MORGAN QUAINTANCE ARGUES THAT ART'S RELATIONSHIP WITH PRIVATE FINANCE COMES AT A PRICE

Pandering to the real or imagined demands of private finance distorts the art world, silencing dissent and stifling politically or socially engaged art in favour of consensus and what is known in the trade as 'investment grade art'.

Stephanie Syjuco *COPYSTAND: An Autonomous Manufacturing Zone – Liquidation Sale* 2009 Frieze Projects commission

Towards the end of *Big Bucks*, Georgina Adam's absorbing 2015 book in which the author charts 'the explosion of the art market in the 21st century', there is a strikingly candid, historical summation of the contemporary art world's current genuflection to private finance. 'By the 20th century,' she writes, 'artists had largely wrested control of their own art from the prescriptive commissions of the church, aristocracy and gentry, and moved into an era of uncompromised, radical creativity . . . Today there is an increasing identification of art, artists, and art galleries with the global 0.01%.'

Unfortunately, this identification hasn't resulted in a world of pervasive prosperity in which unreserved sales and patronage for entry, mid-level and established artists – or, for that matter, small, mid and top-level galleries and institutions – are enjoyed across the board. Instead, Adam maintains that a two-level system is in play. At one end, 'major auction houses' and 'mega galleries' deal with top-tier investment grade art (IGA) which generates six-figure and multimillion dollar sums (the $318.4m Jean Michel-Basquiat, Jeff Koons and Bruce Nauman brought in for Christie's this May, for example) while, at the other end, speculators concentrate their energies on inflating the value of emerging artists whose works accrue value almost as quickly as they later nose-dive into worthlessness – see the plight of New York's so-called zombie abstractionists. Between these two poles lies a precarious territory in which identification with the 0.01% is having a stifling or prohibitory effect on the production, display and interpretation of contemporary art. Why has this happened? What conditions have produced this phenomenon?

The beginnings of an answer can be found in Melanie Gerlis's 2014 book *Art as Investment?*, a cogent comparative analysis of art's status as a viable financial asset in which the author finds that contemporary art is not universally regarded as a credible investment for a number of reasons: it is an 'illiquid asset' (difficult to turn back into cash quickly); its value increase isn't assured (in comparison with gold or property, blue-chip art gives a relatively low return of 4% over five to ten years, on average); and, alongside a lack of regulation (see Artlaw p37) and the acceptance of insider trading, the art market itself is forbiddingly opaque and 'controlled by relatively few powerful intermediaries'. However, despite its lack of surety as a commodity, art does have intangible effects that make it an attractive proposition for investment. From this perspective, basic monetary gain is enhanced by three primary immaterial yields: a spiritual return, comprising the personal edification and aesthetic nourishment gleaned from exposure to the unique objects, actions and ideas that artists produce; a social return, through close proximity to art which gives access to a rarified world of exclusive parties, receptions, gatherings and bespoke events; and a reputational or status-oriented return, a kind of absolution by association whereby close proximity to art renders the investor a supporter of liberal and progressive ideals by association, whatever their actual political or ideological commitments and conduct may be. Sidestepping the unpredictable world of sales, the potential investor (be it an individual, foundation or corporation) can also access these intangible returns through the less Byzantine and surprisingly more accommodating routes of sponsorship and patronage. It is the resulting territory – the precarious middle inhabited by cash-strapped institutions, artists and arts professionals whose collective work defines and sustains contemporary art, while providing the intellectual and art-historical ground against which IGA and inflated speculative sums can be justified – which provides investors with the relatively inexpensive, low-risk and high-yield spiritual, social and status-oriented returns outlined above. But there is a cost.

Although it could be argued that art's relationship with sponsorship and patronage has historically (since at least the Medici) been locked in a serviceable equilibrium, since the 20th century socio-cultural developments have complicated that relationship. These developments include the emergence of a politicised working class, the enfranchisement of women and people of colour, decolonisation, various civil rights movements and so on. Once artists began to turn away from the hermetic, medium-specific interrogations of high modernist abstraction to look to the outside world, the effort to maintain a patronage-friendly, congenial and contextless atmosphere in which social unrest or political dissatisfaction remained safely outside the gallery walls resulted in the suppression of progressive or political activity within them. In the late 1960s and 1970s some critics, curators and artists in the US railed against commercial interests and the prevailing culture of compromise. For them, complicity and suppression in the wider art world rendered compromise untenable, particularly in the light of political assassinations, mass opposition

