

# Creative Europe: On the Governance and Management of Artistic Creativity in Europe

## Chapter 4 (Extract)

### TOWARDS A NEW SYSTEM OF GOVERNANCE FOR ARTISTIC CREATIVITY?

*"Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest".*  
(UN-Commission on Global Governance, 1995)<sup>1</sup>

#### 4.1 An Evolving Concept of Governance in Global and European Contexts

Marking the 50<sup>th</sup> anniversary of the United Nations, the milestone report of the Commission on Global Governance entitled, "Our Global Neighbourhood", sparked the beginning of a discussion on the concept of governance, that should empower different public and private actors in society, build partnerships among them and work toward common or universal goals. Until then, governance, at the global level, was viewed primarily as "inter-governmental relationships", but had gradually expanded to involve "non-governmental organisations, citizen's movements, multinational corporations and the global capital market and the mass media". The report goes on to explain "global governance" by first defining what it is not, namely "global government". Indeed, "there is no single model or form of global governance, nor is there a single structure or set of structures. It is a broad, dynamic, complex process of interactive decision-making that is constantly evolving and responding to changing circumstances. [...] Recognising the systematic nature of these issues, it must promote systemic approaches in dealing with them." The focus of analysis was on reforming the United Nations system, promoting the security of people and the planet and managing new forms of economic inter-dependence.

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<sup>1</sup> *Our Global Neighbourhood*, Report of the Commission on Global Governance, Oxford University Press, 1995, p. 4.

One year later, another World Commission would produce the report "Our Creative Diversity", where the concept of governance was beginning to be extended to the discussions and debates on cultural development, particularly referring to the contribution of non governmental organisations as a key partner in nurturing creativity and diverse forms of expression. A parallel exercise took place on the European level producing the 1997 report, "In from the Margins" which recognised "cultural governance" as a tool to bring the arts and culture from the margins of political agendas and the role that institutional and non-institutional actors can play in this process. Emphasis was similarly placed on the third sector and on the importance of "local" action to sustain creativity.

In 2001, a White Paper on Governance in the European Union was published citing new forms of European governance as one of the four strategic priorities of the European Commission. According to the Commission, "governance" can be best understood as the rules, processes and practices that affect how powers are exercised at the European level. The overall goals of governance from the point of view of European integration would be to unite the people of Europe while developing rules and procedures that respect the individual identities of nations and regions and which are based on the following principles: openness, participation, accountability, effectiveness and coherence. Among its strategic activities is to foster the EU's relationship with civil society, refocus the roles and responsibilities of its institutions, bring greater transparency to the implementation of EU law which would make business within the internal market more effective. These arrangements internal to the EU Single Market should also shape the orientations of business enterprises, NGOs etc.

In response to the Commission's White Paper, the European Foundation Centre reiterated the "need to maintain a mix of management structures and financial arrangements (programme contracts, block grants, grants schemes...) This variety of approaches is crucial, in particular, for actions aimed at civil society development and civil society organisations participation. [...] The EFC believes that foundations and other non-governmental, social economy organisations must be acknowledged as partners in their own right, with a proper consultative role on European Policy."<sup>2</sup>

The descriptions of all these developments emphasise the emergence of new governance relationships as a result of international governmental and non-governmental co-operation.

We must remember, however, that there are multiple levels and types of individual interests converging via the concept of governance. It is worth repeating these different "starting points" or motivations here once again:

- In the public sector: Legitimising their neo-liberal policies and desétatisation processes.
- In the "third sector": Defending non-profit activities that complement public action.
- In the private sector: emphasising “good corporate governance” with wider social responsibilities of businesses.

In contrast with these individual motivations and perspectives, the concept of governance – including how it relates to the culture sector – refers here in this report to the facilitation of greater interaction between the different public, private and third sector actors. Such partnerships could take place in an interactive system of experiences garnered first by steps towards improved communication and co-operation routines, leading eventually to more formal co-operation in defined sectors via project based work and, potentially, arriving at a stage of inter-dependence within a new or expanded system of governance including ongoing common tasks. Such processes could also bring changes to the way in which main actors shape artistic creativity and cultural innovation in the future.

