



## ***The Platform***

**Volume Three, Number Three**

**January 2004**

*The Platform is published by AEA Consulting. It serves to promote discussion and understanding of the critical factors affecting the successful management of cultural organisations. Comments or contributions welcomed by the Editor at [platform@aeaconsulting.com](mailto:platform@aeaconsulting.com). Back copies are available at <http://www.aeaconsulting.com/site/platformarchive.html>*

### **Conference Reviews**

#### **Creating Places: a one-day national conference exploring the role of artist studio and workspace provision in regeneration**

*Organised by the Cultural Industries Development Agency (CIDA)*

*Sponsored by the Arts Council of England, CIDA, the European Union, and Regeneration & Renewal magazine*

*London*

*8 July 2003*

This was, taken at face value, an Important Event. The venue was first class (the Tate Modern's startlingly scarlet Starr Auditorium); the 300-odd delegate places were oversubscribed; speakers included the Minister for the Arts and the Chief Executive of the Arts Council; and there was a celebrity master of ceremonies (the ubiquitous Jon Snow). Sadly, however, the conference turned out to be something of an anticlimax.

The theme was familiar. Creative industries occupy and regenerate run-down neighbourhoods before being forced out by rising rents, giving way to bland multinational businesses and retailers; political, planning and financial interventions are therefore necessary to protect the creative economy and the cityscape. The conference focused on the role of artists and artist studios within this process. The latter were felt to be largely neglected by cultural and regeneration funders.

During presentations, the phrase 'artist studios' was mostly taken to mean multi-studio sites, often those managed by the larger studio providers such as SPACE, ACME and Wasps Artist's Studios. These providers typically purchase dilapidated ex-industrial sites through any combination of capital funding, cross subsidy from commercial development, and bank loans. They then convert them to studios (30-40 is typical) with



possibly a shared resource centre or gallery, and rent studios out at a rate that allows the site to be largely self-financing.

Their model is therefore simply to purchase property, offering a body of artists security from rent raises and the opportunity to form a relationship with a local community. Many such developments have proved successful from the artists' perspective at least.

Development by large parent bodies has allowed:

- A higher degree of financial security and professionalism of management;
- Economies of scale resulting in improved facilities and reduced rents for artists;
- Collaborative environments with many artists co-habiting on individual sites;
- Community and retail programmes such as Open Studios events; and
- The sector to develop a voice of its own and to lobby funders.

The issue of ensuring sufficient appropriate and affordable artist studios is certainly a real one. Of 40,000 artists in the UK, 10,000 are housed by 250 studio providers and a further 10,000 are on waiting lists for those providers and are presumably without accommodation<sup>1</sup>. The remaining 20,000 are housed elsewhere, quite possibly in substandard conditions. The artist Michael Craig Martin posited a correlation between supplies of cheap workspace running out and the death of Paris and New York as creative centres: he felt that London was in severe danger of going the same way.

So it was reassuring to hear Central Government express support for studio providers, via Estelle Morris (who had then been in post as Minister for the Arts for just 3 weeks). The Arts Council of England also seems to be taking the sector's lobbying seriously: it is preparing a strategy that is widely expected to prioritise studio providers for a chunk of Arts Capital Programme 3 lottery funding<sup>2</sup>.

In spite of these positive developments, a hollow feeling persisted throughout the conference. There is a large gap between the broad theory of creative industry-regeneration-intervention as set out above, and a pragmatic framework for action that is both tailored to the studio sector and adaptable for a variety of local contexts. But few speakers acknowledged or attempted to close this gap. The purchase-and-convert model is unlikely to be possible in all situations but went unchallenged with few alternatives discussed. Only lip service was paid to:

- The needs of artists versus those of the creative industries – an umbrella term for a cluster of sectors, the largest of which in terms of revenue are software, design, publishing and television;
- Heterogeneity within the studio sector itself, i.e. individual versus multi-studio; independent versus studio provider-backed versus other parent body-backed;
- The issue of prioritising certain studios or locations for intervention;

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<sup>1</sup> According to research presented at the conference by David Powell Associates.

<sup>2</sup> This round of lottery funding will be dramatically reduced compared with earlier rounds.



- The need to establish a balanced arts ecology, especially in locations where studio and other arts projects are competing for funding;
- The risk of purchased studios becoming white elephants within gentrified surroundings; and
- The risk of quasi-‘institutionalised’ spaces not appealing to artists.

