

# THE FRONTIERS OF ARTS AND CULTURE POLICY

**Dr Geoff Mulgan**

Professor of Collective Intelligence,  
Public Policy and Social Innovation at University College London

There have been tremendous changes in the arts and cultural policy over the decades. In the sixties and seventies, arts policy referred to pre-modern art forms and state subsidy, and there was little interest in how the arts and the economy could overlap. The first cultural strategies were only developed in London in the 1980s, when the need arose to broaden the scope of arts policy to include modern media and art forms like video, film, music and digital work.

As part of the pioneering team, I wanted to see art engage more directly with businesses, and saw opportunities to apply new tools for policy. This included but was not limited to using equity, loans and grants, and by bringing some strategies used in the industrial sector to areas like recorded music.

In the 1990s, cities began to view creativity as an engine for growth, leading to the development of “creative city” strategies. Together with Charles Landry, Peter Hall and a few others, I embarked on the creation of a network of creative cities. Then, the interest was in how cities could create clusters and hubs for what were rapidly growing creative industries—some of these ideas were popularised and promoted by figures like urban studies theorist, Richard Florida through the 2000s.

My most recent involvement in arts policy was through Nesta, the UK’s National Endowment for Science Technology and the Arts, where I served as CEO from 2011 to the end of 2019. This essay shares my experience at Nesta and explores how the organisation was able to push the frontiers of culture policy through research, funding, and experiment.

It will describe new research on the relationship between the arts and the creative economy, and examine new ways of organising research and development in relation to the arts. Examples of innovative methods that have been used to organise finance for the arts will be discussed, along with the approaches to managing the growing capacity within arts organisations, and the priorities for the future.

### Purposes and methods of art policy

The following is a list of how arts and culture policy has been used over the years:

- Nation building: most commonly done through literature, folk, radio and in modern times, also TV.
- Ideological promotion: this is most prevalent in communist countries, but has also been used at various points by other countries to spread desired values.
- High art for art's sake: this is reflected in subsidies for opera, theatre, music, and literature. It is usually also focused on big cities and elite audiences.
- Promoting social capital: this encourages amateur engagement in theatre and music, and usually has a much broader geographical spread.
- Protecting heritage: policy focused on buildings and districts.
- Promoting individual or group expression, and agency.
- Community development: primarily in urban areas and often where there have been economic problems or conflicts.
- Creative economy growth: this is a growing area of interest as the scale of the creative economy and in turn export earnings have become more apparent.
- Technology frontiers: linking arts policy to other digital strategies. This ensures the arts have a presence at the leading edge of emerging technologies.
- Happiness, social cohesion, belonging: when arts policy is used to promote wellbeing.

To achieve these extraordinarily diverse goals, governments have employed an equally diverse range of tools which still remain in use today:

- Grants for amateurs (a major focus of the precursor of the Arts Council in the UK, for example)
- Grants for professionals, whether for individuals or for groups such as orchestras and theatre companies
- Using buildings, both iconic & catalytic, from galleries to community centres to serve as access points

- Promoting culture in schools, universities, art colleges
- Funding festivals, carnivals, and other public events
- Funding events, bursaries, and productions outside the nation
- Using planning and other policies to promote clusters and districts, usually in inner urban areas
- Using money in different ways including but not limited to bursaries, grants to equity, loans, crowdfunding
- Promoting new business models such as hybrids and micropayments
- Supporting administration, entrepreneurship, and digital skills in the sector
- Promoting export/trade, sometimes linked to national branding exercises
- Promoting intellectual property law
- Investing in R&D
- Developing measurement tools for things like cultural value, social value, and economic value, which can support the case for more funding
- Mobilising data to map and visualise patterns

The sheer diversity of these tools already points to the complexity of this field, demonstrating how far it has come from its existence as simple grants programmes around half a century ago.

## Research and data

Today, there is far more research and data dedicated to understanding the dynamics of the creative field. This includes the study of the relationships between subsidised arts and the broader creative economy.

Since the late 1990s, the UK has become increasingly interested in the interactions between the arts and sectors like advertising, architecture, antiques, crafts, design, designer fashion, film, interactive leisure software, music, performing arts, publishing, software, television, and radio. These, according to a government report by the Department for Digital, Culture, Media and Sport (DCMS 2001), have origins in individual creativity, skill and talent, and bring immense potential for wealth creation through the generation of intellectual property.

