



Value, Measure, Sustainability

Ideas towards the future of the small-scale visual arts sector

**Rebecca Gordon-Nesbitt
for Common Practice**

December 2012

Contents

Foreword	4
Characterising the Small Arts Milieu	5
Economic Understandings of Value and the 'Tyranny of Measurement'	7
Social Understandings of Value	10
Measuring the Value of Small Visual Arts Organisations	12
Sustainability	14
Next steps	16
Colophon	19

Foreword

† Authored by Sarah Thelwall and published by Common Practice in July 2011, this research paper is available at www.commonpractice.org.uk

On 30 April 2012, Common Practice, London – a group of small visual arts organisations comprised of Afterall, Chisenhale Gallery, Electra, Gasworks, LUX, Matt’s Gallery, Mute Publishing, The Showroom and Studio Voltaire – convened a working symposium. Directors from around thirty small visual arts organisations operating throughout the UK were invited to join Common Practice in building upon the conclusions of its earlier research paper, *Size Matters: Notes towards a Better Understanding of the Value, Operation and Potential of Small Visual Arts Organisations*.[†]

The symposium was focused on two particular issues arising from *Size Matters*: questions of the value of small-scale arts organisations (and how this might best be measured), and issues of sustainability. This report extrapolates some of the thoughts that were expressed during the day-long discussion. It is not intended as an exact record of the meeting, nor is it exhaustive, and many strands of the conversation that have not been taken up here will no doubt be elaborated upon elsewhere. Common Practice will remain as a strategic entity, periodically producing papers from within the sector, and it is anticipated that the expanded group that met in April will continue to meet.

Topics that surfaced during the day-long discussion included: how organisations can work within, and adapt, the metrics by which they are currently evaluated, in particular by public funding bodies such as Arts Council England (ACE); how organisations might deal with the decreasing levels of public subsidy and worsening economic condition of the UK; how organisations might attract and develop funding from private sources and how we might define ‘artistic value’ without resorting to econometric indices. The level of participation was high, with contributions ranging from theoretical considerations of the ways in which value is constructed to case studies demonstrating some of the problems facing the sector and solutions that have been found.

A real positive to emerge from the day was the simple sharing of experiences, which gave those present a sense of moving towards some form of collectivity. This meant that, while this text was initially commissioned as a singly-authored report, it soon felt more appropriate to regard it as a collaboration between all parties to the discussion. In the same spirit, it was agreed that the ideas and comments contributed by participants at the meeting would not be individually attributed.

Characterising the Small Arts Milieu

² Tracing Darwin's work on natural selection to contemporaneous politico-economic theory, R. C. Lewontin argues that 'institutions are created whose function is to forestall violent struggle by convincing people that the society in which they live is just and fair, or if not just and fair then inevitable, and that it is quite useless to resort to violence. These are the institutions of social legitimation'. In turn, these institutions 'must not seem to be the creation of political, economic, or social forces, but to descend into society from a supra-human source'. R. C. Lewontin, *The Doctrine of DNA: Biology as Ideology* (London: Penguin Books, 1993).

³ Susan Royce, 'Business Models in the Visual Arts: An Investigation of Organisational Business Models for Arts Council England and the Turning Point Network', February 2011. See: www.artscouncil.org.uk/media/uploads/pdf/Final_business_models.pdf

⁴ For an example of this, see Dany Louise, 'Ladders for Development: Impact of Arts Council England Funding Cuts on Practice-Led Organisations' at: www.a-n.co.uk/research/article/1300054/1224267

Taking *Size Matters* as a starting point, the conversation set out to develop a shared understanding of the milieu in which small visual arts organisations operate. *Size Matters* had used the term 'ecology' to describe the relevant field. This was problematised by some, on the basis that it naturalised the existing order, potentially delimiting critical analysis of a notionally stable system, and thereby inhibiting its disruption.² Unreflexive use of ecological metaphors has recently served to suggest that only those organisations able to adapt – particularly to corporate or philanthropic models of organisational development – will survive the austerity measures being imposed in response to the financial crisis.³ Parties to the April discussion recognised the need to remain mindful of the broader socio-economic system in which they operate and the limitations this imposes on alternative practices.

Another issue raised regarded the problematic perception that small arts organisations form a natural and fitting part of a continuum of development for artists and artworks. This implies a linear progression up the rungs of a ladder – the unidirectional nature of which not only construes bigger as better but, arguably, also precludes more established artists from working with smaller organisations 'lower' down the scale (something which existing working practices clearly demonstrate is not the case).⁴ The ladder metaphor was also seen to expose an omission in the modelling of *Size Matters*, namely the role played by artists and artist-run organisations (which might function as the proverbial 'bottom rungs').

