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Raiser's Edge: A study of corporate sponsorship of the Arts in Brazil

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FOREWORD

When I had completed both my Clore Fellowship secondments February 2010, I decided instead to do my research in an area which challenged me but crucially would also be of practical use also. With the UK election looming and cuts in arts funding on the cards, it became quickly apparent that corporate funding of the arts would become a new focus for meeting the gap in funding. So I dedicated my research project to looking at corporate funding of the arts in a country which has a highly developed corporate funding culture but it is little looked at in this area – Brazil.

I did the first part of my research in Brazil in an intense week in March 2010, meeting with corporate funders, including Itau Cultural, Oi Futuro, Banco do Brasil, Petrobras, SESCOI, SESI and Caixa Federal.

I also met with 5 leading independent cultural producers, who gave me critical insights into the impact corporate funding through the federal law known as Lei Rouanet is having on culture in Brazil as well as the limitations of the Government backed schemes. They were also able to discuss with me the role of the producer in Brazil – which is in fact a new and emerging one – and they were interested in discovering the role of the producer in the UK and how that developed. There was a very real cultural exchange.

This research trip was also combined with joining directly afterwards the British delegation to Brazil as part of Paul Heritage's AHRC backed cultural knowledge exchange project between the UK and Brazil, Points of Contact. This gave me additional insight into cultural engagement in Brazil, and I was able to share my research and insights into corporate funding and my preliminary findings with the British artists, producers and policy makers on the trip.

The experience of the research visit to Brazil had a profound effect on me which lives with me to this day. Even though it would seem at first glance tangential, the issues surrounding the funding of the arts in Brazil, the way this was framed and organized, as well as communicated deeply informed the approach I subsequently took when I created CERN's first Cultural Policy for Engaging with the Arts and created its first Arts Programme. The need for clarity, simplicity, transparency and matching an organisation's mission and positioning, as well as sustainability were the key lessons learnt in Brazil.

Like Jonathan Swift so ably shows in that great satire of the Enlightenment, 'Gulliver's Travels' it is by looking at the world from different perspectives and from different ends of the telescope, that one can learn, engage and move forward in the world. That is how progress and learning happens – by engaging with the other across different dimensions, geographies and scales.

Ariane Koek
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RAISER'S EDGE - CORPORATE FUNDING OF THE ARTS IN BRAZIL

INTRODUCTION

In 2010 in the UK, politicians across the political divide were calling for increased corporate funding of the arts, with public funding expected to decline substantially post the 2012 Olympics. Yet politicians on all sides of the political divide did not have any groundbreaking solutions as to how corporate funding would work, except for general calls for tax breaks (1) at a time when private investment in the arts had reduced by 7 per cent from its all time high level of £686 million in 2007/8.

Apprehension was high around how the emerging funding gap would be filled, and whether private funding would compromise artistic integrity and progress. The government proposed that the arts community adopt the US-based approach to arts funding, with less dependence upon public and more upon private funding sources, particularly corporate as well as private donors. However, in stark contrast to other countries like the USA, Spain and Brazil which have highly developed traditions of corporate investment in the arts, in the UK the nascent corporate funding model was almost exclusively geared at that time towards private companies entertaining and developing new clients, rather than any other form of investment - for example social, economic or the well-being of the workforce. Corporate social responsibility was only just beginning to take root in the UK as the motivation for corporate investment.

With the UK in deep recession, and with substantial cuts in the funding of the arts looming, I decided to do my research in a country rarely looked at in terms of its corporate funding of the arts, now emerging as one of the world economies in the 21st century and a member of the so-called BRIC economies - Brazil.

What could we learn from looking at this country, where 90% of all its arts activity is funded by the Lei Rouanet - the so called tax incentive law - which gives tax breaks to corporates to fund the arts? Is this a bold new model for increased private investment in the arts in the UK? If so, how can it be best articulated and framed in order to provide a way forward? My research trip to Brazil in March 2010, facilitated by the British Council in Sao Paulo, was driven by this purpose and these questions.

BACKGROUND

Brazil has been called an 'imperfect mosaic' - a land of profound extremes and differences. The world's 5th largest economy, rich in oil and gas, it is a country with a population of nearly 200 million people, with deep gaps between rich and poor, including one of the highest literacy rates in South America - 86.7%. Geographically it is a vast and immense territory of 8 million square kilometres covering - nearly 47% of the South America continent. It is also one of the world's biggest users of the internet and mobile technology. In 2010, there were 187, 000 million registered mobile phones with 75, 982 million estimated users of the internet.

Brazil also is one of the countries in the world which spends the most money on culture - particularly through its corporate tax break system. In 2008 1billion real (307, 261,000 UK) was invested in culture using the Lei Rouanet - the tax break law which was introduced in 1991 (source: MINC)

The Lei Rouanet law allows individuals and companies to invest up to 8% and 4% respectively of the tax due on their profits in cultural activities. The companies sponsor arts projects approved under Article 18 of the Rouanet Law which offers sponsors a 100% fiscal benefit on their chosen investment in an arts project and under Article 26 through which sponsor benefits are limited to 30%, which is the case, for example, for all feature films.

Held up by some people like Matteo Moriconi, who launched Brazil's first virtual art museum in 1997 with support from both the government and the Brazilian oil giant, Petrobras as 'a progressive system like no other', at the time I was carrying out my research in 2010 the government was proposing to change the law.

