

The arts are in uproar. Thatcherism has finally set out its stall for their future.

The Arts: Bad Counsel Prevails

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THE FUR WAS REALLY FLYING. 'An act of wanton vandalism,' ran one headline. 'Yes, Minister, you're wrong,' read another. Assorted pundits were quick to pronounce on the imminent decline of Britain's culture. Arts Minister Lord Gowrie had just announced a grant to the Arts Council that was worth no more than 21 miles of motorway. Was this the end of civilisation? If so, why has the fuss died down - or has it?

Media interest, always fitful and frequently fanciful where the arts are concerned, was sustained by the slanging match that ensued between the noble Earl, a poet himself, and veteran arts lobbyist Sir Peter Hall. He launched the counter-attack as he announced the closure of the National Theatre's most experimental auditorium and the sacking of 100 staff - the first visible sign of what the new grant would mean to the Arts Council's clients.

The outcry, swelled by the likes of Melvyn Bragg and Joan Bakewell, reached fever pitch with the accusation that the Arts Council's chairman Sir William Rees-Mogg was party to this dismantling of the nation's arts and was guilty of an historic betrayal. He had broken the consensus of postwar arts support and become a tool of government.

Clearly something was happening. Television and radio rushed out crisis specials but then the dust settled. Now, apart from the arts press, there is little comment on the havoc that was to have beset our cultural well-being.

Yet, despite this drop in public temperature, the crisis for those working in the arts is real and growing, although, to coin the catchphrase of the moment, 'you ain't seen nothing yet.' The effects of cutback and retrenchment are as widespread as the arts themselves. Opposition to government policy, equally, is as broad as it is diverse, but there are few signs that

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any serious challenge is being mounted or that public opinion is being mobilised behind the 'save our arts' campaigners.

The Right have made the running. As Lord Gowrie has said: 'Art spending isn't a wow with the general British public' The Government and its supporters have been able to exploit the achilles heel of the arts - the culture gap - and pursue a populist line that will allow them to widen that gap while appearing to close it. Their strategy is to squeeze and cut public money for the arts while encouraging a reliance on the private sector. This marks a break with the previous approach of governments and the arts establishment since the war which has always placed the emphasis on state provision.

The present stage of the battle centres on the contending merits of state versus private funding and on the agencies of arts support. These can be grouped into four categories. The first is the Arts Council itself which received an annual grant from parliament, currently standing at £105 million. This is distributed to some 1,200 clients. (The Arts Councils of Scotland and Wales are formally committees of the Arts Council and receive their grants from the total awarded to the Arts Council.) Council members are chosen at ministerial level as individuals and not as representatives of any organisation. They are unpaid, as are the members of the advisory panels who are drawn from the appropriate professions. There is a full-time salaried staff at the London headquarters. The Council operates at 'arm's length' from government as an independent body and not part of the civil service. It is this principle of autonomy that is held

so dear by the defenders of the postwar system and which Rees-Mogg is accused of betraying. The second category groups the 15 regional arts associations which are independent of both the state and the Arts Council. They are funded by the Arts Council and within their own area by local government, education authorities, businesses and other organisations. The third category is local government funding the arts direct and the fourth is private sponsorship, worth about £15 million a year compared to £100 million in sport.

The postwar system

The system now under attack dates from the Second World War. Up until then, the live arts were in the hands of private enterprise, except for the music and drama transmitted by the state-supported radio. During the war, the government had to take the entertainment of the population, in or out of uniform, very seriously and it backed ventures that took the live arts to an unprecedented number of people. The tentative, prewar discovery through the radio of a new audience for the arts was decisively confirmed in the war experience and the response of public and performer persuaded the government to fund the arts publicly in future. The form it took, however, did not reflect that emerging popular appetite. Instead, a pattern of subsidy was set up which re-created the culture gap. The geographical location and ideological preferences of the main recipients of subsidy militated against encouraging access or innovation, while the concentration on what the establishment considered to be culture - conventional expressions of the so-called High Arts of opera, ballet, drama and classical music - neglected or excluded many popular or less celebrated art forms.

The Arts Council under the shadow of its pioneer Keynes took the slogan 'Few

But Roses' to replace that of its wartime predecessor 'The Best for Most'. Local authorities were given legal rights to spend money from the rates on entertainment but this was not a statutory duty which meant the arts were always competing with other social services. Just after the war, it was not surprising to find the arts low on the list of priorities, especially when there was no national lead from government or the Arts Council, which ran down its regional offices and pursued its narrow, exclusive policy. The prevalent spirit was one of gentlemanly benevolence, of charity and do-gooding.

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The underlying notion of art was a Victorian one of moral uplift, hedged round by a puritan distrust of the merely pleasurable.