Rejecting both ecological metaphors and hierarchical models, participants at the symposium suggested that the ambit in which small arts organisations operate would be better understood as a flexible structure replete with opportunities. In this scenario, change comes from within, and organisations affect the broader system as much as they are affected by it. Conceiving the operational milieu in this way makes consistent, detailed questioning – as well as moves towards radical change – both possible and necessary.

Size Matters was nonetheless widely welcomed as a useful first step, and discussion began with a reflection on its central concern – namely, how the work of small visual arts organisations is valued and how measurement might be changed to recognise and better reflect their unique contributions. In the first place, *Size Matters* used benchmarking to enable small arts organisations to be compared – and compare themselves – across the sector, employing indices such as income (from grants, tangible and intangible assets) and expenditure (on production, staff, overheads and reserves). This benchmarking approach was also intended to facilitate comparison of the operations of small organisations with larger ones, for example those clustered within the Visual Arts London Strategy (VALS) group, part of the national Turning Point Network with which *Size Matters* directly compares certain Common Practice data.

⁵ Sarah Thelwall, *Size Matters: Notes towards a Better Understanding of the Value, Operation and Potential of Small Visual Arts Organisations* (London: Common Practice, 2011), pp. 6–7, 31–33, 36–37, 39–40.

In the second place, *Size Matters* confirmed that the metrics currently used to assess the modes of operation of all arts organisations – centred on attendance figures and shifting definitions of external income – are more appropriate to large organisations.⁵ This highlighted the inherent disadvantage faced by the small-scale sector in being expected to deliver on the same fronts as its larger counterpart while lacking the resources and opportunities necessary to move beyond the ‘hunger level’ – as one participant called the conditions experienced by small organisations – and into the kind of dynamic economies that are currently posited as offering a chance of achieving sustainability. With this in mind, *Size Matters* took steps towards articulating a number of indices that might be more applicable to assessing the work of small organisations.

In adopting this pragmatic methodology, *Size Matters* deliberately sidestepped discussions around the place of culture within society at large, and, rather than undertaking a critical engagement with the concept of value in a more general sense, the paper offered a condensed summary of the nuts and bolts of existing cultural economies – their operational and funding parameters. By contrast, April’s working symposium expanded its remit to incorporate broader questions, aided by contributions from invited speakers and short presentations by peer organisations. Fluctuating between these two discursive contexts highlighted the difficulties which sometimes arise when seeking to answer broader social, political and philosophical questions while simultaneously addressing the practical challenges associated with the day-to-day running of organisations. This provokes questions about whether these two approaches are destined to remain mutually exclusive or whether a path can be found to a more holistic conception of the work of the sector.

Economic Understandings of Value and the ‘Tyranny of Measurement’

⁶ S. Artesian, Mis-Measure for Mis-Measure, *Mute*, November 2010. See: www.metamute.org/editorial/articles/mis-measure-mis-measure

We are no longer just counting, calculating creatures. We are counting, calculating creatures living in a society where counting and calculating are tools of a counting, calculating, accumulating and scheming class. Measure serves accumulation

– S. Artesian, 2010 ⁶

In considering the value of commodities, Karl Marx isolated the two distinct forms of *use value* and *exchange value*. The first of these may be regarded as the basic essence of a commodity and expressed as a factor of the labour time invested in its manufacture, making it relatively constant. The second type of value is realised when commodities are exchanged within a market, rendering it susceptible to wide fluctuations. Having begun as a tool for comparing commodities in order to exchange them, value has now largely become a metric in itself; numbers have become naturalised, and accounting has become a central and definitive method of evaluation, intruding into areas of society to which it bears no obvious relation and becoming the *de facto* arbiter of purpose and legitimacy. The economic crisis that swept across the US and Europe towards the end of 2007 can be seen as representing a crisis of value and measurement, brought about by an over-reliance on inadequate numerical approaches that has become inherent in the prevailing socio-economic order.

