

‘The art world should not be selling drinks, but dreams’

On alternative and complementary income in the arts

DAAN BALLEGEER

Due to the drop in subsidies and political pressure to increase its own means of funding, the arts sector is paying greater attention to new revenue sources. During the debate ‘For A Few Dollars More’ held on 22 May 2015, the arts sector reflected on alternative and complementary resources for the arts. But how desirable, realistic and sustainable is co-financing by businesses and patronage?

‘Stop selling the context, sell content. I’ve said it before and I’ll continue to say it: the arts sector should abolish receptions for companies. If it were up to me, I would forbid them.’

After the afternoon debate, Jo Libeer still sounded like a man with a mission, ironically enough at... a reception at the Beursschouwburg. ‘There is still much work to do,’ grumbled the head of Voka – the Flemish chamber of commerce and industry – to whomever would listen.

Libeer was one of the speakers who tackled the question of how artists and arts organisations can collaborate with businesses and donors, without losing their identity in the process. Under the title ‘A Few Dollars More’ – a reference to the second part of the famous Dollars trilogy by Sergio Leone with Clint Eastwood in the lead – Kunstenfestivaldesarts together with Flanders Arts Institute and Wallonie-Bruxelles Théâtre Dance (WBTD) easily filled the hundred chairs in the room, a clear sign of the strength of the debate.

Why did Libeer have so much difficulty with the typical receptions that art companies put on for companies in exchange for financial support? ‘It is indicative of the wrong way they view the business world’, explained the Voka head. ‘In their view, they ask for money, and offer in exchange advertising, tickets, billboards and drinks. I recently spoke to a marketing director of a Brussels arts organisation and she spoke for an hour on the quality of the wine at receptions and the various formulas available when organising them. She did not say a word about the performance that would precede it. When I ask about this, she was surprised that I was even interested.’

According to Libeer, the sponsorship model is outdated. ‘A company, for example, gives money to a theatre festival, and then receives tickets for its customers and drinks offered afterwards. What happens? Well, to begin with, many who were invited simply do not show up. Which is not good for the artists who take the stage to give their best. And many of the invitees who do show, want to go to the reception as quickly as possible because the performance does not really interest them. Surely this is not the relationship we want between the arts and business?’

Essential task

The problem according to Libeer is that arts organisation try to sell access to a network, instead of their product. 'I can meet people at countless other receptions. I don't need the art world for this. The arts sector seems to have forgotten its essential task. They are selling drinks instead of dreams.'

Vallejo Gantner has a different but no less critical view. 'I think we waste too much time selling the content of a project, rather than explaining why we do what we do.' The Australian is artistic director of New York's Performance Space 122, an organisation whose operating budget includes only 10% support by government subsidies. 'From a marketing standpoint, what we do and how we do it is bullshit, because it's not interesting. It is much better to talk about the impact, the importance and the relevance of what you do, and less about the artists.'

A similar argument was heard from Artemis Vakianis, who until early last year was general director of steirischer herbst, an international arts festival that takes place annually in the Austrian city of Graz. 'We often speak with our private backers concerning the "why", so they feel a part of something truly special. Much time goes into explaining why we chose certain projects or topics.'

The festival attracts some 50.000 visitors and presents 120 projects ranging from theatre, dance, music, film and even architecture. One fifth of the budget comes from its own revenues, mainly sponsors. The rest are subsidies from various government bodies. 'We speak of a "sponsorship family" comprised each year of thirty to fifty members,' says Vakianis. "For the most part these are long-term relationships. And we do not limit ourselves to the CEO. Thus, we offer these companies workshops in which we fulfil a need they have. For example, one of our 'family members' had a problem with extreme right-wing ideas among a group of young workers. We created a kind of theatre experience for them in which a message of tolerance was subtly interwoven."

The involvement associated with the 'why' can also be a source of uneasiness, Vakianis notes. 'CEOs are sometimes afraid that they will not understand a contemporary art performance. We try to address this fear as quickly as possible by explaining to them that sometimes there is nothing to understand.'

