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Labour and the Arts: Managing Transformation?

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Abstract
Public support for the arts in England as introduced in 1945 was already atypical in many ways since it operated through an arm’s length body and left an important role to the private and voluntary sectors. The adoption of New Public Management (NPM) did not mean a total overhaul of the system, but meant that the State took back some power of decision and control through a specialized Department, created originally in 1992. This Department has asked funding bodies to adopt new management methods which are aimed at their beneficiaries as well...

Attempts have also been made to formalise and modify local government support for the arts.

The implementation of NPM to the arts sector proved to be complex. The assessment criteria that were adopted were criticized by most administrators and artists alike for being inadequate and simplistic when applied to this sector.

The effectiveness of the new framework is assessed in the context of the recent growing support for public spending in the arts from a traditionally sceptical public. The new management, accompanied by budget increases, has led to an instrumentalisation of the arts sector through attachment and this can be equated more generally with a trend towards the commodification of the arts.

Key words: Arts policy, New Public Management, performance indicators, DCMS, Arts Council, attachment, instrumentalisation, commodification
Introduction

The transformation of the governance framework implemented since the 1990s affected arts policy differently from other policy sectors. Public support for the arts as introduced in 1945 was already atypical in many ways since it was implemented by a bureaucratic type of administration with autonomy from direct state intervention through an arm's length body, the Arts Council, and left an important role to the private and voluntary sectors. The adoption of New Public Management (NPM) practices therefore did not cause a total overhaul of the system, but meant that the State took back some power of decision and control thanks to the creation in 1997 of a specialized Department of Culture, Media and Sports (DCMS) – the reformed Department of National Heritage that had been introduced by the Conservatives after the 1992 general election.

Today, at the national level, the arts are still funded through what are now called Non Departmental Public Bodies: Arts Council England (ACE) supports the performing, visual arts and literature, and the Museums, Libraries and Archives Council (MLA), created in 2000, funds museums and galleries. Both are sponsored by the DCMS and redistribute funding at the three levels of decentralisation. Local authorities are the second largest funder of the arts in England even though the arts remain a discretionary area of policy. All these actors, including arts institutions have been asked to adopt new management methods based on structural reforms, joined-up decision making, public/private/voluntary partnerships, accountability, users’ consultation and participation, increased control mechanisms.

However, it proved complex to apply the new bidding methods of funding and the evaluation of the NPM to the arts sector. Quantitative assessment criteria of cost-efficiency, users’ satisfaction and more recently ‘engagement’ with the arts have been criticized by most administrators and artists alike for being inadequate and simplistic when applied to the sector. Recently, qualitative assessment based on peer review judgement of ‘excellence’ has been reintroduced after being disregarded for some years for its elite and subjective dimension and so has local authorities and institutions’ self-assessment in an attempt to create a more cooperative climate around a new ‘reciprocal’ relationship between stakeholders.
Although they were presented by governments as a tool to guarantee value for money services and to attain cultural democratisation, these new management methods have had unintended and detrimental consequences and, paralleled with budget increases, were accompanied by a stronger instrumentalisation of the arts sector to answer social or economic policy objectives (attachment theory). They can more generally be equated with a trend towards the commodification of the arts. While the Labour governments’ policy objectives have varied little since 1997, although excellence replaced access as the key idea, their repeated attempts at reforming the sector along NPM lines point to the relative failure of applying NPM to the sector as the latest changes, introducing some shifts in targets and control mechanisms, might indicate. When other policy sectors still operate under top-down hierarchical control, the traditional arm’s-length model demonstrates the specificity of the arts within government.

A New Governance Framework for the arts: Managerialisation and Organisational Change

The Difficult Coming to Age of a New Culture Department?

