VAGA | Visual Arts and the creative industries

VAGA is the lead professional body representing organisations and concerned with the exhibition, interpretation, production and development of modern and contemporary visual art on behalf of the public.

Members of VAGA: promote innovation, creativity and knowledge through the work and ideas of contemporary artists; seek to remove intellectual, social and physical barriers to the enjoyment and understanding of art; work to develop the potential for education, lifelong learning and personal development in and through art; aim to broaden audiences and improve the quality of their experiences.
Introduction

1. This paper responds to the Shadow Culture Department request for contributions towards a scoping of a; “The Creative Industries Policy Review”. It draws on VAGA research and strategy recommendations and consultation with Visual Arts UK.¹

2. This paper is delivered in the aftermath of the massive and in numerous cases fatal impact of cuts by Arts Council England and Local Authorities to Visual Arts organisations. In the forward to; Creative Britain, New Talent for the New Economy. It was suggested that, “The creative industries must move from the margins to the mainstream of economic and policy thinking.” Three years on that ambition needs urgent resuscitation.

3. What is at Risk? This paper aims to clarify the scale and challenges the visual arts now face as part of a sustainable creative industries portfolio. The paper signposts ways in which the subsidised sector has underpinned the rapid emergence of the UK in the last decade, as a ‘world creative hub’ in the global contemporary arts economy, through events such as, Frieze Art Fair and the Liverpool Biennial, by combining substantial cultural provision and increased access to our rich visual culture and heritage, whilst also foregrounding skills development and innovation in commercial and social partnerships. This ascendancy is however precarious; it is easy, as current Ministers do, to make convincing statements on the brilliance of British arts with no intention of supporting robust investment or development strategies: “one of the things that make this country what it is; the cultural scene is unrivaled in any country. Arts make us a more civilised, emotionally literate, self-aware. If I was going to wax lyrical – I would talk about how they make people better able to cope with the recession. Arts are fundamentally important.”²

4. The 30% culture cuts have been described as revealing the lack of a cultural strategy within the current government³. They suggest present Ministers have not grasped and articulated the fiscal value culture delivers for the UK, specifically as the focus for soft international diplomacy or at home where our rebuilding of the capital infrastructure for the arts has been integral to regeneration of the urban and creative lives of the nation. There is no excuse for such a lacuna, as previous publicly available reports from agencies including; VAGA, Arts Council England, NESTA, and Creative and Cultural Skills have been diligent and explicit in their provision of robust data on the development needs of the visual arts sector and policy

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¹ Visual Arts UK (VAUK) is a network and alliance of national bodies working collectively to support and be a powerful voice for those in the visual arts. Its current organisational membership comprises a-n Artists Information Company, A-I-R, Artquest, AXIS, Contemporary Art Society, Crafts Council, Engage, International Curators Forum, National Federation of Artists Studio Providers and Visual Arts & Galleries Association (VAGA). These are the key national membership and representative bodies


³ Arts Cuts are an unthinking vandalism to the cultural landscape. http://www.guardian.co.uk/culture/charlottehigginsblog/2011/mar/30/arts-cuts-cultural-vandalism?intcmp=239Charlotte Higgins
recomendations. The arts infrastructure and ecology, that lies at the heart of the vision for, Creative Britain and which in the last decade has, through structural intervention and extensive development partnerships become professionalised to an unprecedented degree, now faces what Sir Nicholas Serota has described as "the greatest crisis in the arts and heritage since government funding began in 1940".