It was not until 1965 that any attempt was made to apply a national plan, called 'A Policy for the Arts - The First Steps', which was prepared by Britain's first Arts Minister Jennie Lee. It was an assault on the culture gap through an expansion of state patronage that placed its emphasis on the regions, on education and on new and better buildings for the arts. There followed a great injection of public money to the Arts Council. Regional arts associations were encouraged. Standards were to be raised everywhere, access was to be increased across the board, and local councils were at last to be given a national lead. It bore some resemblance to the ethos of the war years, but in a healthier economic climate that saw the flowering of civic arts and 'centres of national excellence.' With money and energy behind it, the system worked more satisfactorily, but the Labour government of the day lacked the will to carry through the plan. Without Cabinet rank, it was difficult for Jennie Lee to fight the establishment and in many ways the beneficiaries were those that already knew how to make the system work.

Despite different degrees of emphasis, especially in the amount of public money made available, the system was supported formally by both Tory and Labour governments during the 1970s, but the strain began to show quite early. It was Mrs Thatcher who as Education Secretary said in 1971 that entrance charges would be imposed on museums and galleries

whether they wanted them or not. Restriction was the rule under the Tories. Financial constraint was accompanied by warnings of artistic constraint - those whose art 'offended' or advocated the overthrow of the state that supported them might have their grants withdrawn. This attitude did not sit easily with the predominantly liberal interpretation of 'arm's length' principle and was fairly muted but it surfaced again in the late 1970s when the recession sharpened ideological considerations amid signs of impending crisis.

The economics of the funding system began to crack up at the end of the 70s. The former was based on the assumption that state subsidy would constantly expand, not just in line with inflation but ahead of it. Trouble really commenced when this did not happen. Unfortunately, the arts are labour-intensive and many are craft-based. They suffer higher than average levels of inflation. Those that take place in large, prestigious buildings, which the policy of the 1960s had favoured, devour even more money on an ever-increasing scale just to stay open because of the rising cost of lighting, heating, rates and maintenance. Econo-

mic pressure came also from consistent underfunding. This led to deficit budgeting which meant pushing financial problems into the following tax year and, over a period of years, large deficits could be accumulated. When public money was not made available in sufficient quantity to meet such deficits, the only way out was to turn to the private sector, which is what many Arts Council clients did. Another important factor was the effect of the harsher economic climate on audiences for whom the arts became even more expensive.

The new Right strategy

When Thatcher came to power in 1979, the public funding system was therefore an economic time bomb that had only a couple of years left to explode. How to diffuse it divided the Tories at first. Thatcher's crusade to roll back the boundaries of the state could find 'no logical application to the arts', according to her first Arts Minister Norman St-John Stevas. A pledge of 'no candle-end economies' was made, but the tide was turning against him and his successor Paul Channon. Neither they nor the Arts



Council was able to match their ideology to the new economic and political situation. Convinced monetarists - Lord Gowrie and former *Times* editor Sir William Rees-Mogg - were put in charge to take the arts in a new direction in line with the Thatcherite principle of self-help. Appropriately, Gowrie's main role in the Lords is to speak on behalf of the arts' traditional enemy, the Treasury.

The main break with the past lies in the open advocacy of advance for the arts through the private sector, harking back to Victorian days when art and commerce went hand in hand. Gowrie and Rees-Mogg are not arguing a libertarian case, that artistic creation is spontaneous and therefore should not be the object of any state intervention. They are saying that the role of the state is to be contained and cut back while energy is put into stimulating private sponsorship. This will

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include state fiscal measures to generate such backing. They are going beyond the defensive position, which they have both argued at times, that the arts could not be made an exception to general public spending cuts. They are now saying that such cuts are good for the arts. The arts will then learn to survive in a different environment in which the market plays a larger role than before, leading to the reestablishment of a true relationship between the arts and their audience.

Will this be the case? The arts world says 'No', and is backed up by the two most recent and authoritative studies on funding the arts, the Commons' education, science and arts committee report of 1981-2 and the Priestley report on the Royal Opera House and the Royal Shakespeare Company. Their conclusion is that the arts need funding stability so that they can plan on a long term basis and that only the public sector can provide this. Without such consistent support, it is argued, the arts cannot develop properly because there would be no guarantee to protect their continuity of work or their independence of policy.

The present set of financial arrangements for the private sector actually underline this view. The Treasury is resisting the necessary tax reforms to encourage individual and corporate sponsorship because of the loss that this would

represent to the revenue under its control. Sir Peter Hall says that he has lobbied the Chancellor, using impressive statistics, to overcome this resistance: the arts earn £5 million for every £1 million of public money invested even without tax inducements and the Exchequer gets back from the arts far more than it puts in. But the last budget, though it did not impose VAT on the printed word, failed to lift VAT on tickets or introduce any tax changes to help private sponsors. In fact, the changes it did introduce would deter potential business partners from becoming arts sponsors rather than encourage them. In the face of this Treasury resistance, Lord Gowrie's defence of the private sector as the dynamo for the arts has been reduced to limited incentive schemes, called matching or challenge funding - you put in £1 and I'll put in £1. Shadow arts spokesman Norman Buchan, it should be noted as an aside, has discovered that the scheme does not apply to unions, potentially an important source of funding, particularly in Scotland where the TUC has appointed a full-time arts officer.