In January 2009, DCMS Secretary Andy Burnham, declared that after a year of crisis and modifications, improved work relations with funding bodies were well under way as a result of the introduction of a new range of managerial practices and the reassertion of the arm’s-length principle allowing funding to be distributed by experts. Various NPM practices had already been introduced since 1997 to improve “best value” through more effectiveness and cost efficiency. On the side of government however, dissatisfaction had been growing at its limited capability to actually impose managerial change in the arts system. The consequences of introducing a host of new management approaches and managerial practices, for state arts policies are by no means clear-cut. A direct causal relationship between the former and the latter is difficult to identify not least as a result of the complexities of attempting to identify precisely how, and why, arts policies have an effect. A second major problem in establishing such a relationship is the arm’s-length nature of central state control over the arts sector where the capacity of the centre to steer other organisations operating at national, regional or local levels

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1 After just six months at the DCMS, Andy Burnham was appointed Minister for Health in June 2009, exchanging job with Ben Bradshaw, a former journalist whose energy is expected to concentrate on the Media. The Stage Podcasts, 07/01/2009.

is severely restricted. Given the emphasis in NPM on the role of the centre in steering\(^3\) rather than rowing, limits on central state steering capabilities in the arts sector are a severe restraint on its ability to manage the system.

The managerialisation of the arts sector developed at the same time as the introduction of NPM during the 1980s. While four variants of NPM can be discerned – the neoliberal, the participative, the political economy/bureaucratic control, and the rational managerialist\(^4\) – these were not equally used in the field of the arts, and where they have been used the consequences have rarely been as straightforward as central governments may have intended. The intention of the Conservative governments that led the way in managerialising the arts sector was to change the underlying framework upon which the arts support system rested, rather than with changing the specific policies that were utilised within it. Given the restrictions on central action in terms of the range of arm’s-length bodies that existed in the field, the government attempted to change things through direct legislation affecting the role of local authorities in cultural provision – such as the contracting-out of management of leisure services – and through the power of appointment that the centre has. The latter was significant in affecting the priorities that the arm’s-length bodies had – as in the case of the appointment of William Rees-Mogg as Chair of the Arts Council of Great Britain in 1982\(^5\) – even if there was little, if any, evidence that the Conservative governments of the 1980s and 1990s were prepared to over-ride the arm’s-length principle and impose managerial change within the arts sector.

The Labour governments post-1997 have effectively been more managerially interventionist into the arts sector than the Conservatives were through both the use of the reformed versions of NPM that they have been associated with, and through the appointments that they have made: Gerry Robinson, the Chair of ACE between 1998-2004 was appointed specifically to reform the management structures and processes of the organisation (this is discussed further below). In undertaking reform, the Labour governments have been assisted by the presence of

Taylor noted that the effectiveness of the DCMS in controlling the arts policy sector depended upon ministerial activism, policy review and guidance, systematic review and the control of arts finance. The mechanisms that the DCMS has used in these have developed directly out of the NPM reforms of the 1990s and 2000s, particularly the use of the DCMS’s own Value for Money Delivery Agreement, Funding Agreements with particular arts organisations (art galleries and museums) and Public Service Agreements with arm’s-length organisations (ACE). Alongside these are a host of other control mechanisms that governments have made use of for many years including control of grants, audit, and a range of reserve legal powers.

The four stages in NPM practices in Labour arts policy since 1997 fit in with the mainstream of Labour reforms. The first one was still influenced by conservative approaches and supported privatisation, although this proved difficult to introduce into the arts. After 1999, this was blended with a bottom-up approach to arts policies with the creation of Regional Cultural Consortia and through the 2002 decentralisation introduced when the Arts Council was restructured. More generally, local partnerships were encouraged in what can be seen as a first phase of the joined-up framework. First attempts at public consultation as well as local services performance assessment were carried out with disappointing results. A third stage has meant increased steering from the centre informed by numerous best-practice studies, leading to: more precise and constraining assessment frameworks, the formalisation of responsibilities and partnerships; the domination of the joined-up approach; a partial recentralisation of the Arts Council; extended and new forms of consultation. A fourth stage might be appearing with the reintroduction of qualitative assessment, a partial move away from quantitative performance indicators and more equal negotiations between the centre and other stakeholders.

