, as Ziegler points out, have become a form of revenue sharing, a way to get the peoples' money back to them in services.¹⁷ Is there any real alternative to further government involvement in the arts at this juncture? Obviously not, for it would never be possible for private patronage to replace government money not even in the United States which boasts the greatest amount of private funding. Moreover, it would be a grave mistake to assume that it is governments alone that have been charged with making programmatic judgement on other than aesthetic grounds. Arts Councils and regional bodies have all been accused of making political judgements at one time or another. Private arts organisations have also been criticised for subservience to box office proceeds and to the conservative taste of members of boards of trustees.

The problem now is how to create a public culture that is not an "official culture": that is, one propagated by the state that serves only its political interest and legitimises only its activities. The solution would seem to rest in basing public support for the arts on a policy of cultural pluralism. Not a pluralist policy by default (because of an inability to define a public interest), but a pluralism of choice (recognising that it is not necessarily in the public interest to define the content

of culture.) For the government to favour a particular artistic style or mode of expression is to risk the official establishment of the cultural form. But government support for the programmes that encourage "grass roots" artistic activities or "outreach" efforts by organisations while definitely seeking to enhance their availability to a larger public, influences only who is sharing in those cultural activities, not what that culture is. The public policy goal is procedural not substantive; government acts as a regulator to broaden access, to create greater social equality, to stimulate interest involvement and diversity.

This is not to suggest that a policy of cultural pluralism is without problems. One of the most fundamental is the perennial question of groups representation. Which publics are to be included in shaping public culture? Also, just how far in advance of community values can publicly supported culture be? Or for that matter, how critical can a cultural activity be of the public or a public agency that provides the funds? There are admittedly 'political' issues of a sort that would disturb some critics of public culture. But it must be emphasised again that culture institutions are already politicised in their governing structure and demonstrated allegiances, for one cause or another. What increased government intervention and reforms to present structures is seeking is to achieve artistic programming that is sensitive to different ethnic backgrounds, social classes, educational levels, ages, and places of residence. When viewed as a whole, the experiences of the five countries in evolving their own funding structures confirms a slow convergence of the Artichect role (descriptive terms used by Chartrand) as embodied in the Ministry of Culture model and the Patron role as embodied by the arm's length arts council suggested by Schuster.¹⁸ This convergence however, is only part of a more general trend which reflects a number of factors including the changing structures and nature of the economy, declining real resources available to the public sector, and the rapid growth in the size and importance of the arts industry. With the exception of the United States, the arts council countries in this study have adopted elements of the ministry model, trying to incorporate some of the political advantages of that model. As a result, a new view is emerging as to the true extent of the arm's length principle.

The Canada Council, for instance, is more aware than ever before that its decisions are made within a political context, within a cultural context—especially the competing demands of 'multiculturalism', and within an economic context, all of which gives them less freedom. The government's desire to have influence on determining policy - directions—particularly as concerns the geographical distribution of artistic activities, the levels of Canadian content, the role of education, the importance of multiculturalism and the structure of cultural distribution systems — and more administrative control in the search for higher degrees of accountability are two themes that are shaping current cultural policy in all countries under discussion here. The major advantage of the ministry model, however, is that the arts become a full partner in government rather than being situated at the periphery, and this facilitates co-operative work with other government offices, particularly important for the implementation of socio-cultural programmes. Arm's length agencies, on the other hand, sometimes find it difficult to convince governmental agencies to cooperate fully with them.

An important and current question in the debate on arts policy in most of these countries is the role that decentralisation should play in decision making. A variety of decentralisation policies have been implemented in these countries, mostly in the last decade, and only now are the results of the policies beginning to become evident. Regional and local funding structures have evolved in a number of different ways, responding to regional and local priorities as well as to central government policies. The diversity of experience indicates that governments may have very different things in mind when implementing policies of decentralisation and for this reason it is not easy to compare these policies across countries without a substantial amount of information on the national context and the historical evolution of arts support. Suffice it to say some observations are capable of being made in the context of this thesis. Although stated in the opening chapter it is perhaps worth reiterating again the broad definitions of devolution and decentralisation.