There was criticism about the Lei Rouanet - as being too bureaucratic, with artistic companies experiencing long delays in getting approval from the Brazilian Cultural Ministry (MINC) which led to them being published in the government's official list, Diário Oficial. With this publication the project qualifies to be financed by any company, corporation or private individual. It is then up to the artist and/or producer to go after this owed tax money amongst sponsors. But the bureaucracy didn't even stop there. After that, the companies then have to submit their personally chosen projects to the SECOM Sponsorship Committee (Sub-secretariat for Institutional Communications at the General Secretariat of the President of the Republic) for approval before the contracts were issued.

Despite the Cultural Ministry's involvement, so the critics said, the companies were often using the artists as means of promotion and brand recognition, rather than for artistic reasons:

“ Market oriented decisions have been implanted into the cultural agenda. This makes it virtually impossible for small and avant-garde art and culture. The government has passed its own social responsibility toward cultural affairs to a handful of private corporates who look at culture through the prism of commercial instincts.” (Helmut Batista – Capacete artists organization, Rio de Janeiro)

In fact the lack of trust in the system was compounded by the lack of public knowledge of the exact criteria used by the Cultural Ministry for approving a project for sponsorship in the first place. No one could answer this question - including the ministry itself, which spoke of the need for diversity, large public audiences and prioritizing Brazilian culture. The terms quality or innovation for example were never used as a criteria for selection.

Under the new changes being proposed in 2010 by President Lula's government (2), it was suggested that companies would no longer be able to use the tax rebate to invest in their own cultural centres which some, like Caixa Federal and Itau Cultural had built in order to showcase their investments in their own branded buildings. That would be banned. Moreover, the Brazilian Ministry of Culture was considering becoming the sole distributor of the funds from the Lei Rouanet, rather than allowing

the companies to do the distribution of funds. The reason for this was two-fold - to centralise the process and so be seen as the drivers of the arts rather than the companies.

The government was also proposing putting the money from the Lei Rouanet into one huge fund, joining it with the Ministry's own National Cultural Fund, mixing their own budget with that generated through the tax breaks. After all, both the Lei Rouanet and NCF are mechanisms of the National Culture Support (Pronac), established by Act of Culture Incentive Law Number 8313 passed by Congress in 1991. The Pronac aims to facilitate the means of access to culture, encourage regionalization of artistic and cultural production in Brazil, ensure its diversity, prioritize cultural products originating in Brazil, and develop respect for the cultural values of other peoples and nations. The tension between the corporates and the ministry was palpable. Who was in control of cultural policy? Let alone what precisely was it?

Producers like Christiane of Pensarte found the new proposals laughable because of the length of time the Brazilian Ministry of Culture took to process new applications for sponsorship under the Lei Rouanet, so she argued, how could they take on any more? Others such as Lucimara Letelier Artefoco, saw it as potentially the way forward for untying the arts from being the direct marketing tool of the corporates, who in essence used the tax breaks as an extension of their advertising budget.

The legacy meanwhile of the Cirque du Soleil incident in 2006 still lingered. The Canadian company was visiting Brazil for the first time in 2006, and received 9 million real under the Rouanet from Bradesco Bank. This caused outrage, even more so because the tickets charged for the event were 400 real per ticket (123 UK). The tickets prices caused revolt in the cultural sector and the media, forcing the Ministry of Culture to demand that Cirque du Soleil put on free events and submit a plan for 'the democratization of access,' which they refused to do.

In the end the Ministry was forced to post an official explanation of what happened on their website, saying that

"The premise that guides the Ministry of Culture is simple: public funds invested in cultural projects should benefit the largest possible audience."

Despite these debates, the Brazil I encountered in March 2010 was a diverse pulsating creative culture bursting with energy and new possibilities. Partly this was due to the financial boom which was meaning increased arts funding by corporates through the Lei Rouanet, with companies such as the mighty Petrobras year on year investing even more than ever in the arts. (3). Partly too, this was due to the international attention being given to the Cultura Viva - the Living Cultural programme created by the civil servant Celio Turino, which also included the socially progressive Los Puntos de Cultura.

This programme started in 2004 under the leadership of the then arts minister, the musician Gilberto Gil, had so far funded 2000 community based projects. It is a radical arts as social change programme, giving underprivileged communities financial support for three years for making their own homegrown artistic works. 10% of the funding goes towards digital equipment which networks these homegrown

artistic communities into a web of belonging as well as showcasing their work. 2 billion real had been spent so far by the Culture of Ministry to make this happen.

Los Pontos de Cultura had also been deliberately created to show consistency with MINC's aim to represent the diversity of Brazilian Culture. According to MINC's own figures, between 1996-2006 80% of the money for culture raised by the Lei Rouanet had been used in the wealthy and educated South East.

Gilberto Gil described the Cultural Points as "sharp interventions into the depths of urban and rural Brazil that aim to awaken, stimulate, and project what is characteristic and most positive in communities in marginalised societies". The social purpose behind it was inspirational, with the arts being seen as strategy of empowerment for the marginal and dispossessed, as well as an important stimulus of self-esteem in groups that have limited opportunities and few means of asserting their rights due to economics, social standing, and geography. Brazil was looking to culture as an important instrument for individual development and social transformation - but for some it was purely political and just as instrumental as the corporate sponsorship of the arts under the Lei Rouanet.

"It is being represented that this a purely democratic way of making art - handing it to the people. But civil society doesn't chose the projects: the politicians do. So the choice of the 2000 projects is driven by a political purpose and the people are being used to make a new political change," said a young arts activist in conversation with me who did not want to be named.