Even using such tools, however, has only provided the centre with a limited capability for effective control of the arts sector. The broad nature of the content of various Agreements has meant that they are extremely vague in practical terms, particularly for those organisations that have a responsibility for turning general desires into specific programmes that are capable of effective implementation. Even when quantified targets have been set for the DCMS this is not directly controlled or managed by the DCMS but, instead, by bodies like ACE, making the centre dependent upon them for policy success. The continued reliance on the arm’s-length principle may allow central government to

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escape from claims of political interference in arts funding decisions but it also means that the centre has no effective mechanism to ensure that its own policies will actually be pursued. At best the range of Agreements that the centre has introduced allows some general control over the broad parameters of arts policy, at worst they can become simply devices to be worked around and used to shift the blame for unpopular decisions to central government. The form-filling and box-ticking that have become common across the entire public sector since the introduction of particular NPM practices, for example, are often used as explanations for why policies have failed – managers are too intent on these peripheral concerns and forget to actually provide services, thus diverting criticism away from internal managerial failings and towards the requirements of central government.

DCMS Public Service Agreements (PSA) have been the basis for the evaluation of policy effectiveness. They reflect the second, third and fourth stages in NPM: they evolved from encouraging general objectives in 2001-04 to stating clear quantitative targets in 2005-08. They vowed for instance to increase the number of people who participate in an arts activity and attend arts events at least twice a year by 2% and 3%. Those targets were not reached, neither were another 16 out of the total of 20, but three for ethnic minority arts attendance were. The new indicators for 2009-11 do not specify a percentage but simply aim for an "increase".7

In 2008 the DCMS was reproved by the House of Commons Committee of Public Accounts for its lack of cost-efficiency in the grant making process of its nine funding bodies. In 2006-07, these had awarded grants of around £1.8 billion (ACE being the biggest fund distributor with around half a billion per year) and spent some £200 million on administering them. The report particularly criticized one ACE programme for individual artists for costing as much as 35 pence for one pound awarded when the average stood between 3 to 8 pence per pound. The application process was found to be very complex and time-consuming for both applicants and grant givers. The report recommended that DCMS encourage its NDPBs to share best practice and find common efficiency savings, for instance by centralising regional processes and by introducing new technology to process grant applica-

7 DCMS, 2009, p. 165.
These shortcomings should have been solved by the previous re-organisations and the novelty of the recent changes lay not in their goals but in the new and more detailed mechanisms devised to achieve them.

The first in a series of resulting reviews, led by culture Minister Margaret Hodge, looked at ways to strengthen DCMS regional policy by drawing together the distinct strands of the cultural policy sector to enable the development of policy (and funding) coherence and synergy and deliver long-term savings that were to be reinvested into cultural provision. Although they will continue with their existing sector specific responsibilities, the responsibilities of the four cultural agencies (ACE, MLA, Sports England, English Heritage) have been joined-up. The system is expected to consolidate collaboration between regional and local partners, notably to devise and implement regional and local strategies. This infrastructure will replace the DCMS eight Regional Cultural Consortia (also NDPBs), introduced in 2000 to find sectoral coherence. As a mechanism to provide a single meeting-place for the range of arm’s-length bodies that the DCMS has overall responsibility for at a regional level, as well as to link up with the multiple cultural functions of local authorities, it was anticipated that there would be the creation of clear directions for where cultural interventions could be made for the benefit of local areas. While the Consortia produced a range of publications outlining their cultural visions for particular areas, and argued the case for the importance of culture across a range of public and private activities, they were increasingly seen by central government as being ineffective in policy terms (not least because they had no powers to ensure compliance with their policy wishes), and increasingly expensive. DCMS has then retreated to a dependence on individual arm’s-length agencies to provide co-ordination across the range of functions it has.