5. **What is the strategy for the visual arts?** VAGA fears that the visual arts may face the worst of this crisis and that Arts Council England, with greatly reduced capacity will lack the resources to support the significant delivery of Turning Point, Arts Council England’s 10 year strategy for the Visual Arts (launched in 2007), following which It was publicly accepted by Arts Council England that the visual arts should be its strategic priority. However four years on Visual Art still represents only 13% of the Arts Council’s NPO portfolio and as numerous reports such as Capital Matters have noted the sustainability of the visual arts sector offers very particular challenges. Compared to other publicly subsidised art form sectors, which accrue 45% from earned income, the ratio within the visual arts is more likely to be 25%. However it should be noted that within the mixed ecology of private and public galleries visual arts performs as well as other sectors (Burns Owens Partnership in their 2005 survey of visual arts organisations in the England, found that of 1,200 organisations regularly exhibiting contemporary visual arts, 49% thought earned income was the most critical to their survival). Public investment is key to developing the excellence, supporting innovation and developing the professional skills across the sector, upon which commercial success is based. It provided the essential research and development for emergent practice. Visual Art must remain an Arts Council England priority in order to consolidate public investment and develop sustainable and resilient business models.

6. As a result of the 2011 NPO settlements overall investment in the visual arts fell in real terms by 7.2%. So whilst on face value visual arts fared better than some of the other artforms through enhanced investment in the new lottery funded galleries and the fact that the large national companies in the performing arts took an across the board 15% cut, the reality is somewhat different especially given the visual arts’ lack of box office income and high dependence on local authority funds. Moreover many consider the concentration on flagship venues may not result in a trickle down of real resources to the individual artist and emergent practice. Support agencies and umbrella bodies have suffered considerably - with all the audience development agencies being sacrificed to ‘front-line’ services. Agencies with responsibility for developing diversity in the curatorial infrastructure such as the Royal College of Art curatorial course and International Curators Forum, and supporting international reciprocity such as Visiting Arts have been offered 100% cuts.

7. The visual arts sector falls into two main types, public art galleries/museums making up 34% and commercial Galleries making up 34%. What has not been analysed to date is the symbiotic relationship between the public and private sectors and how the investment in public galleries impacts on the profitability of the commercial sector in England. The art marked has withstood the recession, but we do not yet know the extent to which cuts in public spending will impact on the commercial sector. Across the visual arts sector 56% have a turnover of less than £2,000,000 and few have the capital needed to invest in new work or sustainable models. As Capital Matters indicates those organisations which are most vulnerable to

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4 Capital Matters : Bolton and Cooper 2010
6 Arts Council England Review of the Presentation of Contemporary Visual Arts; Final Survey Report 2005
cuts in public spending are those with limited capital funds. With reduced investment capacity and resource for professional development and training, the trading potential of the sector is very likely to be diminished at local, national and international levels.

8. Most notably the substantial reduction of investment by Arts Council England in visual arts venues in receipt of under £100K, the artist-led, new media and knowledge-based organisations has the capacity to erase a generation of innovation and new practice. Those spaces which incubate new intellectual property, and whose profile mirrors those of many SMEs in the creative industries, have been sacrificed in favour of a conservative bricks and mortar ‘philosophy’. The larger organisations who have been funded may still not be capable of advancing significant internal cultural change from business models based on subsidy to those based in investment and entrepreneurial growth and revenue production.

9. VAGA will also cease to be funded from 2012 - Godfrey Worsdale, Chair and Director of Baltic issued this statement: “It is extremely concerning that an organisation with the reputation and history of VAGA is no longer able to benefit from regular funding from Arts Council England, and it is a measure of the depth and extent of this challenging funding climate. Ironically, in such difficult times an organisation with the perspective and supportive outlook of VAGA is crucial to so many in the sector.”

10. Answering the question: “Talent, aspiration and growth: Is Britain missing out?” The short answer to this is, yes.

11. A range of issues need to be brought into focus if Labour is to identify effectively how it might marshall resources to sustain the UK’s competitive advantage (predicated on post colonial culture and the primacy of the English language) which it still enjoys within global markets.

12. Crucially whilst all our measures of impact focus on economic benefit or accountable returns are we losing sight of why the arts are a resilient presence in our culture?

