



IETM REPORT

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Flanders
State of the Art



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I am granted, therefore I create

This session featured two futuristic, provocative and controversial concepts, which headed off from the idea that the status quo needs a radical change and it needs it now.

The first one went into cyber anarchism by calling to clear away the whole subsidy-based system and then substitute it with what seems to be a neoliberal paradigm of project based grants and audience retention estimations.

The second concept appeared to comply with the established system of subsidies but it undermined the core wealth distribution principles of today by introducing the basic income model in art and cultural sector funding.

Specific models differ greatly across countries; therefore, the local context's influence on each speaker's attitude towards government, funding, policies, evaluation has to be taken into consideration. As well as their professional backgrounds, of course.



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Moderator:

Vesselin Dimov - [Act Association](#), Bulgaria

Speakers :

Caspar Nieuwenhuis - [Likeminds](#), the Netherlands

Pau Rausell-Köster - [Universitat de València](#), Spain

Cut the subsidies!

Caspar Nieuwenhuis, artistic director of Likeminds, presented some observations on the performing arts sector that he had developed in his recent essay, [You must change your art! Performative dramaturgy in the twenty-first century](#). The sector reminds him of slack water of the [Wadden Sea](#).

The slack waters of the status quo

It is a zone of shallow water with tidal flats and wetlands. “It is a good place for mud-flat hikers and resting seals, but impossible for sailors, surfers and other dynamic seafarers.” Translated to the arts sector, that means it is “apathetic, shallow, blurry”. Being an artistic director of an art company, Caspar has been asking himself what are the choices – both artistic and managerial – he makes and has come to the conclusion they are predominantly shaped up and manipulated by the benchmarks set by the subsidies. His company Likeminds receives a 4 years grant, in exchange of which it is expected to “cover” certain policy goals. As stated by its artistic director, the company is artistically diverse, but also culturally diverse, because they work with young people from all over the world and from various culture groups within the Netherlands. Yet, diversity, set as a policy priority, is monitored as a benchmark in exchange of public grants. That’s how Likeminds ended up in the ridiculous situation of defending a director’s choice of Caucasian actors for a “Closer” by Patrick Marber he was staging. “The controllers are controlling my artistic freedom. In order to get back our freedom to make whatever art we want, I think we should not isolate the arts economy from the general economy and one way of doing this is cutting the current subsidy system.”



A herd of seals happily resting in the slack waters of the Walden Sea © DW

Start with a clean slate

Caspar believes that the relation between the ones who have the creative impulse to make art and the ones who have money to support it should be completely revised. The creators should approach the funder with a concrete plan how much money their projects would cost and give an estimation on the amount of spectators their work get back in terms of tickets sold. That is a way of correlating artistic freedom to economic realism because anything we create costs money and we need to be aware of it. Now there are more producers in performing arts than there are subsidies, there are more performances than there are spectators. This imbalance manipulates the system and influences the decisions of the policy makers. In order to correct this imbalance, the government opts for distributing of more funds. Caspar gave an example with the Netherlands which government two years ago has introduced almost 20 % (200 million euro) cuts in

the arts sector and currently restores the funding by gradually increasing it but not to its former volumes. “Now they give back some small fish, like 10 or 14 million euros, which is completely insufficient to any of the agents in the art sector.” Since this approach is obviously no solution, the art sector needs to reorganise, to solve the problem in a new, creative way and to set the foundation of a self-sustaining art economy. Caspar sees such an option in adopting innovative models from the high-tech business world of the Silicon Valley with its startup hives, virtual currency systems and so on. For example, the [blockchain](#) concept can serve as a way to establish a decentralized, self-generating and self-controlling economy. Technological development might be the flood force that could get the arts sector out of the slack waters into open seas.

Give a basic income to everyone

Prof. Pau Rausell-Köster, economist, professor at the University of Valencia, and researcher in cultural economics, presented another game changing concept of restructuring the arts sector. Being an economist, he shares an outsider, “unemotional” vision towards the arts sector.