"Equally, like the corporates, the government with the cultural points only has relationship with the art form through money. There is a serious problem in the lack of infrastructure, support, and no training for people in the Contatos da Cultura to apply for the continuation of their projects after the 3 years of support is up. What is needed is infrastructure and support – sustainability and legacy."

In 2010, the plan was for the Ministry of Culture to extend its investment to another 20,000 communities with a further 4.2 billion real (1.3 billion UK.) This was in the face of a great deal of criticism also about the programme, from leading cultural analysts such as Lala Heinzeman that the Pontos da Memoria - the follow up legacy for this programme, helping in particular the indigenous community projects to find corporate sponsorship under the Lei Rouanet - was actually non existent, so many of the 2000 projects stopped when their 3 year funding finished.

The communities' didn't have the tools or training, let alone in many cases the literacy (Brazil has the highest illiteracy rate in the world) to fill in forms to apply for grants via the Lei Rouanet and the Cultural Ministry. Indigenous people supported by the Pontos da Cultura were facing exclusion from developing their projects further and bringing them to the cultural market place. In essence for all the rhetoric, the vast majority of the Pontos da Cultura, apart from the showcase examples such as Afro Reggae in the favelas of Brazil, died when the funding stopped.

Thus, in effect there were two conflicting cultural policies in existence - one driven by the government with a social, and some would say left wing political purpose to enfranchise the disadvantaged society but which had no sustainability, the other

driven by corporates with a branding and marketing purpose thanks to the tax breaks, who funded ad hoc projects, not companies or individual artists in the long term.

It was an extraordinary time to be looking at the corporate funding of the arts, when the government was seeking potentially to align these seemingly conflicting policies through a proposed restricting of the Lei Rouanet. Like the UK, it was also a time of election and Lula's socialist government was seeking re-election, whilst at the same time trying to push through the changes to the Lei Rouanet quickly, but without losing the support of the mighty corporates. It was a difficult tightrope to be walking. Everything was up in the air - including the Brazilian government.

METHODOLOGY

With this intense political debate in the background, which illustrates clearly the intense relationship between the arts, politics and economics, I visited some of the key players in corporate funding of the arts in Brazil, facilitated by the British Council in Brazil under the then leadership of Stephen Rimmer. This was during a one week visit to Brazil in March 2010, followed by the AHRC visit to Brazil examining the Pontos dos Cultura led by Paul Heritage with UK policymakers and producers.

I was also introduced to leading cultural critics and the emerging producer class who were extremely helpful in leading me through the complex and often labyrinthine world of the Lei Rouanet and the funding structures. What you read here is a distilled and simplified version of those extensive and passion fuelled conversations. Like everything in Brazil, heart and head are deeply aligned. What is thought out intellectually by the ruling classes is also passionately felt and expressed by them too. Everyone has opinions, criticisms and solutions.

What follows are four complementary case studies of four very different corporate approaches. They have been selected out of the eight I interviewed for being exemplary of the diversity of the corporate funding of the arts in Brazil. But what unites them all, as you will see, is that for most they see investment in the arts as a promotional tool for the company: for all it is a source of national pride and cultural heritage.

Each company or institution was asked the same questions which were concentrated under 4 different main headings: why fund the arts, reasons for choosing to concentrate on particular art forms, the process and reason for funding artist or company, and the nature of the relationship between the funded and funder. (4)

This study restricts itself to the Federal Lei Rouanet. In fact, the Lei Rouanet has become such a model for funding the arts in Brazil, that it inspired in addition state and municipal governments to establish their own Leis de Incentivo (laws of Incentive.)

The case studies begin with that corporate giant of the arts in Brazil - the mighty oil company, Petrobras. In 2004 for example, the company had invested more in the arts than the federal government itself.

CASE STUDY ONE - PETROBRAS

The Financial Times listed Petrobras as one of the world's 50 largest companies in 2007. The company's sheer financial size is staggering, worth US\$15.3 billion (10 billion UK) in 2008, and currently employing nearly 75,000 people. Since the 1980's Petrobras also has been Brazil's largest sponsor of culture. In 2010, it contributed nearly 1.3 billion real to the arts (400,000,000 UK) mostly, but not exclusively, using the Lei Rouanet law.

Through their self-avowed work to preserve the country's cultural memory by funding the arts, it was voted the fourth most respected firm in the world according to the Reputation Institute. Its patronism as well as nationalism has become a cultural icon in its own right. Thus it counters accusations of being exploiters of natural resources by demonstrating how it is a prestigious contributor to Brazilian culture.

It is the emphasis that Petrobras places upon Brazil's heritage that fuels its sponsorship efforts - from making exhibitions financially accessible to the public, to supporting community projects to supporting a new generation of artists, Petrobras has become a non-official extension of the Ministry of Culture.

Petrobras' focus on affirming the Brazilian identity adopted a more structured approach in 2001, when the Visual Arts, Stage, Cinema and Music programmes were created, each with projects issued for open public competition. Unlike many other corporates interviewed, Petrobras also employs transparent selection processes that are widely advertised throughout the country. The aim is to balance sponsorship with the rich ethnic and regional diversity of the country, and provide equal funding to states beyond the usual suspects of Rio de Janeiro and Sao Paulo where the wealth is concentrated.

