

For a few dollars more

FRANKY DEVOS

Dear colleagues,

Many presentations on alternative funding for the arts finally result in a list of arguments as to why to give subsidies to these arts. I assume that everyone here is convinced enough of this one argument for not leaving the arts to the logic of the market, namely the fact that the market in itself is a failure.

More concretely: erase the public support of so many theatre makers on this fantastic Kunstenfestivaldesarts and Stan won't be playing, nor will Marten Spannberg, or Halory Goerger, Jan Lauwers, Jérôme Bel... (I could almost read out loud the complete programme). Crowdfunding, new revenue models around ticketing, or the extension of tax shelter to the performing arts won't do much to change this.

After all, certain art forms – say, professional theatre, contemporary classical music, opera, jazz, avant-garde music or contemporary dance and exhibitions – are struggling with the following:

1. high production costs: the creation of a theatre performance takes several months and is labour-intensive;
2. a limited market (after all, Italian theatre has greater difficulties touring in Britain);
3. and limited ability to transcend time and space: each time again, the repetition of a performance demands a theatrical setting in front of a limited audience; which isn't the case for, say, books or recorded music.

It was the American economist and Nobel laureate Kenneth Joseph Arrow who introduced the concept of market failure in the 1960s. He speaks of market failure in two instances. Firstly, when the market doesn't provide sufficient incentives to allocate means to certain activities. Secondly, when this causes an impoverishment of the social and economic system.

Dear colleagues, it's above all the latter that poses a problem for the contemporary performing arts. Public opinion – and therefore, politics – is sufficiently convinced of the need for subsidies for the performing arts. They only doubt their social relevance.

To be honest, alternative financing sources won't save the performing arts. Still, I'm quite convinced that more support for the arts is being created, so that necessary subsidies won't dry up.

In other words, it is essential that an arts organisation develops a policy on sponsorship, crowdfunding, 'friends of', etc. It's just that the income generated this way remains substantially too

low to professionally finance the work of artists. When you look at the real profits of such alternative funding streams, you ask yourself whether it's worth the trouble.

To give you just some examples:

- **Growfunding** is a crowdfunding platform that supports urban creativity in Brussels. A key success factor why people participate financially is the 'once-only' aspect and urgency of a project. Crowdfunding doesn't work for the financing of your overall operation or your career as an artist. Some 50% of participants donate 10 euros, 19% donate between 11 and 25 euros and 20% between 26 and 50 euros. Only 2% of the participants are prepared to donate 250 euros. On average, one gets 9,076 euros per project through the platform. This can be an interesting surplus for a young artist, but it will make little difference to the artists present at this festival.
- For **sponsorship**, the same project benefit applies. Virtually no private sponsors or donors are willing to invest long-term resources in a performing artist's trajectory. However, a short-term cooperation for the creation of one concrete performance is possible. Especially when a company's specific know-how can be deployed to make the presentation. I'll return to this later.
Sponsorship within the performing arts mainly occurs with organisations that present, not with companies that produce. Here, prestige is of decisive importance.
In Flanders, we are looking forward to the forthcoming Witboek aanvullende financiering or White Paper Additional Funding, announced by Minister of Culture Gatz, containing tax incentives for sponsorship (such as the tax shelter for film) and philanthropy.
- In the case of **philanthropy**, people want to perfectly know where their money will end up. For example, within our cinema audience, I collected money for the purchase of digital projectors. The target group was defined, the goal very specific. On the Belgian 'philanthropy barometer', culture ends up at the bottom. And I don't think there will be a significant difference in other European countries. Health and medical research are at the top. Which is evident, you may think: givers are counting on the fact that, if they get sick, they will benefit from this. On the other hand, we must recognise that universities and research centres are dealing in a professional way with philanthropy, for years already. Which cannot be said of the arts and culture sector.
It is also to be feared that the fact government is withdrawing from the arts and culture sector precisely scares generous donors and sponsors. If the government attaches little importance to art and culture, why would you? Nobody wants to bet his money to fill up a financial deficit.
- Theaters and festivals can still make 'profit' by making clever use of the ticket price. Research by Jan Colpaert at University College Brussels (HUB) and KULeuven showed that doubling the ticket prices for the performing arts increased revenues from ticket sales by 46% – but it

also reduced participation by 28%. So in our quest for a broader support for the arts, this is not really a smart move.

