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Culture and Corporate (Social) Responsibility, In pursuit of sustainability

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Clore Fellow 2005-6

CULTURE AND CORPORATE (SOCIAL) RESPONSIBILITY

In pursuit of sustainability

A research paper for the Clore Leadership Programme

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CULTURE AND
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1.

INTRODUCTION

BACKGROUND

In its 2006 annual survey of private investment in cultural organisations in the UK, Arts and Business[1] noted that:

> *Most cultural organisations in the UK fail to take advantage of the opportunities that the mixed-economy approach to funding can offer. Instead, they rely heavily on one source of funding, public subsidies, to support their operations – an inherently risky strategy as it over-exposes them to the slightest changes in the political landscape.* (Stanziola 2006 a: 40)

Regularly funded organisations in England currently rely on public money for nearly half their annual income.[2] Comparable organisations in both Scotland and Wales also demonstrate a similar heavy dependency on the public purse. Although overall investment in culture has increased substantially under the current Labour government, financial experts in the cultural sector are predicting a dramatic future slowdown or standstill in funding from traditional public sources. Despite the recent entreaty by a coalition of the UK's largest cultural bodies, for a settlement of sustained government investment in the arts over the next ten years (ACE et al, 2006), the sector is steeling itself for the likelihood that under a new political administration, seven fat years will now be followed by seven lean. This bleak economic outlook, exacerbated by the redirection of substantial funds from the National Lottery towards the London 2012 Olympic Games, has heightened the urgency to reduce the sector's dependency on public subsidy, by developing more robust plural funding strategies.

At present, cultural organisations across the UK draw only 6 – 15% of their total revenue from private investment, including individuals, businesses, and trusts and foundations. Development of this funding stream is recognised to offer one of the most promising routes to greater financial sustainability (Stanziola 2006: 40). Of all private investment options, arts fundraisers cite

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[1] http://www.aandb.org.uk

[2] Regularly funded organisations (RFOs) are defined as those bodies that receive yearly subsidy towards their core operating costs from the UK government, through the agency of Arts Council England.

business partnerships as the most challenging and time-consuming. Organisations report expending up to five times more resources on generating corporate funds, due to pressures to satisfy specific company demands (Carrington 2004: 32). With tough fundraising targets, ill matched by time and staff, many organisations consequently admit to concentrating their energies on tapping more straightforward sources of charitable income. While efforts to cultivate the giving potential of high-net-worth individuals and independent trusts and foundations have gathered momentum, the sector's application to developing corporate investment opportunities has, by comparison, been sluggish. To build a truly healthy and sustainable mixed economy, however, it is essential that the cultural sector does not shy away from developing strategies to harvest harder-to-reach revenue, in favour always of the easiest - and therefore quickly plundered - pickings.

AIMS AND PURPOSE

This paper seeks to untangle the knotty concept of Corporate Social Responsibility (CSR). The piece originates from several insights and observations on business investment in culture made by senior fundraising professionals during a training workshop delivered to the second cohort of Clore Fellows in January 2006. These may be broadly summarised as follows:[3]

- Company support was noted to have shifted hugely in recent years, from 'philanthropy' to an emphasis on 'benefits', making corporate sponsorship and partnership increasingly difficult to obtain.
- Embedded in the new corporate funding equation was the notion of CSR – a concept that many companies and fundraisers were still struggling to understand, ranking it as one of the principal barriers to successful partnerships between business and culture.
- Companies' use of CSR as a criterion for determining sponsorship support was considered to be extremely variable and open to question, wavering indiscriminately between 'commercial' and 'social' agendas.
- Activities which found support from CSR budgets tended to have an educational focus and were generally peripheral to core programmes; however, it was noted that if the cultural sector were able to build the case for supporting more 'mainframe' work, CSR offered a 'phenomenal' in-road to business.

[3] Observations are anonymous, as presentations were delivered under Chatham House Rules.

The discussion that follows seeks to provoke a more detailed debate on CSR and its awkward relationship with the cultural sector in the UK. It aims to explore the current confusion surrounding the meaning of CSR; to probe some of the reasons why cultural organisations find it hard to tap into companies' CSR agendas as a source of support; and to suggest ways of relating to the subject that might yield more effective results. Chapters two and three attempt to unpick the rhetoric surrounding CSR and to present a clearer picture of how it fits into the corporate funding landscape. Chapter four considers the challenges presented by public preconceptions of what constitutes a charitable cause. The final chapter explores the transferability of CSR working principles to the cultural sector and challenges how corporately (or culturally) responsible our own organisations *really* are in relation to the social and natural environments in which we operate. The paper concludes with a series of general thoughts and recommendations for developing a more productive engagement with CSR and potential business partners.

METHODOLOGY

During the course of researching this paper, it quickly became clear that the subject of CSR was huge, complex and unwieldy. The debates surrounding CSR are fast moving and fraught with contradictions, meaning that this research has faced the challenge of attempting to capture a speedy and slippery target. The dearth of thinking and basic grounding of research on CSR within the cultural sector, coupled with my own initial unfamiliarity with the subject, made it impractical within the scope of the present enquiry to embark on an in-depth examination of the specific concerns and perceptions of different cultural organisations, which vary tremendously according to art form, to organisational size and profile, and to geographical location. The study does not, therefore, present an interview-led survey, nor does it pretend to offer any conclusive answers. It assumes, rather, the form of a referenced think piece, which re-examines and jigsaws recent research in CSR and business sponsorship of culture, in order to provide a platform from which one might, in the future, drill down into the subject. It is, in effect, merely the prelude to what must be a much longer story.

The research is founded on analysis of published literature, both printed and online. All known published material produced by and for the UK cultural sector specifically on the subject of CSR was examined as a starting point. This consisted mostly of reports, guidelines and case studies produced by Arts & Business over the past few years. Supporting information and evidence was sought from information published by the Department of Culture, Media and Sport (DCMS), from books and articles on business sponsorship of culture both within the UK and internationally, and from unpublished consultation documents and Masters theses.

The quantity of CSR literature produced by the business sector is today immense and expands and mutates on a daily basis. Although this research is concerned principally with situations pertaining to the UK, CSR is becoming an increasingly global business phenomenon, transcending national boundaries. Reading has not, therefore, been confined to UK literature, but has also sought common threads in research produced elsewhere in the world. For the purpose of this report, attention was concentrated on a few leading websites and their associated publications, including the UK Government's Department for Trade and Industry, Business in the Community,[4] Ashridge Business School, Stanford Graduate School of Business, Ethical Corporation and Forum for the Future. Reference was also made to the websites of some of the many independent consultancies that specialise in CSR, both in the UK and in India, as the focus of many UK multinationals' current and future business expansion plans.

Data gleaned from published sources was complemented by information acquired between 2005-7 during the course of my Clore Fellowship - from presentations and informal commentary received during a range of conferences and training workshops, as well as from research undertaken during a three-month secondment to the India Foundation for the Arts in Bangalore.[5] The research was shaped further through structured and unstructured conversations with professionals with an interest in business sponsorship, both from the cultural community and from the corporate sector.

[4] http://www.bitc.org.uk

[5] http://www.indiaifa.org/

2.

TERMS AND DEFINITIONS

Cultural professionals are commonly accused of being poor at speaking and resistant to learning the language of business. In order to learn a language, however, it is helpful if there is agreement over the meaning and consistency in the application of the vocabulary on which it is founded. This presents a particular problem for anyone attempting to learn the lingo of CSR, for there are few subjects in the business lexicon, it seems, where the terminology is as variable and vague. Ambiguous language, however, is not the preserve of the corporate world. Meaningful dialogue between the private sector and the cultural community is doubly hampered by broad-ranging and confusing interpretations of what precisely constitutes cultural activity.

DEFINING ARTS AND CULTURE

> *Culture spans so many disciplines. Almost all of them have asked if they can be specifically mentioned ... To do so, even in list form, would take up most of the time available.* (Blair, 2007)

So said Tony Blair, speaking as Prime Minister on the value of culture in March 2007. Culture is notoriously difficult to define and, in its widest sense, comprises a vast range of tangible and intangible elements. In developing its National Cultural Strategy in 2000 and the Draft Culture Scotland Bill in 2005-6,[6] the Scottish Executive chose to be guided by a broad definition, in line with that adopted in 1982 by the UNESCO World Conference on Cultural Policies, which defines culture as:

> *… the whole complex of distinctive spiritual, material, intellectual and emotional features that characterise a society or group. It includes not only the arts and letters, but also modes of life, the fundamental rights of the human beings, value systems, traditions and beliefs* (UNESCO, 1982).

The UK government Department for Culture Media and Sport (DCMS), while recognising that culture has both material and non-material dimensions, confines its definition of the cultural sector to those activities and resources involved in the delivery of *material* cultural products and

[6] Scottish Executive (2000)

services only. The range of activities defined as 'cultural' is acknowledged to be fluid and changing, but at its most inclusive the sector is identified as covering seven principal 'domains':

- Audio-Visual (including film, TV, radio, new media and music);
- Books and Press;
- Heritage (including museums, libraries, archives and historic environment);
- Performance (including theatre, arts and dance);
- Sport;
- Tourism; and
- Visual Arts (including galleries, architecture, design and crafts).

In addition, DCMS also recognises two important sub-sectors, which are made up of several 'domains':

- Arts (defined as the Visual Arts and Performance domains); and
- Creative Industries (defined as the Audio-visual, Books and Press, Performance and Visual Arts domains).

(DCMS, 2007 a)

The words 'culture' and 'arts' are employed with infuriating inconsistency in policy papers issued by the UK and devolved governments, in academic research and between different organisations and interest groups. Evans and Shaw (2004: 4) note that the expectation by government that 'a local cultural strategy should include the arts, libraries, museums, heritage, tourism, parks *and sport* … has led, in some quarters, to a reassertion of the independence of the term 'the arts'' from overarching definitions of culture. Equally confusing is the habit within the sector of making an inconsistent separation, with little acknowledgement of the frequent cross-over of mission and activity, between those organisations that occupy the domain of the Visual Arts and whose activities centre on contemporary practice, and organisations grouped under the heading of Heritage, which is concerned principally with the preservation of the past.[7]

Evans and Shaw (2004) comment on the substantial shift in vocabulary used by the UK government and its agencies over the past fifteen years to describe the cultural sector. Until the

[7] *Turning Point*, the Arts Council England's ten-year strategy for the contemporary visual arts in England recognises the anomalous political fragmentation in the administration of the cultural domains of the Visual Arts and Heritage. The strategy (founded on a major independent review undertaken in 2005) aims to address the disconnect between the domains by forging closer working links between the contemporary and historical. See http://www.artscouncil.org.uk/aboutus/project_detail.php?browse=recent&id=516.

late 1980s, the sector was habitually referred to simply as 'the arts'. Growing recognition of the economic potential of the arts led to increasing use of terminology more commonly connected with trade and commerce and the coining of phrases such as 'cultural industries'. In 1997, the 'cultural industries' were rebranded by the new Labour government as the 'creative industries', and were identified as embracing all those 'industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property' (DCMS, 2001: 5). The UK government definition of the creative industries includes advertising, architecture, art and antiques markets, crafts, design, designer fashion, film and video, interactive leisure software, music, performing arts, publishing, software and computer services, and television and radio (DCMS, 2007 b). However, this list is not prescriptive, and views as to what cultural domains make up the creative industries differ. Heritage and galleries, for example, though not listed in the DCMS definition, are considered in the UK to be critical allies of the creative industries and elsewhere in the world to be part of the creative industries proper.[8]

Dissecting the glossary of the cultural sector lies outside the scope of this paper. For the purpose of this discussion, it is sufficient to acknowledge that the term 'culture' is imbued with a range of associations, and is often used interchangeably with the word 'arts'. For the sake of brevity, the present discussion will adopt the umbrella term 'culture'. In this context, however, the use of the word culture explicitly excludes sport. The argument also concentrates on those organisations that operate on a non-profit basis and disregards, for the most part, heavily commercial, market-driven cultural industries, such as advertising, publishing and media-related activities.

DEFINING CORPORATE SOCIAL RESPONSIBILITY (CSR)

The rise of CSR in corporate practice, as defined and understood today, is rooted in events that emerged from the late 1980s. In response to the opening up of Eastern European, Asian, African and Latin American economies to international investment, multi-national companies

[8] For example, according to Burama K. Sagnia, 'Taking the U.K. definition, as well as working definitions adopted by the International Forum on Creative Industries (Salvador, Brazil; April 2005) and the UNCTAD High-Level Panel on Creative Industries and Development (Sao Paulo, Brazil; June 2004), among others, creative industries has been understood to include the following sub-sectors: the recording industry; music; performing arts; film and video; publishing; software and computer services; photography; art and antiquities market; radio, television and cable broadcasting industries; advertising; crafts; architecture; design; designer fashion; interactive leisure software; *cultural heritage (tangible and intangible)*; tourism' (Sagnia, 2005: 12).

rushed during the late 1980s and 1990s to exploit the cost saving and expansion potential of outsourcing and offshoring their operations. As the corporate world extended its geographical reach, however, so advances in communication technology simultaneously brought their global activities ever closer to home and under the public's watchful gaze.

From the late 1980s, a succession of high profile disasters and scandals threw the world's media spotlight on the operational practices of several prominent multi-national corporations, including: in 1988, the explosion of the Piper Alpha oil platform off the coast of Aberdeen, which brought the maintenance and health and safety procedures of its operators Occidental Petroleum, and of the wider oil and gas industry, under rigorous scrutiny; in 1989, the wreck of the oil tanker Exxon Valdez, which ran aground in Alaska polluting 1,300 miles of coastline, led to one of the most thorough examinations of the effects of oil on the environment; in 1992, and on occasions since, Nike came under fire for reported labour abuses in its Indonesian supply chain, including sexual and verbal harassment, limited access to medical care and compulsory overtime; and in 1995, Shell's planned disposal of the redundant Brent Spar oil platform in the Atlantic Ocean, prompted Greenpeace to mount a worldwide campaign and public boycott against Shell service stations.

Increasing awareness of the effects of rapid economic growth on the natural environment and on the welfare of the world's communities at large provoked a shift in public attitude towards capitalisation and the role of business in society. The above cases, and numerous others,[9] instigated a drumbeat for greater corporate transparency and accountability, including tighter legislation over issues such as environmental impact, human rights, labour standards, and stakeholder engagement in company decision making. In response to the clamour of public opinion and, from 1997, to the new Labour government's growing interest in CSR, which flowered in spring 2000 with appointment of the world's first CSR minister,[10] major companies in the UK started to review the way they thought about and conducted their business in order to optimise returns not just for the company shareholder, but for what is now widely referred to as the triple bottom line of 'people, planet and profit' (Centre for Social Markets, 2007).

[9] BP, Gap, Wal-Mart, Glaxo Smith Kline and Enron can be cited as just a handful of the other major corporations whose operations and ethics have come under fire and been subject to well-publicised investigation during the past decade.

[10] Dr Kim Howells. At the time of writing, responsibility for CSR within the UK Labour government belongs to Stephen Timms, Minister of State for Competitiveness and Consumer Affairs.