To measure value is, first of all, to pose the question of the crisis of value. The unit of measure of the process of valorization is the crisis, the mechanism of exploitation is unveiled through the crisis, and the material conditions of liberation are posed by the crisis

⁷ Christian Marazzi, ‘Measure and Finance’, 21 September 2007. See: www.generation-online.org/c/fc_measure.htm

– Christian Marazzi, 2007 ⁷

⁸ It was pointed out, for example, that *Size Matters* valorises the intangible assets of small visual arts organisations, which rely on the exploitation of cheap labour, and that a parallel reliance on intangibles may be found in the derivatives market, which has become symbolic of a discredited ideology.

Size Matters argued that we ‘need to develop ways of measuring a wider variety of types of value being delivered by small visual arts organisations’, considering value according to fiscal, artistic, social and societal parameters. Perhaps inevitably in a capitalist society, all of these conceptions of value tend ultimately to be realised in commercial terms.⁸ This sparks questions about the extent to which we can change the metrics according to which the work of small visual arts organisations is measured. If we linger on definitions of value that are commercially inflected, the work undertaken by small organisations (which consistently displays non-commercial tendencies) will either evade measure or tend to fall foul of performance indicators ill suited to its unique strengths and particularities. At April’s meeting, questions were also raised about the desirability, and ultimate efficacy, of positing new metrics according to which diminishing resources will be allocated. Rather than staking everything on individual institutional survival, perhaps new ways of thinking, and working, are needed, which derive from, and depend

upon, collectivist – rather than individual and competitive – organisational approaches and/or activist strategies.

Economic understandings of the sector, which were also represented at the April forum, suggest the strength of small visual arts organisations to lie in their diversity and risk-taking, while their particularity is seen to reside in the depth of, and commitment to, practices extending over longer periods of time. Viewed in these terms, the value of small visual arts organisations manifests

itself in a long-term contribution to the sector, without which larger-scale organisations could not thrive. It was suggested that greater recognition of this dynamic connection needs to be encouraged among those who benefit from the work of smaller organisations (larger institutions, influential curators, large-scale

The value of small visual arts organisations manifests itself in a long-term contribution to the sector, without which larger-scale organisations could not thrive

exhibitions, biennials, etc.), as well as those who fund it (public bodies, philanthropists and charitable trusts and foundations). In this regard, larger arts organisations could act as champions of smaller ones, publicly recognising the role that they play in enabling artists to develop and produce important projects, which are later exhibited or collected by larger organisations and which form the bedrock of their contemporary programmes. Moreover, if the particularities of small arts organisations were properly acknowledged, publicly recognised and financially rewarded, the adoption of new metrics *and* methods of scalability would become less relevant.

While *Size Matters* demonstrated that the expertise and intangible assets of smaller organisations provide essential material for larger organisations and commercial galleries, it also showed that scant means currently exist for small organisations to recoup value that is accrued throughout the lifetime of the artworks and publications they commission and develop. Attempts to address this within the commercial sector have been met with varying levels of success.⁹ While each situation is different, the reclamation of invested funds from commercial galleries is notoriously difficult to negotiate and generally relies upon early conversations with both galleries and artists, with the latter being the most effective at recouping money from the former (for production, publications, etc.) and perhaps also from major collectors. However, as participants of the April meeting attested, this can lead to negative experiences for artists, with recoupment acting as a disincentive for galleries to sell work during the specified timeframe. Recoupment also raises issues around capacity and whether an organisation can afford to prioritise chasing funds, even if artists and galleries are open about having sold work.

If the recoupment of deferred value from larger organisations or commercial galleries is desired but too time-consuming to pursue on an individual basis, this could be attempted as part of a collective process using pooled resources. This could, for example, involve the establishment of a specialised unit acting in the interests of relevant arts organisations and/or artists. However, proposals for business models based on recoupment arguably entail the institution of even stricter regimes of evaluation.

Overall, the concept of deferred value harbours negative as well as positive potential in that it could be said to foment adversarial, or mutually suspicious, relations between small organisations and their larger, or more commercial, counterparts. In light of these risks, a strong preference was demonstrated for more imaginative approaches. One such approach might involve recourse to narrative techniques, which the extended group

⁹ In August 2008, ACE published the results of a consultation with the law firm, Withers LLP, into the reinvestment of public funds. Reinvestment was defined as the 'recycling of recouped investment in artistic production or shared profits by public arts organisations following the sale of commissioned or exhibited artworks in order to further the commission or exhibition of new artworks by the public arts organisation'. See page 2 of guidelines for the reinvestment of public funds by subsidised visual arts organisations at: www.artscouncil.org.uk/media/uploads/documents/projects/reinvestmentguidelines_phpzgX6bn.doc

of participants at the April symposium agreed offered persuasive means to demonstrate the value of their work without the need for any kind of calculus. The changes brought about by their interventions into the cultural landscape need to be reported in new and appropriate ways. Stories about the aesthetic encounters mediated by small arts organisations can offer nuanced, particular and memorable accounts of their work. The meeting heard case studies from several of the organisations present, which could be collated and expanded to produce a potent document. The elaboration of narrative also has consequences for qualitative measurement in relation to the impact of small arts organisations, which will be explored as this report progresses.