We shall use the term devolution to refer to the movement of responsibility

for a government programme to a lower level of government such that the level of government has complete autonomy along these dimensions. Decentralisation, on the other hand, refers to a governmental initiative where policy making and the allocation of financial resources are decisions that are kept at a high level of government, while a lower level of government is given the responsibility for implementing and administering the programme. Some governmental arts funding agencies have found it desirable to strike a middle ground by transferring financial resources to the lower level of government along with administrative responsibilities so the lower level's control is only constrained by the general policies of the higher level of government.

From the countries studied both Canada and the United States have in the past both conformed fairly closely to the pure model of devolution because of the federal structure of their governmental systems. While arts support exists at a level of central government, regional art support is very important and has been largely autonomous. With Canada now operating a mixture of the arts council model and the ministry model the degree of pure devolution is diminishing revealing a preference for decentralisation in the country. In recent years governments have tended to retreat from the arm's length principle on which the Canada Council was established as an autonomous agency, and to attach political strings to their grants so that if the governing bodies have their will, artists may well be more frequently expected to pay for what aid they receive by producing approved works useful to governments. Phrases such as the 'national organisation of the arts' and the 'total arts community' or 'arts industry' as it is now more commonly called are all a reflection of this. As Council and sub-council policies show signs of becoming subordinate to a cultural policy of the federal government itself the process of consultation and accommodation become an intergovernmental affair, to be conducted within the broader framework of federal-provincial negotiations. In the United States, most of the State Arts Agencies came into existence after the National Endowment for the Arts offered the added incentive of matching grants for their creation, but those transfers which continue to be made on an annual basis through the Endowment

Office for Public Partnerships still carry few official restrictions as to policy. The development of the national and state arts councils represented a shift towards the arm's length principle mode of operation for the United States. While pluralism, the contract state and regionalism continue the demands for further devolution there is now a contrary voice calling for nationalisation of cultural policy.

The Arts Council of Great Britain began its relationships with lower levels of government with a series of its own regional offices, very much in the spirit of decentralisation. Soon after, the first of the Regional Arts Associations was formed, not by the central government but by local individuals and arts institutions who felt strongly that there was a role for local determination in arts funding and policies. The early grants were made with an agreement that the Arts Council would be able to assert its influence by selecting which elements in the Associations programme it would support, (the mixed model of support.) Eventually the Arts Council came to rely more and more on them to serve as regional conduits for Arts Council support providing them with grants that are similar to the National Endowment's Basic State Grants. In the Council's latest major policy statement, 'The Glory of the Garden' the Council restates its policy to develop the arts in the regions. It does so,

however, by equating 'funding' with 'development' so the long awaited 'devolution' of power to the Regional Arts Associations will be through the Council's passing on of 'development' plans and 'development' money which is very different from the transfer of critical authority for which some of the Associations had hoped; it is once again merely a form of decentralisation, in which, the 'regional centres' are in fact provisional offices of the central authority, passing on pre-determined sums to designated clients according to a centrally-determined system. At this juncture it would seem appropriate to remind the reader that, if Britain were to adopt the measures being taken in New Zealand and Australia for a more integrated policy framework based on concepts of recreation and leisure and, since we have shown, that what we have in this country is more correctly defined as decentralisation of the arts rather than the devolution that is commonly spoken of, we must conclude that the two systems

of support are not all that different on this point, as to preclude amalgamation of a sort. Furthermore, the interest now demonstrated by some countries for the more functional approach to arts funding has long been a characteristic of sports provision. In Australia and New Zealand the shaping of policy by government is producing the same pattern of decentralisation as can be found in Canada, the United States and Great Britain.