This fundamental shift, from a concentration on inward interests to a requirement to account also for outward social impacts, has pressed companies to reassess and restructure their traditional philanthropic activities by aligning them more tactically with corporate objectives – a development, observes McCrossan (2002: 50), which has seen many companies convert budgets previously allocated to charitable donations into budgets for 'community investment'. 'Today,' said Gordon Brown, writing in 2004 as Chancellor of the Exchequer, 'corporate responsibility goes far beyond the old philanthropy of the past – donating money to good causes at the end of the financial year – and instead is an all year round responsibility that companies accept for the environment around them, for the best working practices, for their engagement in their local communities and for their recognition that brand names depend not only on quality, price and uniqueness, but on how, cumulatively, they interact with companies, workforce, community and environment' (CSR, 2004 a: 2).

Responsibility for CSR in the UK Government falls within the remit of the Department for Trade and Industry (DTI).[11] The DTI's official CSR website defines the concept of CSR as follows:

> *The Government sees CSR as the business contribution to our sustainable development goals. Essentially it is about how business takes account of its economic, social and environmental impacts in the way it operates – maximising the benefits and minimising the downsides. Specifically, we see CSR as the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society* (CSR, 2004 a).

The use, in a subjective sense, of the word 'sees' in the first and third sentences of this statement, is carefully chosen and points to one of the fundamental problems in trying to pin down the phenomenon of CSR; that is, that there is no agreed universal definition of the concept. Every international government, every sector, every business and every individual is inclined to *see* and apply CSR in a different way. The UK government's most recent report on the subject notes that, 'Although debate about CSR has continued to grow, we remain a long way from consensus on what it means and its value. Some suggest that it is just about glossy

[11] This paper acknowledges that in Scotland and Wales, many of the issues surrounding CSR are devolved matters and that, in both countries, policies and strategies have been developed that align with UK Government policy, but which are nonetheless specific to the circumstances of the Scottish and Welsh people. The present discussion concentrates on information generated by the UK Government.

reports and public relations. Some see it as a source of business opportunity and improved competitiveness. Some see it as no more than sound business practice. Others see it as a distraction or threat' (CSR, 2004 a: 6).

The extent of continued disagreement is evident, says Mallen Baker, a Director of Business in Community, from the evolving definition of CSR on the community-run encyclopaedia, Wikipedia, for which the history of recent edits reveals a struggle of opposing views. The site has become, he laments, 'a battleground of ideologies' and polarised rhetoric, which bear little relation to the realities of how business is *actually* tackling CSR (Baker, 2007 a). As with any process based on the collective activities of communities of human beings (which companies are), there is, he comments, no 'one size fits all' answer to CSR. Different countries have different priorities and values that shape how business act. For example, while the European model of CSR is more focussed on operating core business in a socially responsible way, complemented by investment in communities for solid business case reasons, in developing economies, CSR is often weighted towards charitable action and seen as being about business 'giving back to society' (Baker, 2007 b).

To add to the confusion, the use of the phrase 'Corporate Social Responsibility' is subject to considerable variation. Alternatives include 'Sustainable Development'; 'Corporate Sustainability'; 'Corporate Governance'; 'Corporate Citizenship'; 'Business Ethics'; 'Corporate Accountability' and 'Corporate Responsibility'. These terms are all related, and are often used interchangeably, but each has a slightly different nuance, which gives emphasis to a particular field of interest. The use of the expression Corporate Responsibility, which appeared in the early 2000s, is gaining increasing currency in business as a preferred umbrella term, which unites and balances environmental, social and governance concerns in one phrase (Gitsham, 2000). Chapters one to four of this paper, which are concerned mostly with reviewing past and current trends, adopt DTI's use of the term Corporate Social Responsibility (CSR). In chapter five, in which the focus is on looking forward to the future, the discussion switches to the use of the term Corporate Responsibility (CR).

CSR and Scottish Power: one company's definition

Scottish Power uses the term Corporate Responsibility and conforms to European trends in CSR in viewing it firmly as an approach to good business practice, which has little to do with traditional notions of philanthropy.[12] The company has a track record of supporting culture in pursuit of its CR goals, involving in recent years partnerships with the Royal Scottish National Orchestra, the Central School of Ballet in London and Welsh National Opera (A&B Scotland, 2004).

For Paul McKelvie, Scottish Power's current CR Director, CR is about *how* the company delivers its business objectives, requiring commitment to 'a broad, sustainable view of business performance which takes into account its stakeholders and impacts'. This view is reflected in the company's published definition of CR, which it regards as, ' … a way of doing business that seeks to minimise our negative impacts on society and maximise our positive impacts, confident that this will contribute to our long-term business goal of creating value for shareholders.'

For business to be successful, says McKelvie, it needs to be trusted and CR has a central role to play in building and maintaining that trust. For these reasons, he holds firmly that CR cannot be treated as an 'add-on' activity carried out for altruistic reasons; or be regarded as a public relations exercise or greenwash; or be about simply reporting business outputs. In Scottish Power, CR is regarded as a critical means to protect and enhance shareholder value and to create competitive advantage, by helping the company to:

- Retain its 'licence to operate' over the long term;
- Attract and retain the best people;
- Promote its stock to ethical investors;
- Differentiate its brand to customers;
- Build goodwill with customers and communities; and
- Increase opportunities to influence government and regulators.

McKelvie (2007)

[12] http://www.scottishpower.com/CorporateResponsibility.asp

3.

SHIFTING SANDS: THE CORPORATE FUNDING LANDSCAPE

The change in corporate giving priorities from what Gordon Brown terms 'the old philanthropy of the past' has thrown a tripwire in the path of many cultural organisations seeking funding support from business. Director of Arts and Business Scotland,[13] Barclay Price, comments that a large number of sponsorship applications submitted by cultural organisations neglect to respond to the changed environment in which businesses now operate. He estimates that over half the applications from cultural organisations that cross the corporate table are immediately discarded as being irrelevant (Price, 2006). This is a worrying trend if one holds any store by Pavlovian principles of behavioural science, for the more the sector persists in making poor approaches, the more it runs the risk of business developing learned resistance to collaboration with cultural bodies. This problem is acute in, but not unique to the UK cultural sector. Internationally, non-profit organisations and NGOs - particularly small-scale organisations with limited fundraising resources – are struggling to respond to the broad historic shift in the nature of corporate philanthropy. Non-profits are going to have to become more strategic and sophisticated about what they deliver if they want to partner with business, advises Marketing Consultant, Carol Cone; it is no longer enough to 'just be doing good … the whole game has changed' (Epstein, 2005: 27).

NEW GAME, NEW GOALS: MAPPING THE SHIFT

Few writers have attempted to survey these changes in business giving – an information deficit that may in itself be contributing to many fundraisers' confusion. Two uncommon endeavours to map the evolution of corporate giving, by Pushpa Sundar, writing as Executive Director of the Indian Centre for Philanthropy in New Delhi (2000) and Bernadette McNicholas of RMIT University, Melbourne, Australia (2004), offer international perspectives that underline the global nature of this fundamental business shift.

With due acknowledgement to India's specific social and economic circumstances, Sundar identifies four key milestones in the development and terminology of business giving, which she defines as Charity; Philanthropy; Social Responsibility and Corporate Citizenship.

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[13] http://www.aandb.org.uk/scotland/

Charity is classified by Sundar as the oldest, most familiar and popularly used term for altruistic giving, associated with donating to the poor and to victims of calamity to alleviate immediate distress and need. 'It is not', she considers, 'concerned with removing conditions which cause that distress.' Philanthropy, by contrast, goes beyond palliative action to investigating and removing the root causes of social dysfunction. The words 'charity' and 'philanthropy', she observes, are often used interchangeably, without appreciation of this subtle distinction (Sundar, 2000: 25 & 29). Sundar attributes the evolution of modern business philanthropy to the pioneering writing and work of Andrew Carnegie in the late nineteenth century, defining it as the creative use of wealth for the long-term benefit of society, without any expectation of a *quid pro quo* – ie. no expectation of direct benefit to the donor. It is nonetheless undeniable, she admits, 'that whether in the East or West, in practice, philanthropy has, to some extent been self-serving' (Sundar, 2000: 48). Indeed, the great nineteenth-century capitalists were certainly tuned to the reciprocal business benefits which accrued from the development through their philanthropic deeds of a healthy (physically and morally), educated and skilled local workforce.

Sundar distinguishes between early concepts of Social Responsibility, emanating from the observations and theories of the British economist John Maynard Keynes, with the contemporary notion of Corporate Citizenship. 'While [Social Responsibility] stresses the *obligation* or *duty* of business towards society,' she writes, '[Corporate Citizenship] emphasises the benefits to business of such action. In short, it is not altruism alone but enlightened self-interest which is responsible for the present corporate involvement in social development …The goal is to establish a dynamic relationship between philanthropy and business in which both complement each other' (Sundar, 2000: 38).

McNicholas's analysis of changing patterns in corporate giving takes a less historical slant, but identifies nonetheless the same general trend away from one-way donor-recipient exchanges towards 'two-way, more interactive, mutually affecting arts sponsorship relationships' (McNicholas, 2004: 58). Using a series of models, she demonstrates the evolution of corporate giving practice over the past ten to fifteen years, drawing out six principal hierarchies, which she defines as follows:

- **Donation (Level 1) and Patronage (Level 2)**
  Described as 'traditional forms of sponsorship', characterised by one-way, dependent models of interaction and communication, with projects randomly and subjectively selected.

- **Marketing Promotion (Level 3) and Public Relations Campaign (Level 4)**
  Identified as being typical of the 'rationalist and business-marketing approach of the late1980s and early 1990s', characterised by one-way or limited two-way models of interaction and communication, with defined projects planned to achieve a sales/business profit objective.

- **Integrated Corporate Image Program (Level 5)**
  Illustrative of the 'more humanized, more interactive…1990s systems approach', characterised by two-way models of interaction and communication, targeted on several levels rather than just economic/profit, with projects planned to meet corporate goals, including corporate image.

- **Arts and Business Partnerships (Level 6)**
  Described as the 'postmodern' approach, characterised by two-way linked and matched models of interaction and communication, with strategically planned, interactive and evolving projects.

(McNicholas 2004: 60-65, Figs 1-4)

McNicholas illustrates how each step up the hierarchy of corporate arts support, from Level 1 Donations to Level 6 Arts and Business Partnerships, combine greater breadth of sponsorship activity and greater integration into core business practice. She shows this to be accompanied by progressively sophisticated communication strategies, resulting in a more powerful and lasting impact on corporate image. She writes:

> [The] *leading-edge sixth level of strategic cultural partnership represents a shared venture or alliance between business and arts, not necessarily using the word "sponsorship" at all, a word which implies a transaction rather than a partnership … This is a beyond-arts-sponsorship level of arts and business synergistic partnership* [involving] *strategic matching of core values, a creative synergy of narrative and images, a sensitivity to appropriate 'sponsorship' strategies, and an intermeshing of arts and business activities, values and involvements …* (McNicholas, 2004: 61).

McNicholas explores the concepts of 'customisation' and (borrowing a term from the physical sciences) 'consilience': that is, the need to individualise and personalise each partnership, and the achievement of this through the coming together of different fields and practices, together with the diffusion of disciplinary boundaries, both within business and within culture. The once siloed fields or disciplines in business that ‘housed’, shared or claimed ownership of arts sponsorship in the early1990s (such as philanthropy, public relations, communication, marketing, sales/promotion, branding and advertising) are, according to McNicholas, today converging with each other, and with culture, in new spontaneous and varied patterns to create what she refers to as ‘dynamic complex adaptive relationship systems’ (McNicholas, 2004: 64).

CSR AND SPONSORSHIP: MIXED RELATIONS

This complicated intellectual argument supports what others identify more simply as an extremely fuzzy relationship in contemporary business practice between CSR and marketing-driven sponsorship, and an increasing tendency for corporate bodies to want to intermingle the values and benefits of both in their support of the arts.

In her study of CSR and business investment in London Museums and Galleries, McCrossan (2002) makes a clear distinction between CSR, which she found at that date to be associated principally with companies’ community policies or community investment strategies, and ‘straightforward commercial sponsorship’, which she distinguishes as being ‘entered into for specific business reasons, linked to marketing and public relations objectives.’ She argues that:

> *… the motives behind and the benefits sought from each category of investment are very different – the former seeks to benefit the community primarily, but often looks for benefit to the company also; the latter seeks mainly commercial return, with CSR as a secondary motive. Budgets too differ greatly – those for community investment being relatively small and those for commercial sponsorship being, it seems, much bigger* …(McCrossan 2002: 35, 37).

McCrossan’s research identified a growing trend in 2002 towards a hybrid form of sponsorship of culture, involving the combination of smaller community investment budgets with the much larger sums of money available for commercial sponsorship. Interviews with arts fundraising professionals revealed that in high profile institutions, such as the National Gallery and the Royal Academy, CSR concerns consistently played second fiddle to the imperatives of commercial sponsorship; nonetheless, there was a growing demand from companies to incorporate in their sponsorship package ‘something which present[ed] them in a good light to the wider community’

– a consideration which in previous years had merely been a ‘nice to have’ but was now materialising as a ‘must have’.

Lloyds TSB’s sponsorship in 2001 of the National Gallery of Scotland’s international loan exhibition *Rembrandt’s Women* is illustrative of this trend. Driven by a marketing campaign to raise the bank’s corporate profile, so that it might compete more effectively with its larger rivals, the commercial sponsorship package was dovetailed with a community initiative, which provided opportunities for low paid, non-gallery-going working women to view the exhibition – a social inclusion programme linked to a public relations agenda, which was designed to demonstrate that Lloyds TSB was a bank ‘for all of Scotland’. Three years later, Susan Rice, Chief Executive of Lloyds TSB Scotland, reported that the company now pursued this combined approach with all their sponsorships (A&B Scotland 2004: 33).[14]

The ongoing movement towards more integrated sponsorship packages is now widely recognised in the business community. Price (2006), whose team at Arts and Business Scotland helped to broker Lloyds TSB’s sponsorship of *Rembrandt’s Women*, observes that it can often be hard for businesses to sell the marketing argument for culture to their boards and shareholders, when sponsorship of non-cultural sectors, such as sport, clearly reach much larger numbers and have higher public visibility. CSR, he says, is sometimes wheeled in to help prop up the case for sponsorship of culture, by demonstrating that it can help to target a particular group of stakeholders. Vernon Ellis, Chair of Accenture’s global ‘Corporate Citizenship’ activities[15] and a trustee of Arts and Business, comments that ‘There are a number of instances where there is a strong CSR element to a company supporting the arts … however, it remains an elusive concept and I am not sure that there are, as yet, many cases of significant sums of money being invested in the arts *primarily* on what one might call CSR grounds’. The goal that most companies pursue is to find programmes that simultaneously maximise benefits to the company and to society (Fig. I: *Profit versus Society*); a ‘Win-Win’ objective that he admits is easy to imagine conceptually, but not to implement practically (Ellis, 2006: 6).

The trend towards a ‘commercialisation’ of philanthropy’ and the ‘blurring’ of the line between philanthropy and sponsorship or cause related marketing is also highlighted by Sundar (2004: 47), a development which she notes is ‘troubling to those who believe true giving should be without expectation of a *quid pro quo*’. Paul Palmer, Professor of Voluntary Sector Management

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[14] See also pp.25-26 and footnote 17.

[15] See also p.29 and footnote 19.