From 2003, these segmented programmes were replaced by a single entity, the Petrobras Cultural Programme, with 15 commissions judging the applications for the different specific art forms - which span different forms of music, theatre, dance to circus and literature. Unlike any other corporate interviewed, let alone the Ministry of Culture, the open call is very specific about the criteria and reasons for selecting projects. It is also perhaps no coincidence that the annual open call for the programme has always been released in November, the month in which Brazil celebrates National Culture Day (November 5th).

However, when asked, Claudio Jorge, Coordinator for Investment in Music and Cultural Heritage at Petrobras made it very clear that the reason for funding the arts was very much linked to visibility. "We look for visibility in each project we fund and we negotiate with each company to ensure this happens."

By visibility, he means branding, logos, promotion and publicity as clear recognition of Petrobras's contribution. These are specified in the contract, which Petrobras draws up with the organisation they chose to fund, and there are fines if the fundee does not fulfill the terms and conditions.

"Our mission is to make Petrobras more powerful in the country through culture. The strength of Petrobras comes from its association with Brazil. The arts is a nationalistic tool, which we can use for our brand. Our objective in investing in the arts is not to sell oil or to have an immediate return via the box office from the artistic activity. It is purely seen as a brand investment."

The clarity of this statement leaves no doubt as to how the arts are seen by Petrobras. Claudio made it very clear that they have a very strong link with the Cultural Ministry, but even so, because the Cultural Ministry can take so long to approve projects to go before the Lei Rouanet, not of all the arts sponsorship goes through the Lei Rouanet. 5% doesn't and is pure sponsorship, without the tax break incentive ' which is partly a way of getting around the bureaucracy which moves too slowly, partly a way of just funding pure promotional material for an event.

From an artistic point of view, Petrobras does not interfere in the production: "What we are buying is promotion and visibility, including a quota of invitations to performances where we can entertain clients - like with companies like the theatre company Gruppo Corpo or Debora Colker dance company." (Claudio Jorge.)

When asked if he was ever disappointed, the director very carefully sidestepped the question, saying 'not everything is to my taste and you can't have my taste ruling the choices,' and then instead he focused on his disappointment if a funded project did not meeting deadlines or the breaking of contracts by not providing the agreed logos as being very disappointing and leading to fines. Quality was not an issue he was prepared to entertain.

What he was proudest of was Petrobras's long standing funding of the Symphony Orchestra of Rio. It had funded the orchestra for 23 years, and the director felt it was a very special project because it showed how people could work together towards a common goal - just like Petrobras. In 2009, the sponsorship was 10million real (3million UK) and this was showing no sign of being dropped, because a new conductor, with an international reputation, was taking the orchestra into new territories, including global touring.

This long term funding of the Symphony Orchestra and the repeated support for example of Debora Colker Dance Company however were the exception, not the rule.

"This long term investment is for leading arts companies who have a big public following and are very low risk. What we want to do is to increase our investment in small projects, which are high risk and these are selected through an open call, and judged by a jury."

95% of all projects were funded for two years and no more. The companies or individuals artists could not come back and reapply, the reason being that Petrobras wanted to fund diverse companies in different geographies. In all cases, Petrobras focused solely on Brazillian artists - unlike for example the second biggest funder of the arts in Brazil, Banca da Brazil. Banca da Brazil, as well as being proud of its support of Brazilian artists, also funded international artists, such as Anish Kapoor and Rebecca Horn having major exhibitions in its cultural centres, bringing them to new audiences outside Europe.

The question as to what are the arts for, led to a decidedly patriotic and nationalistic answer:

"The arts are essential for any nation. It is through culture that the nation gets identity, including the people. It is fundamental that people identify themselves with culture and then transmit it. The more people have access to culture, the more they will be the transmitters of culture to people who do not have it. So the arts also have a social purpose of connecting. It is a way of connecting to worlds and other people outside yourself. The arts is also the essential means for people to build a nation and belong to the nation."

But when it came to the specifics as to why Petrobras and the arts, Claudio Jorge, Coordinator for Investment in Music and Cultural Heritage at Petrobras returned to the constant refrain:

"The contract makes it very explicit that the reason for sponsoring is to promote the image of the company."

In essence, in this particular case, the Lei Rouanet is seen clearly as a tax break creating new funds for a company's marketing budget. However hard Petrobras insisted on its closeness with the Ministry of Culture, there was a clear and repeated refrain in the answers give in the interview - the arts are a publicity and promotional tool. It is all about visibility and presence for the Petrobras brand.

CASE STUDY TWO - ITAU CULTURAL

Itau Cultural is a corporate institute like no other in Brazil. Whereas the arts programme in Petrobras is located in the marketing department as is also the case with Banco do Brasil (5), Itau Cultural is its own independent institute, set up in 1987 specifically for the recording and transmission of cutting edge culture. Today Itau Cultural holds Brazil's most extensive digital database of contemporary arts practice - a virtual encyclopedia - which it shares with other institutions. There are no other public archives which do the same thing. Over the years it has commissioned films about the culture of the period as well as paintings, and it was the first place to use digital images in Latin America. It is an unique and invaluable resource for anyone seeking the history of the avant garde since the 1980s until the present day.

The institution was founded by Brazil's leading private bank, Itau, "to show Brazilian culture with new technology and make it popular for the people." Since the 1950s, the owners had been collecting art, in particular paintings and sculpture. Indeed they were some of the first collectors of the Tropicala movement and such artists as Hélio Oiticica, so there was a passion as well as expertise in art which led to their founding a separate institution solely for art.