In referring to arts promotion as a cultural industry governments are attempting to strengthen their position on the issue of accountability both in traditional and non-traditional terms. The concept carries with it a sense of duality, in as much as it emphasises not only the economic benefits of government aid to the arts but as an indirect consequence of their efforts to secure greater access perhaps also a hope, in part, to transfer the burden of responsibility and accountability for the implementation of public cultural policy to the consumer. By interpretation this is accountability which is imposed from below, and is recognition of the fact that there is a movement toward organisation and management which makes not only the proper determination for allocation of scarce resources more possible, but makes the accountability of the agency and the recipient of those resources more public, observable and jointly responsible. With it the broader critical conception of 'art' has moved from the physical productions and products which have traditionally provided objects of accountability to the process, the persons or organisations which sponsor them giving us the institutional context referred to in the title of this thesis.

The root of the problem regarding public arts funding at present lies not in structural issues but in the unresolved debate about the nature of culture. The debate must be resolved at the level of policy before appropriate and acceptable structures can be evolved. We can expect that in the future the arguments for increased appropriations for the arts will prompt a closer look at the claimed community benefits. Consequently, we can expect continued efforts to change public perceptions, as well as attempts to merge arts policy with policy in other areas. As legislative actions call for more authentic approaches to policy development, we can expect

an increasing effort to address seriously the issues raised by the merit-good and market-failure arguments. On first inspection the new emerging structures demonstrate a greater flexibility and penchant for improved equality of funding which can only benefit the position of community arts in the ranks of the deserving. Taken as a whole the comparative studies suggest that as long as the goals of uniformity of coverage in the provision of the arts and encouragement of variety in artistic activities are both strongly held, neither devolution nor decentralisation will prove to be entirely satisfactory as a solution. Governments will find it desirable and increasingly necessary to intervene, taking on increased power of one sort or another before embarking on a new programme of allocation of responsibilities. The challenge for the Arts Council of Great Britain, since they are our main cause of concern, is to find a support structure that will be able, and will choose to pursue both goals simultaneously in a practical rather than theoretical way. This thesis is testimony of the need for arts councils the world over, to be prepared to adapt to the prevailing economic, social and technological conditions as they increasingly impinge upon the central question of how best to promote the Arts in today's society. The primary source of the superiority of bureaucratic administration lies in the role of technical knowledge which, through the development of modern technology and business methods in the production of goods, has become completely indispensable. In this respect, it makes no difference whether the economic system is organised on a capitalistic or socialistic basis. Whatever the existing bureaucratic apparatus it is driven to continue functioning by the most powerful interests which are material and objective, but also ideal in character. 19

Finally, any public policy which deals with the artist, and the administrator charged with the enactment of such a policy, can do little more than take account of the following six conclusions. First, the policy and those individuals charged with its enactment must accept the lack of closure in the process as a whole and the dominance of process rather than product in the artists' world. Second, the acceptance of the dominance of process over the product model forces the programmes and policies created to prepare and allow for structures within themselves to accept this condition. Rather than the common models of product evaluation and product change,

systems must be designed which deal with process evaluation and change without demanding the paper products which create an artificial item as substitute. Third, the individuals involved at every level must personally allow for such ongoing change and lack of specificity. Fourthly, the policy enactors must, at every level, balance the demands of other levels above and below their position. Fifthly, for this to be done effectively, governments will need to be able to call, on the services of specialist organisations, such as the ministry of culture, which is capable of communicating and analysing policy issues on a cross-sectoral basis, a function that an arts council, as it is currently structured, does not appear to have the capacity to perform successfully. Finally, unless government or governments, accept this policy responsibility, the resulting policy vacuum will continue to be filled as it is today, by pragmatic structural tinkering and the clash of vested interests to an unacceptable and unproductive degree.

Simply stated, this thesis has I believe taken arts administration studies two important steps forward. First, it has helped to provide a new language in which to describe government subsidy, more precise than the vague platitude that governments simply 'aid the arts'. Secondly, that through the comparison of these models of support their purposes become clearer and following from this, it becomes more apparent how a cohesive cultural policy may be formed.

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