One of the few cautionary notes was injected by Ian Wall, whose depiction of commercial developers as single-celled creatures blindly pursuing profits generated a murmur of recognition. But his provocative “less discussion, more action” stance wore a little thin and itself became a barrier to moving forwards.

In the absence of such efforts, the conference functioned as a high profile backslapping exercise. It could be argued that this in itself provided useful publicity for the sector. However, the number of ‘Cultural Quarter Feasibility Study’ briefs that AEA receives would indicate that the doctrine of investing in capital infrastructure for the arts, including artist studios, is already broadly accepted. The sad fact is that in the absence of a coherent framework for studio development, many of these projects are unlikely to succeed.

What the sector needs is a framework that:

- Can be tailored to the studio sector but does not presume a single studio model;
- Is adaptable for a variety of local contexts;
- Asks ‘hard’ questions about the suitability of intervention in the location based upon existing arts activity, available sites, funding and so forth; and
- Allows flexible interventions beyond simply purchasing sites with capital funding, loans or cross-subsidy.

As an example of the latter, AEA has worked with a local authority on the concept of a standardised studio unit that was attractive, cheap to build and connectable into clusters. Commercial developers would be required to purchase and install a ‘quota’ of these units as part of their planning agreements, allowing a gradual build towards critical mass. The units would become the property of a single dedicated management organisation, allowing economies of scale and the coordination of community and retail events. The size of each cluster would vary with the size of the ‘parent’ commercial development, creating a mixture of private and more sociable studios.

However, no such lateral approaches were discussed in this conference. The forthcoming Arts Council of England strategy may provide a more considered and in-depth analysis.

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## **Saving Art for the Nation: A Valid Approach to 21st Century Collecting?**

*Co-organised by the National Art Collections Fund and The Art Newspaper*

*11-12 November 2003*

*London*

*Saving Art for the Nation* was an international conference held in London as part of the centenary celebrations of the National Art Collections Fund (The Art Fund). The Art Fund is a private charitable foundation that has helped to fund purchases for numerous national and regional museums in the UK since 1903. The prestige of the sponsoring organisation and the current interest in the art market, definitions of cultural patrimony and the ethics of cultural restitution, ensured attendance by a distinguished audience of national and international museum directors and curators, funders, dealers and policy-makers, including the UK's Minister of State for the Arts, Estelle Morris.

In her opening address, the Minister was broadly sympathetic to the plight of UK institutions, whose funds for purchases have dwindled to almost nothing over the past decade. She made it clear, nevertheless, that there would be no significant increase in public monies for the foreseeable future. She also raised the idea of shared purchase and ownership of works of art not only between UK public institutions – as Canova's *Three Graces* is jointly owned by the Victoria and Albert Museum and National Galleries of Scotland – but between British museums and those in other countries. The latter may indeed be the final fate in store for Raphael's *Madonna of the Pinks*, if the capital tax issues surrounding the counter offer to that of the Getty Museum made by the National Gallery with funds provided by the Art Fund and the Heritage Lottery Fund cannot be resolved.

These fundamental questions of national pride and of money were brought into sharp focus in a widely – if misleadingly – reported speech by Sir Nicholas Serota, Director of the Tate. The broadsheet press chose to interpret Sir Nicholas's speech as a thinly veiled attack on the spending of large amounts of lottery money to keep old master paintings in the UK for no more pressing reason than that they are already there. He appeared to be arguing that these funds would be better spent on the purchase of modern and contemporary art.

Lost in the subsequent art world furore was a more interesting argument: that the paucity of direct budgets for acquisitions available to UK public institutions and the emphasis on stopping works of art from leaving the country has led to an entirely reactive and unimaginative approach to collecting. Why not switch the substantial discretionary funds available for emergencies to an active, strategic and nationally integrated acquisitions policy, with museums mandated to go out into the international art market? This policy would be driven by a conscious decision to fill significant gaps in the national collections. Of course, one of the most glaring gaps is in the UK's holdings of modern art – mainly the result of the parochial stance of the trustees and directors of the Tate Gallery between the two world wars.



Chauvinism, according to some speakers, or a high regard for the national patrimony, according to others, is the driving force of the defensive laws regarding the export of works of art written into French and Italian legislation. Compared with these, the UK's arrangements are relatively liberal and recognize the rights of private owners to realize the value of their assets and the general economic benefits of allowing the art market to flourish. Patrice Marandel of the Los Angeles County Museum of Art brought this out in a survey of different jurisdictions that preceded a debate on the nature of ownership and guardianship of works of art, during which William Proby of Elton Hall articulated the responsibilities and the concerns of the many asset rich but cash poor private guardians of the UK's patrimony. Such voices are not always sufficiently attended to in arguments about the UK's patrimony.