"Because it wasn't the marketing side of the bank which created the institution, it has always had an independent life from the bank, which is fundamental to our existence," explains Selma Cristina Silva from Itau Cultural. "We do not need to work for the return of funds, through promotion and marketing. Our primary interest is in expertise and sharing our knowledge of cutting edge Brazilian culture, particularly in the visual and digital arts, using new technology."

At first, Itau Cultural was funded exclusively using the Lei Rouanet law without requiring any real money coming from the originating institution. It began with their first programme supporting young artists, and by creating shows and exhibitions which were also shown on the web. A premises grew, with gallery spaces in Sao Paulo and extensive video libraries. However, today, the funding split is 50 /50 with the bank contributing 50% of its own direct sponsorship money (what the institute calls 'private money') and 50% through the Lei Rouanet tax break incentive which unusually the officials in the bank call 'public money'. No other cultural institution I met made this distinction between private and public. Most saw the Lei Rouanet as private money, earned by them.

Itau Cultural sees the fact that there is a 50/50 funding split as giving them vital room for manoeuvre: "It means that if the Cultural Ministry doesn't approve a project but we think it is extraordinary and innovative, we can fund it," explains Guilherme Kujawski who is in charge of the digital arts programme.

In 2010, the total amount for Itau Cultural to spend on the arts was 40million real - (12million UK) but there is a certain amount of tension about how much the Bank gives the cultural institution. In 2010, the bank's own marketing department in 2010 spent 10million more than the total budget of Itau Cultural on promoting a leading popular singer, the so called Tom Jones of Brazil, Roberto Carlos, to the tune of 50million real (15million UK).

There is a clear distinction between what the marketing department of the bank will fund (popular) and what the institution funds (the avant garde) Equally the so called independence between the Itau Bank and the Itau Cultural Institute is not all that it seems. The founders of the institute sit on the board of the bank as well as that of the institution, and according to some critics, this shows a covert marketing intention.

Since the very beginning, and because of the banks own investment in technology in the 1980s, it was decided the arts and new technology would be the focus for the institute, with the setting up of databases about cutting edge arts and the transmission of this knowledge as its core mission. It was always very clear that Itau Cultural in essence was to be a national archive and development agency - and not a production house.

The founding document of the institution makes this very clear as well as the role that culture plays "Culture forms the person and thus is part of human development. We aim to preserve and show the vibrancy of Brazilian culture."

Guilherme puts the necessity for culture in more overtly political, some would say romantic terms "Culture is the only strata of society which does not have vicious components like economics and politics. It is autonomous like Karl Marx says and escapes a superstructure of control."

Itau Cultural is also extremely special because it takes proactive steps to make new discoveries of the latest in Brazilian art forms. It has a programme called Humus, where fieldworkers are sent out to map the cultural scene throughout Brazil, which is then published on and offline. The institution's greatest pride is in its extraordinary charting of the avant-garde and the new. If there is a disappointment however in what Itau Cultural does, its officials say that the weakest point is that the fieldworkers are always the same so that there is no diversity in taste. (Others would point to this being a strength, which gives the artists chosen by Itau Cultural as progressive a consistency and 'house style'.)

In addition to the mapping for the database, there is a two year programme for artists in 10 different art forms such as music, literature, cultural journalism, visual arts and even administration - with open competitions. In 2009, the music strand, 3000 musicians applied for 15 places for grants for production development and distribution. Independent commissions, made up of specialists in the specific art form, select the artists. These commissions and the judgements they make are very unusual in that they are so independent that there isn't even a member of the Itau Cultural staff on the board. As Guilherme said, laughingly " I can have conversations with them, to see how it is going but I can not influence their decision. The ultimate choice is theirs and we abide by that."

Itau Cultural also runs programmes to develop the public understanding of culture as well as artists and art forms. It does this by funding workshops, seminars and lectures - such as a one in 2009 with the British Council to tour British video dance artists to 20 different cities in Brazil. Itau commissioned and funded academics to accompany the tour to give information about the performances.

Itau Cultural is an institution focused on the transmission of knowledge and expertise, so much so, that the name Itau does not need to be everywhere on the project.

Some would say that this self-effacement makes it vulnerable to cuts, as does its so-called independence from the bank. However this so called independence is not all that it seems. The founders of the institute sit on the board of the bank as well as that of the institution, and this may have implications for the future, particular when there seem to be two conflicting programmes now running - one for the avant-garde which doesn't require the Itau Cultural logo everywhere, and the other for the public which carries very visibly the logo of Itau the bank.

CASE STUDY THREE - SESI

There are two main workers institutions in Brazil - know as the S system. One called SESC (Social Service of Commerce) is funded by a tax from commercial and service corporations. The one known as SESI (the Social Services for Industry) is funded by a levy on workers of 1.5% of their salaries. The organisation was set up in July 1946 with the aim of promoting social welfare, cultural development and improving the lives of workers and their families and the communities they live in.

SESI has a presence in every state in Brazil and in the Federal District of Brasília through a chain of regional departments, each of which has jurisdiction and technical, financial and administrative autonomy. Its function is the delivery of social services in the areas of health, education, leisure, culture, food and the promotion of citizenship, having in mind improvements in quality of life among industrial workers and their families. Besides providing services in their activity centres and operational units, the regional departments develop operations within industry to meet the needs and expectations of the workers. Various projects also benefit the community through partnerships and agreements with international and national governmental and private institutions.

Out of the levy, an equal amount goes to sports and the arts. In 2010 it was 20million real (6million UK) but this fluctuates every year, according to how much is paid by subscribers to the levy. Only education gets more. But education and culture are in some ways linked - because as SESI says, both are crucial to citizenship - the sense of belonging to Brazil.