	GOOD FOR SOCIETY	BAD FOR SOCIETY
RAISES PROFITS	**WIN - WIN**	WIN-LOSE
REDUCES PROFITS	WIN-LOSE	LOSE-LOSE

Fig. I. *Profit versus Society*

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at Cass Business School, London, and Charities Advisor to USB and Unity Trust Bank, identifies not so much a 'blurring' of boundaries as a blend of disciplines, asserting that in the 'real' world of modern business and in the mind of the professional CSR practitioner, there is little difference between the aims of CSR, sponsorship, marketing and branding - in reporting its CSR activity, for instance, a company makes no distinction between the contributions made from these different budget allocations. The tendency for some analysts to want to neatly parcel CSR as an activity distinct from these other practices is, he suggests, reductionist and illustrative of the division between the realities of the practitioner and academia (Palmer, 2006). This opinion is supported by current statistics compiled by the Corporate Responsibility Group, which indicate that 42% of its members believe that their companies manage CSR as a marketing issue (CRG, 2007).

These views point to the fact that the relationship between CSR and commercial sponsorship is not black and white, but constitutes, increasingly, a palette of many greys. The advice offered to cultural organisations on CSR by Arts and Business scribe, like McCrossan, a clear line between community investment and commercial sponsorship (A&B, 2005 a). However, while the guidelines touch on hybrid forms of sponsorship by exploring briefly the potential in commercial sponsorships for 'added value' benefits, such as employee training, on the whole, they skip around the trend towards fusion in favour of presenting a more cut and dried interpretation. This simplified explanation may have been shaped by an understandable concern not to confuse, and to offer clarity on a very murky subject; however, it is arguably only by appreciating the extent and variation of the grey areas that cultural organisations will be equipped to navigate themselves successfully.

DELIVERING CSR: TEAMS AND PLAYERS

Steering a path through the foggy terrain of CSR requires not only an appreciation of the position it occupies in terms of the historical development of corporate philanthropy and sponsorship, but also some understanding of where responsibility for its delivery sits in today's business structures. Many cultural organisations, particularly smaller bodies with few or no professional fundraising staff, find it difficult to gather information about company organisation and to know where best to target their approach - a problem, says Ellis (2006), which is exacerbated by the rise of CSR and the growth of hybrid sponsorships, which invariably involve multiple budget holders. The Guidelines published by Arts and Business (2005 a) make only oblique reference to the different type of business departments that have an involvement with CSR and plant no signposts to help direct the reader to an understanding of inter-departmental relationships, or to an appreciation of how initiatives delivered at local or regional level, fit within broader company-wide CSR strategy.

The Corporate Responsibility Group's most recent survey of its business members illustrates the extent of variation of CSR delivery structures, offering useful evidence for the degree of confusion experienced by fundraisers. The CSR practitioners questioned had a wide range of professional backgrounds, with just over half coming (in fairly equal proportion) from careers in public relations, marketing and communication, environmental concerns, human resources or the voluntary sector. This broad spread of professional expertise was reflected by a wide range of job titles: only two-fifths of the respondents had the words Corporate Social Responsibility, or Corporate Responsibility in their titles; other names commonly included the word 'community' (affairs/relations/investment) or 'social' (policy/responsibility/inclusion); while some designations were still more obscure. On average, the respondents had spent no longer than five and half years in a CSR profession, with only 12% able to claim ten or more years experience in the field – an indication of just how immature and subject to erratic growth spurts the discipline still is. An overwhelming majority (48%) claimed their primary area of expertise to be in 'community' issues and for most interviewees the larger part of the working week was devoted to 'community affairs'. The location of CSR professionals within the business structure was widely spread. Many respondents felt that CSR was still too much on the margins of their companies' operations and viewed as a 'nice add-on' or optional extra, rather part of mainstream business. Most (36%) were attached to their companies' communications or public relations units; 17% formed part of the Chief Executive's team; 10% were positioned in human relations and 7% in marketing. 25% were loosely categorized under the banner of 'other'. (CRG 2007). This statistical proof of the uneven scattering of CSR professionals throughout business structures exposes why arts and cultural fundraisers find it so time-consuming and difficult to target their approaches effectively.

In a study of the CSR agendas of several leading banks, Linder (2004) attempts to examine the structure of CSR delivery in the financial sector – traditionally one of the principal sources of corporate support for culture. In a survey group including Barclays Bank, BNP Paribas, Credit Suisse Group, Deutsche Bank and USB, she considers the tiered internal relationships between the companies' regional community involvement initiatives and the group-wide committees or co-ordinating bodies that oversee the CSR and sustainable activities of the banks' regional, national and international managements. Linder refers to a range of departments at regional level, which have a say in CSR strategy and community programmes, including marketing, public relations, sponsorship, corporate affairs and human resources, noting that the extent of each department's involvement can be indicative of the level of CSR integration within the whole company's structure and day-to-day operations. The relationship between CSR and commercial sponsorship is shown to vary 'from one bank to the next and from one extreme to another', ranging from the example of Barclays' £1.9 million *Invest and Inspire* campaign, where staff responsible for commercial sponsorship and community involvement worked hand-in-hand,[16] to a more detached attitude between the community affairs team and the sponsorship and marketing department at UBS, who are said to simply 'confer' with each other.

An International Perspective: India Foundation for the Arts

Close parallels in business sponsorship structures can be found in the corporate sector of India, an emergent economic power and a country with which the UK government, capitalising on a shared history, is vigorously pursuing partnerships, both in the private sector and in culture. The experience of the India Foundation for the Arts (IFA), an independent grant-making agency based in Bangalore, offers an uncommon insight into the corporate fundraising challenges faced by the cultural sector on the sub-continent. Unlike almost all other charitable foundations in India, and uniquely amongst organisations offering assistance to cultural projects, IFA manages the difficult tension of having to continually fundraise in order to feed its grant-giving programmes.

[16] A two-year programme involving partnerships with four of Britain's leading arts institutions: the Royal National Theatre, The British Museum, the National Gallery and Tate Britain. *Invest and Inspire* aimed 'to increase access to the arts for all and to demonstrate the benefits of imaginative business investment in the arts'.

Arundhati Ghosh, IFA's Marketing and Resource Mobilisation Manager, describes corporate sponsorship money in India as falling into two principal kitties: a 'Charity Budget' and a 'Marketing Budget' – a division which aligns largely with the distinction in UK business, identified above, between community investment and commercial sponsorship.

Marketing budgets tend to be distributed under four principal headings:

1. **Advertising or above-the-line marketing** (i.e. marketing that can be seen) - typically constituting up to 60-80% of a company's marketing spend
2. **Sales promotions**
3. **Public relations**
4. **Events** - usually accounting for the smallest percentage of spend

Charity budgets are dispensed, similarly, via four principal routes, according to the size and nature of the individual business.

1. **Managing Director:** At the first, least strategic level, the Managing Director, or his wife, decide where to direct charitable resources. How and where money is spent generally reflects their personal interests and connections. This type of giving is in line with the lowest of McCrossan's hierarchies – an autocratic, ad-hoc, quixotic approach to sponsorship now largely eschewed by large UK businesses. Ghosh estimates that approximately 10% of Indian businesses still distribute money to charity in this way – a circumstance that may be connected with the fact that over 90% of businesses in India are family run.

2. **Charities 'Cell':** At the next tier, a 'cell' or unit within the organisation, staffed by a dedicated team, is responsible for charitable spending.

3. **Marketing and Communications:** Approximately 70% of charitable budgets in India are administered, at level three, by a 'MarCom' manager, who co-ordinates the marketing and communication of the corporate brand. Charitable expenditure falls within their remit as it is intimately tied to the way in which a company shapes its public profile.

4. **Charitable Foundations:** At the top end of the scale, money is distributed through large charitable foundations, funded by the business. Less than 1% of Indian corporations have foundations and, of those that do, few have active culture-related agendas.

In India, CSR initiatives are focussed almost exclusively on social and community issues and are heavily associated with traditional notions of charity and philanthropy (as defined, above, by Sundar).

Indian companies’ commitment to CSR typically ranks lowest in those corporations whose charitable funds are distributed by means of the first category - according to the whims of the upper echelons of management - and highest by means of the latter category - the corporate foundation. Ghosh confirms that corporate support for culture is consistently easier to tap through marketing rather than charity budgets. Comparison with McCrossan’s six hierarchies of corporate philanthropy, discussed above, reveals that the development of business sponsorship in India, coupled with attitudes towards CSR, though still behind the west, is nonetheless cranking up the gears with the acceleration of globalisation (Ghosh, 2006).

THE POSITION OF CORPORATE FOUNDATIONS

In the west, and in the UK specifically, the inter-relationship between corporate foundations and CSR has been shown by recent studies to vary extensively. In a report commissioned by Arts and Business, Carrington (2004: 4), notes that ‘Though the term is used widely within both the corporate social responsibility and charity sectors, there is no standard definition of a corporate foundation.’

Research carried out by Business in the Community in 2003, defines corporate foundations simply as ‘foundations registered with the Charity Commissioners whose income comes from UK corporations’. BITC’s survey identified 101 corporate registered foundations in the UK, of which it deduced over 50% had been constituted since the beginning of the 1990s, implying a rapid growth concurrent with the rise of CSR as a business discipline, and the increasing commitment of many companies to sophisticated community involvement programmes (BITC 2003: 4). Referring to information from the Charity Commission, however, and to inconsistencies between statistics gathered by BITC and the Charities Aid Foundation, Carrington contends that there is no official or reliable source of data that can be used to determine the current scale, scope, or of rate of growth of UK corporate foundations.

Carrington uses two key factors to define a corporate foundation:

1. *Source of money*: where all of a foundation’s income derives from a company, either as an annual donation agreed by the company board or by some profit related formula.
2. *Trustee Appointment:* where the power to appoint all or most of a foundation’s trustees is vested in the company from which the foundation derives its income.

The circumstances surrounding these two defining factors are shown to vary substantially from company to company and, with this, the level of a foundation's integration with the business strategy of its corporate parent and its consequent freedom of self-governance. Although the power to appoint trustees does not carry with it authority to dictate what the trustees do,[17] Carrington reasons that it is inevitable that trustees who are appointed by a company – particularly if they are paid employees – are unlikely to wittingly take decisions that they know the corporation will disapprove of. This is especially the case where a foundation's funds are not pre-determined, but are subject to annual review by the company board. BITC (2003) uses five indicators or attributes to assess a foundation's level of independence, demonstrating from its sample study that very few can legitimately claim to be either wholly integrated or completely independent, but that most sit somewhere along the broad continuum between the two polar extremes (Fig. II: *BITC Foundation Model*).

FOUNDATION ATTRIBUTES	**INTEGRATED**	**INDEPENDENT**
Governance / trustees	All trustees are employees of the company	Trustees are all non-employees (or a mix)
Committed funding formula	No	Yes
Giving focus	Linked to business strategy or business locality	Not linked to business
Foundation staff	Seconded from the business	Not linked to the business
Link to employee volunteering	Yes	No
Senior management involvement	Yes	No

Fig. II: *BITC Foundation Model* (BITC 2003, Table 5)

[17] Charity Commission regulations stipulate that trustees must act independently of the company that appoints them and at all times put the best interests of the charity first. See *A Guide to Conflicts of Interest for Charity Trustees,* Charity Commission, 2004. Available from http://www.charity-commission.gov.uk/supportingcharities/conflicts.asp [Accessed 21-09-07]

Other common, but not universal or critically defining, connections found by Carrington between corporate foundations and their parent companies include:

- The provision of office accommodation, facilities and services (such as financial, legal, technical, HR, communications and administrative support). Some foundations were in effect operational units within the company (some located within communications/marketing departments) and serviced as such.
- The involvement of foundation staff (and/or trustees) in company corporate social responsibility strategic planning and/or operational management

Carrington's research reveals, generally, that the relationship between corporate foundations and the delivery of companies' CSR strategies and marketing objectives are spliced in a way that is very difficult to separate. The genesis of many corporate foundations has been stimulated, to a greater or lesser degree, by CSR agendas: some have been created to be the centrepiece of a CSR strategy, marking a company's long-term commitment to charitable giving, while others serve a more tangential role as grant distribution 'vehicles' for CSR policies driven by other departments. The latter arrangement can often cause considerable confusion for fundraisers, who might find themselves negotiating with, applying to and being assessed by a company's CSR or community affairs department, while later liasing with its corporate foundation over grant payments.

The nature of the bridge formed by CSR between a charitable foundation and the business departments of its parent company can sometimes be as ambiguous and variously understood on inside as from the outside. Carrington found that 'Foundation staff often struggle with the degree to which they are – or should be – independent of the company, and this can be a major source of internal confusion. Often there is a lingering unspoken sentiment that the foundation *ought* to be independent, causing the company to downplay the relationship and encouraging ambiguity' (Carrington, 2005: 14). The Lloyds TSB Foundations, set up in 1985, are among the most operationally independent of all charitable foundations in the UK (identified by BITC as sitting at the very far right of their integrated-independence continuum - BITC 2003: Table 6). But even here, the external messages are occasionally equivocal. Susan Rice, Chief Executive of Lloyds TSB Scotland, has written that 'the bulk of our corporate social responsibility investment goes to the Lloyds TSB Foundation, the largest private grant maker in Scotland outwith the Lottery Fund' (A&B Scotland 2004: 29). In conversation with the author, however, a senior staff member of the Lloyds TSB Foundation Scotland repudiated any connection between the company's commitment to CSR and the foundation's motives, passionately accentuating the foundation's complete and total independence (Henderson, 2007).[18]

The same employee nonetheless admitted, that despite Lloyds TSB Foundation's constant efforts to market itself as being separate from the corporation, grantees frequently still believed that the funds were distributed by the company – an experience echoed by foundation staff in Carrington's survey (2004:13). Nonetheless, despite this confusion over how funds are actually distributed, both Carrington and Henderson observe that applicants generally appeared to feel more reassured and comfortable dealing with a corporate foundation, than with the company 'proper' - Carrington notes that 'many corporate foundations seem to acquire a credibility and positive reputation as independent grant-makers because they and their grant programmes are not perceived by applicant or grantees as being 'tainted' by company commercial interests' (Carrington, 2004: 18).

For others, however, the fond notion that foundations are unsullied by commercial interests is fanciful. Two of Carrington's interviewees, from Canada and the States, highlighted the increasing permeation of marketing agendas in the work of North American corporate foundations, offering views which support the trends observed by other commentators earlier in this chapter. They identify a growing lack of 'disinterested generosity' in many transactions, with corporate 'philanthropy' shifting increasingly to corporate marketing and sponsorship departments. 'Corporate Foundations' they predict, 'are going the way of the dodo-bird' (Carrington 2004: 21).

These comments resonate with principal challenges to the corporate foundation model identified by BITC (2003: 12). If not yet quite facing extinction, UK foundations are coming to be seen by some as an 'old fashioned and outdated' system for the discharge of corporate philanthropy, in that they no longer offer the optimal framework for a company to construct a strategic relationship between its employees and the community. This concern arises from the identification of several risks in the corporate foundation model, including the temptation to turn the foundation into a covert marketing arm for the company; the tendency for the work of foundations to become quite disconnected from overall company strategy for responsible business practice; or for a company to believe that responsible business practice and commitment to CSR is deliverable in its entirety through the vehicle of a foundation and that if it gives money through this route, it 'need do no more'.

[18] For Lloyds TSB Foundation for Scotland, see http://www.ltsbfoundationforscotland.org.uk/

The risk of detachment was identified as a primary deterrent amongst a group of CSR and community affairs managers interviewed by Carrington, who firmly advised their companies against setting up a corporate foundation. Having investigated the possibility they had decided that ‘their aspirations to create a fully integrated and interdependent programme of corporate support for community, social and environmental activities would be undermined by setting up a separate organisation to manage part of the company’s philanthropic efforts, however closely linked it might be operationally to the company’s wider CSR programme’ (Carrington, 2004: 20).