British curators seemed to think that for both financial and ethical reasons the age of the universal museum was over, and to be willing to contemplate shared international ownership of works of art. It was noticeable, however, that their US-based counterparts in the persons of Marandel and George Goldner of the Metropolitan Museum, New York, adhered to a more traditional view of the museum's task to build representative collections of outstanding quality. This was a view later reinforced by Ted Pillsbury of the Meadows Museum, Dallas in a robust defence of de-accessioning as a means of achieving balance and quality. There were those who wondered privately if this not only reflected the greater financial muscle of American institutions, but also demonstrated a greater degree of focus and self-confidence in the job of curatorship.

Widening access to and understanding of cultural assets held publicly are rightly part of current UK government policy. But insistent strains of post-colonial blame and guilt, as well as regional self-doubt, dominated the discussion of 'What Nation?' so that disappointingly little new was added to the debate on the question of whose patrimony is being defended by British museums and galleries. It might be a more productive and pragmatic line of argument to assume that collections of objects are in and of themselves ethically neutral. It is the way in which they are displayed and interpreted that adds meaning. Thus, the rich collections of objects representing the material culture of former Imperial territories held in British museums can be freshly interpreted for the significant groups of Britons whose forebears came from Asia and Africa, and be used to generate understanding of and admiration for that heritage.

Nevertheless, Liz Forgan, Chair of the Heritage Lottery Fund, set out with clarity the liberal and inclusive position of the primary funder of purchases of heritage assets in the UK. David Fleming, Director of National Museums, Liverpool made a plea for a wider distribution of such assets, the best of which, he argued, gravitate to London institutions. The most obvious instance of such a distributive system – that of the Réunion des Musées Nationaux in France – relies, however, on a highly centralized bureaucracy to make it work, something that would clearly undermine the freedom valued by regional museums and absorb scarce funds in administration.



In the end, money is the key determinant in the flow of works of art between collections and nations. It says much for the enquiring spirit in which the conference was organised that the commercial art market had its say from the platform in the person of Anthony Browne, Chairman of the British Art Market Federation. But most attention from delegates was focused on the explanation by Eric Garandea of the French Ministry of Culture and Communication of a new scheme of tax relief to encourage firms and wealthy individuals to purchase cultural artifacts designated as part of the French national patrimony. With relief offered on such acquisitions at 90% of the value of the work, it is likely to have a significant impact on the retention of works within France's borders. It was not clear, however, from Garandea's remarks, what public obligations were to be imposed on private owners in receipt of such an astonishing *douceur* from the state. It was noteworthy, though, that Nicholas Goodison, former Chairman of the London Stock Exchange and of the Art Fund, who has been commissioned by the UK Treasury to produce a consultation document on the tax situation relating to works of art, – (with a view to the possible liberalization of the regime) was seen to be writing furiously in his notebook.

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## Book Reviews

### *Who Own Native Culture?*

Michael F. Brown

Harvard University Press

Cambridge 2003

ISBN 0-674-01171-6

This wide-ranging and readable book is by a distinguished anthropologist who did his field work in the 1970's among the Aguaruna of the Peruvian Amazon – his credentials are relevant... It seeks to draw together the many facets of the intense international debate about whether and how moral and economic claims to ownership made by or on behalf of aboriginal, native or indigenous communities can be accommodated within a broadly liberal democratic framework of rule of law and respect for individual rights.

By drawing out the connections between diverse cases in Central Africa, Australia, the United States, Canada, Central and South America, Brown presents a powerful argument that the currently ascendant, legally-based, adversarial approaches to conflict resolution adopted by both those asserting rights and those seeking to resist them tend to generate emotionally charged processes and lousy results for all parties. It is a powerful argument and also an important one given the inexorable growth in such claims, fuelled both by historic injustices of epic proportions and the growing political will to protect wasting cultural assets from further erosion under the onslaught from the global market and the commercial cultures that thrive in them.

He also illustrates neatly how superficially loopy claims and assertions can have profound rationales, albeit sometimes difficult to articulate in legalese, and how superficially robust claims can, on closer investigation, be rooted in pure political expediency and cultural ambulance chasing.