A team at Nesta, helmed by Hasan Bakhshi, conducted a more detailed analysis of the creative economy. This focused on job roles that are predominantly creative and included new industries—like the market for video games, which has rapidly overtaken the film industry in scale (Higgs, Cunningham and Bakhshi 2008).

Their data indicates that the UK creative economy employs 3.2 million people. Of these, approximately 1.2 million work in creative occupations outside the creative industries, while around 1.1 million work within the creative sector. Employment for creative roles, whether in or out of the creative industry, grew at a faster rate than the workforce as a whole.

Other studies only further support the importance of creative roles. For example, another 2015 Nesta study (Osborne, Frey and Bakhshi 2015), found the creative sector was partly protected from the threat of automation, with 86 per cent of the “highly creative” jobs in the US, and 87 per cent in the UK, at no or low risk of being displaced by automation. Also, a 2019 study (Bakhshi, Djumalieva and Easton 2019) which analysed millions of job advertisements to find the changing patterns of demand, found that creativity was the best predictor of an occupation's chances of growing.

Together, this data proves that it is important for education to prioritise creativity and give young people the chance to imagine, invent and create. It also reinforces the growing importance of certain kinds of skills and attitudes, providing reasons for why schools need to provide broad project-based learning that fosters the acquisition of skills, rather than relying on memorisation for knowledge transfer.

The skills that we believe will be in greater demand in 2030 are as follows (Schneider and Bakhshi 2017):

- Judgement and decision-making
- Fluency of ideas
- Active learning
- Systems evaluation
- Originality
- Learning strategies
- Deductive reasoning
- Complex problem solving

Looking to the future, I hope that there will be more imaginative use of new data sources to better understand the complex links between creativity and education, in the economy as a whole, in the creative industries, and in the more narrowly defined arts.

### **R&D and Experimentalism**

Nesta has been involved in running and designing experiments in many fields, from business support to education, and continues to promote it as a tool to support policymaking. For example, a survey (Hopkins and Laurence 2020) aimed to close the gap in arts policy by documenting all the experimental tools that governments and others could use to study it.

Nesta understands that many artistic activities involve a level of experimentation and R&D, but we remained particularly

interested in systematic R&D around emerging technologies like Artificial Intelligence (AI), Virtual Reality (VR) and Augmented Reality (AR). We found very few precedents for systematic funding for R&D, and there was often little knowledge in the arts world about how to design experiments that could generate more general knowledge.

This led to the set-up of the Digital R&D Fund for the Arts, jointly funded by the Arts Council and Arts and Humanities Research Council and run by Nesta. It brought together arts organisations, tech firms and researchers to test out new uses of technology—at times to improve the audience relationship and raise revenues, but also to advance art in itself.

Over 50 projects were supported covering a range of fields, from the different uses of mobile phones to data, and with many looking at potential new business models. One project brought old statues to life across the UK by offering people a chance to scan a QR code to activate a voice recording from actors. In another project, the Holocaust Museum captured the memories of holocaust survivors in a holographic format for greater interactivity. There have also been projects using haptic tools so theatres can increase accessibility to those with visual or hearing impairments.