#### **4.2 Changing Divisions of Labour between Actors in Governance Structures for Creativity?**

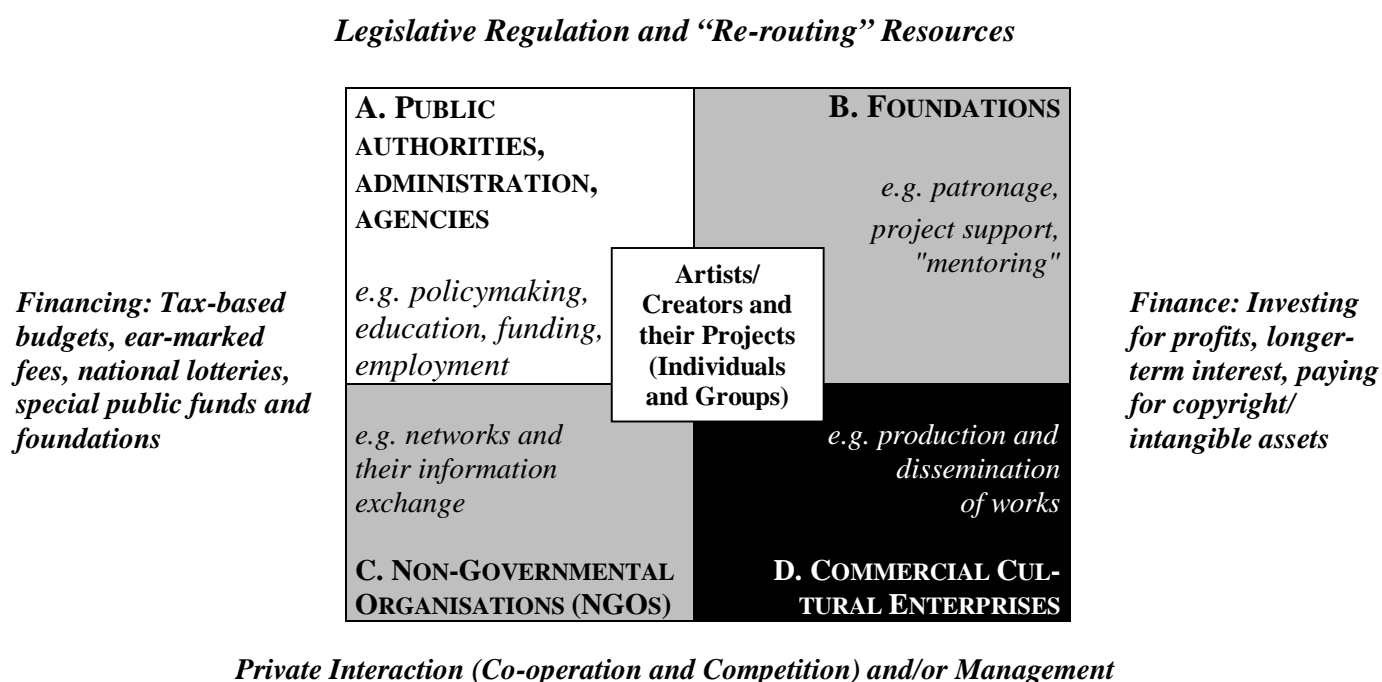
The hypothesis put forward at the beginning of our journey through *Creative Europe*, was that the system of governance vis-à-vis artistic creativity is weathering a sea change due to the enlarged involvement of public, private or third sector actors in various capacities shaping or influencing creative artistic processes. Figure 1 demonstrates the basic building blocks in this evolving concept of governance. As such, it depicts the traditional division of labour between the three institutional sectors, their actors and responsibilities and traditional modes of financing. Yet we can expect that different groups, cultural policy decision-makers, public grant giving bodies, enterprises of culture industries, professional artists, and consumer groups of different kinds are becoming more diversified. This is mainly due to the fact that members of these different public, private and third sector actors have begun to engage in

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<sup>2</sup> European Foundation Centre (EFC) *Position Paper to the European Commission White Paper on European Governance*" (Com 2001-428 final), March 2002.

activities that were not earlier part of their sphere of competence. These overlaps are starting to re-define their relationships with each other. For example, today's managers of publicly funded art galleries are tomorrow's art dealers or artists' agency directors; public cultural decision-makers may become executives in major culture industry companies. Artistic education and training is no longer the sole responsibility of state run art academies and universities, and are complemented by new private sector apprenticeship programmes or courses offered by independent cultural organisations, networks and public intermediary bodies.<sup>3</sup> While there may be some form of interaction among the actors depicted in Figure 1, they seem to remain in somewhat static corners, depending on their position in national legal and political frameworks or on their financial flexibility.