Changes in the DCMS and a politicisation of arts funding since the 1970s have both affected the role of ACE whose increased funding was largely predicated upon the introduction of NPM forms of managerial change. The following clarification of their roles through Funding and Public Service Agreements was also tied in with ACE being expected to make considerable efficiency savings – one third of staff were cut and grant schemes streamlined from 100 to five, for example, as part of the 2002 reform. Despite this ACE has not devised a real national strategy

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8 Commons Committee of Public Accounts, 2007-08.
DCMS attempts to steer the arts from a distance, using an increasing number of objectives, standards, targets, and performance indicators, allowing better defined policy objectives and improved budgeting and management systems, but this was expensive and led to fragmentation, coordination and control problems.

The 2002 reform was thus seen as being ineffective if not destructive and the following ACE Action Plan was little implemented, leading to further reforms in 2008-09. The DCMS continued to look for financial as well as structural improvements and the reforms were also intended to answer criticisms concerning the complex funding bureaucracy and lack of funding criteria clarity. Many voices also asked for a return to funding assessments that would balance socio-economic targets with artistic value. The latest ACE reform in July 2009 followed most of the recommendations of the McMaster and the two McIntosh reviews. McMaster had called for a move from a system based on measurement to one based on judgement, agreeing with McIntosh that ACE had to rebuild its credibility with the arts sector by involving arts practitioners in its policy and funding decisions. Peer review was thus re-introduced despite long-standing criticisms of the system. The 2009 reform is also expected to save £6.5 million a year in administrative costs with further cuts in staff numbers. The new ACE is intended to be administratively flexible with simplified management and funding processes. The national “Head Office” will concentrate on national strategy, assisted by art form experts; the regional offices will be streamlined to concentrate on relations with organisations and artists, and four area offices will deal with budgets, funding decisions and draw up planning and investment strategies. These changes are in tune with the shifts in NPM towards the modernisation of public services even if they are likely to require a considerable cultural shift within ACE to become fully effective. The reforms should be in place by April 2010.

Local authorities: new governance and control mechanisms

Local arts budgets vary enormously and have been cut in the past years to make overall efficiency savings. 8% of local authorities have no

12 ACE/Alan Davey, 2008; ACE/McIntosh, 2007/08; ACE, 2006.
13 NCA, April 2002; ACE/McIntosh, 2005; ACE, 2006; DCMS/McMaster, 2008.
14 Hutchison, R., 1982.
15 ACE, June 2009, pp. 2-9.
arts services at all\textsuperscript{16}. One of the reasons is that it is difficult to make the case for arts spending in quantifiable terms as can be done for other public services\textsuperscript{17}. Since 1997, to deliver better public services, Labour governments have introduced a new governance framework based on network arrangements integrating local authorities and representatives from the public, private and voluntary sectors, Regional Development Agencies and NDPB’s regional agencies. The 2002 ACE reform led to a partnership agreement between ACE agencies and local authorities using DCMS rhetorics around multilevel governance, defined as the disappearance of hierarchical relationships between the different powers\textsuperscript{18}:
\begin{quote}
“We are equal partners in a joint enterprise to improve quality of life in every community.”\textsuperscript{19}
\end{quote}
The partnership identified four common priorities: “creative economies, healthy communities, vital neighbourhoods and engaging young people”\textsuperscript{20} — which explains the gradual distance ACE took with artistic assessment and the fact that its recent reintroduction might endanger that partnership.

In network governance, which originates in the 1990s ideology of localism, lobbies and voluntary groups are central actors to allow a move from an overhead to a pluralist democracy\textsuperscript{21}, but one can doubt whether the members from these partnerships were really equal or whether this amounted to a kind of formalised consultation from a unified ACE under DCMS rule. However, the role of ACE’s regional agencies was defended by the fact that local ambitions were often held back by limited financial resources and artistic expertise, small public appeal and the difficulty of checking the value for money of these services via the assessment tools applied to the rest of the public sector. The number of potential socio-economic projects the arts could be attached to was a main obstacle to partnership working since it multiplied the number of stakeholders whose objectives necessarily diverged from the at least partly artistic priorities of ACE. The drafting of common strategies was seen as a way to overcome this difficulty\textsuperscript{22}.