ILLIQUID ASSETS

to the Vietnam War and an atmosphere of fear and paranoia in which, according to curator Kynaston McShine, 'you may fear that you will be shot at, either in the universities, in your bed, or more formally in Indochina'. In his 1971 *Artforum* article 'The Multimillion Dollar Art Boondoggle', critic Max Kozloff drew attention to the troubling inclusion of art funded by arms manufacturers and dealers in curator Maurice Tuchman's 'Art and Technology' project. Later that year, Jack Burnham condemned the cancellation of Hans Haacke's Guggenheim exhibition, on the grounds that, as director Thomas Messer explained, 'trustees have established policies that exclude the engagement toward social and political ends' (Interview *AM*244, Artnotes *AM*397). Today, in a Britain where civil liberties are being eroded in the name of national security, where a punitive fiscal policy is displacing families and causing deaths among society's most vulnerable, the clocks have been turned back to the 1970s, and it all began with the ConDem government.

In 2010, Conservative chancellor of the exchequer George Osborne announced his policy of austerity as a robust deficit reduction solution. His initial argument, according to economist William Keegan, was that 'cutting or restraining the growth of public spending would free resources for a spontaneous recovery in the private sector'. This is, of course, standard neoliberal policy in action (namely the shrinking of 'big government' and subsequent marketisation of public service), but it was an ideological position grudgingly accepted as necessary by many in the light of the global financial crisis of 2008. For an art world gasping from the gut punch of a 26% reduction in government funding in 2010 (which will reach 37% by the end of 2016 according to the ACE and New Local Government Network report 'Funding Arts and Culture in a Time of Austerity'), development became a top priority as mere survival trumped protest. Those with established relationships or links to potential investors capitalised, while those who predominantly relied on funding from ACE either scrambled to make headway in the philanthropy market – with a little help from an ACE fund chaired by Michael Portillo (Artnotes *AM*349) – or closed down. Either way, a green light to the private sector was in operation and over the past six years a new private-positive consensus has emerged, creating a situation in which, in a bid to encourage and keep investment, capitulation to the real or imagined desires of private finance has become the new institutional norm. To understand how this works, we might start with a look at corporate sponsorship.

Current legal developments involving a Freedom of Information request lodged by the Art Not Oil Alliance in relation to support for Tate from the oil company BP provide a revealing insight into how corporate sponsorship operates and, specifically, how deference can characterise institutional dealings with investors (Artnotes *AM*396). At a packed public court hearing on 11 May, Tate's attempt to defend its refusal to reveal details of fees paid to it by BP from 2007 to 2011 hinged on the assertion that disclosure would damage its reputation in the 'sponsorship market'. Despite the fact that a confidentiality clause in contracts for sponsorship deals includes an exemption in instances where a legal obligation to reveal details is required by the Freedom of Information Act (FOIA), Tate decided to resist disclosure in the name of avoiding reputational risk. When asked whether Tate had effectively decided to disregard the lawful requirements of the FOIA, head of director Nicolas Serota's office Samuel Jones repeatedly maintained that, while the institution had full regard for the FOIA, it also couldn't be seen to comply with the FOIA at 'first blush'. When a judge then queried whether Tate had simply asked if BP minded whether details were disclosed (a move that could have saved significant expenditure on legal fees), Jones replied that it had not. Later testimony given by Polly Bidgood, head of development and events at Tate, revealed that sponsorship deals are not put out to tender and then given to the highest bidder, and further that BP's sponsorship deal was based on a 'bespoke' package designed specifically to attract the company. The picture at the end of the hearing, then, was of an institution which had eagerly courted and catered for BP's real or imagined whims; had used public funds to fight a tooth-and-nail court battle in its name in spite of the FOIA; and that, in the first instance, did not regard its own significant cultural capital, as one of the top art institutions in the world, as leverage enough to dictate favourable terms or choose the best alliance in the sponsorship marketplace.

The issue many had with BP's Tate sponsorship (a relationship that came to an end in April due to a 'challenging business environment' – Artnotes *AM*395) is that BP is a company with a deplorable history of colonial exploitation and, in the words of journalist Brendan Montague, 'an appalling safety record which has resulted in the worst environmental disaster in US history and the death of its own workers', not least because of the Deepwater Horizon explosion of 2010 (see also Colin Perry's 'Art & Oil' *AM*369). What the Art Not Oil Alliance has shown in its dedication to eradicate fossil fuel sponsorship of the arts is that there is no such thing as a 'no strings attached' relationship when it comes to corporate sponsorship, and that Tate's behaviour has been shaped and determined by its fealty to BP, which is, according to Platform's Anna Galkina, 'symptomatic of a broader creeping commercialisation of our public cultural institutions'. As Tate Modern moves into its much-trumpeted new era of internationalism and gender parity under new director Frances Morris (not to mention its self-proclaimed goal of 'seeking to foster environmental sustainability within the cultural sector and wider society'), is the institution best placed to represent and not gloss over the politics and nonconformism that will come with it? A recent initiative set up by Elisabeth Murdoch, Tate's advisory council chair and member of the gallery's overall Governance and People Committee, suggests that the answer might not be straightforward.