Yet some extra income can still be collected here. That same study, with results that are consistent with similar European studies, shows that 78% of the performing arts audience is willing to pay more for a ticket. We are still waiting for a price differentiation system whereby everyone contributes according to income or assets. I hope that in Flanders, the so-called Uit Pas can contribute to that.

The fact that a part of your loyal audience is willing to contribute more to the operation of their favourite art house, is demonstrated by our recent experiment with Buda's monthly film programme. To still receive our monthly programme at home, people now have to pay 15 euros per year. To my surprise, a lot of people are willing to do so, and with their contribution, I can pay the shipping costs plus the printing costs of all programmes. Including those we distribute for free in restaurants, bars, libraries etc. This way, this year I save 25,000 euros.

Dear colleagues, individual efforts by companies, theatres, art centres and workshops to get additional funds from the market, provide a limited financial gain. Especially when you deduce the costs of staff, networking events, receptions etc.

Should we then give up these routes? I don't think so. As a sector, we haven't advanced much when it comes to closing business deals between corporate and cultural sector. How can we strengthen ourselves? Five proposals:

1. Let's start from our own strengths. The production of art focuses on the creation of values: beauty, meaning, emotion. We should communicate these values to our business partners. Companies need to support us precisely because of those values and not because we offer them a reception, beforehand or afterwards. Ban walking dinners!
Look for CEOs – and preferably not the marketing department – who want to talk to you about the content of your theatre performance, about the mission of your festival, about your commitment to make this or that show. These CEOs can be found. Absolutely. It's just that they are rare.
2. Do not only focus on shared values, but on shared meanings too. Managers are often very passionate people who are very focused on the content of their business. If you manage to establish a relationship, starting from their content, with the artistic discourse of your company, theatre or festival, you're already halfway there. Just now, I have finished a three-month project on ecology in Budafabriek in Kortrijk. This was the ideal opportunity to make connections with twelve companies that make efforts around sustainability, in an intelligent way. This did not only provide us with an additional programming budget, but also with a new audience and a broader basis. This way, I could more easily knock at the doors of the City of Kortrijk to also get subsidies for the exhibition The Green Light District.

3. Aim for a sustained substantive cooperation. Budafabriek, just mentioned, is a work and presentation place for artists, scientists, students, entrepreneurs and active citizens. We are convinced that innovation – be it economic, artistic or social – starts from the connection between people with diverse backgrounds and complementary expertise. From the summer on, we start with a set of living labs where we'd like to let artists, entrepreneurs and scientists work together around a single theme during 3 to 6 months. This cooperation should generate added value for each in his or her domain. The fact that, as a frontier town, we are working together with the Universities of Mons and Lille, is an asset.
4. Developing a broad network is crucial here. There are too many sectoral seminars, IETM meetings, like knows like, 'I've got your number' gatherings. Obviously, as a theatre director, you need to build an international network within the theatre sector. Yet, equally important are the network innovation platforms in your region, the chambers of commerce, universities, social organisations etc. To encourage this, we organise Buda Libre at Buda, three or four times a year, a one-night-bar for everyone in the region who's working creatively. In our region, it's the only networking event that is not exclusively focused on people from the cultural sector, or from the business world, politics, education, the social sector.
5. Research in Flanders from 2013, bundled together by Delphine Hester for the then still separately operating 'steunpunten' (literally, points of support), shows that the scale of an organisation partly determines the extent to which it can generate funds from the market. The larger the organisation, the greater its ability to draw funds from the market, no matter in which genre the organisation is operating (music, theatre, dance) and regardless of what place it occupies in the value chain (producing/presenting).¹ Let this be a plea for scaling-up. Perhaps cultural clustering within cities might be an interesting path to take. Imagine theatres, museums, dance companies and concert clubs in, say, Bristol, Lyon or Antwerp, would work together to raise joint sponsorship. This would remarkably strengthen their position with regard to a bunch of large and medium-sized companies and it would increase and diversify their offer in terms of return.