The foci of his attention range widely: artifacts and human remains found in museums; photographs of ceremonial dances that are regarded as abuses of privileged information by the Hopi; folkloric knock-offs of Australian aboriginal motifs used in the rag trade; the state flag of New Mexico, appropriated from a Zuni symbol; access by climbers and loggers to sacred sites; the commercial exploitation of indigenous knowledge of the healing properties of plants and of traditional ecological knowledge (i.e. predictive folklore concerning particular geographies); and the appropriation of Pygmy flute music by Madonna (by way of Herbie Hancock and Brian Eno).

Through detailed case studies and shorter vignettes, Brown illustrates the pitfalls of generalisation and the damage done by polarized sloganeering based on the assertion of absolute rights, particularly those employing the notion of sovereignty as a basis from which communities should negotiate. The 1997 UN Report "Protection of the Heritage of Indigenous People" (The Daes Report), comes in for particular flack. The general approach, which he calls Total Heritage Protection, is, he argues, inoperable, Canute-like



in its naivety (“Does any society, no matter how wealthy and privileged, control its culture?”) and bristling with unintended and counterproductive consequences. He also shows that the shifting and often contradictory arguments employed in defending native culture would be widely regarded as epistemologically facile or morally unacceptable if voiced in support of non-indigenous claims.

More generally “stepping outside the indigenous rights debate, one finds progressive legal thinkers arguing passionately for more freedom to borrow, blend and ultimately create new artistic and technological forms,” something the Total Heritage Protection approach effectively seeks to veto. He argues for the inappropriateness of knee-jerk recourse to copyright and patent systems and their adverse impact on the cultural commons that in other contexts those asserting cultural claims generally wish to protect and expand. In its place, he proposes an approach of incremental pragmatism, drawing on political philosopher John Gray’s “value pluralism”, and the acceptance that beyond a relatively small set of core values, everything has to be negotiated. This approach may not redress historic grievances, but neither will its alternatives, and it will, he argues, provide operable accommodations of conflicting ‘rights’. The weakness of the argument, he concedes, is what to do when one party or the other basically refuses to negotiate.

Brown’s basic perspective is summed up as follows:

*If I am critical of those who seem eager to defend a world of discrete, perfectly bounded cultures that never existed, it is because I am so impressed by the hope and pragmatism of indigenous elders, museum curators, archivists, and cultural resource managers who are negotiating their way to more balanced relationships. They, far more than the activists and academic theorists who set the terms of debate about cultural ownership, understand that progress will be built on small victories, innovative local solutions, and frequent compromise. They recognise too that a world ruled solely by proprietary passions is not a world in which most of us want to live.*

Apart from its intrinsic merits as a bracing read, the book and its approach are important in suggesting ways in which the broader restitution debate in the museum sector – of which contested ethnographic items are of course only a small part – could be taken forward by the sector itself, without having to be goaded into action by the prospect of legal claims or political embarrassment.

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*Italia S.p.A. - L'Assalto al Patrimonio Culturale*

Salvatore Settis

Einaudi, Torino, 2002 – Gli Struzzi 554.

ISBN 88-06-16445-7

Salvatore Settis is an authoritative and well-respected spokesperson for cultural affairs, both in Italy and abroad. He is an art historian by training, and chaired the Mellon Lectures at the National Gallery of Art, Washington in 2001. He is one of a handful of Italians to have worked abroad in the cultural sector at a very senior level. He served as Director of the Getty Research Institute for the History of Art and the Humanities in Los Angeles between 1994 and 1999, and is currently the director of Italy's most prestigious higher educational institution, the *Scuola Normale Superiore* in Pisa. He is also the first recipient of the newly established prize in remembrance of the famous art historian Federico Zeri.

*Italia S.p.A.* was published in October 2002 and has not yet been translated into English. Since then, it has established itself as one of the key texts in the current, heated debate around the management of Italy's museums and heritage sites. Its value is that of having widened this debate beyond a dispute between different political parties, and having brought to a wider, non-specialist audience some of the main facts and data behind the history of Italian cultural policy legislation, emphasising its positive aspects.

The areas touched upon in *Italia S.p.A.* are complex and in this review it has only been possible to give an indication of the main points of contention.

The election, in June 2001, of Silvio Berlusconi, who famously claimed he wanted to “do for Italy what Margaret Thatcher [had] done for the United Kingdom,” and Italy's struggle to keep within the Maastricht criteria for national debt form the background to this challenging essay.