Art and culture from outsider's perspective

Do we need to subsidize arts and creation? From the middle of the sixties there has been a wide consensus in the academic “cultural economics” that arts must be subsidised. Culture increases our social utility but we have to pay for it. The cultural sector generates employment the same way as other sectors do. The impacts and effects of money spent in the cultural sector is bigger than in other sectors so it is a good way to spend our public money. Another important reason is that the cultural sector is the ground of innovation, and innovation is the key point in changing societies on economic level. So we need to subsidise culture because the market fails to cover all the expenses and we need to ensure the cultural rights of every citizen in our society.

Looking back into history, we can trace out that power (economic, religious, and political) pays for arts and culture in order to fulfil its own goals. The power structures might use art as propaganda, communication, brand creation, advertising, or just because of love for the art. However, art and culture, being a means of communication, is also a source of power on its own right. Nowadays, in result of specific policies, culture that was previously accessible only to the elites, is being spread into society in somewhat paternalistic way: “High culture is good for you, you don't know it yet but you will get access to it”. Regarding popular culture, market is the force that differentiates what should be produced on the principle of “one euro is one vote”. Therefore, decision making in funding of culture is a mix of forces, that differs across countries, systems and situations, but speaking in general, those forces are represented by politicians (who we elect to make decisions in any other sector of

Table 10. The four models of relation between culture and economy. Source Potts and Cunningham, 2010.

The welfare model	Culture is a net charge on the economy, which is worth paying for, because the global effect on welfare is positive. This is due to the production of high value cultural products but with a low market value. The intervention of cultural policy is justified by the consideration of “tutelary goods” or the theory of “market failures”, since the market is unable to internalise the cultural value of the good.
The competitive model	Culture is just another sector. Hence changes in the size of the creative industry affect the whole economy but only proportionally to its size and it is structurally neutral on the global dynamic. Effects on income, productivity or welfare are no different than those of any other sector. In terms of public policy, it is as deserving or undeserving of subsidies as the rest of the industrial activities.
The growth model	In this model, creative industries are a growth vector in the same way that agriculture was at the beginning of the 20th century, or factories in the 1950-60s. There are many possible explanations, but they are all variations on the idea that creative industries generate externalities that cause variations in productivity or in the competitiveness of other sectors (designing for innovation, for instance), or that they facilitate the adoption and retention of new ideas and technologies in other sectors (ICT, for example).
The innovation model	Creative industries are not a sector per se, rather they are a structural part of the innovation system of economy as a whole. Culture leads the process of change in the economy. It is a public good but in a dynamic sense.

public life), peers and professionals from the cultural field, and the citizens.

Arts and culture in the crisis context

Certainly, public budget cuts and the market uncertainty have made for the hard times for the art sector. On a deeper level, there are other forces of change. Technological progress and digitalisation have changed the way art is being produced which has inevitably led to a democratisation of the creation process. Internet has caused a crucial change in the way art and culture are being distributed. Nowadays, anyone with a computer can be a creator in the fields of music, photography and so on. Prof. Pau Rausell-Köster presented concrete data in terms of income in the art sector in Spain in the recent years. According to the figures, in 2015, 29 percent of those working in the performing arts sector earn 600 euros or less per year. Compared to previous years, earning less money from performing arts is an increasing trend. Another 24 percent earn between 600 and 3000 euros on an annual basis. Obviously, they have other jobs to sustain themselves. 51 percent say they have another job in an artistic or para-artistic field. The reason for this dynamic is the accumulated influence of wages going down and the rise in unpaid jobs.

It is a structural unsustainable situation that requires to be addressed by the society. But

in the beginning, why would society seek a way to sustain art instead of channeling its efforts to healthcare, social welfare, infrastructure and so on. First of all, access to arts and artistic self-expression is a codified citizen right. Secondly, market and non-market artistic and cultural activities have a deep and complex impact on values, attitudes, emotions, models of sociability, health, etc., that increase our individual and social wellbeing. Also, artistic and cultural activities could be used to attain other wide range of social goals (social cohesion, inclusion, spread of peace, sustainability, gender equality values, etc.). Market and non-market cultural activities have contrasted effects on productivity, economic growth, innovation, competitiveness... and economic change. Finally, we need artists to provoke, to question the status quo of powers, to imagine that things could be in another way, to imagine other futures... “Not every day, but may be each three months or so... we need some artists to do it.”, prof. Rausell-Köster joked.