Since 1999, central government has tried to steer action in the arts through the 40 Local Public Service Agreements integrating arts-related objectives. Local authorities have been encouraged by the DCMS to produce cultural strategies with Local Strategic Partnerships to fit in the

\begin{footnotes}
\item[16] National Association of Local Government Arts Officers, 2008.
\item[20] ACE, 2003, p. 29.
\item[22] Doustaly, C., 2005, pp. 79-82.
\end{footnotes}
Best Value National Performance Indicator, BV114 ("Does the local authority have a local cultural strategy?"). Little was developed at the time in terms of monitoring and reviewing these\(^\text{23}\) The framework was deemed insufficient by central government and Local Strategic Partnerships, although they are still not statutory bodies, have recently been reinforced to clarify and prioritize objectives and outcomes. The *Local Government and Public Involvement in Health Act 2007* states that improvement of local public services should be led by Councils working in partnership: a new "duty to cooperate" as partners in LSPs now applies to many public bodies, notably ACE and MLA. This points to the flaws of past models of partnerships introduced by the Labour Best Value plan. Each LSP now has to agree on a "sustainable communities" strategy which sets out the main agenda for improved services in the economic, social and environmental sectors. The related Local Area Agreements (LAAs), which identify individual or shared responsibilities to implement the strategy, offer a tool to measure performance in terms of standard and value for money\(^\text{24}\). From next year, each LAA will be subject to an annual review, the Comprehensive Area Assessment integrating local authorities self-assessment and improvement plans that were absent in the past\(^\text{25}\). Here, as with arts organisations, active involvement in the assessment process is being introduced by the centre in an attempt to make control better accepted and therefore more efficient.

The new framework was devised to allow more central resources devolution and space for greater local decision making. The drafting of the new LAAs is the result of negotiations between Central Government, represented by the regional government offices, and the local area through Local Strategic Partnerships. The notion of "co-design" is stressed as a way to "increase ownership of the policy and ensure opinions from across the delivery system are better addressed". The "spirit of a new central/local relationship" is expected to strike the right balance between locally and nationally driven priorities: neither top down nor bottom up, and not only joined-up — we could call it "reciprocal", since it at last accepts the idea of differing objectives between actors and the ability of the centre to effectively control what is going on within the arts sector as a consequence of its control of key resources. A maximum of 35 targets can be

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\(^{23}\) The 1999 *Local Government Act* set a new general duty to achieve Best Value.  
selected by each area amongst the 198 National Performance Indicators (NI) (replacing “best value” performance indicators) so as to encourage local and central partners to prioritize effort and resources. Areas are expected to develop «more sophisticated evidence based on the “story of place” to underpin these choices», hence to answer their areas’ specific needs rather than apply a for-all formula. Two of these national indicators will directly assess arts services: NI10 (visits to museums and galleries) and NI11 (engagement in the arts). They will be purely quantitative measuring the number of times the adult population has attended or participated in these activities in a year through the Active People survey, the first of which will be released by December 2010. The arts can also be seen as contributing towards other NIs, such as education (“positive activities for children”), the community (“volunteering”), or NIs related to leisure, civic involvement, regeneration and the economy. The arts sector worries about the influence this form of evaluation will have on arts services which might be tempted to favour quantity, such as supporting large popular events to maximize the number of participants and compromise other local priorities for the arts. Most of the areas that have chosen NI11 need to increase engagement by 3%, some by 6% or more. It is the whole arts provision that will need to be rethought in a limited period of time.