Social Understandings of Value

The Gross National Product does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country; it measures everything, in short, except that which makes life worthwhile

– Robert Kennedy, 1968¹⁰

¹⁰ Robert Kennedy, speech at the University of Kansas, 18 March 1968. See: www.jfklibrary.org

In the 1930s and '40s, the Russian-American economist, Simon Kuznets, undertook in-depth research into the national income accounts of the US to create standards for the measurement of Gross National Product (GNP). Throughout the course of his professional life, Kuznets was adamant that GNP should not be used to gauge the welfare of nations, though, of course, this was its eventual fate. Kuznets might have been gratified to know that, in November 2010, UK Prime Minister, David Cameron, asked the Office for National Statistics (ONS) to measure 'gross national happiness'. The first phase of this research – published in December 2011 as part of a £2 million project aimed at challenging the dominance of economic measures in evaluating the health of the nation – looked at levels of life satisfaction according to age and marital status.¹¹ In March 2012, the results of extending this study into a consideration of work-life balance were made available. This took account of working hours and job satisfaction while considering how leisure time was spent, with leisure time being understood to include participation in the arts and cultural activities. On the first count – that of working hours and job satisfaction – the report acknowledged previous research which demonstrated that well-being rises in direct proportion to the number of hours worked, but only up to a certain point, before satisfaction tails off as working hours become excessive. Within this, the extent to which additional work was imposed or taken up voluntarily was a factor. Such findings are relevant to the subject under discussion here, as representatives of small visual arts organisations reported working vastly in excess of the hours for which they were being paid. This takes them into the realm of potential dissatisfaction; however, this dissatisfaction is partially mitigated by the self-directed nature of arts-related work. Directors at the April meeting seemed to confirm this dual sense of over-work and positive self-direction.

¹¹ See 'Initial investigation into Subjective Wellbeing from the Opinions Survey', Office for National Statistics, 1 December 2011: www.ons.gov.uk/ons/dcp171776_244488.pdf

In considering engagement in the arts and cultural activities during leisure time, the March report published by the ONS noted that 'culture helps to strengthen social ties in the community and therefore contributes towards individual and organisational self-esteem which ultimately nurtures well-being'.¹² The report also cites the *Taking Part* survey, commissioned by ACE, which demonstrated that visits to museums and galleries have increased

¹² Carla Seddon, 'Measuring National Well-being – What We Do', Office for National Statistics, 29 March 2012. See: www.ons.gov.uk/ons/dcp171766_258996.pdf, p. 24.

from 42.3 percent of respondents in 2005–6 to 46.3 percent in 2010–11.

This consolidates a consistent upwards trend in audience participation that is echoed in Scotland, Wales and Northern Ireland. This seems to suggest that an increased level of cultural engagement signifies an increase in ‘gross national happiness’, a claim that warrants further investigation.¹³

Between February and May 2007, ACE ran a consultation aimed at elucidating the value of culture to British society, which found that the arts aided people in understanding, interpreting and adapting to the world around them.¹⁴ Artistic activities were also seen as a channel through which people could express themselves and communicate with others. Respondents embraced the challenging nature of the arts – their ability to compel people to question their assumptions and think about the world in different ways – and spoke of the ability of the arts to inspire and to provide a refuge from the mundane, the commercial and the work-orientated reality of everyday life. While an understanding of the benefit of participation in art seems implicit in the rhetoric surrounding public funding, a more thorough understanding of these benefits would help small-scale arts organisations in making their cases for funding and support. At the April meeting, it was suggested that the ‘human’ value of small arts organisations needed to be considered alongside their role in fostering some of the most challenging artistic practice.