SESI's cultural work concentrates very heavily on young people and young projects - working across different domains: theatre, music, dance, contemporary art, with main focus on the first two. The organisation has built 3 theatres in Brazil, with the largest being the one I visited in Sao Paulo - the wealthiest of all the SESI's and one which concentrates on educating young audiences about all aspects of theatre, including employment.

Their criteria in choosing projects in their annual call is to concentrate on alternative events, which are not commercial because they are cutting edge: "let's give the people what they don't have," was how Devora Viana Director of Theatre at SESI Sao Paulo put it. Anyone can all - not just registered companies - and neither do they need to be approved by the Ministry of Culture.

Specialist juries who are expert on the art forms judge the annual requests for support and are exclusively made up of SESI staff.

They say that 40% of their investments are into new work by new artists and companies who have never been seen before, 60% is invested in established artists.

When asked what they were proudest of, they cited their touring of the British theatre group Gecko and also the production of Cymbeline by Kneehigh Theatre - both UK groups. SESI funds not just Brazilians but also international groups, because its main drivers are access, education and citizenship through participating in culture. However, for the foreign companies they don't fund 100% of the touring costs. They work always in partnership, with organisations such as the British Council, who also supply part of the funding, as well as the support which is needed 'because Brazilian bureaucracy is such that you have to establish partnerships to make the process happen faster, like with work visas for example,' explained Devora.

Where SESI is extremely unusual, is that it works very closely with the artists they invest in - helping them develop productions, giving artistic guidance where necessary and supplying in house production support, including staffing and facilities. The SESI in Sao Paulo also has a 9 year old programme which it is very proud of - the Lab, which trains 16 young people a year in the different aspects of the theatre as apprentice volunteers. These young people are found by talent scouts and the idea is that they will find work in the market in the future.

"By the end of their year, they are so bonded, that they stick together and often form their own company,' said Devora Viana proudly.

But they don't just do theatre. They hold visual arts exhibitions in their galleries, with up to 15 main projects and 300 smaller ones during the year.

SESI was the closest to a development production house in the corporate funding scene that I found. No one else was developing new and young talent, nor showing such a proactive spirit:

"We developed the laboratory because we were tired to getting the same directors and ideas applying for funding from us. So we decided to take the initiative", explained Devora.

"We are fortunate because our funding comes from multiple sources in industry - workers from every conceivable kind of company - we have an independence which is why we are able to do this and no one else. We have autonomy, as long as it aligns with our mission. These days the Cultural Ministry comes to SESI for information about new young talent."

SESI is also enlightened in that it actively encourages companies and artists to present their work to other corporates or cultural institutions for funding and performances, as long as SESI is given credit as the producer.

But like all the cases, the question of sustainability is one which is never addressed, although return demands for funding are not entirely ruled out

CASE STUDY FOUR - OI FUTURO

Oi, (portuguese for Hi!) formerly known as Telemar, is the largest telecoms company in Brazil and the second largest in Latin America, with its headquarters in Rio de Janeiro. It has 22.2million landline users and 31.7 million wireless customers. In 2010, it had a net income of 800 million US dollars (500 million UK).

With its logo of a bright orange speech bubble logo, with Oi written in it, the company has an image of youth and vivacity which can be seen throughout Brazil, often even on the telephone booths on the most remote islands of Brazil.

Oi also founded an institution, Oi Futuro, with its own logo of a colourful hot air balloon rising, with 3 cultural centres in Brazil - in Rio de Janeiro, Bela Horizonte and Ipanema, with Rio also housing a Telecommunication Museum, has two main programmes - its Social Programme, which covers education and the sustainability/the environment and is funded directly by private donation, and the Arts Programme which is funded by the Lei Rouanet.

However, the programmes all are united under the institutions' declared social purpose - to develop and support ideas to build a better future. As the website says:

"Oi Futuro believes that human development depends on innovative proposals, opportunities and constant performance in culture, education and sustainability. Using the technologies of information and communication as an accelerating force of social change, we can create opportunities, open access to knowledge and establish new designs that can be replicated in the future."

However, for Oi Futuro the funding of the arts using the Lei Rouanet is all about image and even more than that - market penetration for the parent company as explicitly said by the Director of the Cultural Programme, Roberto Guimares:

"We are really proud of the floating cinema which we are doing down the Amazon. It is bringing film to some of the most remote areas in Brazil, and putting us in touch with potential markets we would have never been able to connect with otherwise."

The arts are a tool for marketing, yet nonetheless the young team who are in charge of the cultural programme take great pride in investing in productions which are truly innovative and break down boundaries. The common denominator is that cutting edge technology has to be part of the production - fitting in with Oi's standing as a technologically advanced company. When I was at the Rio cultural centre, there was a living bio arts exhibition by Eduardo Kac - with the so called paintings or to be more accurate compositions on the wall, changing as the bacteria grew.

Their criteria for selecting art works are it must be experimental, multimedia , accessibility and must be related to technology. The idea is for the funding to stimulate new talent, particularly in creations which cross art, science and technology in contemporary production. Oi Futuro, with the help of external experts, chooses the projects from an annual open call. Normally out of the 6000 who apply for funds with Ministry of Cultural approval, 270 are selected each year, and the agreements include that the Oi Futuro logo must be shown on all publicity, but crucially that ticket

prices must be kept to a low premium because access to the shows are part of Oi Futuro's philosophy.