13. How digital technology is changing business models and blurring the boundaries between production, distribution and consumption? It is widely known we are not in Kansas anymore and if we are to continue to participate in global markets we must equip ourselves for new models of distribution, consumption and production. If our galleries, agencies and higher education institutions are to continue attracting international interest and sponsorship and to promote our creative capacity we must better harness technologies. We welcome the shared ACE and BBC initiative; Building Digital Capacity and the offer to support to those public galleries and museums struggling to exploit their assets effectively by building an infrastructure that can both disseminate and capitalise on intellectual property. We also support those who are looking at ways in which to direct new revenues directly to artists by addressing the digital proliferation of images, agencies such as DACS who in 2009 saw continuing growth, with turnover increasing from £9.1 million in 2008 to £9.5 million. However we are also concerned that for public engagement, enhanced access and full co-production to be maximised copyright legislation needs to enable images of works in public collections to be reproduced easily for educational and non-profit use.

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7 See recent analysis of ACE’s settlement Ladders of development, a-n, The Artists Information Company, May 2011, http://tinyurl.com/4kOeM4

8 DACS financial Report 2009
14. The creative industries must not be understood merely as a hangover from the dot.com era. Knowledge is a complex asset and its economic vitality is based on real and virtual experiences. In the UK art galleries and museums root their business in exceptional customer and visitor experiences, engagement and education. The reach of our knowledge and creative economy is seen in the prestige afforded our arts institutions and models of development. For example one sees curatorial positions occupied across the globe by students of colleges such as Goldsmiths, University of London. With direct cuts to Arts and Humanities in higher education and increased fees this domain of innovation and influence is threatened with either catastrophic retraction, or restructuring both of which are likely to exclude less wealthy or diverse graduates. To ensure jobs in the knowledge economy continue to increase, as has been the trend over the last decade, the UK must compete with the cultural strategies of emerging economies whilst retaining the integrity of a meritocracy. In short the physical and the digital infrastructures must both be developed in tandem to ensure we have the skills and capacity to export our expertise and creative output worldwide.

15. To sustain our creative advantage we must not retreat from innovation and risk, equate artists creativity to micro industries or all technology to a distribution platform. Following the loss of numerous organisations with specialist expertise in the digital domain an open letter was written to Arts Council England. This letter is a concise reflection on the failure of current arts policy and whilst recognising the immense value of digital technologies in broadening audience engagement and in disseminating arts programmes, calls for: “national policies to be developed to ensure that the UK can remain at the forefront of digital culture, globally, and that these must take account of the key role creative practices play in driving digital innovation.” Concerned about the place of art, creative practice, critical thinking and risk-taking work in current and future funding policy the authors: “wish to engage policy-makers, and funders, such as Arts Council England, in a positive debate around future investment in digital culture [......] seek to draw attention to the gap in digital provision that the transition from Arts Council England’s Regularly Funded Organisations programme to the National Portfolio of Organisations has brought about...” and ask “Specifically, what is Arts Council England’s understanding of where artistic practice and critical culture reside in terms of investment in digital innovation? How much of the Digital Innovation Fund will be focused on artistic practice?” They conclude “If we are to make the most of the digital opportunity, it needs to be recognised at a national policy level that digital culture is about more than extending the reach of existing arts practices. It is about entirely new forms of production, expression, practice and critical reflection ......With the numerous current and forthcoming funding investment programmes around innovation from ACE, NESTA, TSB and other government agencies what do they, and we, actually mean by digital innovation? How relevant a term is it to artists? Are artists now entrepreneurs and start-ups?”

16. Although a David Hockney on an iPhone is an exciting innovation it is not the only future for the visual arts. Sustaining and protecting the momentum of development in a climate of austerity will force both the big and small organisations that make up the visual arts ecology to ask challenging questions about their core business and importantly how to grow and sustain their relationship to audiences as producers, consumers and indeed customers. It will require careful policy development which supports business models that have the capacity to trade on accumulated intellectual capital in order to take advantage of this blurring of boundaries between production, consumption and distribution. Although

9 tintarts.org/.../open-letter-to-ace-on-the-development-of-digital-culture-in-the-uk/
famously Joseph Beuys may have said, “Everyone is an artist” he is also the esoteric artist who made “How to explain pictures to a dead hare.” The knowledge and structures that contemporary art challenges are precisely those which new technologies also revolutionise. There is a natural symbiosis between the idioms of new art, business and technology. The role of the public art galleries and museums is to promote debate and enquiry into the knowledge and power structures of contemporary life, inspiring creative thought that does not collapse into rhetoric or cliche.