Academic research into the benefits of aesthetic experience in everyday life supports both the proposition and the need for further investigation into how exactly these benefits might accrue and be measured. In July 2012, the Arts and Humanities Research Council (AHRC) – the main agency for funding academic research in the arts and humanities in the UK – announced the launch of a project aimed at better understanding the value of culture to individuals and society.¹⁵ The AHRC’s Cultural Value Project is predicated on the idea that the economic impact of culture ‘may in recent years have become too dominant in the discussion of cultural value’.¹⁶ Within the Centre for Cultural Policy Studies at the University of Warwick, cultural policy analysts, Eleonora Belfiore and Oliver Bennett, have traced contemporary considerations of the social value of aesthetic encounters back to Plato’s conception of culture as a corrupting influence. Since then, they observe, the arts have been harnessed to the maintenance of social order, through strategies such as the reinforcement of class divisions and the provision of moral education. Disputing the ‘measurability’ that dominates evidence-based policy, Belfiore and Bennett conclude their study with an expression of the hope that the ‘simplistic characterisation of the social impacts of the arts that seems orthodox in contemporary policy debates can be successfully overcome, in favour of a more nuanced understanding of how the arts can affect people’.¹⁷

The unprecedented convergence of small arts organisations around the Common Practice group represents an opportunity to explore the social impact of aesthetic encounters more intensively. In this work, it should be borne in mind that attempts to use social indicators or surrogate measures as a target for policy purposes fall foul of Goodhart’s Law, which, simply put, states that the moment a measure becomes a target, it ceases to be a measure.¹⁸ As has been seen in other areas of social life, this can have detrimental effects on levels of service as resources are dedicated to meeting and massaging targets that become meaningless as measures of differentiation.

¹³ See *Taking Part: The National Survey of Culture, Leisure and Sport Adult and Child Report 2010/11* at: www.artscouncil.org.uk/what-we-do/research-and-data/arts-audiences/taking-part-survey/

¹⁴ Keaney et al., *The Arts Debate: Summary and Analysis of Consultation Responses* (London: Arts Council England, 2007).

¹⁵ For the announcement of the AHRC’s Cultural Value Project, see: www.ahrc.ac.uk/News-and-Events/News/Pages/Project-to-understand-the-value-of-arts-and-culture.aspx

¹⁶ This is taken from an advertisement for a postdoctoral researcher to work on the Cultural Value Project that appeared on the website topcareer.jobs until 18 August 2012.

¹⁷ Eleonora Belfiore and Oliver Bennett, *The Social Impact of the Arts* (Basingstoke: Palgrave Macmillan, 2008), pp. 194–5.

¹⁸ The original version of Goodhart’s Law in 1975 (named after Professor Charles Goodhart, then Chief Advisor to the Bank of England) reads as follows: ‘As soon as the government attempts to regulate any particular set of financial assets, these become unreliable as indicators of economic trends’.

Measuring the Value of Small Visual Arts Organisations

As mentioned earlier, *Size Matters* exposed the inapplicability of the current metrics of audience figures and external income to the work of small arts organisations. Nonetheless, smaller arts organisations remain compelled to work within these metrics, for example by using footfall and readership figures to measure an organisation's impact. In relation to attendance, a number of organisations are in the process of tracking audiences for the works they commission over an extended period (i.e., when the commissioned artwork goes on to be exhibited in a major and/or touring exhibition or biennial). Moreover, although national funding bodies tend only to count attendance figures in their catchment area, attempts are being made to broaden the category of 'audience' to include other parts of the UK and beyond.

In relation to the generation of external income, Susan Royce considered the business models of visual arts organisations in a report produced for ACE and the Turning Point Network.¹⁹ Making no distinction on the basis of size, *Business Models in the Visual Arts* nonetheless consolidates the premises of *Size Matters* – that visual arts organisations tend to be lacking in capital and resources while their assets remain under-exploited. In the report, Royce attempts to impose corporate practices onto arts organisations (involving exploitation of tangible and intangible assets, audiences and workers, including volunteers) while simultaneously acknowledging the sector's antipathy towards commercial values. She also suggests that organisations rely too heavily on bail-outs, rather than building up reserves, and that they rarely face penalties for failure (which she refrains from defining). In noting the prioritisation of programme over investment models, Royce implies scarcity of reserves to be the result of conscious decisions, born of short-sightedness and obduracy, rather than a factor of leanness or ill-conceived funding policies. Somewhat paradoxically, she also observes that what little second-order income arts organisations pull in is easily cancelled out by their overheads. As we saw in *Size Matters*, the inability to accrue a significant surplus or to make provision for the future is endemic in small visual arts organisations, which often operate within and between alternative, gift and in-kind economies; this makes measurements of external income ill suited to their working practice. In summary, then, research that was carried out contemporaneously with *Size Matters* acknowledges the inherent vulnerability of small arts organisations while simultaneously using it as a stick with which to beat them.