4.

MAKING THE CASE FOR CHARITABLE SUPPORT

Understanding the crossover between CSR, marketing and sponsorship, and the many variations of their delivery, is, in itself, an almighty challenge for any fundraiser in the charitable sector. For fundraisers in culture, however, this ambiguity is layered with the additional confusion and disagreement in the corporate sector over precisely what cultural activities can properly be deemed ‘charitable’ and therefore eligible for funding from CSR or community budgets.

WHAT PASSES FOR CSR?

Carrington’s research into corporate foundations reveals a widely held view amongst private companies that charitable funds cannot be used to support ‘art for arts sake’ - ‘the financing of visual arts exhibitions, or the production of new drama, or the commissioning of new opera or dance, for example, were said by some to be only possible if done as sponsorship; ‘high art’ is not charitable’ (Carrington 2004: 15). Carrington confirms that, legally, all types of cultural or artistic endeavour are potentially eligible for charitable support and, indeed, find regular funding from other independent charitable trusts and foundations. He could find no cultural activity that received funding from a company’s marketing or sponsorship budget, which would have be prohibited by law from being funded via monies allocated to CSR or foundation work. The proscription, rather, is self-imposed and derives from a discomfort amongst corporate employees of what is regarded as ‘the elitist function of much artistic activity’ - a perception stoked, no doubt, by the fact that cultural organisations have long made a case for corporate funding on the grounds that they are able to attract key decision makers, VIPS and socio-economic groups A and B, in ways that other sponsorship cannot (A&B, 2005 b). This uneasiness manifests itself in a common corporate orthodoxy which determines that the application of charitable funds to culture is only tolerable if done within the context of programmes which focus primarily on education, social welfare, young people’s development, community regeneration or comparable activities.

McCrossan’s research into CSR investment in London Museums and Galleries similarly identifies education (most commonly defined in its narrowest sense as pertaining to schools or children of school age) as the favoured concentration for much corporate support. She lists other preferred investment areas as neighbourhood regeneration, the environment and health and welfare. Her study concludes that 'there is evidence … that the arts are now, to a large extent, only being supported where they are used to further educational purposes.' (McCrossan 2002: 52)

These findings are endorsed by Vernon Ellis, who lists the following barriers to culture's engagement with business through CSR, as experienced at Accenture:[19]

- *A persistent view of the arts as being elitist. This is not a problem for the marketing budget - witness corporate sponsorship at Glyndebourne and the Royal Opera House - but is seen to be as soon as CSR is brought into play.*
- *This is reinforced by employee attitudes. The majority of employees respond well to disaster relief, deprived children etc., less well to arts-based investment, unless it is very specifically linked to a clear instrumentalist aim. We find that whilst employees are pleased about extensive pro-bono assistance to the Royal Shakespeare Company and the National Theatre, they would get concerned if we were using charitable funds alongside that and deliberately milking publicity from it.*
- *Both the above trends do seem to be exacerbated if the corporate giving funds are from, or flow through, a corporate foundation (as is the case with Accenture).*
- *The response is often extreme instrumentalism. Fine to give money to educational projects involving deprived children, less fine to support the core* (Ellis 2006: 7).

In spite of most companies' clear preference for supporting culture-related projects with a strong instrumental purpose, the boundaries of CSR are still extraordinary fluid and what one company might uphold as valid CSR activity, another, equally, will not. For example, in her survey of the relationship between culture and CSR agendas in banks in the UK, Linder (2004) highlights the awkward status of corporate art collections, and their varied recognition within companies' CSR strategies. At one end of the scale, Linder records that some of her interviewees – principally corporate art consultants and art curators – were completely unaware of the concept of CSR and held the general view that "'art should be used for arts sake' and not for any other ulterior motives." Conversely, towards the other extreme, she notes that while most of the collections surveyed in her research were not originally founded out of any feeling of obligation to society or societal responsibility, 'in the current climate it seems that some of the banks, such Deutsche

[19] http://www.accenture.com/Global/About_Accenture/Company_Overview/Corporate_Citizenship/default.htm

Bank and Credit Suisse, have embraced their collections within their CSR agendas.' In the case of Deutsche Bank, which owns the largest corporate art collection in the world, the collection started out of a practical need to cover office wall space. According to Deutsche Bank interviewees, however, 'two key concepts soon developed – to help struggling up and coming artists to gain a foothold in the art marketplace and to create a colourful and stimulating working environment for their employees.' For these reasons, Deutsche Bank considers its art collection to be part of its CSR strategy and formally reports it as such (Linder 2004:22, 45 & 63).[20]

Deutsche Bank's justification for including its corporate art collection within the company's CSR policy, by tactically reframing the argument to focus on the collection's instrumental benefits rather than its investment or marketing potential, is indicative of a broadly perceived need within the corporate sector to ameliorate the rationale for supporting creative artistic practice, when operating under the banner of CSR. In the case of one corporate foundation studied by Carrington (2004:16) a staff member described how she has to 'hide the art' because of an aversion amongst key decision makers for supporting 'art for art's sake activities'. Projects 'have to be educational and not about creating new art forms (they see the arts as elitist)', she said, 'So I have to sell these projects as social cohesion, access projects.'

Culture as charity: Infosys Foundation, India[21]

While some companies – like Deutsche Bank - make support for the creation of new art forms or cultural activity palatable by emphasizing the 'struggling' nature of the stereotypical attic-residing artist, other do so by emphasizing the struggling nature of the cultural activity itself.

The Infosys Foundation, the charitable arm of the global IT and business consultancy firm Infosys Technologies Ltd, headquartered in Bangalore, uses both of these approaches to justify its support of the arts. Founded in 1996 as the centrepiece of the company's CSR policy, the Infosys Foundation is one of the extremely rare breed of Indian corporate foundations with an active cultural agenda. Arts and Culture is one of four focal areas supported by the foundation, including Health Care, Basic Infrastructure, and Education and Learning. Unsurprisingly, given the social context in which the foundation operates, the Arts and Culture programme receives the smallest allocation of company funds. The stress of the programme is very deliberately on the 'revival of dying art forms' in poor rural locations - particularly

[20] For Deutsche Bank's current CSR reports and priorities, see http://www.deutsche-bank.de/csr/en/social_responsibility.html .

[21] http://www.infosys.com/infosys_foundation/index.htm

ancient musical traditions, theatre and puppetry, or the restoration of crumbling heritage buildings, and the empowerment of (quite literally) poverty-stricken local artists. This concentration on the concepts of rescue and rejuvenation, and the salvation of cultural identity and heritage in a country undergoing change at an unprecedented rate, make investment in cultural projects via the company's CSR strategy acceptable in the eyes of Indian society (Gopalakrishnan, 2006).

Arts and Business's Guidelines duly acknowledge the principal barriers to culture's engagement through CSR agendas, noting that 'CSR professionals are wary that the public perceive support for the arts as elitist'. The Guidelines concur with the findings discussed above, commenting that 'what passes for CSR can vary enormously' and that accusations are bandied within the business sector of "'fluffiness', lack of rigour and CSR as corporate spin". In recognition of this live dispute, the Guidelines shepherd cultural fundraisers down the path of least resistance, warding off those organisations 'engaged purely with the creation and/or production of art' from attempting to access funding through CSR schemes, while waving on cultural bodies 'engaged with social issues' with the assurance that 'businesses are looking more favourably on arts activities that engage the community or address social problems'. For those that fit this bill, they add, 'CSR offers a real opportunity' (A&B, 2005: 7 & 14-15).

Though well meaning, such advice is founded on an unhelpfully narrow – if commonplace – interpretation of the word 'social'. The Guidelines' artificial segregation and ranking of cultural activity into pursuits with high and low social value, fails to appreciate the essential interdependence of creative production and the instrumental benefits that accrue from it. As Adrian Ellis has written, 'The impacts of arts organisations on the economy, on social diversity, and indeed on educational attainment are largely ephiphenomenal – incapable of full realisation unless their *cultural* purposes are effectively fulfilled' (Ellis, 2003: 4) – a view supported by John Knell, who agrees that 'The success of cultural products on intrinsic terms is the precondition of delivering success on instrumental terms' (Knell, 2005: 4). The division of what the Guidelines term 'pure art' from activities with a social emphasis also runs counter to progressive thinking amongst educators in the cultural sector, who are at pains to remove the funding distinctions between education and artistic production, and the perception of arts education as a form of 'philanthropic activity' rather than as an essential contributor to creativity and sustainability. Robinson and Greenstreet (2006: 17,20) argue for the need to encourage funders to invest holistically in an entire creative project or programme, in order to enable organisations to deliver on their core objectives. Education's 'potential to resonate with charitable and social objectives,' they comment, 'has led to it being perceived as self-sustaining from short term project funding sources, rather than being integral to the art and therefore funded from core resources.'

A more catholic appreciation of the term 'social' and its use in relation to 'social causes' is urgently needed in order to confront this divisive treatment of and prejudice towards cultural activity, and to construct a more compelling argument as to why artistic creation deserves to be considered for funding from CSR sources.

THE SEMANTICS OF SOCIAL

> *Arts as a cause does not register within Corporate Social Responsibility circles as strongly as other causes … The arts compete with initiatives that appear to be far more pressing in terms of social need, and advocates for the arts do not seem to have penetrated CSR circles in the way that other sectors such as sport have* (A&B, 2005:14).

In a paper which seeks solutions for a healthier mixed-funding ecology for culture, John Knell advocates that there are 'certain words that need to be decommissioned, or used much more precisely, if we are to construct a more grown up debate about the funding of the non-profit arts and cultural sector' (Knell, 2007:13). His principal bugbears are the use of the words 'investment' and 'subsidy' - the latter, he notes, has 'become heavily loaded with negative connotations in this sector.'

'Social' - the word that sits, quite literally, at the heart of the CSR debate – arguably deserves to be added to this list of offending terms. For despite boasting an extensive and varied catalogue of meanings in the Oxford English Dictionary, including a fair representation of optimistic definitions,[22] the term is all too readily hijacked and shackled by its more downbeat associations. This tendency is particularly prevalent in the language of government, where the word 'social' has become heavily mired in notions of welfarism and the remedial treatment of society's ailments, through its attachment to political agendas such as social exclusion, social justice, social care, social work and social security.[23]

[22] Such as 'Marked or characterized by mutual intercourse, friendliness, or geniality; enjoyed, taken, spent, etc., in company with others, esp. with those of a similar class or kindred interests' (OED 2006).

[23] Negative connotations of the word social characterise the language used in, for example, Tony Blair's letter of appointment in May 2006 to the then new Minister for the Cabinet Office and Social Exclusion,

In an influential contribution to the ongoing debate about the value of culture, John Holden notes that ‘Politics has increasingly seen culture as a deficit model – to cure social ills – rather than, as the professionals see it, a positive pro-social model’ (Holden, 2006: 33). The strengths of this pro-social’ model lie not in a reactive corrective approach to societal problems, but in proactive prevention, in which the sector’s ability to generate social capital plays a major part.[24]

Values and Vision, a paper written by a coalition of the UK’s leading cultural organisations, to encourage commitment to continued government investment in the sector, tenders a case for culture’s pro-social benefits:

> *Cultural institutions provide the glue that binds communities together. Culture attracts people to a place just as much as good schools, housing or transport and creates an environment in which other industries, goods and services can grow. Museums, galleries, libraries and archives are treasure troves of knowledge and inspiration, providing interpretation and understanding of the world around us. Arts, drama and music help us to explore our emotions and to understand what makes us human. Communities cannot thrive without these cultural experiences that help us to gain a deeper understanding of ourselves and our shared heritage. Society cannot restore respect or a sense of worth to communities with police and anti-social behaviour orders alone. Without cultural services and cultural experiences communities die* (ACE et al. 2006: 3).

Though couched in modern terms, this pro-social argument is not new. Founding father of corporate philanthropy, Andrew Carnegie, recognised the critical contribution to social well being of institutions and public spaces that foster pleasure, beauty and cultural refinement:

Hilary Armstrong (Blair, 2006). See also the dominant tone in definitions and discussion of social exclusion/inclusion and justice by the Department for Communities and Local Government (DCLG, 2007), Scottish Executive (2007), and Scottish Council of Voluntary Organisations (SCVO 2003).

[24] The Office of National Statistics defines social capital as a term which: ‘… describes the pattern and intensity of networks among people and the shared values which arise from those networks. Greater interaction between people generates a greater sense of community spirit. Definitions of social capital vary, but the main aspects include citizenship, 'neighbourliness', social networks and civic participation. The definition used by ONS, taken from the Office for Economic Co-operation and Development (OECD), is ‘networks together with shared norms, values and understandings that facilitate co-operation within or among groups’ (ONS, 2003).

> *… The best means of benefiting the community is to place within its reach the ladders upon which the aspiring can rise - parks, and means of recreation, by which men are helped in body and minds; works of art, certain to give pleasure and improve the public taste, and public institutions of various kinds, which will improve the general condition of the people; - in this manner* [the rich can return] *their surplus wealth to the mass of their fellows in the forms best calculated to do them lasting good* (Carnegie, 1889).

Carnegie famously claimed a concern not so much with the 'submerged tenth' of society but with the 'swimming tenth'. He held that, although the rich man should donate to the most under-privileged out of compassion, duty of care for the 'submerged' sectors of society lay principally with the state. In his opinion, the prevention of social dysfunction, through the enlightenment of the human mind and encouragement of talent, warranted greater attention than relief work.[25]

When faced with the choice of how to mobilise resources in the name of CSR, however, research suggests that most private business today regards activities which offer a preclusive, preventative approach to social issues – as embraced by much cultural pursuit - as less worthy, or 'less pressing in terms of social need' than those that endeavour to provide a reactive cure.

This prejudice may stem, in part, from the fact that CSR grew out of a corporate imperative to legitimise business practice, by mitigating risks to reputation, brand identity and profit that rose out the negative impacts of companies' operations on the environments and communities in which they worked. As such, many CSR initiatives have tended, traditionally, to be protectionist in nature. With the exception, perhaps, of those heritage organisations, such as The National Trust, which are concerned with the conservation of extensive natural and built cultural assets, the *direct* impact of corporate operations on the mission and activities of most cultural bodies is, relatively speaking, negligible. The likelihood of cultural organisations mounting an activist campaign against a corporate body and, in so doing, presenting a threat to its reputation, is small. In terms of businesses' CSR priorities, cultural bodies and activities therefore pack little punch, in comparison to the issues represented by heavyweight, lobbying-proficient non-profit organisations such as Oxfam, Greenpeace, Amnesty or Save the Children.

[25] See Carnegie's follow-up article to 'Wealth', entitled 'The Best Fields for Philanthropy', published in the North American Review, December 1889.

Recent research published by Stanford Business School, however, calls for a shift in thinking that may eventually herald changes. The paper challenges businesses to ditch the sticking plaster approach to CSR and to embrace more pro-active initiatives:

> *Business must abandon its defensive and cosmetic approach to social issues. After all, it is hard to win a game when the team is playing only defense. Companies must also be willing to exploit their full capabilities to find and implement solutions to social problems, even if the company had nothing to do with creating the problem … Offensive CSR can distinguish a company's reputation, but cannot protect it; defensive CSR can protect a reputation, but cannot distinguish it. Both are necessary to succeed in today's business climate* (Kramer and Kania, 2006: 24 & 27).