We have to consider that the social value of art is not grounded only in the artistic process and the artists as its agents. It is a result of a social interaction. It depends on a process of social construction where mediators, context and demand are important. So, art activities, promoted by public institutions, could have impact in fulfilling the culture citizens' rights, have economic or

social impacts (on health, education, social inclusion, artistic research, etc.), but if we start looking into each specific art activity, we could find that most of them have no impact at all.

As for promotion of “everyday creativity”, we have to acknowledge that even though everyone has the right to express oneself in the artistic activities, it doesn’t mean a right to be a professional artist (for everyone). An adequate way to determine who should be a professional could be through market demand and not for example based on a state authority decisions.

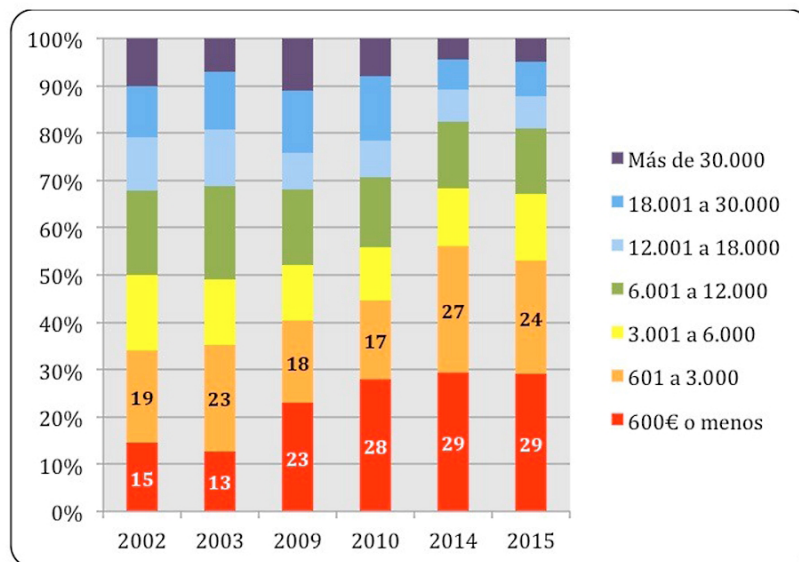
Introducing basic income towards a more equitable income distribution

GDP in the EU has now exceeded its values from before the economic crises in 2008 but the budget cuts and the decrease in salaries is still a trend. “There is no problem with the economic growth. The problem is with money distribution. There is a long-term tendency to reduce the income of the labour in favour of the income of capital.”

Therefore, we have to look for new ways for fair distribution of GDP. A reasonable proposal has been to introduce the basic income. A basic income is a periodic cash payment unconditionally delivered to all on an individual basis, without means-test or work requirement. So, prof. Rausell-Köster’s research group, Econcult, is considering the idea to use the artistic field to experiment with the basic income.

Why they prefer to pilot the art sector? Firstly, it is a good field for experimenting because of the openness of its agents. Secondly, there is ground for the hypothesis that cultural agents are more engaged and cooperative with society than other professional collectives. Thirdly, there is already evidence about the impacts of artistic and creative activities in society, so the experiment would not propose a strict “basic income” but a kind of open contract with the artistic and cultural field with consistent baseline data in the start.

Speaking in numbers, for the region of



Income in the art sector in Spain

Valencia the experiment will encompass approx. 20 000 cultural professionals (artists, cultural managers, activists, entrepreneurs, innovators). If they are granted the minimum wage of the country, which is 764 euro, then the amount needed for an annual basis would sum up to 183 million euro.

Is this too much?

According to Econcult’s estimations, if the volumes of funding in the art and cultural sector return to their pre-crisis level (which is reasonable since the GDP has recovered) these 183 million euro can be easily secured on top of the current funding through grant schemes and subsidies.

How does it work?