In March 2015, Murdoch, daughter of media mogul Rupert Murdoch, set up the Freelands Foundation with co-directors Christopher Palmer and Mark Jonathan Deveraux in order to redress the gender imbalance in male-dominated exhibitions by offering £100,000 to UK-based, mid-career female artists. With the founders of Freelands' previous professional links to News Corp (Elisabeth Murdoch at fx and BSkyB, and Mark Jonathan Deveraux as a lawyer for News International), an organisation with a decidedly right-wing agenda, is it fair to speculate that this connection might have a bearing on who is selected and, indeed, on who would be likely to accept such an award? Elisabeth Murdoch certainly might not share the views or aspirations of her father, but could the Freelands initiative still net the Murdoch brand those intangible, liberal-by-association reputational returns that art offers? Would that be a palatable outcome for would-be recipients? Whatever the case may be, associations with private finance can create a situation in which arts activity and artists are always already complicit in a compromising politics and power dynamic outside their control. At the very least, the identification of contemporary art with the 0.01% can have an inhibitory or censorial effect on exhibitions mounted within public institutions simply by virtue of the institutional atmosphere such relationships can create.

In this respect, the Serpentine and Whitechapel galleries are useful examples. For many, the creation of Yana Peel's unprecedented position as CEO of the Serpentine (has a public gallery in the UK ever had a CEO?) was another evolutionary step on the gallery's way to becoming what seems to be an entirely corporate entity. While, with its short 'Collecting Contemporary Art' course at £695, Max Mara art prize (a biannual award for female artists) and fundraiser events like February's Swarovski-supported 'spectacular gala dinner' for Art Icon Award recipient Joan Jonas, the Whitechapel, under the directorship of Iwona

Art offers a kind of absolution by association whereby close proximity to art renders the investor a supporter of liberal and progressive ideals by association, whatever their actual political or ideological commitments and conduct may be.

Blazwick, is an institution that also actively links art with the exclusive. Such ventures as the above suggest and present the confluence between contemporary art and high-end luxury as natural and right: the course's prohibitive, no-concession pricing implies that both the purchasing of art and possession of the knowledge to do so is a pursuit available only to the wealthy, and (in the words of the gallery's press release) the presentation of a 'key figure in contemporary art and feminist movements of the 1960s' amid the sparkling opulence of an evening that 'glowed with Swarovski lanterns' illuminating a 'specially devised menu' for esteemed guests had the effect of presenting crystals and critique as happy bedfellows. Of course, it could be argued that this activity is necessary to encourage sales, philanthropy and sponsorship. But regardless of how necessary you think it may or may not be, does the Serpentine, Whitechapel and others' identification of art with wealth leave politics, transgression and agitation at the door? The curating of 'Electronic Superhighway (2016-1966)' would suggest that the answer is 'yes'.

Preemptively billed as a 'landmark' exhibition, 'Electronic Superhighway' was notable for attempting (alongside the Barbican's 'Digital Revolution') to stage a large-scale exhibition presenting a history of computers, the internet and art in the 21st century. Unfortunately, that history was then used to buoy up a largely apolitical contemporary internet-aware practice concerned with surveillance, self-actualisation and the world wide web. But it was the symbolic gesture of an entirely unnecessary post-opening dinner, held at the home of patron Anita Zabludowicz, an individual whose links to arms dealing through associations with Tamares Telecom and commercial lobbying via the British Israeli Communications and Research Centre are well documented (see Lizzie Homersham 'Artist Must Eat' *AM*384), that was most telling. By passing over the political history of art and computing (most notably the highly politicised theory and practice of net.art), and then ushering artists into the home of an individual who many artists see as compromised, the field was effectively stripped of its critical credibility for the sake of what must have been a few canapés and some wine. In other words, the team of curators behind the exhibition enacted that new institutional dynamic in which contemporary art is always already compromised and complicit with that which it largely operates against.