**Figure 1 - Actors, Actions, Guidance and Resources in the Governance of Artistic Creativity**



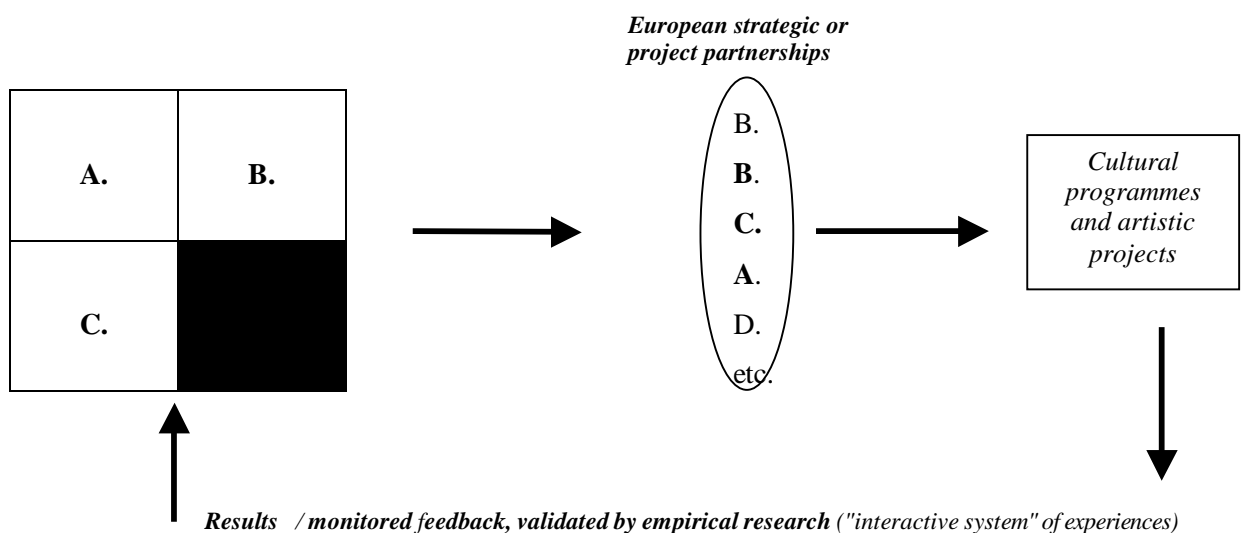
Source: ERICarts, 2002

<sup>3</sup> Under the rubric of the "creative" or "culture" industries, the role of an artist or a creator can no longer be perceived as a "loner" making important innovative work outside the environment of production, distribution and cultural consumption. No doubt they still need a "break-through" in order to be able to earn their living as artists and creators, yet they also plan their careers in a manner that cross-breeds creative work with other forms and walks of practical life (like managers, urban planners, product developers). Studies indicate that there is plenty of room in the "expanding art world" for persons that have not had artistic training. What they need, however, is special training in the techniques or management of artistic activities – as well as in information management of cultural policy bodies and management systems of cultural and art institutions. See, Ruth Rentschler, *The Entrepreneurial Arts Leader*, University of Queensland Press, St Lucia, 2002, for further perspectives in this field.

Changes to this traditional construction will not result only in altered patterns of behaviour and of differing expectations on individual and group levels but will form a basis in *new legislative regulations* (e.g. rules of competition, public budgeting/auditing and foundations management) or *new governance structures* (e.g. new modes of partnerships in public-private financing, new patterns of co-opting business managers in expert bodies of public administration and vice versa). This may lead – for better or for worse – to new roles for governing actors, with, for example, public bodies (like film foundations) appearing as profit-oriented investors and foundations as patrons for regional development.