As mentioned at the outset, questions were raised at the symposium about the desirability, and ultimate efficacy, of positing new metrics according to which diminishing resources will be allocated. However, if, as a sector, UK-based small-scale arts organisations find themselves obliged to continue redefining the metrics according to which their work is measured, two avenues were suggested.

¹⁹ Royce, *op cit.*

The first is a return to a consideration of Key Performance Indicators (KPIs), which were introduced by ACE in 2011 as a qualitative means of differentiating core funded organisations. In December 2011, the detailed earlier focus on KPIs was deemed ‘too complicated’ and the National Portfolio Organisations were instead compelled to:

- Indicate what you are doing to ensure that excellent art happens and how you will know you have been successful
- Implement an improved method for audience data collection and interpretation
- Increase the amount of activity made available to audiences digitally
- Increase the organisation’s engagement and reach
- Indicate the organisation’s expected amount of contributed income in 2012 / 13, 2013/14 and 2014/15.²⁰

²⁰ See ‘Arts Council England, Next Steps and FAQs for National Portfolio Organisations, December 2011’, p. 3 at www.artscouncil.org.uk/media/uploads/pdf/NPO_funding_agreement_next_steps.pdf. This states that contributed income includes sponsorship, donations and grants from trusts and foundations.

As we have seen, such exigencies are inappropriate to small arts organisations because they maintain the expansion of audiences and increase and diversification of income as key markers of good organisational management. Knowing these measures to be inimical – perhaps even antithetical – to their *modus operandi*, small visual arts organisations might instead come together to act as an advocacy group to devise KPIs more appropriate to their way of working.

The second avenue that suggested itself when considering metrics more appropriate to small visual arts organisations was the evaluation of their work according to its impact. The concept of impact encompasses a wider ranging and subtler understanding of the work of small arts organisations (for example, footfall describes the initial reach of the project, but ignores the significance the project has on those who encounter it). Given the complexity of their work, the impact of small arts organisations is best understood through project-based narratives, and provides a potential key to sustainability, as discussed in more detail below.

Sustainability

Until recently 'sustainability' was popular shorthand for describing successful business models that were capable of keeping their organisations in business beyond the short term [...] The concept suggests that sustainability is a state to be achieved and clung onto whereas, in truth, successful value creation happens at the interface between the organisation and the outside world; success is fluid, fleeting and elusive

– Susan Royce, 2011

Taking account of the picture outlined in *Size Matters* and above – that small visual arts organisations in the UK are struggling to sustain themselves in a hostile public funding climate – immediate consideration needs to be given to securing a collective future. While it may seem that the tide is turning against public funding for culture throughout Europe, this is not the case everywhere. Germany has increased its culture budget by 3,5 percent for 2012,²¹ Scandinavia has been largely unaffected by cuts, and European Commission funding for arts and culture is being increased.²² Scope, therefore, exists to author joint proposals to the European Commission and to highlight the positive results of increased cultural funding in member states.

In the late capitalist countries in which austerity measures have been implemented, private philanthropy has paradoxically come to be regarded as a relatively unencumbered and reliable funding source. In this model, individuals with deep pockets – 'philanthrocapitalists',²³ facilitated by the state's taxation regimes – appear to offer more enlightened policies.

In examining the *modus operandi* of philanthrocapitalists, the majority were found to rely on measures similar to those used by economists and public funders. There are exceptions that recognise qualitative measures, and the categories in which they generally operate include:

- **Religious philanthropy** – mostly operates at a grassroots level, with the exception of the Templeton Foundation, which funds elite thinkers.
- **Scientific philanthropy** – largely centred on elite institutions, such as the Ivy League and Oxbridge, with rare individuals, such as Peter Thiel, explicitly funding scientific research that is not conducted within universities.
- **Civil Society/Political Rights philanthropy** – operates with a long-range perspective, as exemplified by the work of George Soros. While this mode of philanthropy considers funding as a good in its own right, it is usually caught up with measuring value and demonstrating impact.