Shared meaning

'Jo Libeer is right. We must not change our language and suddenly use all sorts of marketing terms when we talk to companies', says Franky Devos, director of the Kortrijk arts centre Buda. 'We present values such as beauty, meaning and emotion. This is why companies should want to support us, and not because we organise a reception before or after a show. My advice is to focus not only on shared values, but certainly also on shared meaning. Instead, look for CEOs who are interested in discussing the content of a performance or a festival's mission. They are rare, but they exist.'

Devos certainly does not see alternative financing as the holy grail. 'According to me, only limited amounts can be gained, especially when you take into account the cost of organising networking events, receptions and additional personnel. Often you can even ask whether the result was worth the effort.' This does not mean that we should give up on the idea, he emphasised. 'As a sector, we have not progressed much in closing deals with the private sector. We ourselves can do more.'

In this he is joined by Roger Christmann. Between 2002 and 2008, this consultant for the management and financing of art projects was at the head of Kunstenfestivaldesarts. 'I myself was extremely successful in raising funds from various government institutions, but had only limited success in the private sector,' he says. 'For that matter, Kunstenfestivaldesarts still obtains little financing there today.'

There is another reason why finding alternative funding for the arts is a good thing, emphasises Devos. 'It creates broader support for the arts. This is more necessary than ever in the current European political context of a shift to the right. Art has a subversive character that disrupts and undermines. We need that. Artists reflect on a new and sustainable political, economic and social model.'

Closing doors

In recent years there have been deep budget cuts for culture as a result of the financial and economic crisis. 'Here in the Netherlands, for instance, this has meant a drop of 30 percent,' witnesses Leonie Kruizenga, head of development for Holland Festival. 'That was terrible. Many institutions had to close their doors.'

In late 2011, the Dutch government did introduce the Gift and Inheritance Tax Act that used tax incentives to encourage support for the cultural sector, but with disappointing results, says Kruizenga. 'The government naively thought that individuals would fill the hole they left behind, but that did not happen. This is not so surprising when you yourself send the message that art is not so important, and that artists have lost touch with society due to subsidies.'

Kruizenga knows a thing or two about alternative financing. The Holland Festival relies for 30 percent on sponsoring and donations, in addition to 55 percent subsidies and 15 percent from ticket sales. She gave a few practical tips on how cultural institutions can raise funds. 'Start by looking for foundations in your neighbourhood. They of course are already closer to you than, say, the Soros Foundation. It is also better to put your time into approaching a few large foundations rather than focusing on many smaller ones. And if you finally do get financing, your first reflex should be "what do I have to do next to make this a long-term relationship?"'

The Holland Festival does this itself in several ways, and this includes working with private donors. There is 'Hartsvrienden' (or 'bosom buddies'), for example, a group of 18 people who are willing to give the festival 5,000 euro per year for five years. 'I approach them myself in order to cultivate a personal relationship with them,' explains Kruizenga. 'In return for their support, the Hartsvrienden are invited among others to rehearsals and performances. Once a year they also gather at one of the member's homes, and the festival director and a number of artists stop by for a chat.'

Private support based on a personal commitment can also spread to a company. Such is the case, for example, for the law firm Eubelius. 'Our policy with respect to corporate social responsibility consists in part of employees knowing that their ideas are welcome', says partner Jean-Marc Gollier. 'Thus one of our employees knew someone at Fabrice Murgia's theatre company Cie Artara, which brought us into contact with them in 2011.'

It turned out to be the start of a long-term partnership in which Eubelius supports the theatre company in several ways. There is not only financial support but also legal advice – for example with respect to intellectual property rights – and help with financial reporting. ‘Ultimately we want to be more than the bottom line of the income statement,’ said Gollier. ‘We are proud of the support we provide Artara Cie, which in the meantime has become a very successful association. Our employees feel very good about this.’