17. How to articulate the value of arts and culture. Creative & Cultural Skills’ Creative Footprint 10 identifies Visual, Performing and Literary Arts as the largest sub-sector of the 6 for which it is responsible, contributing £8725,800 GVA (equivalent to 1.37% total UK GVA) of which visual arts and literary arts account for an estimated 50%. Employment within VPLA stands at around 187,000 people (34% of total). Self-employment is the highest of all sub-sectors at 59% (across whole UK workforce only 12% are self-employed) and accounting for almost 45% of all freelance employment across the sub-sectors.

18. A pyrrhic victory of the Labour government was to establish the economic impact of the arts and their credentials as a lever for investment for urban regeneration. In 2010 it was calculated that 628,000 visitors made 834,000 visits to Liverpool Biennial exhibitions, and spent a total of £27.2m. Although slightly lower than the figures produced during Liverpool’s year as European Capital of Culture in 2008, visitors have increased more than 50% from 2006 and the total economic benefit has more than trebled to £27.2m. However with the resignation of the director of the biennial after a decade of growth and the loss of A Foundation its most innovative gallery, the deeper question would be does the festival have a future and why is the public being fed statistical models of value when neither ministers, cultural researchers nor economists have resolved their paradigms of measurement?

19. It was Oscar Wilde who infamously defined a cynic as someone who knew the price of everything but the value of nothing. The challenge for the arts is to move on from subservience to economic rhetoric which fails to communicate what the public finds valuable in art. The public simply do not believe that art is an economic force. Although data and statistics are useful in terms of bidding for resources and managing budgets it is time for the language of cultural development to raise itself above the bottom line, unless it helps us better understand the quality of culture we are trying to promote.

20. Undeniably the arts have utilitarian benefits and from Dalston to Dundee, art has helped shape the planning of a new generation of urban ecologies rich in heritage architectures and a new synergy between urban and technological innovation. Between the span of the millennium bridge in Gateshead and the Baltic Gallery a once derelict landscape becomes landmark architecture, intimately linked to quality of life and aspirations for the cultural habitat. In formally stagnating economies such as; Folkestone, Walsall, Margate, Salford, Liverpool, Penzance and others, investment in the ‘arts’ impacts on lives by extending into the fabric of the locality.

10 http://www.ccskills.org.uk/publications/index.asp?pageTypeID=15
12 An economic analysis of copyright, secondary copyright and collective licensing PWC March 2011
21. If the UK is in the forefront of the knowledge economy which can be as ephemeral as pop culture and as pervasive as product design, we cannot isolate strategy for the ‘creative industries’ from the cultural experiences of the everyday. The culture of the iphone and the iPlayer have different investors but converge in their provision for a new marketplace where the cultural value of the arts must be promoted perpetually by those who deliver art content, such as Tate or the V&A.

22. The philosophy of the ‘creative industry’ was created to describe a world which was barely visible in the late 90s, a cool new world in which culture was valuable as an asset on the global stage. But post cool Britannia the investment strategies are still not up-to speed with the velocity and allure of emerging economic models such as hedononics, the desire or pleasures which shape the successful brands and experiences of today, or indeed the need to take account of alternative forms of growth and measurements of happiness and well being in response to ecological change and growing resource scarcity. It is in these areas that the arts and artists are able to lead change.

23. The soft synergy between the arts and advanced utilitarian design is accelerating. Virtual and augmented reality, immersive 3D experiences and binaural acoustics transform the tools or pallets we use to represent the world. So what is the blueprint for a successful creative economy and why should it be a priority for government?

24. Global trends point to the escalation of media based commerce and development. We should focus on naturalising and consolidating our role as a creative hub for ideas and knowledge. This island is a platform from which our culture travels globally. We must invest in this traffic to export our ideas of democratic economies that reward ideas and innovation, and to import the latest ideas that circulate the world’s stage.