Increasing interest within the UK political arena in the science of happiness and positive psychology, may lead to more recognition of the value of pro-social initiatives. Research into the science of happiness by the economist and government advisor Richard Layard has identified that 'GDP is a hopeless measure of welfare. For since the War, that measure has shot up by leaps and bounds, while the happiness of the population has stagnated. To understand how the economy actually affects our well-being, we have to use psychology as well as economics' (Layard, 2003: 3). In an interview for the BBC's six-part series 'The Happiness Formula', David Halpern, a Senior Policy Advisor in the Prime Minister's Strategy Unit (PMSU) during Tony Blair's administration, and author of PMSU discussion papers on social capital and life satisfaction,[26] predicted that it is inevitable that in future governments will be judged on their success in making people happy (Easton, 2006) - a challenge also recognised by Conservative Party Leader David Cameron, who has acknowledged the need to change the way we think and talk about politics:

> *It's time we focused not just on GDP, but on GWB – general well-being. Well-being can't be measured by money or traded in markets. It can't be required by law or delivered by government. It's about the beauty of our surroundings, the quality of our culture, and above all the strength of our relationships. Improving our society's well-being is, I believe, the central political challenge of our times* (Cameron, 2006).

[26] Author also of *Social Capital,* Cambridge, 2005

The economic argument for investing in well-being is gathering momentum. 'A raft of recent research projects shows that happy people are healthier, harder-working, more involved with their friends and families and tend to be more successful in life,' claims The Centre for Confidence and Well-Being; 'In short, their lives are more fulfilled and they are less likely to divorce, become long-term sick, long-term unemployed, or to commit crime' (Centre for Confidence and Well-Being, 2006 a).[27] These views are wholly supported by the 'think-and-do-tank', the New Economics Foundation, whose extensive research into well being and happiness challenges definitions of progress as measured by conventional economic indicators (NEF, 2006). Executive Director, Stewart Wallis, argues that 'well-being is the true goal of a good economic system': people with high levels of well-being are 'more pro-social, more creative and live on average seven years longer'. Involvement in cultural activity, including the arts, music and sport is, he says, crucial to the development of relationships, to personal satisfaction and growth, and to the sense of being valued - key requirements for the achievement of a truly flourishing society (Wallis, 2006).

Writing in 2000, Martin Seligman and Mihaly Csikszentmihalyi, co-founders of the international positive psychology movement, identified that after World War II, the discipline of psychology had become narrowly focussed on what was wrong with people and paid scant attention to what was right. Psychologists had become overly preoccupied on treating patients within a 'disease framework', which involved pinpointing and fixing weaknesses rather than identifying and building on strengths. Recent research in positive psychology has produced empirical evidence, which proves that by taking a strengths-based approach to development, which seeks to amplify the good rather than doggedly attempting to rectify the bad, individuals and organisations – and by extension society - achieve higher levels of happiness and satisfaction and deliver significantly enhanced performance (Centre for Confidence and Well-Being, 2006 b).

Despite these strong arguments for the validity of pro-social, preventative action in tackling social problems, the public - including that large portion of the public that make up the corporate world - still evaluates the social worth of any given project within a 'disease framework'. Motivation to give is heavily swayed by the appeal to emotions and conscience: projects that are about enjoyment or self-development are not able to compete in the hierarchy of social semantics with those that are concerned with tackling base human needs.

[27] The Centre for Confidence and Well-Being's online learning resource is sponsored by the Scottish Executive.

In 2006, the consultancy A C Neilson conducted research on behalf on India Foundation for the Arts, which examined public motivation in India for giving to the arts and culture, including, specifically, an investigation into attitudes towards the arts and culture as a social cause. A series of focus group interviews were held across the four main urban conurbations of Bangalore, Delhi, Mumbai and Kolkata. The research revealed that, across all segments, concern for social causes 'was not correlated with support for the arts' and that in looking to garner support for the sector the 'obligation to society argument' was 'not credible'. The concept of a 'social cause' was seen to be distant from, and often in conflict with, an understanding of the arts and culture. The instinctive and predominant association of a 'social cause' was one that helped the underprivileged. Cultural activity was equated with personal fulfilment and individualism, while social causes were seen to be about broader, external concerns that married moral obligation with a desire to give back to society, and the accumulation of 'punya'[28] or karmic brownie points. In its concluding recommendations, Neilson advised that the arts and culture should not attempt to 'share an overt competitive space with 'social causes'', as this was 'more likely to work against the arts than for them' – advice that was supported by interviewee comments, of which the following are illustrative:

> *'Art adds flavour to life … but if human beings are dying for lack of basic food and shelter, then that will win compared to art'*
>
> *'If someone is hungry and comes to you, will you think of giving her flowers for the hair?'*
>
> (Neilson, 2006)

The findings of this research have to be evaluated in the context in which they were carried out – an overriding public concern for base human needs is not surprising in a country where around 200 million people currently live below the poverty line and up to 40% of the adult population is illiterate. Nonetheless, in the UK the distinction between 'social causes' and culture is apparently founded on extremely similar rationale and driven by comparable sentiments. In 2005-6, Cass Business School carried out research that examined the UK corporate response to the Asian Tsunami in 2004, in an attempt to glean fundraising lessons for the cultural sector. The research reiterates the 'weak appeal of the arts as a cause' in the face of threat to human life, and the relative powerlessness of the cultural sector to tug on heartstrings or to appeal to moral conscience. The research suggests that this is likely to present an increasing challenge to cultural

[28] In the Hindu theory of Karma, Punya is merit that accumulates as a result of good deeds, acts or thoughts and that carries over to later in life or to a person's next birth.

organisations in pursuit of corporate funding, as decisions about companies' CSR spend become more and more employee-led. 'The pressing influence of employees other than at senior managerial level on firms' giving [is] especially important,' note Harrow, Palmer and Bogdanova, (2006: 32). Arts organisations may need to turn their attention to the 'internal influencers in firms other than those at boardroom levels', they advise and to 'follow the techniques of other charities which are able to target or cultivate employees ahead of firms' decisions or CSR planning.'

The principles of motivational theory by the American psychologist Abraham Maslow provide a useful basis for examining this division between 'social causes' and culture, and the public's relative propensity to donate charitable money. Maslow's motivational theory is based on a model, developed from 1943-54, of a hierarchy of human needs. He classifies human needs into five principal categories, which are divided into two broad groupings of basic needs, and higher level needs, ranging from fundamental physiological requirements for survival, such as food and drink, through to the human desire for self-actualisation, encompassing the psychological need to fulfil personal potential and ambition.[29] Maslow proposed that each need, from the most basic through to self-actualisation, had to be satisfied in sequence, claiming that only when lower order needs were met, could a person concern themselves with the higher order desires of influence and personal development. Conversely, if the things that satisfy lower order needs were compromised, a person's concern for the maintenance of higher order needs was diminished or eliminated.

Although more recent thinking challenges the inflexibility of Maslow's strict hierarchical progression, the model nonetheless offers a framework for understanding, and developing a response to, the motivation behind public giving to different categories of socially-orientated projects. In the public's eye, the natural association of culture with higher level needs, automatically renders it less urgent than humanitarian causes.

Maslow's well-known theory aside, for Vellani (n.d.), an experienced and forward-looking thinker on the subject of culture and development in the Indian sub-continent, the problems of

[29] Maslow's five hierarchies of human needs: 1. **Biological and Physiological needs** - air, food, drink, shelter, warmth, sex, sleep, etc; 2. **Safety needs** - protection from elements, security, order, law, limits, stability, etc; 3. **Belongingness and Love needs** - work group, family, affection, relationships, etc.; 4. **Esteem needs** - self-esteem, achievement, mastery, independence, status, dominance, prestige, managerial responsibility, etc.; 5. **Self-Actualization needs** - realising personal potential, self-fulfillment, seeking personal growth and peak experience.

addressing base level needs in underprivileged communities can never, and will never, be resolved without simultaneous efforts to sustain and strengthen cultural expression within those communities. The notion, he argues, that the solutions to world poverty lie in a top-down approach, whereby the problems are hammered out in boardrooms or by development agency staff, today has little currency. The emphasis of development programmes is now on empowering groups that suffer from social or economic privation to play a proactive role in determining what change is in their best interest and how best to achieve it. 'Culture', says Vellani 'determines the boundaries of what we might regard as a life worth pursuing … it limits our ascription and production of meaning in the world':

> *It is in and through the arts … that a community views its past, speaks about what matters to it in the present, and envisions its future. If the cultural superstructure of a people is under peril, they can no longer feel certain about their identity and place in the world. They are then profoundly disempowered, rendered incapable of taking control of their lives* (Vellani, n.d.: 6).

True empowerment therefore requires an awareness of the link between material change and cultural change, and an ability to make decisions based on an understanding of the impact that alterations in one will have on the future of the other. The arts are in this sense essential for helping to stimulate development from within cultural contexts, thereby making cultural expression a critical ally of development, rather than a mere handmaiden to it, or worse, immaterial frippery. Tessa Jowell, former Secretary for Culture Media and Sport, has argued for the value of culture on a similar premise, if with an entirely different national context in mind. It is 'the poverty of aspiration which compromises all our attempts to lift people out of physical poverty,' she comments, 'Engagement with culture can help alleviate this poverty of aspiration … Culture alone can give people the means better to understand and engage with life, and as such is a key part in reducing inequality of opportunity' (Jowell, 2004:1 & 17). We will touch again on the relevance to culture of this concept of development-as-empowerment in Chapter 5.

In order to tap fully the potential of CSR as a route to sustainability, the cultural sector must gather its collective strength to make the pro-social case for culture and broaden the public's conception of a social cause. A more concerted effort is required to articulate and reinforce the importance of culture, not as the aspirational cherry-on-the-cake of social well-being, but as an essential enabling ingredient for the growth of a successful society.

5.

REVIEWING THE GAMEPLAN

MEASURING UP

Even if the argument for the validity of cultural activity as a social cause (in and of itself and without 'attachment' to other social policy agendas) can be made to sound convincing, providing concrete evidence to substantiate the rhetoric still presents a major barrier to attracting CSR investment. CSR activity demands considerable business resources – both money and scarce senior management time. As such, companies are under increasing pressure from their shareholders to 'prove the value' of their CSR spend, and to openly report successes and failures through credible evaluation and measurement processes.

Arts and Business's CSR Guidelines (2004: 14) observe that the cultural sector faces stiff competition from other 'good causes' for funding from community budgets: 'Companies consider arts organisations to be less good at evaluating impact, and without the evidence for how arts activities directly benefit communities, it is hard for companies to justify significant funding.' Over the past ten years, against the backdrop of the Labour government's push on evidence-based policy making, considerable resources have been ploughed into elaborating methodologies that attempt to capture and assess the claimed 'transformative' powers of culture; however, the quality of the information is still poor and the Holy Grail of establishing convincing causal links between positive change and a particular cultural activity remains elusive (Belfiore, 2006 and Selwood, 2006). As Selwood (2002) has commented: 'Until the collection and analysis of data is carried out more accurately and objectively, and until the evidence is used more constructively, it could be argued that much data gathering in the cultural sector has [to date] been a spurious exercise.'

The challenge to cultural organisations to find more a plausible evidence base for its social impacts is compounded by the fact that measuring the impact of CSR activity on business is bedevilled by many, very similar problems. Sir Andrew Likierman, Professor of Management Practice at the London Business School, comments that 'charting the results of corporate social responsibility initiatives really is tough:'

> *Because measurement is seen to be so difficult, having no measures at all is sometimes taken as the way to get round the problems … If there are measures,*

these tend to focus on activity – numbers of programmes started, numbers of people seconded and amounts of money spent … success cannot be about activity. It must be about what is achieved by the people and the money in relation to the objectives of the programme … Corporate social responsibility is not a factory product and its measurement is not an exact science. Calls for a precise number for 'the bottom line' or talk of the 'ROI [return on invested capital] *of CSR' are doomed, since many challenges are inherent to corporate social responsibility programmes, such as identifying the lags between action and result and taking account of quality'* (Likierman, 2006: 46).

The parallels between the challenge of measuring intangible benefits in the cultural sector are striking.[30]

ORGANISATIONS IN GLASS HOUSES …

For all major business in the post-Enron era, the drive to improve reporting and measurement has been, and continues to be fuelled by a concern to demonstrate accountability. 'Until relatively recently', writes Kate Nicholas (2007), NGOs benefited from something of halo effect … [and] were presumed to have a level of moral legitimacy that most corporates could never aspire to' – a presumption identified by Kramer and Kania (2006: 23) as emanating from the stereotypical opposing role of non-profits as the 'noble but ill-equipped David compared to the powerful but evil Goliath of business'.

In recent years, however, the accountability of NGOs has been subject to increasing scrutiny, resulting in calls for non-profit organisations to practice more effectively what they preach. The first Global Accountability Report, published by the One World Trust and launched in December 2006, compared 30 of the world's most powerful transnational corporations and inter-governmental and international non-profit organisations (Blagescu and Lloyd, 2006). For the first time, both companies and NGOs were judged by the same accountability criteria: transparency, effective evaluation, involvement of stakeholders in decision-making, and complaint and response procedures. Far from being squeaky clean, the NGOs were shown

[30] In his exploration of cultural value, Holden (2004: 39-41) recognises similarities in the challenges faced by economists, financial analysts and investors in assessing and accounting for intangible assets, such as brands and knowledge.

to lag behind the corporate bodies in both their transparency of operation and complaint and response mechanisms.

Having pressurised private sector buy-in to CSR, NGOs are now facing increasing obligation to 'learn a few lessons from their corporate brethren' (Nicholas, 2007). Cultural organisations should by no means regard themselves exempt in this respect. Indeed, as Hewison (2006: 48) posits, in the context of a discussion on creating institutional value in the cultural sector, 'Corporate Responsibility is a watchword in commercial organisations, but how much more important is this when the organisation depends on public subsidy for its existence.' For institutions in the UK charged with the guardianship in perpetuity of material cultural treasures, the onus of accountability is intensified, says Neil MacGregor, Director of the British Museum, by the fact that 'Museums present things that belong to other people'; 'Our visitors are not customers, they are the owners … and most of our owners are not yet born' (MacGregor, 2007).

For some campaigning artists and activist initiatives within the cultural sector, the notion that cultural organisations could, or should, look towards corporations for lessons on responsible business behaviour, is likely to be repellent. Platform and Art Not Oil, [31] for example, are vociferous in their criticism of the sector's sponsorship deals with multi-national oil and gas companies and the banks that finance their operations, including BP, Shell and the Royal Bank of Scotland – among the biggest corporate sponsors of culture in the UK.[32] The sector's acceptance of money from such sources is argued by these groups to make it complicit in, and therefore an indirect perpetrator of, the environmental and social injustices attributed to these corporations (Gretton and Marriot, 2006).

Ethical considerations and compatibility of mission and values must, without question, always underpin decision making when entering into corporate partnerships. Nonetheless, one has to challenge the efficacy, in the fight for positive social change, of demonising corporations and thereby backing them into a defensive role. In taking such a stance, cultural organisations need to be very sure that, in holding up the mirror of corporate social responsibility to themselves, they are rigorously sincere in analysing what they see. Indeed, if the sector is genuine in its desire to tap into CSR agendas as a source of long-term support, it needs to start by questioning critically its own practices within a comparable framework.

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[31] http://www.platformlondon.org/ and http://www.artnotoil.org.uk/

[32] Activist projects include Remember Saro Wiwa (www.remembersarowiwa.com); Unravelling the Carbon Web (www.carbonweb.com); Pumping up the Planet: The Bank that thinks its an oil company (www.oyalbankofscotland.com).