The motivations behind the publication of *Italia S.p.A.* lie in the government's announcement, in June 2002, of the creation of a UK-style “quango” to be known as *Patrimonio S.p.A.* (“Heritage P.I.C.”, hence the book's title, *Italia S.p.A.*). This entity can, in principle and on certain poorly defined conditions, sell or lease certain cultural or heritage property belonging to the state with at most the signature of the Minister for Culture. This announcement was greeted with horror both in Italy and abroad – the *Frankfurter Allgemeine Zeitung* titled its review “Rome's Talibans” (9<sup>th</sup> July 2002), while other journalists announced that the Coliseum was about to be sold...

Salvatore Settis contends that the current government's attitude is the result of the policies of the governments that have ruled Italy in the last decade, both from the left and from the right. His perspective is that the 1990s have witnessed a real assault on Italy's vast cultural inheritance. Hence, the book's subtitle, *L'Assalto al Patrimonio Culturale* (“The Assault on Cultural Heritage”), and its front cover, Goya's bloody image of Saturn devouring his children, Saturn representing the Italian government's recent ruthless



exploitation of its heritage and cultural assets. As supporting evidence, Settis places recent developments within an historical overview of recent legislation<sup>3</sup>.

Settis' arguments about the peculiarities of Italy's cultural heritage are centred on the argument summarised below. His objective is to make his readers understand why *Patrimonio S.p.A.* cannot possibly work as it has been established.

Contrary to what is widely perceived, Italy has always had an exceptionally strong and sophisticated conservation policy. This dates as far back as the 13<sup>th</sup> century, is firmly rooted in the 15<sup>th</sup> and 16<sup>th</sup> centuries, was widely applied right before and after the unity of Italy, and is only partly due to the country's sheer number of museums and heritage sites of national, local and regional importance. As a matter of fact, according to UNESCO, 60% of the world's most important works of art are situated in Italy. Detailed examples are provided in Chapter 4. Suffice to say that, at the height of their power, both Siena and Venice had detailed urban planning regulations in place to protect their own monuments. In addition, Italy developed strict rules against the export of valuable art objects early on, in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries. Finally, Italy has some of the world's leading conservation training institutes.

Italy has used its heritage assets to promote its civic identity and historical memory ever since the Renaissance. Heritage has always been perceived as one of the pillars of civilised society and it is the duty (and honour) of the State to preserve and enhance them. Perhaps the greatest achievement of Anna Maria Luisa de' Medici was the 1737 convention whereby she decided, with her successors to the Grand Duchy of Florence, that all of the art treasures belonging to the Medici family would become property of the city of Florence for the enjoyment of Florentines and of all people from all over the world.

Italian conservation policy has valued individual works of art, heritage sites and cultural institutions, large and small, as part of a wider, organic whole which is rooted within the landscape, making a close connection between cultural and natural heritage. The value of each item is not to be taken in isolation, but in the way it relates to its wider context. It is in this context that Italy has been famously described as an "open air" museum (or *museo diffuso*, according to Antonio Paolucci, the *Soprintendente* to Florence's museums) where every single heritage item is noteworthy and of strategic importance. This is because each site and institution, even the *piazze* and the gardens, have historical significance and are museums in their own right. In other countries, such as the US, this is not the case because the majority of works of art have been extracted from their original settings.

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<sup>3</sup> For an exhaustive overview and analysis of the existing legislative framework within which Italian cultural organisations exist and of the main debates that have accompanied the legislative changes of the 1990s, see Silvia Dell'Orso's *Altro Che Musei – La Questione dei Beni Culturali in Italia* (Editori Laterza, Bari-Roma, 2002 – Robinson, Letture) and Rosanna Cappelli's *Politiche e Poetiche per l'Arte* (Mondadori Electa, Milano, 2002).



Italy has not known the dramatic fractures other countries have experienced (for example, the Protestant iconoclasm or the French Revolution). Parts of the country have been economically stagnant for a long time (in particular, the South of Italy) and the role played by the Church and the upper classes has generally been highly conservative, which has had an impact on keeping buildings and cultural heritage.