But even if private backing were increased, what would the result be? Sponsors, broadly speaking, favour what the arts establishment has already sanctified. Advance through the private sector would reinforce the imbalances of the old system but without offering the old system's commitments. There are exceptions, but these are bound to be just that. As the Association for Business Sponsorship in the Arts makes clear, private backing should be a supplement to state subsidy not a substitute, and they resent the pressure on them to fill the gap left by falling state provision.

The Glory of the Garden

While the Right's main thrust is to alter the balance between the public and private sectors, it also wants to change who is to be funded. This part of the campaign is set out in last year's Arts Council development plan, *The Glory of the Garden - A Strategy for a Decade*, which Rees-Mogg pushed through in dictatorial style and has since made an article of faith. It appeared to be doing the right things - reversing the London bias by concentrating on the regions, giving value for money and putting the arts back in touch with the public (for example, by increasing support to dance which has enjoyed a popular boom). But, despite government backing, the necessary funds to implement it were never going to be

forthcoming. The Arts Council received 20% less than it asked for this year, which meant a cut for most clients. Rate-capping and abolition of the metropolitan councils made a mockery of the regional commitment and municipal arts provision is seriously threatened. Gowrie has earmarked £34 million 'replacement' money to cover this but those in the affected areas know that it will do very little. The shortfall in the Arts Council's 'replacement' money alone is known to be £30 million - nearly one-third of its total grant.

There was considerable opposition to the new Arts Council plan. Protests were most vociferous from the theatre world, the Arts Council drama panel resigned and directors of subsidised theatres up and down the country united in opposition. They knew that robbing Peter to pay Paul was no answer to their problems. The profession is inter-related and integrated, in terms of 'product' and workforce. Theatre in London, which is local as well as national and international, forms part of theatre all over Britain. Cutting it would affect everyone's standards and opportunities, and would threaten live theatre's ability to continue as the main seedbed for television, radio

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and cinema, with worldwide repercussions. Alongside widespread uncertainty and a prevailing sense of vulnerability, there is much scepticism about the Right's intentions. The socialist theatre company 7:84 England, for example, lost its grant despite being a touring group and enjoying local authority support - both prime criteria for backing under *The Glory of the Garden*. In the wake of the development plan, the Arts Council has lost, on an unprecedented scale, the confidence of its clients and many of the local councils with which it works.

Although there has been no wholesale butchery, and a few clients are better off even, the general retrenchment forced on the arts has given the Right the upper hand. They are prepared for a long drawn-out fight and they have put the opposition on the defensive. The problem for the opposition is what to offer as an alternative. Few of the Right's opponents, especially the most public ones, are proposing anything beyond a return to the

old system that alienated much of the population and made the arts synonymous with those that received public money.

A defence of that system can smack of special pleading and does little to connect with life under a second term of Mrs Thatcher. The Right have been able to pose as the force of realism while borrowing the radical rhetoric of the Left. They have attacked the complacency and self-interest of many in the subsidised arts. They have played on the commonplace prejudice that is felt across the political spectrum that sees the arts as a luxury the nation can no longer afford as once it rashly did, and artists as pampered, privileged and profligate. To challenge this prejudice means going beyond the old system and explaining its failures as much as appreciating its strengths.

Setting out an alternative

Take the issue of funding. The argument for public funding is crucial, which does not mean ignoring or rejecting the private sector but recognising its limits. But equally, the problems of state funding must not be overlooked, from the ability of the state to undertake long-term commitments and the role of the Treasury

to the purpose of public subsidy in the arts. Nevertheless, public funding is the best guarantor for the arts and its audience. It is accountable to the public, with whatever difficulties that may entail, in a way that private funding never can be.

The second issue is the related question of accountability and the 'arm's length' principle. In the past, this has masked the absence of proper and public criteria for the distribution of grant. It has allowed the inevitably white, middle class and male Arts Council to become a clique and act in secretive ways. It has also allowed surreptitious as opposed to open censorship to be practised, through under-funding, funding for one project only instead of for a year, or no funding at all. To some extent 'arm's length' was a product of government unease with the arts (they are still separated under four different ministries). Autonomy could be afforded when the political importance and sums of money involved were minimal, and it kept government out of the firing line on uncertain and possibly troublesome issues. 'Arm's length' was fine in times of expansion. Steering a course between the anarchy of 'free' enterprise and the rigidity of total state

control, the system became the object of envy in many countries - though not the derisory sums involved.

The 'arm's length' principle - the independence of the Arts Council and other funding bodies - should be defended. Obviously any government - right or left - will seek to establish new priorities, but the autonomy of the arts bodies must be respected. However, this autonomy should be based on a more democratic and responsive relationship between, for example, the Arts Council and the arts world, and the Arts Council and society more generally. That is not the case with the present system. New forms of representation will have to be worked out that make the arts support system properly accountable and sensitive to the multi-cultural life of the country.

The framework for tackling this has to place the artistic process in its wider, social context alongside other recreational activities. This will confront the culture gap that places greatest value on the High Arts while excluding much of the population from enjoying them, and leaves many of the mass cultural forms - pop music or cinema, for example - as 'lesser' but more profitable arts in private hands.

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