Business in the Community's (BITC) 'Corporate Responsibility Index' provides an excellent template with which to begin this process of self-examination.[33] Developed in 2002 to 'challenge and support its members in managing, integrating and communicating their positive impact on society', the BITC Index offers a structured measurement and reporting matrix, which helps participating companies to identify strengths and weaknesses in their performance, to gauge themselves against their peers and to plan for future improvements. Since its inception, more than 200 of the largest UK companies have used the Index, making it the country's leading benchmark for responsible business practice (BITC, 2007).

The Corporate Responsibility Index covers four primary impact areas: Community, Environment, Marketplace (incorporating supply chain issues) and Workplace. The omission of the word 'social' from the phrase 'Corporate Responsibility' is key, and indicative of growing preference amongst UK business for a term that promotes a holistic, strategic approach to sustainable business practice and moves away from the traditional tendency to pigeonhole CSR solely with community initiatives.[34] From here forward, this discussion will therefore adopt the more forward-looking phrase of Corporate Responsibility (CR).

Community

A cursory consideration of activity in many cultural organisations over the past ten years would suggest that much of what might be defined as deliberately 'responsible' practice has had a similar community or 'social' focus. Labour government pressure to broaden the appeal of and improve access to culture, and the new funding streams that have been made available for such initiatives, has resulted in a tidal wave of major capital projects and programming and policy development around social inclusion, diversity and equality, education and learning, and urban regeneration. At the time of writing, thirteen UK government departments were listed as driving national initiatives that aim to contribute

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[33] Business in the Community (BITC) is a 'unique independent business led charity whose purpose is to inspire, engage, and support and challenge companies, to continually improve the impact they have on society'. It has a current membership of over 750 companies, including 71 of the FTSE 100, and 82 per cent of the FTSE's UK leading companies in their sector.

[34] The attachment to community is nonetheless reflected, still, in the relative skill base of Corporate Responsibility personnel: 48% of respondents in the Corporate Responsibility Group's 2007 Members' Survey claimed their primary area of expertise to be in Community initiatives, compared to 11% in Environment and a combined total of only 8% in Marketplace/Customers and Supply Chain (CRG, 2007).

through an involvement with CR to the promotion of Labour's 'three pillars' (economic, social and environmental) of sustainable development (CSR 2004 c). DCMS currently sponsors two national projects, both of which fall into the 'social/community' category: Creative Partnerships - a flagship programme in the cultural education field, which provides school children and their teachers with opportunities to explore their creativity (CSR, 2004 d); and the Cultural Diversity Network, which 'aims to modernise the representation of ethnic minority groups in mainstream television – making sure that racial diversity, on and behind the screen, reflects Britain's multicultural society' (CSR, 2004 e).

Cultural organisations still have a very long way to go in developing good practice in this quarter of the CR 'pie' - not least in the degree to which they involve and respond to public opinion and external stakeholder interests in decision-making about cultural provision (Holden, 2006). Nonetheless, the acknowledgement that continued improvement is needed and a desire (if not always the wherewithal) to investigate and take action is there. But can the same really be said of the three other impact areas in BITC's CR Index?

Environment

Validated by the Stern Review on the economics of climate change,[35] environmental issues have rocketed up the agenda of most major business in the past year. While the cultural sector cannot be accused of being entirely complacent in its response to the issue, nor can it claim undue praise for proactive commitment and imagination in contributing to a global solution. Sector initiatives to date have been orientated principally towards encouraging individual artistic response to climate change – such as the Cape Farewell project (Cape Farewell, 2007), the Tipping Point events of Oxford University's Environmental Change Institute (Tipping Point, 2006) and the Arts and Ecology programme of the Royal Society of Arts (RSA, 2007) – or investigating the risks of changing weather patterns on vulnerable built and natural cultural assets.[36] The crucial role of artists and curators in communicating the issues surrounding global warming should not be underestimated (and we will return to this idea shortly); however, this cannot be seen to override the need to address not just how climate change is affecting the sector, but how the sector's operational practices and

[35] See http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/sternreview_index.cfm [Accessed 21-09-07]

[36] For example, see UNESCO initiatives on climate change and world heritage. Available from http://whc.unesco.org/en/activities/393 [Accessed 27-07-07]

behaviours are effecting climate change. Mark Fisher touched on the nub of the matter in a recent commentary on the environmental impact of theatre, noting that, for a start, most of our cultural buildings were constructed in a pre-green age and are hugely energy inefficient:

> *Keeping the fuel bills down is not the only environmental challenge faced by the theatre industry. Think of all those sets scrapped at the end of a run. Think of the hotel nights and minibus miles generated by companies on tour. Consider the audiences travelling into town. What of the paper for the flyers, posters, programmes and scripts? Then there are the stars … who jet in from the US to see their names in high-wattage West End lights. Should we wonder at the scarcity of green-themed plays, when the theatre business itself has such a voracious appetite for resources?* (Fisher, 2007)

The performing arts are not the only culprits. The country's larger museums and galleries transport artworks and people all round the globe and, together with major libraries and archives, maintain huge air-conditioned display spaces and stores, which may be 'environmentally friendly' for the artefacts, but which are not correspondingly friendly for the environment. Sarah Staniforth, Historic Properties Director at The National Trust agrees that:

> *The area that museums have arguably made the least progress in is environmental practices, by which I mean minimising their impact on the global environment and reducing the use of non-renewable resources. It is no longer good enough to say that our collections are so culturally important that we do not have to worry about the cost to the planet of looking after them. Nor can we claim that museums and heritage sites are such a small sector that any improvements will be insignificant in the greater scheme of things. In the words of the environmental movement mantra, even museums need to think globally and act locally* (Staniforth, 2006).

In 'thinking globally and acting locally' how, then, does the sector balance the pros and cons of international cultural festivals in terms of economic, social and environmental sustainability, at a time when the world community is being urged to drastically cut air travel? The debate is controversial and the answers are far from clear-cut. So far, the sector as a totality has failed to grasp the nettle. Direction and stimulus from the governments' sponsoring departments and agencies has been slow to materialise. 'Relatively few [museums] in the UK can claim to be taking the environmental objectives seriously', writes David Martin, 'not least because there are no significant sources of funding for environmental initiatives in the museum sector. None of the organisations representing the museum or heritage sector as a whole is providing a lead to encourage them to do so' (Martin, 2006).[37] Those organisations that have recognised independently their responsibility to the issue – regardless of the scale of their carbon footprint - admit to grappling with the ideological and practical challenges of climate change in painful isolation from their sector peers; environmental practices and policies - where they exist – consequently lack teeth and co-ordinated, strategic vision (Cross-Cultural Forum, 2007).

Marketplace

A lack of joined-up thinking and working can also been seen to impede responsible practice in the cultural Marketplace. For most major companies, CR within the Marketplace is concerned principally with ethical procurement and supply chain management; that is, ensuring that responsible business practice prevails throughout the huge and complex sequence of activities involved in producing and delivering goods or services - from the processing of raw material to the distribution of the finished product, via suppliers, manufacturers, wholesalers and retailers, to the consumer. The DCMS Evidence Toolkit (DET) recognizes the existence of a similar production chain in the manufacture of cultural goods and services:

> *A production chain is basically the steps or cycle that any product or service goes through to transfer it from an idea through production, distribution and exchange to final consumption. At each step or link, a transformation takes place. Like a chain, each link is dependent upon, and often interactive with the other links in the chain. Thus the production of goods and services always happens in a context – an idea is nothing without a site for exchange or an end consumer or use* (DCMS, 2007 a).

DET identifies six key processes in the cycle of cultural production: creation; making; dissemination, exhibition/reception; archiving/preservation and education/understanding. A breakdown of this cycle reveals, too, a complicated and nebulous web of procurement and

[37] The Department for Culture, Media and Sport has set up a sustainable development forum for national museums and other organisations for which it is directly responsible, and is encouraging them to adopt their own targets for improved energy efficiency; however, it has yet to inaugurate initiatives that embrace the arts and cultural sector as an entity. Arts Council England's *Sustainable Development Policy* lays out principles for its own operations (ACE, 2004); but advice to the organisations and individuals it funds has, to date, not been forthcoming.

supply chain issues, which do not always stand up to close inspection under the lens of corporate responsibility.

For example, cash-strapped cultural organisations are forced often to make procurement choices based on cost and value for money, rather than a record of ethical performance, and to give their custom to larger, national suppliers rather than local enterprises. Opportunities for achieving economies of scale, through bulk buying or negotiating long-term contracts, are not within the reach of many smaller organisations with unpredictable incomes. The sharing of common goods, services and functions across organisations within the sector, particularly between different artforms, is almost entirely uncharted.

The responsibility of national cultural institutions to smaller, less well-funded bodies within the cultural marketplace (such as regional and independent organisations and individual artists), which form essential links in the chain of creation and delivery of cultural goods to the general public, remains a sensitive moot point. Indeed, in spite of pervasive rhetoric and posturing about the benefits of and commitment to partnership working within the sector, invariably attitudes across the board are instinctively competitive rather than collaborative, resulting in practices that are more about ‘all for one’ than ‘one for all’.

This attitude finds a clear illustration in the museum, gallery and heritage sector, where, despite the mounting financial impossibility of acquiring artworks with international stature, organisations are inclined still to want to pursue such bank-breaking purchases alone, rather than spreading costs, but thereby also ownership and glory, amongst many. Speaking at the National Gallery of Scotland’s first Partnership Day in 2004, Robin Roger, Heritage Manager for Perth and Kinross Council, voiced an opinion that continues to resonate within regional contexts: ‘I am not sure,’ he said, ‘whether our relationship with the National Galleries over the years really constitute partnerships or whether they are soft relationships or collaborations.’ He charged the National Galleries with ‘cherry picking, if not hoarding’ the best objects for themselves, rather than considering whether a particular cultural good might be more effectively delivered to the public elsewhere in the cultural marketplace; ‘National v. local – there remains a perception at some levels that all that matters is the national – particularly in terms of resources … Partnerships need to exist in terms of parity of input of partners’ (NGS, 2004: 17).

The acquisition of cultural treasures, generally, demands a vigilant assessment of the supply-chain sequence. In an age where cultural looting in politically unstable countries is rife, and with increasing focus on the volatile subject of cultural restitution, museum professionals are under increasing pressure to prove the provenance of objects, and to demonstrate absolute transparency and ethicality in the process of their acquisition. The ongoing trial of Marion True, former curator of antiquities at the J. Paul Getty Museum in California, who in 2005 was indicted by the Italian government for conspiracy to deal in illegally excavated antiquities, is proof enough that irresponsible supply-chain management is not confined to business.

Nor is it confined to material goods. Anmol Vellani, Executive Director of India Foundation for the Arts, advocates the need, in our increasingly globalised world, for a greater awareness of and sensitivity to, responsible supply-chain management of intellectual cultural property. In a provocative paper delivered to shortlisted participants of *Creative Future*, the British Council's young creative entrepreneur programme, he expounds the dangers of commodifying culture (Vellani, 2006). In a culture of consumption, he argues, market forces determine culture's value. In order for a cultural good (whether that be a performance, painting or craft object) to be consumed, it must be made 'legible' for, and feed the tastes, preferences and preconceptions of, the customer at which it is targeted. In so doing, any emotional, spiritual, metaphysical or symbolic meanings that a particular cultural practice, process, object or service might hold for its owners or authors (whether they be individual or communities) runs the risk of being debased.

> *The value and meaning that the buyers attach to those objects bear no relationship to the value and meaning that the producers ascribe to them. Indeed the producers might find the desacralization of these objects by the market deeply perturbing and wrong. They must be ready to give up what they hold dear, to suffer cultural violation for economic gain. Were they an empowered community (which they are probably not) our cultural entrepreneur might feel constrained to ask them: are you happy to forego cultural meaning and value to improve your economic conditions? To what extent and in what circumstances?* (Vellani, 2006: 3)

Vellani cites as an illustration the British Council-commissioned Indo-UK theatre production of *A Midsummer Night's Dream,* directed by Tim Supple of the Royal Shakespeare Company, which drew its actors from different states and castes throughout India and Sri Lanka.[38] While the production was received with five-star reviews in Stratford (Billingford, 2006), artists and critics in India were disturbed by what they saw as an excessive

[15] Indian tour to New Delhi, Mumbai, Chennai and Kolkata, April 2006, followed by performances in the Swan Theatre, Stratford-upon-Avon, June 2006. Press release available at http://www.britishcouncil.org/india-connecting-north-march06-tim-supple-press-release.htm.

exoticization of traditional movement forms and a shallow ‘window-shopping’ interpretative approach to India’s complex multi-linguistic reality. Vellani points also to similar problems encountered with local cultural initiatives in Kerala, which aimed to create a new style of Kathakali, the celebrated Keralan dance-drama artform, to appeal to audiences from outside the state. Rather trying to educate new audiences into received conventions and traditions, these schemes sought to reinvent the artform through the introduction of western conventions, in an attempt to make it more immediately communicable and ‘universal’, thereby supplanting the genuine cultural product with a hollow ‘counterfeit’ (Zarrilli, 1992). Vellani summarises:

> *I am not telling the arts entrepreneur that this enthusiasm to exploit the burgeoning market for Indian culture should not extend to Kathakali and other such performance forms. I am telling him not to take shortcuts. If he is keen to extend Kathakali’s reach, he must take responsibility for curating its performances properly … He must strive to create a market appropriate to the form, nurturing it through mediation rather than accept the market as a given to which Kathakali must adjust and yield … It used to be said that business should give back to communities that are the source of its wealth – because the health of those communities is good for the future of business in those communities. My suggestion is along the same lines: business in the arts must protect those arts that are the source of its wealth – because what’s good for those arts is good for the future of business in those arts* (Vellani, 2006: 9).

Workplace

Staff – whether they are paid, or voluntary, behind the scenes or customer facing – form a critical part of the supply chain in the creation of cultural goods and services. In many cultural organisations, it is the artistic personnel who are responsible for directly delivering product to public. Larger institutions in particular - pitching themselves as ‘visitor attractions’ in a competitive leisure and entertainment industry - have been quick in recent years to take a leaf out the business world’s book and institute vigorous ‘customer care’ training programmes. But few, it seems, have grasped the significance of a comparable emphasis on employee care to achieving success and long-term sustainability: in other words, a recognition that it is only through ensuring employee motivation and fulfilment that one can maximise customer satisfaction, leading to customer loyalty and from there to profitability.

Top businesses are ploughing resources into developing CR programmes in the workplace, with the objective of attracting, developing and retaining talented staff, and encouraging amongst those staff a high level of discretionary commitment (that is, an enthusiasm to deliver over and above their contractual terms and expectations). By contrast, cultural organisations, whose very vitality also depends on harnessing the intellectual capital of creative individuals, are inclined to rest on their laurels when it comes to employee care. This inclination is commonly founded on the somewhat egotistical assumption that the love and privilege of working in a cultural environment is sufficient to sustain their ill-paid workforce - an argument casually rolled out to justify the automatic expectation with the sector of high levels of discretionary commitment and the prevailing reliance on 'sweat equity'. Sibyl Ruth, Programmes Director at Script, writes, 'The perception that we're fortunate in serving the arts for no more than an average graduate's starting salary and a few complimentary tickets is widespread'. Once you stop focussing on the artistic product, she claims, and start examining the working practices behind its formation, the gloss quickly loses it lustre:

> *It's like stepping out of a venue's shiny foyer and discovering another, seedier, world backstage. Take workplace stress. Acknowledged causes include a high degree of uncertainty about job security or career prospects, the prevalence of temporary work and fixed-term contracts, cuts in funding that lead to increased workloads, lack of recognition or reward for good job performance, and inadequate time to complete tasks to personal or company standards. Then lets ask ourselves how many arts organisations are sufficiently stable – and well-funded – to offer job security, career progression and make significant investment in the training and development of their staff?* (Ruth, 2006)

Commenting more broadly on the non-profit sector, Mal Warwick agrees that philanthropy – the love of humankind – is missing from the practices of many non-profits: 'Boosters of the voluntary sector are inclined to argue that … nonprofits are *inherently good* because the missions they serve are philanthropic. Well, maybe … But it's time … nonprofits came to understand that philanthropy begins at home (Warwick, 2006).