The emergence of these features into the system of governance for creativity cannot and should not be misunderstood as a total "change of paradigm"<sup>4</sup>, but as a process taking place in different countries and regions of Europe and at different paces. The European integration process and the approach of the EU to the governance of communities of practice – as distinct from the “script” of the White Paper – is accelerating this process. In this light, transnational, European exchanges and joint ventures seem crucial, since they enable partners to go beyond the limitations of national frameworks.

**Figure 2 - Strategic Reorientation of Main Partners in a European Interactive System of Governance**



Source: ERICarts, 2002

Note: A (public actors), B (foundations), C (non-governmental organisations), D (commercial cultural enterprises)

Although the outcome of these processes are not yet clear, we can, and we should also speak about an "ideal model", the way creativity governance in the arts and culture should be organized; what is the right balance between the three sectors, what could or should they do together and how their relationships should be legislated and organized in practice. As pointed out in the Introduction, an ideal model of governance also implies that citizens have well-organised, multiple channels and opportunities to participate in the shaping of cultural development, not only as voters and members of interest groups and movements but also as consumers, professionals, cultural workers, entrepreneurs, volunteers and members of non-profit organisations.

The new applications of communication and information technology and the related idea of the "European information society" have played a central role in the acceleration of the development towards new governance. The information society, so the proponents of its advent proclaimed, presupposed flexible multi-level and intersectorial co-ordination and management which adopts the best principles and practices from private, public and non-profit sectors. As we will later see, there is still a vast gap between these proclaimed objectives and actual practices in our European information societies.

The changing governance relations and structures are also reflected in the "content side" of the development of the arts and culture. The new modes of private-public co-operation have blurred the division line between the arts and popular culture. Both these fields are increasingly operating on an equal footing: they are considered as sources of creativity for industrial, economic and social development and are expected to contribute to sustainable development, business successes and enhancing the competitive edge of the nation states<sup>5</sup>.

Closer-than-ever links via the new applications of information and communication technology

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<sup>4</sup> For example, we do not presuppose a decrease of public responsibilities or financing nor do we suggest a complete surrender of the arts to private market forces.

<sup>5</sup> Despite warnings from artistic circles, creative industries policies seem to be the concept of the day. In a recent article, Stuart Cunningham suggests that the concept of creative industries "...is trying to chart an historical shift from subsidised 'public arts' and (broadcast era) media, towards new and broader applications of creativity". He goes on "This sector (creative industries) is taking advantage of the new economy and its associated characteristics. Here, technological and organisational innovation enables new relationships with customers and the public that are not reliant on mass models of centralised production (media) and real time public consumption (the arts). Interactivity, convergence, customisation, collaboration and networks are key. Creative industries are less national, and more global and local/regional, than is typical among public broadcasting systems, flagship arts companies and so on. Their characteristic organisational mode is the micro-firm to small and medium-sized enterprise. And while many creative enterprises remain identifiably within the arts.... It is the case that inputs are increasingly important throughout the service sector. ...". "From Cultural to Creative Industries: Theory,

are creating new demands for "content"<sup>6</sup>, which suggests that artists should orient their creativity practices in a manner that satisfies this demand for 'content'.

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Our following analyses of the new relationships between the three institutional sectors is comprised of three stages. We will first look for evidence of the changing role of the public sector in its relationship with the private and non-profit sectors and the potential changes in its policies which frame or foster such partnerships. Secondly we will look at the involvement of actors in the non-profit sector, namely cultural foundations and associations (NGOs). It will conclude with an analysis of the special role of the EU in the formation of new governance policies and structures.

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Industry, and Policy Implications", a paper presented at the Second International Conference on Cultural Policy Research 2002, Wellington, New Zealand.

<sup>6</sup> For example, in Finland there have been a number of government reports on Content Industries with very little impact on the actual increase in the financing of 'content', research and experimentation in the arts. These all became very evident in the ERICarts survey on Information Society Policies in Europe, carried out for the Council of Europe in 2001.