Salvatore Settis is adamant that Italy should not attempt to emulate and import foreign (and particularly, American) models of cultural management without having studied them in great depth. He provides a detailed and thorough explanation of the American system and reassures the Italian reader that even in the US, cultural organisations are not profitable. He firmly believes that, taken as a whole, the American model is irrelevant to Italy because of the fundamental differences in cultural background – in particular, in the history behind the formation of the particular organisations and in the legislative framework within which they operate. This is not to deny that there might be particular aspects of legislation that ought to be studied in depth and then applied – in particular he acknowledges that Italy has a long way to go in promoting a more favourable tax environment to promote private philanthropy.

Throughout *Italia S.p.A.*, Settis underlines the importance of understanding the Italian model before bringing about dramatic changes and advocates high quality training for the public and private operators of the cultural sector. He also believes that it is detrimental to continue to criticise and weaken Italy's public administration when there is nothing concrete to replace it. He emphasises that Italians are always convinced that Italy is a complete disaster and abroad everything is always better, and furthermore that Italians are superficial in their choice(s) of what it is they ought to copy from abroad. Obviously, this particular assertion has caused intense debate and further divided the camp between his supporters and detractors.

For Salvatore Settis, there are no easy solutions. What is most important is to raise the general public's awareness of these issues and for the State to devise public policy structures that provide the right balance between the private and the public sectors for the preservation and promotion (*valorizzazione*) of Italy's cultural heritage. In *Italia S.p.A.*, he also proposes to compile a comprehensive inventory of all cultural property owned by the state. And thirdly, he emphasises the need for more and better quality training for both the public and the private operators of the cultural sector.

*Italia S.p.A.* caused immediate uproar. It was reviewed in the national press and it was widely debated amongst the chief operators of the cultural sector. Some commentators criticized Salvatore Settis for *Italia S.p.A.*'s polemic tones and argued that he was using *Italia S.p.A.* as a vehicle to prepare and launch his (still unannounced!) candidature to become the next Minister for Culture. Whether this is true or false is difficult to judge. What is certain is that *Italia S.p.A.* damaged the reputation of the current government and in particular of the current Minister for Culture, Giuliano Urbani. The June 2002 legislative act was *de facto* blocked. The Minister for Culture was pushed to establish, in January 2003, the *Consiglio Scientifico per la Tutela del Patrimonio Artistico* with the



objective of drawing up a list of state-owned cultural property and agreeing which of it cannot be sold or leased. Settis has been called to become one of its three high profile members.

This book illustrates both the fascination exerted by the US cultural system on the rest of the world, and the complexities associated with its import considered in a naïve fashion. It remains to be seen how European countries will manage to modernize their cultural systems and to what extent the American model may be grafted on to other societies.

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*On Being Non-profit. A Conceptual and Policy Primer*

Peter Frumkin

Harvard University Press, 2002

ISBN 0-674-00768-9

It has been argued that the non-profit sector has been created as much as described by its literature, and Frumkin's book might easily be dismissed as just another one of "them", particularly as its subject is the "sector" as a whole. However, in my opinion, *On Being Non-profit* fulfils its goal – to provide a comprehensive statement of the sector's functions, justifications and challenges – and is welcomed and much needed in a field that is witnessing growing amounts of research and publication, that is highly interdisciplinary and diverse and that has repeatedly in its history been subject to public criticism.

The book's argument is informed by a wide and diverse selection of scholarly literature, primarily from public policy, political science and sociology, while the volume still remains relatively short and focused. While it does not contain case studies or practical examples, the book is exceedingly well and clearly written and its analyses of literature and scholarship are engaging and concrete enough to apply and appeal to the practitioner. Its interest to the scholar does not need pointing out.



Frumkin’s goal is to provide an overview of the rationale for what he calls “Non-profit and Voluntary Organisations” (see p. 10-16 for a discussion of this and other name tags), their essential functions as well as the policy challenges they are facing. At the core of the book is a four-field matrix (will we soon know it as the “Frumkin matrix”?) that shows the four functions of non-profit and voluntary action:

	<i>Demand-side orientation</i>	<i>Supply-side orientation</i>
<i>Instrumental rationale</i>	Service delivery	Social entrepreneurship
<i>Expressive rationale</i>	Civic and political engagement	Values and faith

The “demand”- and “supply-side” orientations refer to the ways non-profit and voluntary action is commonly justified (i.e., as action resulting out of market failure and existing demand unfulfilled by either the market or government, or as action that results from resources invested by donors, social entrepreneurs and volunteers, i.e. a supply that creates its own demand).