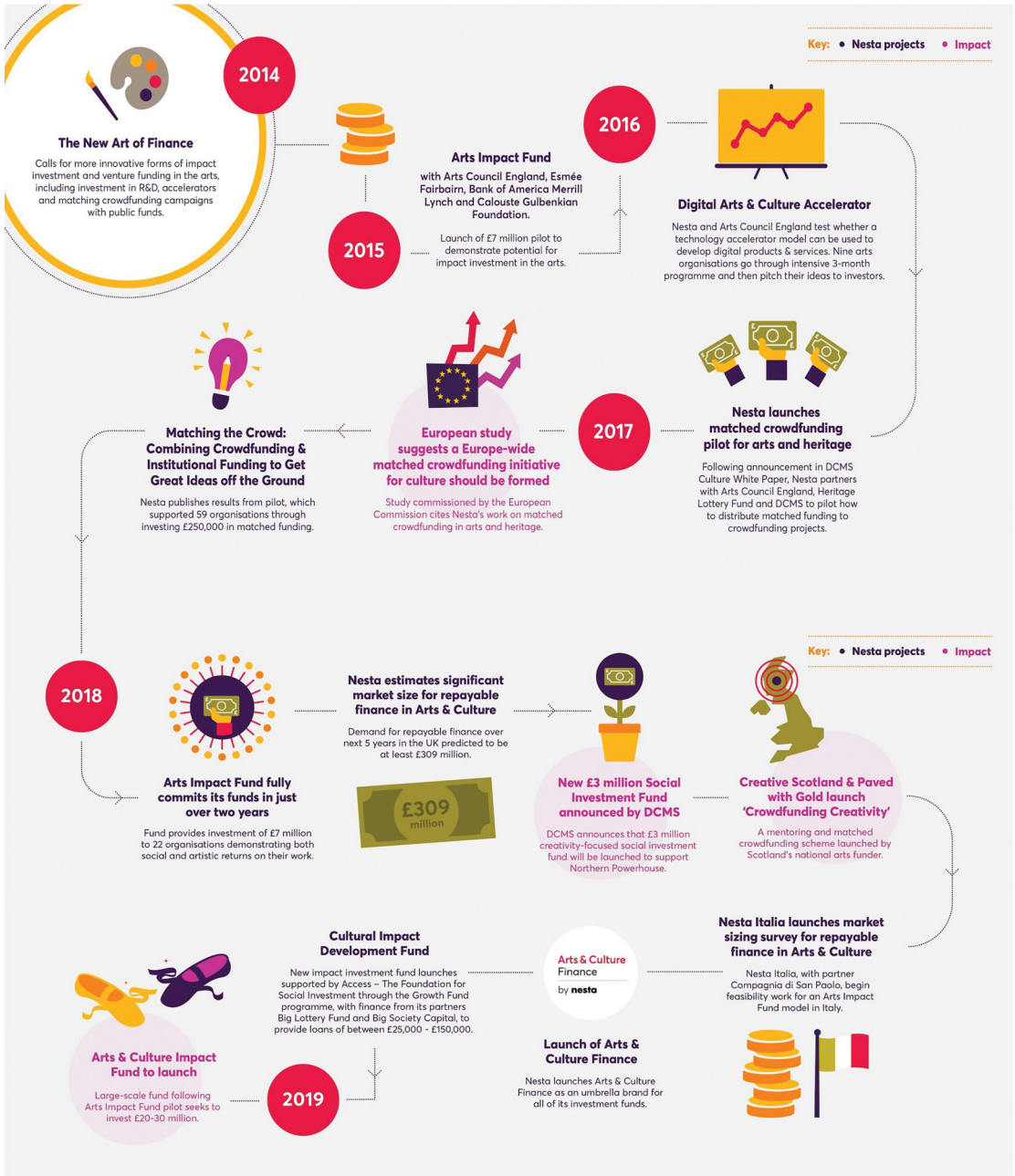
It will take more time to persuade the main arts funders to make R&D a normal part of their work, but the programme did channel a significant amount of funds to support R&D for immersive technologies. It also marked the first time that the arts had been properly integrated with R&D in technology, and paved the way for a programme called the “Audience of the Future” with Punchdrunk, the Royal Shakespeare Company and others.

### **New forms of finance**

Arts finance has been surprisingly lacking in innovation in recent years. Despite my attempts to set up funds to invest equity and loans in arts organisations through the city government of London, arts funding over the years has still taken the form of grants, and while other fields had moved ahead—notably through social finance and impact investment—the arts have been left behind.

In 2014, I collaborated with Hasan Bakhshi for a paper that described a range of new types of finance that at the very least warranted experiment (Bakshi 2014).

This diagram summarises how we believe the money from an art impact fund can be used.



**Figure 1.** An arts impact fund can bring together philanthropic and commercial investors to provide loans, leading to the development of an accelerator for startups. It will allow for several different crowdfunding projects and perhaps also the development of an R&D fund for the arts. 2014. Image courtesy of Nesta.

The amounts remain relatively small compared to the mainstream of arts finance, but they show how money can be made to go further. The latest fund was announced in March 2020 with £20m in funding for investment.

### Skills and capacity

The next strand of work focused on growing skills and capacity. The goal was to help the arts sector better understand the big changes underway in technology, business and society and assist with specific adaptations like digital transformation.