Alongside all this corporate sponsorship and patronage, the growth in prominence of one organisation in particular has contributed significantly to the insidious commercialisation of the art world, and that organisation is Frieze. Founded as a magazine in 1991 by Amanda Sharp, Matthew Slotover and Tom Gidley, since the inauguration of its art fair in 2003 Frieze has grown into a sprawling brand whose commercial bottom line is supported by the cultural and social capital (ie art and the social network it gives access to) accrued through its various 'non-profit' activities. It is a winning business model managed through a network of discrete and yet interrelated limited companies: Frieze Events Ltd, Frieze Publishing Ltd, Frieze Public Programmes Ltd and, until recent voluntary liquidation, Frieze Foundation. It is well known, but no less dumbfounding and so worth restating here, that Frieze's so called 'non-profit' companies allow the organisation to access government funding for projects, talks and commissions taking place within its for-profit, commercial trade fair – an event with a 2015 entry price of £34 (more than you will pay for entry to any museum or gallery in the UK) compounded by a mandatory cloakroom charge/charitable donation of £5. For instance, over the past three years ACE has provided £120,000 in funding contributions to the fair's talks, events and projects (£40,000 to Frieze Foundation in 2013, then the same sum to Frieze Events Ltd in 2014 and Frieze Public Programmes Ltd in 2015), with Frieze Publishing Ltd awarded a further £15,000 to fund its 'art writing for the screen' initiative this year. As anything under the Frieze banner adds value to the company's trade fair, enhancing its brand image and unique selling proposition as one of the top-ranking organisations in the crowded global art fair market, it is difficult, to put it mildly, to see how publicly subsidised projects can be categorised as non-profit. This is because the status-oriented prestige gleaned from talks, commissions and events generates significant cash returns through the fair's profit-making mechanisms, including but absolutely not limited to: ticket sales, exhibitor fee and on-site business trade cost hikes, as well as corporate partnerships – notably with Deutsche Bank – and advertising from the luxury goods market. In short, Frieze reaps significant financial returns from its 'non-profit' initiatives – initiatives the public pays for through taxes, and some of which it is then charged £34 to see.

By virtue of its established closeness to private-sector finance and public-sector support, Frieze has risen to a new level of economic and intellectual dominance in the UK – and this is not despite but perhaps because of the 2010 government austerity cuts. It is a position that has allowed the commercial organisation to enjoy a unique, full-spectrum art-world monopoly, covering sponsorship (brokering and capitalising on corporate partnerships, advertising and so on), sales (through its trade fair), acquisitions (with the assistance of privately funded philanthropic body Outset and now US sports and entertainment agency WME-IMG, Tate has bought over a hundred artworks from the fair since 2003), commissions (artworks, talks, events and films), discourse and interpretation (the features, reviews, interviews and profiles it solicits or authors in-house at *Frieze* magazine), and career development (former reviews editor Sam Thorne is director of Nottingham Contemporary and former Frieze Projects curator Sarah McCrory is director of Glasgow International). In other words, its reach covers more territory nationally and internationally than the majority of arts organisations in the UK. As a result, Frieze exerts an undue influence over a vast expanse of art-world territory; an influence over what is feasible, imaginable and desired in practice, criticism, collection and exhibition, and consequently what is considered legitimate and worthy of art-historical, journalistic or curatorial attention. In an art world where public institutions are closing and where the space for politicised, socially engaged or non-market-friendly projects, perspectives, discourses and debates is disappearing, the prominence, authority and influence of Frieze becomes another symptom of a condition of capitulation to private-sector dominance that is increasingly difficult to ignore.

The examples above have been used to draw attention to the inhibitory effects that identification with the 0.01% – in the form of corporate bodies, private finance and large commercial organisations – is having on the production, presentation and interpretation of contemporary art in the 21st century. The purpose has clearly not been the demonisation or condemnation of private finance or wealthy individuals (it is not a crime to give or possess money) but rather to reveal the price of an imperative to diversify income streams that has been interpreted as acquiescence to the real or imagined desires of investors; that price is an art world in which politics, dissent and noncomformism are increasingly marginalised or else passed over in silence. This situation has become harder to turn away from since the Conservative government set a course to fundamentally and intractably alter the structure of social, cultural and political life in this country in the 21st century. What began as an insidious neoliberal agenda, hidden behind the cuddly rhetoric of the big society, has now become an accelerated, systematic, brutal and inhumane dismantling of the welfare state, education and the National Health Service. The diminution of affordable housing and social housing, together with a raft of measures designed to encourage the growth of wealth for elites, has created the greatest gap between the rich and the poor in modern times. We are at war in the Middle East, while at home deaths and suicides have resulted from the Department of Work and Pensions' cuts to family and disability allowances. And that's just the tip of the iceberg.

The field of contemporary art is one of the last sectors of the cultural sphere in which challenges to state and other oppressive forms of power, at whatever scale and in whatever form, regardless of whether they have any discernable effect or not, are at least possible. But through capitulation to private finance, and a sometimes self-imposed imperative to create a temperate environment for investment, the space for dissent is shrinking fast. The question is: can we afford to let this happen? ∎

MORGAN QUAINTANCE is a writer, musician, broadcaster and the Cubitt curatorial fellow for 2015/16.