The “rationales” refer to ways how the sector is justified, i.e. firstly, by the fact that non-profit and voluntary action fulfils (as an “instrument”) tasks that are viewed as important by communities; secondly, to the fact that non-profit organisations allow individuals to express values/faith through their work.

The four functions then are:

- Service delivery: “Provides needed services and responds to government and market failure;”
- Civic and political engagement: “Mobilizes citizens for politics, advocates for causes, and builds social capital within communities;”
- Social entrepreneurship: “Provides a vehicle for entrepreneurship and creates social enterprises that combine commercial and charitable goals;” and
- Values and faith: “Allows volunteers, staff, and donors to express values, commitments, and faith through work” (all, p. 25).

Frumkin claims that in order to solve their long-term challenges, organisations must achieve a balance of these four functions.



His first chapter describes his approach and introduces the matrix. The middle chapters analyse each of the matrix' four fields. The final chapter discusses problems that may arise if one function is overemphasised, i.e. vendorism (service delivery), polarization (civic & political engagement), commercialisation (social entrepreneurship) and particularism (values and faith).

One aspect that the model is lacking a bit is complexity in its diagnostic side: rather than the preference of one function, what happens in the case of the neglect of one? Or the preference/neglect of two? This small point aside, Frumkin's book has the potential to become widely used and read, thanks to the fact that it is concise and focused, clear, readable and relatively short, and the matrix is a handy tool for newcomers as well as those more seasoned. The book will rapidly find its place on syllabi on philanthropy, the non-profit sector, public policy and others, undergraduate or graduate.

What many readers may miss in the book is an application of Frumkin's matrix separately to different non-profit sectors. I would like to take a moment to consider how adequate a description of arts/culture organisations the model is, or what it can teach us about these organisations and the challenges they are facing.

1. Service delivery: even though some aficionados might protest against the utilitarian perspective, within a taxonomy of goods vs. services, arts organisations are without doubts service providers, and ever since Baumol & Bowen, their "funding gap" (or "cost disease") is recognised as their fundamental economic condition. In other words, it is generally recognised that arts organisations are compensating for a market (and government) failure.

2. Civic and political engagement: for the arts, this can be a difficult case. What is the "cause" of art, especially Western high art? Or else, what kind of social capital do they build, and among whom? Advocacy of "Western high art" (along with its narratives of transcendence, universality, timelessness, etc., and the purposes of moral edification, education and so on) as a "cause" worthy of special support has drawn the attack of post-modernist and post-colonialist thinkers who see these art forms as symbolic of and perpetuating a history of hegemony (in terms of race, gender, etc.), and who consider these art forms *over*-represented in society (rather than underrepresented as one would assume for "causes"). Indeed, when looking for justifications of "high arts" funding, one faces an intriguing silence (neither claims for universality nor community building are common) and "mobilization" for the "cause" is equally rare (unless one considers member recruitment, outreach and education programs as "mobilization"). A more diverse approach to programming has been the response of some institutions. (As an aside, these points also highlight the prominence of circuitous justifications of arts/culture support, e.g. their function in building social capital, rather than justifications that emphasise an inherent value of the arts.)

At least one important arena of social capital building that occurs in large arts organisations has been described in a number of recent studies, i.e. the function of



philanthropy and volunteerism in establishing bonds and networks among elites and in engendering a positive upper class identity. The danger of polarization mentioned by Frumkin is acute here in the sense that organisations may be seen to serve and build social capital within a community that is already privileged.

Smaller and community-based arts organisations, by contrast, often preserve the expressive arts of underserved or underprivileged communities – their cause being the preservation of heritage and their function to build and foster communities around their (often ethnic) heritage. Their main challenge is to provide a voice for what are considered minority interests.

3. Social entrepreneurship: the 1990's expansionist spirit exemplifies the potential dangers of overly entrepreneurial boards (as a form of commercialism), since many (mid- and large-size) organisations are now hard-pressed to finance their higher fixed costs. This can be seen partly as a result of the fact that social entrepreneurship in the 1990's took place primarily in the form of a transfer of an expansionist culture from corporate entrepreneurship into non-profit boards, embodied by (often former) executives of business corporations.

This does not apply to many smaller organisations, however, that were and often are faced with the opposite problem: given their focus on the artistic side of things, the difficulty lies in developing and fostering social entrepreneurship (among both boards and staff).