Most of the changes discussed above concentrate on joined-up approaches to the management of the arts. The voice option, a bottom-up approach symbolized by the use of public consultation and participation, seems less favoured than in the former Labour reforms. This might result from the relative failure of formalized public consultations through arts forums apart for one-off community arts projects. These forums were initiated to express citizens’ needs in local partnerships, but have tended to attract the traditional arts public whose needs are already well known. Lack of interest from the general public, difficulty in assessing local needs and the absence of satisfactory frameworks to consult and increase participation were identified as recurrent obstacles. However, public participation schemes have regained impetus in different public services as a result of the spread of participatory budgeting from community projects to larger service budgets. Some of the benefits advanced in the arts are similar to those expected from arts forums: an increased awareness of the arts for the local community and an improved relationships between artists and the public, but the practice could also help create a heightened sense of ownership of publicly funded arts and the

27 NCA, 2009.
exploration of new funding opportunities by arts organisations. However, a recent ACE report warns that it has the same limits as other forms of public consultation “arts projects fare well in the small-grant, community-focused form of participatory budgeting [...] that are seen to benefit the community directly, provide value for money, are easy to understand and appeal to voters’ emotional response [and] with an explicit social or educational remit”. It is difficult to see how the practice could apply to mainstream funding\textsuperscript{29}. The arts sector believes the public lacks expertise and would favour “populist art work at the expense of quality, diversity and risk-taking”, a move away from recent changes in ACE policy towards “excellence”, but in keeping with NI\textsuperscript{11} local authority quantitative assessment. ACE has declared no intention to impose participatory budgeting, but said it would improve relations with the public and increase involvement in the arts\textsuperscript{30}. The report was removed from ACE site shortly after its release, which might indicate a desire to avoid controversy while ACE reform is being carried out and/or until the government’s announcement that local authorities will have to use it in some form by 2012 has been acknowledged\textsuperscript{31}.

The many a time modified control mechanisms introduced by the centre point to their relative failure but new structures of arts funding and the new assessment practices such as self-evaluation and peer review indicate a new direction for New Labour although the contribution they will be making to deliver improved services is still to be studied.

**The Impact of the New Governance Framework**

Despite the limits that have been identified above, the centre has had clear effects – sometimes directly and in an intended fashion, and sometimes through the unintended consequences of central action – upon the arts sector. Identifying and explaining these effects are important for both understanding the limits of NPM as a control mechanism, and for clarifying how NPM can generate new patterns of organisational behaviour to manage the demands that are made upon inde-

\textsuperscript{29} Participatory budgeting is defined as « a process whereby citizens are given the power to decide how a public budget should be allocated », ACE, June 2009.

\textsuperscript{30} Doustaly, C., « La décentralisation… »; The Stage, “Industry expresses concern at plans to give public a voice in arts funding”, 06/07/2009, p. 4.

\textsuperscript{31} DCLG, *Communities in Control: Real People, Real Power*, 2008.
dependent actors within the system. Apart from the managerial consequences of the development of NPM mechanisms in the arts sector, this process of effecting behavioural change has also been associated with three distinct policy developments within the sector: attachment, instrumentalisation and commodification.

The first development derives from the limited political significance that the arts sector has within the United Kingdom as a whole. While there are difficulties in making NPM work in the arts sector, we have demonstrated that successive governments have attempted to make use of the repertoire of devices that have developed within this managerial system. Even if central government has only limited capability to impose their managerial intentions on the host of semi-detached (in the case of arm’s-length agencies) or completely detached (in the case of local authorities and, of course, the private, community and voluntary sectors) organisations that are active in the field of arts support there have been real policy consequences arising from the managerialisation of public policy that NPM involves. The emphasis in demonstrating how all areas of public policy feed in to central government policy concerns is a key element of all of the Agreements that the centre uses and forms an important part of the assessment process for the Audit Commission in the case of local authorities. This emphasis then leads in to the development of an attachment strategy on the behalf of publically-funded arts organisations that can lead to a shift in policy content and policy intention.