Few people enter careers in non-profit cultural organizations with the expectation of being handsomely paid for their efforts. This fact notwithstanding, unless the sector starts to make a more concerted effort to ensure that the non-monetary benefits genuinely do outweigh the monetary, burnout, low morale and high staff turnover will perniciously erode inspiration and creativity – the sector's most precious intangible asset - and undercut the best laid plans to achieve long term sustainability.

IN SEARCH OF THE WIN-WIN SITUATION

There is a sad irony, indeed hypocrisy, in the cultural sector's blind spot towards valuing and nurturing its own staff, in that a large percentage of its current collaborative activity with the corporate world is founded on a conviction that arts-based interventions offer business with a powerful way to manage and develop their workforce, by unlocking staff creativity, innovation and discretionary commitment (A&B, 2004 a & b). While arts interventions are still largely the domain of freelance artist-trainers or arts-based training companies, many cultural organisations are increasingly developing their capacity to deliver this kind of activity, in an attempt to attract businesses looking to discharge their CR objectives.

Unbiased and substantial data on the number, scope and scale of CR initiatives between UK business and arts and cultural organisations appears not to exist, and certainly not in the public domain. Readily accessible information produced by Arts and Business consists almost entirely of judiciously selected and carefully pitched narrative case studies, which serve as advocacy rather than candid critiques of individual partnerships (A&B, n.d. a; A&B, n.d. b; A&B Scotland, 2004).[39] A close reading of available case studies reveals a relatively narrow range of different project 'types', with a preponderance of hybrid collaborations, comprising high profile commercial sponsorships coupled with subsidiary community education programmes (designed to tick the 'Community' box of corporate responsibility agendas) and/or bespoke corporate training and development opportunities (designed to score points in the 'Workplace' box).

The introduction to this paper included the observation by a senior fundraising professional that CR presented 'a 'phenomenal' potential route into business, if a case could be found for supporting mainframe work, rather than just the educational elements of individual projects. Others in the cultural fundraising arena go further, claiming that the cultural sector urgently needs a 'bigger vision' to satisfy the thirst of the corporate world; business and fundraisers are weary of the same old offerings and are looking to partner and engage in new ways. Uninspired by the tired sponsorship platters put before them, businesses have been known

[39] See also general case studies published online at Arts and Business http://www.aandb.org.uk/render.aspx?siteID=1&navIDs=1,8 and Arts and Business Yorkshire http://www.artsandbusinessyorkshire.org.uk/case.php [Accessed 01-07-07]

recently to respond with their own creative ideas, only to have their suggestions rebuffed by senior artistic or curatorial staff (Marriott, 2006). While there may be undoubted good reason – not least mission creep - for nipping some such proposals in the bud, anecdotal evidence like this signals the need for cultural organisations to lever themselves out of the rut of conventional sponsorship, and to start drawing down on their own creativity in order to think more laterally and originally about their business collaborations.

So where and how might they begin to alter their plan of attack?

The 'Give the Man a Fish' principle

> *In bestowing charity, the main consideration should be to help those who will help themselves; to provide part of the means by which those who desire to improve may do so.*
>
> Andrew Carnegie, *Wealth* (Carnegie, 1889)

For a start, cultural organisations would do well to recognise current thinking in international development, which promotes the idea that sustainability is best achieved through empowerment – an idea already touched on in Chapter 4. By and large, today's development agendas focus less on delivering social goods and services to the poor than on empowering the disadvantaged to assume direct control over matters that affect their well-being. The poor are thereby positioned not as consumers of the benefits of social action, but as agents capable of transforming their own economic and social lives.

CR initiatives in the UK business sector, involving partnerships with humanitarian NGOs, are embracing increasingly this development-through-empowerment approach, which values process and emphasizes coalition and relationship building. Business partnerships within the cultural sector, however, conform more often to outmoded patterns of short-term, time-bound, project-orientated philanthropy. Commenting specifically on corporate giving in India, Vellani (2005) summarises the problems associated with this dated philanthropic mindset, which is prevalent still amongst business in the emerging economies:

> *Philanthropy of the kind favoured by businesses can at best address the symptoms of poverty, not its underlying causes. Because it is predisposed to supporting discrete, self-contained projects, which are valued for what they directly deliver to the less privileged, it can only attend to problems and needs on the surface, to easing prevailing*

hardship and adversity, not to why these exist in the first place. Tackling the sources of want and deprivation … calls for philanthropy with greater vision and stamina. At the very least, it requires one to move beyond an emphasis on projects that are complete in themselves to encompass endeavours that might be situated within a web of diverse but mutually supporting initiatives or form part of a longer process, a broader strategy, a wider movement or a larger framework of action (Vellani, 2005).

Rather than chasing money to deliver successive one-off programmes, the cultural sector would be well advised to learn from experiences in the developmental field, and divert its energies to exploring collaborations that focus on building long-term institutional strength and capacity, through more inter-connected, slow-burning initiatives with an emphasis on self-help. Cultural organizations should also develop a greater awareness of the power of language to attract or deter potential funders. Repeated appeals for 'core' funding – a term weighted with connotations of worthy, but uninspiring necessity – might find more takers if the sector were to start adopting more a dynamic language, involving phrases such as capacity building and institutional strength, which may chime more readily with companies who associate their corporate image with notions of enterprise, progression and growth.

The India Foundation for the Arts and the Sir Ratan Tata Trust

A partnership between the India Foundation for the Arts (IFA) and the Sir Ratan Tata Trust (SRTT) offers a good example of enlightened corporate support, which seeks to empower a cultural body. The SRTT, established in 1918, is one of India's oldest and largest grant-bestowing foundations and one of several Tata trusts that discharge the community investment objectives of the global Indian conglomerate, the Tata Group.[40] Speaking in 1996, Ratan N. Tata, the present Chairman of the Tata Group, identified the need for the Tata trusts to 'discourage the sort of practice that existed in the past, of making handouts which were a glorified form of alms' and instead to 'channel more meaningful amounts towards programmes which have an element of self help to put people on their feet' (Sundar, 2004: 308).

In 2002, on the back of a generous donation to IFA's endowment fund, SRTT departed from its traditional grant-giving practices by awarding IFA a sum of money to be used as a 'draw-down' fund. The donation recognized the particular challenge faced by IFA of raising charitable money for cultural projects in India, and the predilection for Indian companies to favour more traditional social causes (such as rural development) and to want to underwrite project expenses or material costs, rather than

[40] For information on the Tata Group's community investment programmes see, http://www.tata.com/0_our_commitment/community_initiatives/index.htm [Accessed 08-07-07].

deploying funds strategically to encourage the growth and stabilization of independent third sector institutions (IFA, 1997).

The SRTT grant was made with the specific aim of bolstering IFA's efforts to raise funds from Indian business, and to help the organisation accrue skills and confidence in developing this income stream. For every rupee raised from corporate sources within India, IFA is entitled to claim the same sum from the SRTT Drawn-down Fund, for direct application to it's cultural mission.

The objectives of this initiative are similar in a number of ways to past and present match-funding schemes operated by Arts and Business in the UK.[41] However, the SRTT scheme is especially commendable for being driven by a corporate foundation, rather than an intermediate agency; for its focussed and long-term commitment to building capacity within one organisation; and for its broader strategic objective to encourage the Indian business community, through leading by example, to place greater value on cultural causes.

'*Programmes in themselves do not an organisation make'*
(Adrian Ellis, AEA Consulting)

To exploit the 'Give the Man a Fish' principle, cultural organisations need to move away from thinking about business partnerships in terms purely of monetary support for artistic programmes, and to start deconstructing the processes, services and skills which underpin artistic activity and make the delivery of cultural goods to the public possible. For example:

- Financial management and strategy
- Risk management, business continuity and insurance
- Energy efficiency and waste management
- Legal advice
- Data management
- Technology and telecommunications
- Marketing, brand identity and promotion

[41] ASBA (now Arts and Business) operated a pairing scheme until 1999, which offered £1 for £1 incentives for arts and business partnerships. This was followed by the New Partners scheme, superseded in April 2007 by the current two-stranded Investment Programme, 'Reach' and 'Invest'. In January 2006, the Scottish Executive pledged £800,000 to Arts and Business Scotland to launch the Scottish Executive New Arts Sponsorship Awards, a two-year £1 for £1 incentive scheme.

- Retail and enterprise
- Audience development and customer engagement
- Staff training and development

Modern business is today less interested in making straight cash donations than it is in helping to solve problems by deploying and at the same time honing its key assets – its products and services, skilled employees, industry expertise, its global infrastructure and network of connections, credibility and influence. Kramer and Kania (2006) argue that the future success of cross-sector partnerships will depend on non-profits learning to 'Ask companies for more than money':

> *It is relatively easy for a nonprofit to target a company for a grant or donation. It is much more difficult for a nonprofit to understand the full complement of resources that a company can bring to bear on solving a social problem. To understand those capabilities and know how to ask for them requires that nonprofit managers learn a new set of skills. Mastering this new approach will not be easy, but the potential power that can be deployed when business and nonprofits work together dwarfs what money alone can buy* (Kramer and Kania, 2006: 28).

Research conducted by Arts and Business Scotland during 2005, revealed frustration in the private sector at the linearity of sponsorship approaches from cultural organisations and their propensity to ask only for money. Incredulity was expressed, for example, as to why cultural organisations did not seek partnerships that looked to support audience development plans, by tapping into the business sector's vast employee base and stakeholder communities (Price, 2006). In an amusing but no less earnest column in the Arts Professional, Devitt (2007) describes how a corporate fundraiser who couldn't 'think long-term, plan, read a balance sheet, write or spell' nonetheless managed to produce an outstanding corporate strategy by gathering all the brand managers at Unilever together and charging them with the task of writing it for her: 'It was enormously effective. As talented, but not yet loaded, professionals they were asked for help they could actually give. They were involved, learned more and delivered a great strategy. I am sure many organisations could benefit from this approach, but people do get bored waiting to be asked.'

What is being suggested is a shift in thinking, which sees business not just as self-renewing pots of hard cash, but as sources of high-level professional support that can help cultural organisations develop for themselves greater institutional capacity and sustainability. This change in perception requires cultural organisations to audit their skill base in order to understand what competencies they produce in natural abundance (be that a capacity for creativity, or innovation) and what expertise is thin on ground. Self awareness is cited by just about every management guru as a defining characteristic of great leaders: some of the most effective leaders in the corporate world, and indeed history, have made their mark not through God-given all-round brilliance, but through the facility to distinguish and acknowledge their strengths and weaknesses, and to compensate for those weaknesses by surrounding themselves with others with complementary abilities. By developing more acute professional self-awareness, cultural organisations can start to analyse their skill deficits, and to identify and target those businesses that are rich in the necessary balance of talent.

As an essential step towards improving organizational productivity and sustainability, cultural bodies must commit, like business, to developing ways to stimulate, stretch and reward employees through routes other than financial remuneration. Arts and Business's Board Bank and Skills Bank offers a well established route for middle and senior business managers to share their expertise and knowledge with the cultural sector, at the same time enhancing their own professional development. The emphasis of these programmes, however, is on placing business managers within an artistic environment, rather than artistic managers within a business environment. The creation of more genuine two-way training and development opportunities, which also expose artistic staff to the challenges of the corporate world, would help to break down the language barriers between the sectors and foster a more genuine understanding of mutual needs and capabilities.

Partnership initiatives that seek to involve not just senior and middle managers, but also personnel from the lower strata of the corporate workforce, should be explored by the cultural sector with more strategic purpose, as a means to break down common perceptions of culture as 'elitist', and to influence company decisions about CR spend from the bottom up, rather than top down, through the championship and persuasive powers of employees.

From parasitism to mutualism

Essentially, we are talking about the creation of new collaborative models that apply the biological logic of symbiosis. Defined as the close and prolonged association of two dissimilar organisms, symbiotic relationships fall into several different types, not all of which are beneficial to both parties: parasitism, in which one organism benefits at the expense of the other; commensalisms, in which one benefits and the other is not affected; and mutualism, in which both benefit. Cultural organisations need to consciously shift their relationships with business from the state of parasitism or commensalism, to mutualism - a movement that resonates with the changing patterns in corporate giving described by MacNicholas (2004) and outlined in Chapter 3.

There are three possible ways of looking at achieving a state of mutualism:

1. Matching abundance of product in one 'organism' with deficit in the other (i.e. dovetailing strengths and weakness, as described above);
2. Matching unwanted excess of product in one 'organism' with want in the other (i.e. applying the philosophy of 'one man's waste is another man's treasure'); and
3. Identifying the same deficit and need in both 'organisms', and combining resources in order to satisfy that need (i.e. applying the philosophy of 'a problem shared is a problem halved').

Much can be learned in effecting this change of thinking from the principles of 'Industrial Symbiosis'. The National Industrial Symbiosis Programme (NISP), launched in July 2005, works at the forefront of industrial symbiosis thinking and practice, by encouraging companies to take a fresh look at their resource management. Part of the emerging field of industrial ecology, industrial symbiosis:

> *Brings together companies from all business sectors with the aim of improving cross industry resource efficiency … It engages traditionally separate industries and other organisations in a collective approach to competitive advantage involving physical exchange of materials, energy, water and/or by-products together with the shared use of assets, logistics and expertise* (NISP, 2007).

Operating as a form of professional 'dating' agency, NISP generates cross-sectoral links between its member companies in order to deliver bottom line benefits, while also creating positive environmental and social outcomes. While this way of thinking is gathering pace in the business sector, it has barely impressed upon the working practice of cultural organisations. As yet, only one organisation with a cultural mission has tapped into the benefits of NISP, but with the application of some imagination, the potential for others to do so too is surely significant.

One Man's Waste … NISP and Castle Bromwich Hall Gardens

Castle Bromwich Hall Gardens (CBHG) is a grade II-listed heritage site five miles to the east of Birmingham city centre. The property is a rare surviving example of a seventeenth-century Jacobean country house, complete in its original garden setting.

The gardens are managed by the Castle Bromwich Hall Gardens Trust, which was formed in 1985 with the remit of reverting many years of neglect and vandalism by restoring the gardens as far as possible to the period 1680-1740, thereby preserving a valuable community asset in a modern urban area.[42]

In common with many heritage sites enveloped by twentieth-century urban development, CBHG is especially vulnerable to break-ins and malicious damage. Running repairs and improvements to security during 2003-4 had depleted the Trust's budget, compromising its ability to implement the planned programme of restoration, maintenance and community work. In 2004, the NISP West Midlands team became aware of the difficulties faced by the gardens and pledged its help. Following a visit and discussions with the site's head gardener, NISP identified an opportunity for the gardens to partner with one of its members, BIP (Oldbury) Ltd, a global supplier of thermostatic plastics and chemicals. BIP arranged for the supply and delivery to the gardens of 350kg of off-spec moulding powder. A waste product from its manufacturing process destined for landfill, the moulding powder is nitrogen-rich, making it an ideal fertilizer for the gardens. The benefits of this simple partnership are several-fold; it has reduced the environmental impact of BIP; reduced the need for the gardens to use virgin fertilizer; created cost savings for both parties; and in so doing allowed additional funds to be invested in the garden's community development programmes - a model win-win situation (NISP 2007).