4. Supporting expression of values and beliefs: again, recent research has shown that while the motivations of large-scale donors for philanthropy and volunteering are strongly connected to their sense of identity and their value system, many large-scale philanthropists aim to achieve personal returns (in terms of social position), rather than returns for society or an art form (which may play an important yet often subsidiary role).

This quick (and by no means authoritative or complete) application of Frumkin's model to the arts helps to put the divergent challenges and concerns of large vs. small arts institutions into high relief. It suggests that large "high art" institutions might be in danger of giving preference to their supply-side functions, and thus of privileging the spirit and values of those who govern them. At the same time, smaller organisations seem to be in danger of over-focusing on their expressive rationale while neglecting the terrain of their instrumental rationale. In other words, they survive and work thanks to the faith/values and energy of staff and boards and are strongly involved in their communities, while at the same time finding it hard to foster demand for their service and entrepreneurial activities of their staffs/boards. The application shows also that many arts organisations share the challenges mentioned in general for non-profit and voluntary organisations by Frumkin.

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## A note

### **Social entrepreneurs, non-profit legal structures and the Community Interest Company (CIC)**

“Social enterprise” and “social entrepreneur”, outgrowths of the 1990s’ obsession with entrepreneurs, innovation and small business, are catchwords with fairly high currency in the non-profit world these days, whether in the US or the UK. A recent alliance of the UK’s Department of Trade and Industry, the Chancellor of the Exchequer and the Home Department may cater for their lasting effect: they have proposed a new legal vehicle – the Community Interest Company (CIC) – that (once ratified) will facilitate incorporation and modify the financial conditions of operation for social enterprise, enhancing its attractiveness to investors and entrepreneurs.

The main characteristics of the CIC:

- Social benefit: the CIC must work for the benefit of society (i.e. applies to the common laundry list of “causes” including as public health, environment, and arts/culture);
- Financial capacity and flexibility: CIC’s can raise private equity and take loans, while an asset lock and a cap on pay-backs to shareholders prevent exploitation for personal benefit;
- Transparency and independent control: an independent regulator will control the financial management of CIC’s, their service delivery and the involvement of stakeholders;
- Ease of incorporation: CIC’s are quick and cheap to set up, cutting the cost of setting up a social enterprise;
- Distinct from charitable organisations: CIC’s do not receive tax benefits.

This proposed piece of legislation acknowledges and addresses an important constraint to the management and operation of non-profit organisations, i.e. financial demand/supply issues, and the difficulties involved in funding core operating or such activities as collections maintenance or infrastructure that are hardly marketable. It provides non-profit executives with greater choice and autonomy.

Nevertheless, the CIC (whether newly established or altered existing organisation) will still remain attractive only to a limited number of organisations and purposes. First, it will be interesting to for-profits and non-profits which work in the sort of grey area between public and private purpose, where the CIC allows those that would otherwise “go for-profit” to tap “social investment” funds that would otherwise be inaccessible to them (provided their owners’ consent to foregoing profits), and offers to those who would otherwise be non-profit greater financial scope and flexibility (provided these outweigh tax benefits foregone). CIC’s will only be attractive to organisations that have a fairly commercial or managerial culture, including the skills, ambition, entrepreneurial spirit and interest in growth that are necessary in order to find and convince investors. Finally,



a certain strength of branding and degree of visibility might be helpful (if not necessary) for investor recruitment. I believe it is thus unlikely that we will see a great number of traditional arts/cultural institutions change into CIC's, yet the case may be different for the "cultural industries" (e.g. genres like film or fashion).

What seems noteworthy about this proposed legal change is the fact that it recognizes the third sector as an economic power (indeed, a growth engine) and explicitly instrumentalizes it as such. Indeed, CIC's form part of a wider effort by the UK government to provide tax relief or loan possibilities to Social Enterprise (see also the establishment of the UK Phoenix Fund and Community Investment Tax Relief, encouraging investment in Community Development Finance Institutions). Besides, CIC's serve an urban regeneration agenda because the hope is that they will help to revive poor and underdeveloped areas.

The fact that the proposed changes are a means rather than an end may be a bit disheartening, yet there is hope that the operating conditions of the third sector are moving up on policy agendas, and other legislative improvements may be coming. The search for new structures to accommodate social enterprise is on in other countries as well, fuelled by cash-poor public agencies, the drive for social entrepreneurialism, and the vision of a welfare state where individual initiative replaces (to some extent) the state in the public domain.

More information on the CIC can be found at: <http://www.dti.gov.uk/cics/>

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