Attachment strategies are used to garner political, economic, status and social support by, usually smaller, policy sectors that are, by themselves in a politically weak position. The arts sector in Britain has never had much political support at the level of national government – even if individual policies, such as the effective abolition of admissions charges to the national museums, have been popular with the general public – and the development of mechanisms to provide such support has always been present within the British political system, even if with varied levels of effectiveness. The more recent manifestations of this attachment strategy can be clearly related, however, to governmental pressure to bring individual policy sectors into a more coherent, ‘joined-up’, policy system. In practice there has been the development of two distinct forms of attachment strategy in the case of the arts. The first of these is concerned with overall sectoral coherence through joining-up mecha-

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32 Audit Commission, 2005.
33 See the arguments in C. Gray, 2002.
34 See Ling, T., 2002; Pollitt, C. 2003.
nisms, primarily at the regional and local levels, which were discussed above, and the second is concerned with a more straight-forward policy attachment model where the arts sector links itself to the policy concerns of other policy sectors altogether, leading to an instrumentalisation of arts policy.

While attachment strategies can be seen as a bottom-up attempt to provide protection for a politically weak policy sector, a set of top-down influences, both implicit and explicit, can also be seen to exist in the sector. The second form of attachment mentioned above can be seen to have clearly instrumentalising implications. The extent to which this has been a deliberate strategy by central governmental actors or whether it has been an unintended consequence of the managerial reforms that these actors have introduced is an open question. While the weaknesses of the cultural policy sector, and the arts sector as a component part of this, have left it open to a range of instrumentalising pressures it still requires political actors to make choices about how they respond to these. The English case is not exceptional in this regard as there are similar pressures at work in other countries but the consequences that may arise in the British case are potentially significant for the future of the arts sector.

While the arts can be used in a multitude of ways and can have an equally large number of effects on both the producers and consumers of art, the current emphasis on policy attachment stresses the non-cultural and non-artistic dimension to art in ways that have rarely been so explicitly stated in the past. Apart from the political, social, economic and status benefits that instrumentalisation can bring to the arts sector there is the added advantage that the attachment of the arts to other policy sectors can supposedly provide the sorts of quantitative evidence base that is almost entirely lacking for the arts sector in the normal run of things. Frequent claims are made about how the arts can provide a basis for effective urban regeneration, how cultural quarters based around the arts can create jobs and attract investment, and how the arts can lead to

35 The intentionality of instrumentalisation is discussed in the context of the museums and galleries sector in the UK in C. Gray, 2008.
37 This is discussed in C. Doustaly, 2008.
38 These claims can be found in, for example, S. Roodhouse, 2006.
social inclusion\textsuperscript{39} and have educational and health benefits for the consumer of arts. The limited evidence to demonstrate that this is unambiguously the case may not be academically persuasive but it is certainly used to justify why expenditure on the arts in Britain should be seen as an investment rather than as simply a subsidy for un-economic arts activities.

Such claims – that the arts have an economic benefit that is greater than the amount the state spends on funding them – have been made with increasing frequency since the mid-1980s and are not necessarily a result of the managerialisation of the arts through the utilisation of NPM principles and practices, but could be seen as stemming from similar ideological pressures to those associated with NPM, the influence of arts advocates (including ACE and many local authorities), and even by arts organisations as part of an attachment strategy to gain funds and political support. While NPM reforms have certainly contributed to an organisational environment where attachment strategies become a viable tool for arts organisations to pursue, it can be argued that there are deeper underlying pressures for change within the arts sector, particularly the shift to ‘excellence’ rather than ‘access’ following the publication of the McMaster Report, that could be seen to originate in the interactions of the institutionalised interests of ‘transversal administration’, elected politicians and particular private interests\textsuperscript{40}. In this case the managerialisation of the arts is a consequence of change rather than being, necessarily, the cause of change in itself.

Organisational and policy changes do not operate in a vacuum and the general political context within which NPM, attachment and instrumentalisation have been introduced needs to be discussed if any coherent understanding of them is to be developed. The development of NPM can be argued to be part of a process of commodification that has developed since the mid-1970s. This process is underpinned by a shift from use-value to exchange-value and a replacement of political values by economic ones as a means of assessing the validity, efficiency and effectiveness of state policy initiatives. This macro-level change is built upon distinct ideological re-conceptualisations of the role of the state in society, and of the relationship of states to citizens. Translating these changes into specific practices and structures requires change to take place in:

\textsuperscript{39} This is discussed in the context of museums and galleries in A. Newman & F. McLean, 2004.