Market failure

All examples of alternative financing notwithstanding, subsidies must remain the cork that keeps the sector afloat, emphasises Devos. ‘We may not just leave art to the market, because the market falls short. Drop the subsidies for theatre makers who participate in Kunstenfestivaldesarts, and there will be no Mårten Spångberg, no Jan Lauwers, no Jérôme Bel. You would have to drop most of the names on the bill.’

‘For various reasons, some art forms such as classical theatre and avant-garde music have a difficult time appealing to alternative financing,’ Devos continues. ‘First, many productions have a high cost, in part because they require much preparation and are very labour intensive. In addition, they appeal to a small market. An Italian theatre company cannot simply tour in the UK, for example. Finally, a production is performed each time before an audience in an auditorium, which is not the case for books or films.’

To prove his point, Devos cites Kenneth Arrow, an American economist who received the Nobel Prize in Economics in 1972 for his research into market failure. ‘According to Arrow, such failures occur when insufficient incentives are present in the market to cause money to flow to certain activities, and when this also leads to an impoverishment of the social and economic system. Well, this is certainly true for the contemporary performing arts. Therefore they need a lot of subsidies.’

Despite this, Devos firmly believes that there is a place for private sector funding. ‘It can ensure that the needed subsidies do not dry up. Arts organisations must therefore develop a policy on crowd funding, sponsorship and alternative income models.’

He warns against too high expectations. ‘Crowdfunding, new ticketing models or expanding the tax shelter (the favourable tax regime for the audiovisual sector, ed.) to include the performing arts will not change much here. Take the example of crowdfunding. People are happy to participate if it is a one-time, urgent project. On the Brussels crowdfunding platform Growfunding for example, half of the people give less than ten euro; only 2 percent give more than 250 euro. On average, a project obtains 9,076 euro. While this is interesting, it obviously is not enough to support an organisation or the career of an artist.’

The problem with sponsorship in the performing arts is again that there are few candidates prepared to provide longer-term support. ‘It’s easier for one-off productions, especially if they are prestigious,’ says Devos. Philanthropy also has its limitations. ‘There is a preference in Belgium for donating money to other causes such as medical research and universities.’

The search for alternative funding has not made equal progress overall. This is partly due to an important cultural aspect. In the US, for example, philanthropy is much more common, although it

must be said that the tax treatment of gifts to the arts is much more advantageous there than in most European countries, including Belgium.

Gantner finally champions clear communication with individuals and companies via social networks. 'This form of marketing is a new form of fund raising,' he explains. 'You need to attract people and bind them to you now, even if they do not yet have money to give. That may change. Thus for example, one of the members of the board of directors of Performance Space 122 became acquainted with us thirty years ago as a person without means. Now he is the head of a major law firm.' This person not only donates money himself, he also attracts financing in another way. 'If I ask him to attend a networking event to raise funds, he does so, and moreover in a terrific way,' says Gantner. 'Ironically, he himself almost never comes to performances, because he doesn't have the time; he works one hundred hours a week. We are very happy to see him; his wife is less enthusiastic about us. She would prefer to see him home more.' (Laughs)

The difficulty in building such a long-term relationship and then maintaining it was a concern present throughout the afternoon debate. A comment frequently heard from the audience was that this demands effort, time and money that many smaller groups or individual artists cannot afford. 'Many cultural workers are already overburdened,' was one such comment.

Attention was also given to the question of whether public-private partnerships are really so desirable. They lack transparency, and the government side often comes out badly, said artist Kobe Matthys from the audience. Libeer admitted that the so-called PPP structures indeed have not proven to be a great success formula for infrastructure investment. However, he stressed that this was comparing apples with oranges. Namely, in partnerships with companies in the art world there are no costs that companies can pass on the public partner.

The debate ended with the suggestion to involve the collective management companies of copyright and ancillary rights – think of collecting association SABAM – in the discussions on broadening societal support for the arts.

Of course, we cannot hope to solve the issue of the importance and desirability of alternative financing in one afternoon, said the organisers after the close. 'But at least there is a basis on which we can continue the dialogue.'

Daan Ballegeer is economist and journalist.

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 Kruijzena (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).