It was pointed out that the proposed experiment is not a pure basic income model because the participating art field professionals will engage in a kind of open contract for two years where the artist/mediator shows the compromise to interact with society through the arts. The participants

are free to decide what art they would make if any (production grants, subsidies, open calls are not revoked by the basic income project in any way). At the end of the period, the participants will be expected to present a report on this interaction. The research team is equipped with several instruments for objective evaluation of the work done. These encompass tools for artistic evaluation, for evaluation of the fulfilling of cultural rights, of social impacts as well as for evaluation of economic impacts. They are “programmed” to be independent of political decisions or any influences. Caspar Nieuwenhuis underlined that in his opinion, artists are the ones who should set the criteria for the evaluation in order not to diminish the artworks to a merely instrumental pieces while prof. Rausell-Köster kept his reservations on this issue. The criteria would be established prior to the experiment implementation. In consequence of the report evaluation, those who earn more than 25 000 euro per year and those who are with the lowest scores will fall out of the project to make space for new art professionals to enter the next bi-annual period.

Discussions

The novelty and the daringness of both concepts raised many questions and called for some clarifications.

The figure of the Artist

How could the subsidies be completely eliminated and still, funding for art production to be expected? – Caspar Nieuwenhuis clarified that the emphasis of his concept is on rethinking the system by starting on a clean slate and focusing on what art really needs. And what art really needs is the artist. Then one should ask the question about the art recipients, the audience. Prof. Rausell-Köster asserted that from a social value perspective, the artist is not the centre of the process but rather, communication, exchange of values and ideas is. He thinks that the socioeconomic value of art and culture is a collaborative social process where as important as the creator is the role of the mediators or the demand itself, so we have to share the rewards/recognition between all those parts of value chain (not only economic value, but social or cultural value).

As counterargument, Caspar Nieuwenhuis cited the famous essay of Walter Benjamin, *The Work of Art in the Age of Mechanical Reproduction* (1936): “from the moment authenticity is no longer the essence of the artistic product, the function of art shifts diametrically, from ritualistic to political.” He insisted this is what has happened over the last seventy years, especially within the performing arts, a very ritualistic sector that is now totally embedded within culture politics. The effect is that the artist is not important anymore. Because the benchmarks, set by the controllers, are more important.

Both speakers agreed around the concept of sharing the responsibility.

The figure of the Controller

Keeping in mind the current structures, the figure of the controller has different personalities depending on the funding system that is being implemented. Which controller we prefer to answer to? For example, the US system relies heavily on

philanthropy and your rich donator might not want to support daring art at all. In this liaison, isn't it better to have a public controller instead? Caspar Nieuwenhuis clarified he didn't propose to change from one controller to another but to ditch the monopoly of the controller on the whole. “In the Netherlands now we have only one controller and it is the government.” We need an art economy with several controllers, to start with the artists themselves. According to Caspar Nieuwenhuis, artists are capable of setting their own benchmarks for evaluation of their work.

Someone shared his experience with art policy shaping on municipal level at the Art council of Amsterdam. Contrary to the authoritarian image of government Caspar Nieuwenhuis's arguments imply, the municipal council was open for a broad discussion on changes in art policies. Artists participated on every level of policy shaping. What was missing was the debate on real artistic values. It seems a common issue across Europe since we speak increasingly about numbers and economic impacts and measure towards benchmarks of evaluation set outside the artistic field. The arts community will benefit from bringing the focus back on artistic value, on intrinsic cultural values to society.

Caspar Nieuwenhuis confirmed his view that when the government sets an infrastructure and even if it declares it will not interfere with content, this infrastructure actually molds the content in a way it complies with the policies. “My theatre company, as well as many others in the Netherlands, makes culturally diverse theatre. I know that if I don't do it, I won't get the money and I have to find a new house... It also goes the other way around: the art I make influences funding policies.”

Prof. Rausell-Köster reminded that art policies are not meant for the artists and the artistic sector but for the citizens – the same way as health policies are not for doctors and hospitals but for citizens too.

The figure of the Audience

A representative of the local authorities

in charge of the EU subsidies for culture shared his understanding that instead of talking about utopic solutions, we should admit there is a problem with audience. The need of a subsidy is a proof of a failure. Taking example from football that does not suffer from lack of audience due to sport education in schools, he suggested we need better education in arts. At least, that is the case with Spain where schools were founded by religious institutions and kept away from “leisure and pleasure”.