Oi Futuro doesn't just use the Lei Rouanet for the funding of projects. It also unusually also uses the State's and City's own tax break laws also to create the funds for supporting the 3 programmes. However no figures were available as to how much the total funds were in 2010, let alone how much was spent on Culture, although unusually, Oi Futuro uses its fund to support international artists, such as the American visual artists Gary Hill and Tony Oursler for example, as much as Brazilian artists.

One of the most exciting productions I saw in Brazil was funded by Oi Futuro and was shown at their Rio cultural centre. This dynamic performance mixed acrobatics, with sonic arts, dance, theatre and song. At one extraordinary moment a wall down which performers had been walking down became transparent and was revealed to be a series of rooms on different floors, each containing a tableau which then was performed and connected with the others. Next we were swept into a large hall, and the pieces of wood which the performers were holding were slotted together and transformed into a ship which then sailed up into the rafters with the performers on board, singing and dancing. It was an exhilarating evening.

Afterwards, I had dinner with the performers and asked them how long they had been working together as a company. They had been such an extraordinary fluency in their performance and it was easily one of the best companies I had seen working together for a long time. The reply was devastating:

"We love working together, but the sad fact is that after this performance we won't work together again. This is because the funding is for the project and for the company. Unless we can find money for another project - and we won't be able to approach Oi again so soon - we will have to disband."

Oi Futuro only funds projects once. It is very unusual for the company to fund the same project beyond a maximum of a year. The Floating Cinema, because it crossed the boundaries between Oi's Social Programme as well as its Arts Programme, was the exception in being funded for 3 years.

"Cinema is a great way for educating people. And the more educated people there are, the more people there are to buy things," explained Oi Futuro's Press Officer who was also sitting in on the interview,

Through Oi Futuro's Social Programmes and crossover programmes like the Floating Cinema, the parent company Oi has been invited into every state in Brazil, because the company has been as being useful to government by promoting education.

That is one of the key problems in the way corporate investment works in Brazil. The money is not given by the corporates for an artistic company's buildings or infrastructure. It is simply given for productions and is given on a project by project basis. Because of this, there is no sustainability or continuity for the companies such as and individual artists, This means companies like the one I saw will not perform again, have difficulty in building a reputation, and if they do, they are unlikely

to be seen abroad. Yet this work was exceptional and of a such a high standard of imagination, technical achievement and innovation that it is shameful it should not be seen outside Brazil also, let alone more widely in the country itself.

Whilst Oi Futuro showcases some of the most exciting young talent and privileges the experimental, the contradiction is that they support them once, and never again. There is no solid basis for the young talent they have identified to grow, develop and thrive with them.

When asked what the arts are for, they replied "Through the arts, human beings can develop." The irony is that this development is cut short by Oi Futuro's short term funding policy.

In the future, Oi Futuro say they are also Interested in funding international projects which happen abroad - depending on how Oi grows and develops. In 2010, they were funding one project in Mozambique as a test case. Unquestionably, this is linked with their marketing and sales plan for the international mobile market.

CONCLUSION

The title of this research report, Raiser's Edge, is deliberately double-sided in its meaning: raiser's edge refers to the line a fundraiser has to tread when looking at matching the project they are fundraising for with a corporate funder, and then reaching the decision. It is also a deliberate pun on razor - the fact that fundraising cuts both ways and there has to be both balance and precision to get the right outcome for both.

What emerged from my research visit was a contradictory Federal Cultural policy – one driven by Federal State Funding, the other driven by apparently Corporate Funding of the arts sanctioned under Federal Law. One leading to fulfilling the Federal cultural policy of diversity, the other concentrating resources in artists and companies in the wealthy, westernized and educated South East.

Focusing solely on the corporate funding of the arts the following issues emerged

- Independence of each corporate from each other, with their own artistic vision and area of expertise, outside the final control of the Ministry of Culture
- Tendency of many corporates to think of the Lei Rouanet as an extension of the their marketing budget
- Lack of transparency, let alone control by Federal Government on cultural policy, so no cohesiveness or consistency of funding
- Confusion over whether funds from the Lei Rouanet is public money or private money
- Lack of sustainability of projects, artistic companies and artists
- Variable criteria for judging applications and standards of transparency for the programmes supported by the Lei Rouanet, including the Federal Government's own processes
- Lack of national exhibition and theatre infrastructure, other than that provided by the corporate funders of the arts such as Petrobras and Caixa Federal who have built cultural centres in the affluent south east (although this is only

appropriate for more European based art work which demands indoor showcasing. A great deal of Brazillian work is also exhibited outdoors)

I began this research with two main questions: Is the Lei Rouanet a bold new model for increased private investment in the arts in the UK? If so, how can it be best articulated and framed in order to provide a way forward?

At the end of the day, corporate funding of the arts using the Lei Rouanet, is in effect public money not private money. It is money which the corporates owe the government in tax, which is then used to invest in the arts. But because the corporates control its distribution and ultimately select the projects which fit their corporate profile and often their marketing purposes also, making sure their logos are all over the sponsorship, the perception is that it is private not public money which is being used. The lines between public and private are blurred.

As Minister Juca Ferreira admitted:

“It seems like its private money but it’s not. We have created an addiction of patronage using public money.”

This confusion led indirectly to the creation of another cultural policy - the Pontos dos Cultura with public Federal funds to correct the elitism, South East concentration of funding of essentially European influenced work supported by the Lei Rouanet. It also has led to the perception that the corporates control culture in Brazil, in their own individual way, not the Ministry of Culture, leading to confusion, lack of consistency, and at times suspicion and hostility.

