

# Value for Money Applies Also to State Expenditure on the Arts



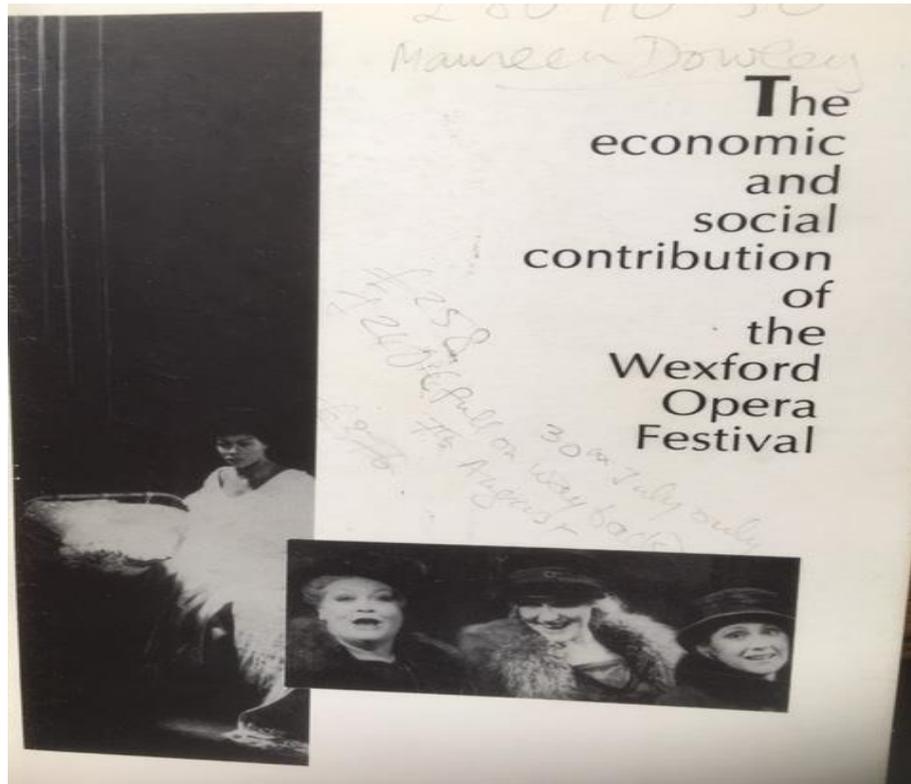
## 1 Introduction

- Large part of Ireland's arts infrastructure outside Dublin. Including the National Opera House in Wexford, much of the built heritage, Arts Festivals, traditional music venues and so on
- Hence Ireland does not 'end' at the M50!

- **Political** demands for value for money spent on arts sector understandable
- But relevant quantitative metrics **not** possible
- More like evidence for a court case: circumstantial, narrative and crumbs of relevant 'hard' facts
- Funding agencies though usually concerned only with measuring inputs and outputs and **not** societal outcomes
- **Societal v personal** benefit confusion; only former linked to state expenditure
- Besides only the arts areas with **large state expenditure** relevant here.

## 2 **Societal Outcomes**

- Drawing on ideas initially formed in 1989 study with Alan Barrett and Mark Purdy on Wexford Festival Opera (WFO).



## *National/regional Identity and Social Cohesion*



1. Neil MacGregor for example chooses to 'define' Germany more through the works of cultural figures – such as Beethoven Dürer, Goethe, Luther – and important historical cultural monuments

and artefacts, than through political figures and events. (McGregor, 2015)

2. Same for Ireland? For example, Joyce, Yeats, Heaney, Hill of Tara or Rock of Cashel, National Museum, traditional music?
3. Cultural context for and influence on identity coming up to 1916 striking
4. Identity and social cohesion **linked**
5. Social cohesion provides the 'glue' essential for a properly functioning political-market society
6. And also at local level. Huge voluntary effort for example behind WFO.

### *Experimental/Innovative Work*

1. Analogous to R & D in the sciences and engineering



2. **Social** returns much greater than **private** returns
3. **Films, TV and commercial theatre** draw on ideas and talent developed in subsidised sector
4. **Industrial design** and success influenced by the subsidised visual arts
5. Does it matter that **few if any** read our state-subsidised research if one in a hundred research papers lead to major benefits for the wider society?
6. Does it matter therefore that **few** attend experimental work in the arts?

7. Festivals a means of exposing audiences to such work. For example, WFO runs rare small operas, with a captive audience in a sense.
8. Would Bach, or Wagner or Velázquez or Joyce and many other 'greats' ever have emerged if they had to rely on the market? And as once stated, 'no Beatles without Beethoven'!

### *Economic Spill-over Effect*

1. **Direct** employment from **any** state expenditure
2. **Spill-over** employment the key. For example, magnet for **tourists** visiting an area: WFO, Book of Kells, Blarney Castle
3. **Cultural infrastructure** a factor in industrial location decisions

*Table 5.8*

*Percentage Distribution of Attenders by Main Reason for Travelling to Wexford*

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Business	2
Visiting Friends/Relatives	1
The Festival	96
Other	2

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*e: Percentages do not add exactly to 100 because some people gave two reasons for visit.*

### *International Reputation and Prestige*

1. **Related** to national identity
2. Can be huge **national pride** resulting from international recognition in the arts: e.g. in Spain; Cervantes, Picasso, De Falla
1. **International Prestige** for a nation, as for an individual, in holding great works of art and historical artefacts. Baumol: 'Few people would be happy if their country became known abroad as a cultural

wasteland, a nation in which Mammon had put beauty and art to rout'

### **3 More Equal Access to the Arts: A Misplaced Objective?**

1. **Very uneven attendance** by income and educational level at the arts with large public funding: nothing new here!
2. Lack of interest or **preferences** the key reason though, not price
3. Why lack of interest: possibly due to **high cognitive capacity** to appreciate the publicly subsidised arts
4. **A policy concern?** Not necessarily given the earlier discussion on societal outcomes
5. May be no subsidy at all to attendees if social benefit large
6. **Why should innovative works of art have a high and even attendance by**

**socioeconomic group?** That is not the point of the subsidy.

7. Besides, a subsidy, if it exists, is it to **attendees or suppliers?**



#### 4 Concluding Comments

- **Personal** and/or intrinsic benefits of the arts **not relevant** for this debate: just societal benefits
- Almost impossible to provide any reliable quantitative value of societal benefits
- But it is possible to provide patches of evidence, arguments and case studies
- Besides, it is useful to assess arts funding agencies in terms of governance, decision

making, programmes, and objectives: **if these are not good then good societal outcomes very unlikely.**

- **Identity and social cohesion** can be explored through survey and case study work (1989 WFO study)
- **Evidence on innovation** can be got from tracking the progress of artists and artistic productions from the subsidised to the commercial sector (West End Story)
- Culture as a **magnet for tourists** and industrialists can be tracked through surveys, but these must relate **only** to the subsidised sector and not the commercial sector to be meaningful (which is almost never the case)
- International prestige can be tracked also through various channels (e.g. FT and NYT reviews of WFO).

- Arguments must **precede** evidence, but evidence must be sought
- Otherwise the state arts sector's, including WFO's, future is in jeopardy
- **The task is not impossible**; just similar to justifying expenditure on the police, education and health!
- Or convincing a jury!