This comment started a vigorous discussion, provoking the counterargument that if indeed a need for subsidies is a proof of failure, then the bank system and the industry have proved to be real failures based on the enormous subsidies they get. “Cultural subsidies are considerably less in volume and they are being administered in a more transparent manner than those of any other sector. In industry they are not called subsidies but promotion of innovation instead.”

Back to the topic of audience education, someone recalled a recent initiative of the Italian government – to give each 18 years old citizen a 500 euro ‘cultural grant’ to spend on arts and culture. In Finland, there is a programme for cultural subsidies to people who have limited access to arts. This could serve as a kind of audience development and education strategy if it is a sustainable long-term programme. Caspar mentioned that these measures could be used as yet another instrument of control by the government. The authorities are obliged to monitor how public money are spent so they might base their further decisions on data of what kind of art those 18 years old have consumed within this 500 euro grants. Most probably, it would be cinema, so what would happen to theatre or literature in consequence of the justification. “This is a reasonable process but has nothing to do with the arts.”

Another question brought up in connection with audience's habits was why people would prefer someone (the authorities) else to distribute their tax money for the arts sector instead of giving them directly in the form of tickets bought.

The alternative currencies as a means for direct democracy

The [bitcoin](#) is an innovative payment network and a new kind of money established in 2008. It is a peer-to-peer system and transactions take place between users directly, without an intermediary. These transactions are verified by network nodes and recorded in a public distributed ledger called the blockchain. Bitcoin is referred to as a decentralised virtual currency. By buying a new bitcoin you initiate a new registry in the blockchain. The exchange rate is 600 euro for 1 bitcoin. They can be used in some restaurant and cafes, for buying apps and more. The market for bitcoins is not controlled. It is a user-generated market.

Caspar suggested that the art sector changes its subsidies from euros into bitcoins. "You have to produce into bitcoins, you have to pay tickets in bitcoins so there is also coming money from outside economy inside this system of blockchain. So, it is sustainable, it works, it's growing." At the end, one can easily trace out, by the accumulation in the blockchain how much art matters to society. Prof. Rausell-Köster prompted that there is a practice of that sort in festivals with [festival currencies](#). The principle is whatever you buy at the festival with the festival currency, a percentage goes to the performers.

An argument whether not paying taxes (which seems to be the case with using bitcoin currency) can be democratic. Caspar Nieuwenhuis stood for stirring away from overregulation towards [self-regulation of the society](#).

Other choices

Another option for optimizing art budgets was perceived into taking away company

administration and box office people and giving art for free. Then it could work for the sector by focusing greater funding volumes into the direct artistic production instead of spilling it over marketing activities.

In Slovenia, a system of social security payment for professional artists works (similar support system works in France too.) A certain committee decides who would be considered a professional artist so that they will enter the programme. It is a way for the government to avoid the actual precarious situation of having large numbers of unemployed people in the arts sector. Those professionals are 'employed' through a contract and their social security and health insurance are being covered by the authorities who 'hired' them. Someone based in Hungary shared her concern that politicians and authorities could use such systems to choose those artists who contribute to their ideology and propaganda purposes.

The new models of [sharing economy](#) and the work exchange model might be implemented into the arts sector. One obstacle is that it is illegal in Europe to work without getting paid. Another is that in the end of the day one is expected to pay with real money for their goods at the supermarket.

Subsidies might be a good tool to include groups of lower income in cultural life by allowing them to buy a more affordable ticket.

Crowdfunding is definitely not an answer because it is not a toll of democracy but of pure market. The art funded through this model reflects the taste of the majority.

This model might create the impression, especially to the neo-liberal mind, this

could be the long-sought key to liberalisation of the arts. But how would the general public see a merit to invest in arts if its own government is being constantly introducing budget cuts, thus emitting clear signals that degrade the value of arts?

In conclusion, Caspar Nieuwenhuis underlined we are still away from finding ideal utopic system, that most democratic, horizontal, transparent solution to reformulate the art sector. If we really want to find it, we have to start thinking outside the box, start with the attitude, the mindset, be truly brave and innovative. The change is inevitable and soon, in ten years or so, we will have a new concept that is fair, clear, totally horizontal, user generated. The process has started into the environmental change, into food production, into the economic field. We as a sector have to construct our radical new system as well because it is urgent.