²¹ Having been threatened with €15 million of cuts, the government commissioner for culture and the media, Bernd Neumann, was promised an additional €60 million. See Ralf Neukirch and Christian Reiermann, 'Germany's Finances Not as Sound as Believed', *Der Spiegel*, 22 November 2011 at: www.spiegel.de/international/europe/o,1518,799059,00.html

²² The European Commission budget for 2014–20 is €1.6 billion compared to €400 million for 2007–13. See: ec.europa.eu/culture/index_en.htm

²³ See Matthew Bishop and Michael Green, *Philanthrocapitalism: How the Rich Can Save the World* (London: Bloomsbury Press, 2008).

- **Social Entrepreneurship** – relies on contributions to smaller organisations that go to scale either through larger institutions or the commercial sector, in an ambit that will not thrive without innovators and risk-takers.

Of these, the model of social entrepreneurship seems the most appropriate to small arts organisations. But this approach should be pursued with caution as it relies on organisations having assets and revenue streams, and leaves unanswered ethical questions as to whether arts organisations could, or should, benefit from assets transfer programmes, a practice which social enterprises borrow from the private sector.

On the question of philanthropy, only around a quarter of the organisations represented at the April meeting had dedicated benefactors' programmes, and many felt that the successes achieved by such programmes elsewhere relied on the kind of proactive, sustained and aggressive policies that only larger organisations, with resources dedicated to such activity, can pursue. In this context, the expectation of the UK government and its funding bodies that the philanthropy model can be directly transposed from large to small organisations is at least in significant need of refinement, if not altogether unrealistic. Further, there are comparable problems of transposition associated with 'importing' US models of philanthropy. As has widely been remarked, there are long-established historical differences between the respective tax regimes of the US and the UK which have direct bearing upon giving. More broadly, the compatibility of a cultural sector centred on philanthropy with mature – albeit embattled – welfare states has been questioned. Participants to the April meeting also problematised the philanthropic tendency to construe art as something with which it is appropriate for the wealthy in society to be involved, at the expense of its consideration as a public good over which all levels of society have a say. As outlined above, the opportunity exists to explore the social value of aesthetic encounters more intensively. If the social impact of art were rearticulated, the perceptions of philanthropists and their contribution to the common good would likewise be revised. The inherently discursive nature of the small-scale arts sector could grant it a leading role in this process.

Another significant route to securing sustainability emerged from discussions of impact. Under the current funding regime, Higher Education Institutions (HEIs) are judged according to their impact, with researchers periodically being assessed according to the 'reach' and 'significance' of their work. The next UK-wide assessment exercise will be the Research Excellence Framework in 2014, in advance of which small visual arts organisations could build relationships with HEIs, offering their highly-prized impact. This process has already begun. Eastside Projects, for example, works with the City of Birmingham University; LUX hosts a post-academic programme for artists working with the moving image and collaborates with Central Saint Martins College of Art and Design to offer an MRes course; Wysing Arts Centre hosts four-day retreats as part of the MA Curating course at the Royal College of Art; Collective Gallery has been building a relationship with the University of Edinburgh that recognises the shift from research to knowledge transfer; and Mute Publishing is developing a number of projects with Coventry University, which facilitate the collection, selection and remuneration of open editorial content.

Next Steps

The preceding pages offer a flavour of the discussion that took place between the directors of UK-wide small visual arts organisations in April 2012 while also extracting some of the most pressing issues facing the field today. On the basis of these collectively generated thoughts, the following next steps suggest themselves:

- Prioritise collective strategies over individual institutional survival as a means of guaranteeing future operation. Consider the achievements that might be possible through collective approaches – both sector-wide and those based on organisational affinities. In the first instance, this might apply to recoupment of commissioning funds from commercial galleries, but there is plenty of scope to move beyond this.
- Give greater consideration to the relationship between small and large organisations, enabling a better understanding of the importance the work of the former has in the success of the latter. A beneficial approach would not only involve small organisations better articulating and narrating the impact of their work, but also larger organisations publicly recognising the contribution of this work to the wider field.
- As a corollary to the ONS Well-Being Survey cited above, and using a similar methodology, commission research into the working hours and job satisfaction of those operating within small visual arts organisations.
- Commission research into the social value of art and the transformative claims surrounding it, with specific reference to the output of small visual arts organisations.
- Consider the human value of small arts organisations alongside their role in fostering some of the most challenging artistic practice.
- Continue exposing the inapplicability of existing metrics while tracking audiences both long term and in widespread geographical locations (pressing for attendance figures beyond the initial public presentation and outside national catchments to be taken into account) and exploring possible sources of external funding.
- Consider the development of new metrics that are appropriate to the workings of small visual arts organisations, which are grounded in non-commercial approaches and designed such that they do not become targets.