\textsuperscript{40} See P. Bezes, 2005/06.
- the organisational structures concerned with the delivery of public goods and services (for example, abolishing old, and introducing new, organisations);
- the financial systems that are used for the spending of public money (for example, shifting from public sources of finance to private or lottery ones);
- organisational ideologies and orthodoxies to allow changes to be implanted into the system (as with the underlying rationales behind NPM);
- the managerial systems, structures and practices within which organisations function (again, as with NPM)\textsuperscript{41}.

As with all systemic changes the commodification process is not a simple one and, in the case of the arts in England at least, there have been shifts in emphasis between a clearly economics-derived and private-sector approach to reforming the system under the Conservative governments of 1979–97, and the more managerially-orientated system that the Labour Party has stressed since then. Despite the rhetoric of some government members – and many academics – the Labour Party approach has been less free-market in orientation, certainly in the case of the arts, than may have been anticipated. Certainly the associated reforms that the commodification thesis would expect to see in organisations, finance, management and ideology have all continued to take place under the Labour Party but with sufficient differences to indicate a clear demarcation between the Labour and Conservative paths to reform, even if the end product may prove to have much the same effect.

\textbf{Conclusion}

After twelve years of Labour government, the arts sector has undergone many changes that would appear to be just as frustrating for arts practitioners as for ACE, local authorities and the DCMS. This frustration stems from the multiple difficulties of developing effective central control over a sector that, by its very nature, is not capable of being managed in a simple, hierarchical, top-down manner, as the continued managerial shifts that central governments have made with regard to the sector since the 1980s effectively demonstrate. Notwithstanding this it is evident that the sector, as a whole, has seen real change taking place with continuing developments in each of the areas associated with the commodification argument. The examination of managerial change in

\textsuperscript{41} These are discussed in C. Gray, 2000, ch. 1.
this paper demonstrates that organisational, ideological and financial reforms have also been undertaken in an attempt to transform the nature of state involvement in the sector, with the shift from questions of access to those of excellence being merely the latest steps in a continuing process of political choice and action.

The managerial reforms that the Labour Party has introduced have placed pressures on the arm’s-length principle that the arts sector rests upon, particularly in the field of accountability. Attempts to identify the roles of participants within the system through the use of quantified targets, funding and service agreements, and the more recent shifts towards the use of qualitative data may have clarified some of the responsibilities that exist within the system, but did not resolve the tensions that underlie it. Indeed, the most recent changes could be seen to be an attempt by the Labour Party to dissipate the growing disillusionment of the arts system with the consequences of earlier changes. This process may also be accelerated as a result of what appears to be the development of a “bidding-war” over the arts between the Labour and Conservative parties in the run-up to the coming general election, with Shadow Ministers claiming that the arts would benefit from a Conservative government, that the DCMS is wasting arts money, and that Labour has effectively undermined the arm’s-length principle through its actions.

While politicians continue to use the arts as a political football for reasons of electoral advantage, the managerial transformations that the Labour Party has undertaken have served to concentrate the minds of those within the arts sector to a greater degree than was the case in the past. The development of a new campaigning and advocacy zeal within ACE alongside the actions of the NCA (National Campaign for the Arts), Equity (the actor’s union) and other supporters of the arts in England could be seen to be having an effect in developing a more conscious public support for the arts although how far this will hold up in the light of the likely adverse effects of the credit and banking crises on the state of the public finances in the United Kingdom remains to be seen. Whatever the future holds, however, the arts sector is unlikely to remain immune from further pressures for change in the coming years.

\[42\] “Current arts policy misunderstands the universal power of art and leads to a tick-box culture of political bureaucracy which all artists should be wary of”, Mirza M., 2007, p. 18.
\[44\] The Stage, “Securing the Arts – the Conservatives and the Arts”, 14/01/2009.
\[45\] On the NCA, the main lobbying body for the arts, see C. Doustaly, 2007, pp. 8-11.
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