However, this does not mean that that corporate funding of the arts through tax break incentives could not work, with some adjustments. The tax breaks on profits act as an incentive for the corporates, which in turn leads to increased funding for the arts, although of course this also depends on a growing economy and not one beset by recession.

What needs to be addressed is

- Control of Cultural Policy – who defines it and what these definitions are
- Implementation – who implements and checks it, with a streamlined approach which takes the responsibility away from corporates.
- Definition – clarity that the money is public money, not private corporate sponsorship.
- Criteria – transparency over the criteria for selecting projects, which includes a mixture of support for artists and companies which is diverse in terms of geography, visibility, status and range.
- Sustainability – a long term vision and policy plan for how artists and companies may be supported in the long term, which may, for example involve business training with the corporates who get the tax breaks. The plan does not necessarily need to be tied to the Lei Rouanet type tax breaks continuing ad infinitum or for a sustained period.

FOOTNOTES

(1) The UK had in fact indicated its interest in the Brazil tax break funding model in 2008. In the records of the Culture, Media and Sport Committee Arts 2008 can be seen the following statement:

7.2 We also suggest that Brazil developed an interesting model, where corporations receive tax incentives for their donations to socially inclusive work rather than the merit-goods offered by the large-scale national galleries and companies.

However, no follow up in-depth research was done on this to date.

(2) Lula served 2 terms as president and left office on 1 January 2011. He was Brazil's 35th president. He was featured in Time's *The 100 Most Influential People in the World* for 2010 and has been called "the most successful politician of his time."

As of the 21st century, Lula is considered by most of the left-wing politicians and intellectuals from Brazil as one of the greatest Brazilian presidents

The changes he proposed to the Lei Rouanet were not enforced.

(3) Source: Lucimara Letelier, Arterfoco 2011



(4) The standard questions asked of each of the participants in the research visit March 2010.

CORE RESEARCH QUESTIONS

OVERALL REASON Overall reasons for funding the arts - whether for example, economic

social, philanthropic political business corporate social responsibility (CSR) tax breaks

benefits to your employees? workplace?

How much do you give a year? How much of your profit is this? Or annual turnover? How do you decide how much given to the arts/culture? and when? End of previous tax year?

THE REASON FOR CHOOSING TO FUND AN ORGANISATION/INDIVIDUAL/ PROJECT and Status? Established? Reputation? Or young and innovative? Promise? Do you set criteria?

What about new innovative talent? which is unpredictable, untried and untested? Where do they find support with you? How do you find the people you fund - or do they find you?

THE REASON FOR CHOOSING A PARTICULAR ART FORM

How do you choose a particular Art form - for eg symbiotic connection with corporate? What's important in your country? Do you change this - or stick with it?

THE NATURE OF THE RELATIONSHIP

The nature of the relationship between the corporation and the arts organisation/

Individual/project - formal contract made, with duration, and if so what guarantees or informal - but still with the above outcomes are expected or not? What do you call outcomes? Do you ever support with an open end with no expected outcome? Any other benefits which you expect? such as attendance to openings etc and client entertainment.

EXAMPLES

In addition, all the corporations will be asked to share examples of projects which they have felt were

most successful and why least successful and why

unsuccessful projects will be kept anonymous as requested)

(5) Banco do Brasil is the third largest funder of the arts in Brazil. Its sponsorship of the arts comes under the marketing department. They had the choice to found a separate institution like Itau Cultural, but decided not to, on the basis of it being better to being inside the bank than outside.

Banco do Brasil is unusual in that as well as focusing on Brazilian art, it also funds large international shows by artists from abroad, bringing them to Brazil. In March 2010, it was holding a major exhibition on the work of the German artist Rebecca Horn and the previous year had funded a major retrospective of the British sculptor Anish Kapoor.

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DIRECT DISSEMINATION OF THE BRAZIL RESEARCH

Members of the British delegation to Brazil as part of Paul Heritage's AHRC-backed project Points of Contact March 2010.

Migros Foundation for Culture, Switzerland – presentation on Brazilian cultural policy May 2011.

PRIMARY SOURCES

Extensive recorded interviews with all the people listed in the acknowledgements.

In addition the following background reading was invaluable:

Cultura Viva/Living Culture: National Programme of Arts, Education and Citizenship and Solidarity Economy - published by Ministry of Culture, Brazil.

Intense Dreams: reflections on Brazilian culture and performance
By Paul Heritage - published by Queen Mary and Westfield University.

Points of Culture - What Brazil can teach Britain about Art
<http://www.guardian.co.uk/artanddesign/2010/jul/23/brazil-tackling-crime-with-art>

Digestivo Cultural - online discussion site about culture in Brazil, with a special article about the problems of the Lei Rouanet <http://bit.ly/16BzO4Z>

Gestao de Patrocinio e Investimento Priavado - Lucimara Letelier - MBA en Gestao Cultural, Universado de Candido Mendes 2011

Brazillian Ministry of Culture website - www.minc.gov.br

Official Brazilian government website which includes information on Cultural Points/Pontos di Cultura - <http://www.brasil.gov.br/sobre/culture/>

Economia Criativa is a major Brazillian institute with important magazine which showcases the debates re the creative economy in Brazil. For my research I read the magazine volumes 1-5 . It also has an online presence here as a discussion and information forum - <http://www.economiacriativa.com/ec/pt/index.asp>

Other useful websites -
www.marketingcultural.com.br

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