For the Arts Council, Nesta produced a horizon scan of the next few years of culture looking at possible changes to technology, business models and audience demands (Armstrong et al 2018). This was designed to help conversations with arts organisations think through how they could best be prepared for likely changes.

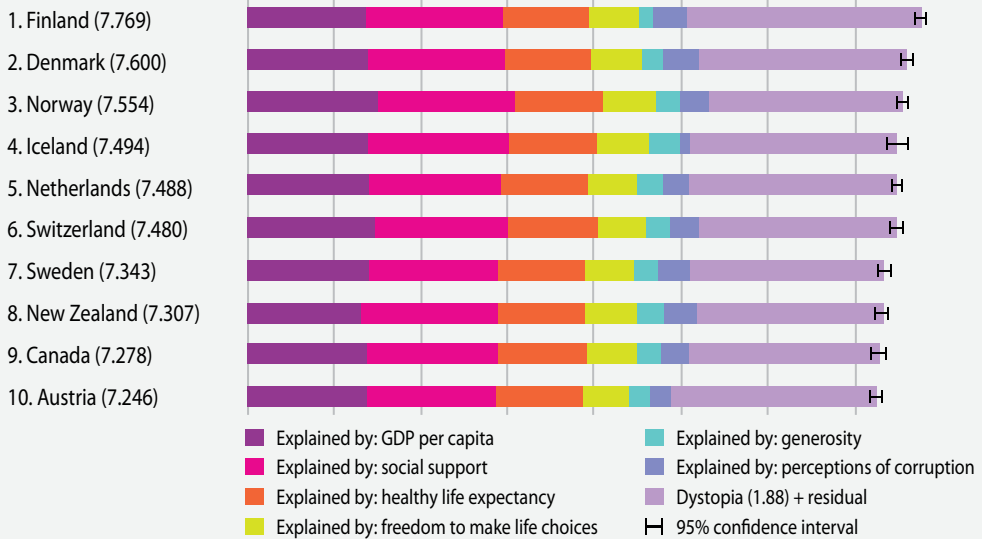
A regular Digital Culture survey provided hard data on how well arts organisations were using data tools and other technology. This data was fed into training programmes to fill the gaps. The latest one (Bandopadhyay 2020) showed a complex picture, with many organisations less confident in the use of digital tools to strengthen audience relationships and more risk averse in experimentation.

We also created the Creative Enterprise Toolkit to help artists and others become entrepreneurs. This has been translated into many languages and used in a diverse range of countries like Russia and Brazil. We believe creative people may need only a little help with basic skills in things like marketing or financial management to become much more successful.

So, what lies ahead?

As we started by suggesting some of the changing goals and means of arts policy, it only seems appropriate to end by wondering about some of the possible paths to take in the future.

## World Happiness Report 2019



**Figure 2.** Factors that affect how different countries rate their happiness, 2019. Image taken from the *World Happiness Report 2019*.

One factor which could have a big impact on the future of arts is the growing interest in happiness. As this chart shows, the world is becoming better at measuring happiness, and better at understanding what influences it. Studies conducted on the world's happiness posed the question: "If you were in trouble, do you have relatives or friends you can count on to help you whenever you need them, or not?" This answer contributed to 34 per cent of the wellbeing score—more than income (26 per cent) or healthy life expectancy (21 per cent) (Helliwell, Layard and Sachs 2019).

Cultural policy could play an important part in this space, as at various points in the past it did prioritise strengthening community, horizontal bonds and feelings of belonging. This has only become less prominent in recent years.

What would policy look like if wellbeing was a priority? As it is the making of art or music, not the consumption of it that drives wellbeing, it is likely that one effect would be a renewal of support for the mass involvement in the production of culture.

Another issue is time. If life expectancy continues to rise, and working hours continue their very long-term decline, the implication is that billions of hours may be liberated for creativity and the social economy. If so, what follows? Would this put a higher premium on mass involvement in creativity and turn libraries into centres of production rather than consumption?

Although I will refrain from offering any overall conclusions from this survey of the state of the field, I end with the hope that the challenge to arts policy is clear to all.



There is a need to accept the pluralism of goals and tools that will become relevant at different points of time, to keep an eye on the cutting-edge technologies and

art forms, but also to hold onto the many aspects of the arts that change at a slower rate—if at all.

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