25. A sustainable ecology depends on the strength of regular investment and a strategy for growth. We must for example protect already developed assets such as our national and regional collections and ensure they are shared and celebrated on the global stage. As the emerging states invest in their forgotten or erased histories Britain must continue to remix modernity with its histories to remain contemporary. This responsiveness and participation in today’s complex world and global cultures should define investment rather than simple impact on GDP. The creative industries are poorly supported if they are merely understood by governments as those activities which fit a vision of a new world created using programming code.

26. Access to business and employment opportunities within the Creative Industries. The visual arts has a number of specific access issues which have been highlighted in numerous reports and consultations they can be summarised as:

- Workforce Development. There is the potential for symbiosis between related areas of the sector such as the publicly funded and the private commercial galleries. Currently there is no coordinated approach to either the Continuing Professional Development within the sector nor to ensuring that graduates enter the sector with the skills required. Despite policy interventions the sector still suffers from a workforce that is not reflective contemporary society. Cuts to Arts and Humanities budgets within HE will amplify these issues as resources will be scarce. We support initiatives such as the; The DCMS Jerwood Creative Bursaries Scheme which have helped create paid posts for those with exceptional capacity to develop careers in the sector. We also welcome the potential of the National Skills Academy if it exploits existing
support infrastructures. Interventions are dependent upon the willingness of the sector to work collaboratively towards a skills agenda.

- The Culture of Creativity in Schools. Engage’s Enquire programme (funded through DCMS Strategic Commissioning funds) has contributed significantly to raised awareness of the importance of direct access to professional artists for those in education as a means of improving creative skills. The Realise campaign has helped pose the question of cultural rights, as without equitable access to the learning resources of local museums and galleries many young are disadvantaged. We are concerned that a regression in learning conditions, the limitations of the English Baccalaureate and fragmentation of the baseline provision provided by the national curriculum through the introduction of Academies and Free Schools will limit access to the workforce.

- Liquidity of Human and Financial Assets. There is a very low level of cash surplus generated therefore the sector cannot fund its own innovation and skills development. The currently low level of salaries and reward in the sector for business and entrepreneurial skills clearly reduces the number employees entering the sector from business disciplines.

- Sustainability & Entrepreneurialism. A side-effect of low levels of liquidity in the human and financial assets of the visual arts combined with the low levels of cash surpluses means dependency upon free labour in the form of volunteers and interns. This reduces diversity, skills retention in organisations and imposes high barriers to entering the sector. The sector is overly dependent upon the public purse and therefore the public sector over-determined by political directives rather than industry needs. This undermines private sector appetite to contribute towards research.

These areas remain outstanding within current arts and BIS policy.

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12 [http://www.vaga.co.uk/index.php?option=com_content&view=article&id=74&Itemid=93](http://www.vaga.co.uk/index.php?option=com_content&view=article&id=74&Itemid=93)

13 Latest survey from National Society for Education in Art & Design, [NSEAD](http://www.nsead.org) measuring the impact of the E-Bacc on art and design as an option at KS4, vocational learning and art and design teacher numbers in English schools, shows an immediate negative effect.

14 See VAUK response to Schools White Paper [http://tinyurl.com/6gsom9](http://tinyurl.com/6gsom9) and VAGA response to Henley Review of Cultural Education review for a summary of sector concerns regarding education reform
27. [For example, a recent DACS survey showed that for 34% of artists copyright royalties are more than 10% of their total income; for 12% of artists they are more than 50%.15 In these figures we can see that in the digital economy artists should expect to generate substantial resources through existing works, however we also know that to many, creative commons, is a political and philosophical framework for today’s collaborative cultures. In cultural legislation we have a duty to protect a multiplicity of perspectives.

15 http://www.variant.org.uk/41texts/lettersd1.html
15 HEDONOMICS IN CONSUMER BEHAVIOR Christopher K. Hsee and Claire I. Tsai: March 29, 2006