- Revisit the idea of Key Performance Indicators in a bid to enable appropriately qualitative measures to be developed.
- In considering the impact of small visual arts organisations, develop narrative approaches that best describe their work over an extended time period.
- Pursue relationships with Higher Education Institutions based around impact and the Research Excellence Framework.

Common Practice is actively exploring these possible future directions, and will continue to share its work and findings with its broader community through its website, shared e-letter and new research projects.

If you would like to be included in this discussion, please contact us at info@commonpractice.org.uk

Discussion at the symposium was stimulated by invited speakers, and Common Practice is very grateful to the following for their contributions: Michael Green, co-author of *Philanthrocapitalism: How Giving Can Save The World* (2010); Donna Lynas, Director of Wysing Arts Centre; Amalia Pica, artist; Kate Rich, artist and trader; Gavin Wade, Director of Eastside Projects; and Marina Vishmidt, author and critic.

Participating organisations at the symposium included:

Melissa Gronlund <i>Afterall, London</i>	Toby Huddleston <i>Crate, Margate</i>	Gill Park <i>Pavilion, Leeds</i>
Gary Thomas <i>Animate Projects, London</i>	Miranda Sharp <i>Delfina Foundation, London</i>	Emily Druff <i>Peckham Space, London</i>
Nicola Triscott <i>Arts Catalyst, London</i>	Irene Revell <i>Electra, London</i>	Ingrid Swenson <i>Peer, London</i>
Russell Martin <i>Artquest, London</i>	Gavin Wade <i>Eastside Projects, Birmingham</i>	Dan Kidner <i>Picture This, Bristol</i>
Richard Jones <i>Auto Italia South East, London</i>	Andy Hunt <i>Focal Point Gallery, Southend on Sea</i>	Louise Huchinson <i>SI Artspace, Sheffield</i>
Jane Rolo <i>Book Works, London</i>	Alessio Antonioli <i>Gasworks, London</i>	Nicola Hood <i>Spacex, Exeter</i>
Kwong Lee <i>Castlefield Gallery, Manchester</i>	Andrew Bonacina <i>International Project Space, Birmingham</i>	Joe Scotland <i>Studio Voltaire, London</i>
Aileen Burns & Johan Lundh <i>CCA-Derry-Londonderry, Derry/Londonderry</i>	Ella Ritchie <i>Intoart, London</i>	Sue Jones <i>Whitstable Biennial, Whitstable</i>
Polly Staple <i>Chisenhale Gallery, London</i>	Ben Cook <i>LUX, London</i>	Donna Lynas <i>Wysing Arts Centre, Cambridge</i>
Dawn Bothwell <i>CIRCA Projects, Newcastle upon Tyne</i>	Robin Klassnik <i>Matt's Gallery, London</i>	
Kate Gray <i>Collective Gallery, Edinburgh</i>	Pauline van Mourik Broekman <i>Mute Publishing, London</i>	
	Karen Mirza <i>no.w.here, London</i>	

Colophon

*Value, Measure, Sustainability:
Ideas towards the future of the small-scale visual arts sector*
by Rebecca Gordon-Nesbitt

Commissioned and published by Common Practice, London,
December 2012, with support from Arts Council England.

Editorial Team

Melissa Gronlund, Pauline van Mourik Broekman,
Emily Pethick, Stephanie Post

Editorial Board

Alessio Antonioli, Benjamin Cook, Robin Klassnik,
Pablo Lafuente, Pauline van Mourik Broekman,
Emily Pethick, Irene Revell, Joe Scotland, Polly Staple

Design

Sara De Bondt studio

Publication © Rebecca Gordon-Nesbitt and Common Practice, London, 2012.
All rights reserved. No part may be reproduced in any manner whatsoever
without the prior written permission from the copyright holders.



C-o-m-m-o-n
P-r-a-c-t-i-c-e

C-o-m-m-o-n P-r-a-c-t-i-c-e

C-o-m-m-o-n
P-r-a-c-t-i-c-e

C-o-m-m-o-n
P-r-a-c-t-i-c-e

C-o-m-m-o-n
P-r-a-c-t-i-c-e

C-o-m-m-o-n
P-r-a-c-t-i-c-e

C-o-m-m-o-n
P-r-a-c-t-i-c-e

C-o-m-m-o-n
P-r-a-c-t-i-c-e

C-o-m-m-o-n
P-r-a-c-t-i-c-e