Dear colleagues, seeking alternative sources of financial funding for the arts means, above all, building a broader support for the arts. Within a political context that has become more right-wing in Europe, this is more than ever necessary.

It's just that what's unique about the arts, is precisely their subversive character. Art disrupts and undermines and it is doubtful that politicians and companies are waiting for that outcome. They want the artist to participate in the quest for economic and social innovation, they want him or her to experiment with technology and thus open new avenues for companies and scientists. That's not the issue. Artists do that every day.

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D. HESTERS (red.), *Kunstzaken. Financiële en zakelijke modellen voor de kunsten in Vlaanderen, VTI, BAM, MCA en VAI*, Brussel, 2013, p. 18.

However, in their quest for innovation, artists go much further. They are not only innovating within the existing political and economic system. Rather, they put this entire system into question and precisely want to innovate it. It's not the task of the artist, as an instrument of innovation, to further the marketing of our society. Rather, it is his or her job to question this, to criticise and formulate alternatives. And if an artist wants to go the whole way, financial autonomy is a great asset.

Especially now, when we need a fundamental questioning of our political, social and economic system, it could very well be that the social commitment that entrepreneurs and politicians are asking artists, becomes too threatening, especially for those same politicians and entrepreneurs.

After all, while many economists and policymakers are seeking for the one formula to let the economy grow, more and more people are asking themselves whether it's not better to find totally innovative recipes for a society in the 21st century. The search for new social models that more prominently highlight respect for our environment and well-being, is getting more and more support. Academics, politicians and artists become more and more convinced that we have reached a point in the West where we have cashed in the benefits of economic growth, and where the cost of further growth has become too great. This is reflected in:

- the alarming environmental pollution in all industrialised countries;
- the high rate of suicide among young people (in Flanders, in 2009, 29 youth committed suicide; in the EU, only Finland scored worse);
- the high rate of burnout (2 employees out of 10 in France).

According to the IMF, the Eurozone must take account of a prolonged period of weak economic growth. Bad news for employment and public finances, but for artists, young entrepreneurs and academics, it's an opportunity to take up the challenge and build a society that is less dependent on economic growth. The artistic and cultural sector is an excellent space to set up experiments around this given.

The fact that the financing of these experiments will rather have to come from alternative sources, seems evident to me. For this reason alone, it is important that we organise ourselves as a sector on a broader support, including active citizens, the public, scientists and truly innovative entrepreneurs.

Franky Devos is general manager of art centre BUDA (Kortrijk).

Background info

The debate 'For A Few Dollars More' took place on 22 May 2015 at the Beursschouwburg, and was organised by Kunstenfestivaldesarts, Flanders Arts Institute and Wallonie-Bruxelles Théâtre/Dance. With:

> Keynote lectures and debate: Jo Libeer (VOKA) and Franky Devos (general director arts centre BUDA, Kortrijk)

> Stories from the field about

- sponsoring: Artemis Vakianis (managing director steirischer herbst, Graz, 2010-2014)
- corporate social responsibility: Jean-Marc Gollier (Eubelius, Brussel)
- gifts: Leonie Kruizenga (Head of Development Holland Festival, Amsterdam)
- more private than public funds: Vallejo Gantner (artistic director Performance Space 122, NYC)

Moderator: Roger Christmann (independent consultant management and financing art projects).