A problem shared …

The traditional stereotyping of nonprofits and businesses as 'David versus Goliath' and the proclivity to see them as working in opposition and with divergent goals and values (Kramer and Kania, 2006) has masked similarities between the sectors and inhibited partnerships which specifically investigate common problems.

The challenge of measurement and evaluation has already been highlighted, at the start of this chapter, as a critical issue for both sectors, with many corresponding concerns. It stands

[42] The Trust was formed by the West Midlands County Council, Solihull Metropolitan Borough Council, Birmingham City Council, Castle Bromwich Parish Council, Castle Bromwich Parochial Church Council, Bovis Homes Ltd, The National Trust and Lord Bradford. See http://www.cbhgt.org.uk .

as a useful example of where a change of attitude on both sides of the fence, and a commitment to playing on the same rather than opposing teams, might generate substantial reciprocal benefits. By pooling research and thinking, cultural organisations and business could improve their collective skills of measurement and evaluation, and evolve a more common language that would facilitate productive long-term partnerships.

The advice presented by Likierman (2006) on tackling the challenges of measuring CR is largely transferable to the cultural sector. While Arts and Businesses' published Guide to assessing CR initiatives (A&B, n.d. c) aligns broadly with his recommendations, a more deliberate and strategic responsiveness to the work on performance measurement by such leading thinkers in the corporate sector, would help to build a stronger bridge between cultural organisations and their prospective business partners. For example, Likierman maintains that the demonstration of credible success demands, above all else, measurement of performance against externally established criteria and targets, and comparison to peers. A number of well-known indices exist in the corporate sector, which serve as tools for businesses to benchmark their performance against their competitors, including Business in Community's CR Index, discussed above.[43] A basic knowledge of these indices and their different areas of coverage would enable cultural organisations to plan tactically and target their approach to businesses in a way that harmonized with the requirements of recognised reporting structures.

Optimisation rather than maximisation

> *For theatre or any art form to really flourish it has to be embedded in an eco-system whereby it's feeding itself at all times; a circle of activity rather than a hierarchy.*
>
> Jude Kelly, Artistic Director, The South Bank Centre (Kelly, 2006)

Successful implementation of this new way of thinking and doing relies on a fostering a new spirit of generosity, not just between the cultural and business sectors, but between organisations within the cultural community itself.

Concordats already exist within the heritage and conservation fields that identify common goals between organisations and establish agreed principles and methods for partnership

[43] Other major indices include the Dow Jones Sustainability Index, the FTSE4Good Index and the London Benchmarking Group.

working, to ensure that the efforts of one support the endeavours of the other. A case can be made for creating similar compacts across the cultural sector that bring the competencies and influence of different bodies together, in order to build more ambitious strategies to lever corporate funds and amplify the potential of hybrid sponsorships. The creation of a syndicate approach would encourage organisations to combine research and knowledge about business giving, and would be especially advantageous for smaller, non-national cultural bodies, with few or no dedicated fundraisers on staff.[44]

Although regional and local organisations may be able to tap modest funds from businesses' community investment (or equivalent) budgets, most are precluded from accessing the much bigger pots of corporate money allocated to sponsorship and marketing, due to a lack of profile, glamour and customer reach. Research conducted by McCrossan (2002: 40) supports general experience amongst smaller cultural bodies that companies are notoriously risk averse and, riding on the adage 'success breeds success', 'only want to sponsor institutions which have a known track record'. Similarly, Arts and Business's research confirms that companies are much more likely to invest in major organisations, for the greater guarantee of large audiences at a lower cost per unit (Stanziola, 2006 b: 26). The challenge to non-national organisations is increasing, claims Price (2006), in that many corporations that support culture have now become so large that they have expanded their sponsorship sights and are looking to target stakeholders on a global, rather merely local or national scale. This view finds support from Epstein (2005: 22) who observes that 'corporations that until a decade or so ago still considered themselves to have a local base *somewhere*, increasingly are seeing themselves as global entities with global audiences. Since … nonprofit organizations [are often] local by nature, it can be harder to make their case to a corporation that no longer considers itself so much a member of the local community as a citizen of the world.'

The adoption of a more joined-up working approach must be extended beyond direct programmatic aspirations, to embrace supporting operations such as procurement. Concordats between organisations within the same geographical area would help cultural bodies to counteract problems associated with economies of scale and to choose to buy from responsible and local business suppliers. Further potential for new collaborative working

[44] In its 2006 annual survey of business giving, Arts and Business identified that 66% of smaller cultural organisations claimed not to have the right skills or sufficient resources to increase their level of private investment, compared to only 36% of larger organisations. Of those interviewed, 65% of fundraisers in the UK cultural sector named 'business sponsorship and company giving' as a priority training need (Stanziola, 2006 b: 27).

models might be found by exploring opportunities for sharing back-office operations, such as human resources, ICT support and marketing and information services.[45]

What is called for is a genuine displacement of the 'all for one' attitude, described earlier in this chapter, in favour of a sectoral commitment to an attitude of 'one for all'. Lessons are to be learned in this respect, from the emerging cross-sectoral development of 'megacommunity' working - defined by Gerencser, Napolitano and Van Lee (2006:3) as 'a public sphere in which organizations and people deliberately join together around a compelling issue of mutual importance, following a set of practices and principles that will make it easier for them to achieve results'. Research in this field reveals that megacommunity objectives thrive where there is mindset of 'optimization'. 'Leaders have a choice', report Gerencser, Napolitano and Van Lee (2006: 8), 'They can choose either to maximize the benefits to their own operation, or to optimise the benefits to the larger system as a whole. It turns out that even though maximization often feels more efficient, optimisation serves them better'.

The environmental challenge

The need for a megacommunity problem-solving approach and new collaborative models is nowhere more urgent and topical than in tackling climate change. In response to political prioritisation, environmental issues are today topping the CR agendas of every major corporation and the opportunities for cultural organisations to engage with business through this route are, as yet, essentially unexploited. Although funding agencies have so far been slow to respond to the climate change challenge, DCMS's key performance indicators for its directly funded organisations now include a requirement to demonstrate year-on-year energy savings. There seems little doubt that as the enormity of the carbon reduction target of the Draft Climate Change Bill dawns,[46] that all organisations in receipt of public funds will eventually have to prove how they are addressing the concern. Research in the business sector over the past few years reveals that companies' ethical and environmental stance is affecting increasingly consumer choice and brand loyalty, and that commitment to CR is

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[45] The Scottish Executive has recommended 'rationalising' common support functions, as a means to improve co-operation and co-ordination between Scotland's National Collection bodies (see *Draft Culture Scotland Bill*, section 4.10, December 2006. Available from www.scotland.gov.uk/Publications/2006/12/14095224/6 , Accessed 04-08-07).

[46] The Draft Climate Change Bill (issued 13 March 07) presents the UK government's goal of reducing carbon dioxide emissions by 60 percent by 2050.

becoming one of the most important determining factors in winning the 'War for Talent' (MORI, 2004: 3-5). This clear trend in the private sector suggests that cultural organisations may, too, soon have to unveil and polish up their green credentials in order to attract and retain audiences and staff.

The debate on the contribution that the cultural sector has to make to climate change is still immature; however, preliminary discussions amongst some interested bodies suggest the potential for a double-edged response, which, with lateral thinking and determined application, might find support from the business sector (Cross-Cultural Forum Scotland, 2007).

Cap and Cut

Organisations need, first and foremost, to look at how to reduce their own energy consumption and waste. Strategies to reduce heating, lighting and water use, to maximise recycling, to promote public transport choices amongst staff and visitors, and to bring organisations together to share policy research and working solutions, might all be explored as areas where business can offer advice and practical assistance. The ability to set clear, measurable targets, resulting in demonstrable bottom line cost savings that can be driven back into an organisation's programme delivery, may be presented as an incentive for business to offer support, providing transparent data to satisfy CR reporting requirements.

Communicate

One of the greatest challenges facing business is the effective communication of what they are actually doing in the field of CR. Concern is widespread in the private sector that messages are not reaching key decision makers, potential responsible investors, or the public at large. A MORI survey of public opinion on CR in 2003 revealed that messages about companies' CR practice are generally not getting through to mass audiences, with only around a third of the British public being able name a particular company helping society or the community, and only three in ten able to name a company they consider to be particularly socially, environmentally or ethically responsible. The research revealed that despite a growing level of public concern for CR issues, most people are '*sympathetic* to environmental and social concerns, rather than *active*' (MORI, 2004 a: 2). A simultaneous survey in 2004 of expert opinions on CR indicates that even amongst engaged audiences, few people take the time to read companies' CR reports thoroughly (MORI, 2004 b: 8).

Until now, responsibility for conveying the urgency of climate change has been left in the hands of scientists. According to Mike Robinson, Chair of Stop Climate Chaos Scotland,[47] this dependence on scientists, who are not natural communicators, is a major cause of the failure of public buy-in to the subject to date (Robinson, 2007). There is a pressing need now to find new ways to connect and engage people; to place an emphasis on solutions, not the problem; and to convey a message about climate change that is not alarmist and doom laden, but that inspires individuals to care enough to want to do something about it and to believe that individual action can make a difference (Ereaut and Segnit, 2006). It has been said that 'We cannot become what we cannot imagine'.[48] The extraordinary power of artists lies in their ability to look at things differently, to imagine alternative ways of being and to communicate new ways of thinking through storytelling. Quoting author Charles Landry and curator Clive Adams, Bullock (2006) writes that, at its best culture 'can communicate iconically. It can get people to grasp something in one.' 'You can provide people with charts and statistics until the cows come home … but if they don't actually feel moved by something, they won't do anything about it'.

The number of artists now turning their attention to environmental issues is on the increase and one may cite dozens of examples in recent years: Simon Starling's Turner Prize winning work, involving a journey across the Tabernas desert on fuel cell electric bicycle resulting in a watercolour made with the contraption's water emissions enabled, says Bullock (2006), another100,000 people to 'grasp the potential of hydrogen power – without going near a scientific journal or 'green' manifesto'; Paul Bonomini's towering WEEE Man, an embodiment of the total amount of Waste Electronic and Electrical Equipment (WEEE) that an average person in the UK throws away in a lifetime, aimed to promote recycling and transform 'out of sight, of out mind' attitudes to waste (RSA, 2006); the ongoing Cape Farewell project, which has now led three groups of artists, scientists and educators on expeditions to the High Arctic has produced work that collectively addresses and raises awareness of global warming (Cape Farewell, 2007); while the 2007 stage production *Futurology: A Global Revue*, produced by Suspect Culture, the National Theatre of Scotland and Brighton Festival, offers a darkly comic exploration of the big questions surrounding climate change .

The compelling need to tell the environmental story in different and engaging lights, and the failure of business to date to communicate adequately their own contribution to the subject, presents an open door for creative, forward-thinking cultural organisations to negotiate new

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[47] http://www.stopclimatechaosscotland.org/
[48] Michael Macy, in conversation with Sarah Munro, Director, Collective Gallery, Edinburgh.

styles of corporate partnership. That business is beginning to recognise the power and potential of the arts and culture to communicate its CR messages, is evidenced by initiatives such as British Telecom's (BT) Climate Change Creative Challenge, a competition aimed at BT's global employees and students of London College of Communication. The competition aims to inspire ideas for communicating and tackling climate change issues through creative media, in recognition, says Donna Young, Head of Climate Change for the BT Group, that that 'the corporate way alone won't succeed'. Launching the programme, BT Group Chairman Sir Christopher Bland stated:

> *It seems to me that the arts have always had an important role in influencing the ways society behaves … and I think climate change is an area where the arts broadly defined, particularly the art of communication in whatever form, whether its television, pictures, drawings, books, writing, poems, theatre, can really have an impact … if you look at what Al Gore's movie has done to the whole climate change environment and the attitudes towards it, it's been huge* (BT, 2007).[49]

The potential success of culture's partnership with business on this subject, however, depends on a recognition that out-of-the box thinking and action is needed to overcome this most serious of social challenges. Artists and cultural organisations produce their best and most provocative work when they are allowed to work independently, and not as a conduit for a particular political message, or as agents of government propaganda (Jenkins, 2007). 'Artists are great communicators and can be catalysts in changing public opinion,' argues Tate director Nicholas Serota, but 'we should not expect [them] to be the instrument necessarily of a change in attitude ... They should have the freedom to make work which will not immediately bring change, but over a period of time seep into the consciousness' (Bullock, 2006). The question is, can business be brave and far-sighted enough to pick up the gauntlet and support them in that long-term endeavour?

Communicate: Climate Change: Cultural Change

Water-Mist Wall, an ambitious video installation of the Arctic, by David Buckland, Director of the Cape Farewell project, formed part of the artistic programme *Climate Change: Cultural Change* staged at

[49] The 2007 Media Conference, co-hosted by the Channel 4 British Documentary Film Foundation and the Directory of Social Change, brought companies, policy-makers, foundations and charities together to explore ways to successfully harness the power of film as a global advocacy tool (3 July, London Southbank Centre). See http://www.dsc.org.uk/media/images/conferenceinvite.pdf [Accessed 04-08-07].

the World Summit on Arts and Culture, hosted by NewcastleGateshead in June 2006. Organised by Helix Arts in partnership with CarbonNeutral Newcastle, the programme brought together new artist commissions, photography, film, events and exhibitions with the aim of raising public awareness on global warming. Other highlights included a newly commissioned work, *Come Hell or High Water,* by artist Michael Pinsky, in which a fleet of luminescent cars were floated silently up the Tyne, in a politically charged commentary on the environmental evils of road congestion.

The programme was supported by three corporate sponsors, Northumbrian Water, North-Eastern and Cumbrian Co-op and Robert Muckle LLP, all of whom used the sponsorship opportunity to demonstrate their companies' Corporate Responsibility commitment to climate change and to environmental education. Robert Muckle used the programme as a platform to communicate the carbon awareness initiatives undertaken in relocating the firm to new premises, to demonstrate its conviction that even smaller corporate contributors can make a difference, and to motivate its own staff to become more environmentally responsive (Helix Arts, 2006).

6.

SUMMARY AND OBSERVATIONS

This paper opened with a series of observations on CR, made by senior fundraisers in the UK cultural sector. These observations identified an acute lack of understanding within the sector of the complexities of the CR phenomenon, and the barrier this presented to effective engagement with business. The preceding chapters have attempted to clarify the current language and business structures surrounding CR, in order to suggest how cultural organisations might review their practices and regroup themselves around the subject.

The research has demonstrated that CR is, intrinsically, an extraordinary complex issue with no clear definition and very fluid boundaries in terms of how it is both perceived and delivered by business. The relationship of CR initiatives to companies' commercial objectives is inextricably linked, with many programmes occupying a hinterland between companies' charitable giving, community investment, marketing and public relations operations. The guidelines issued by Arts and Business (2005 a) make a clear distinction between budgets allocated to CR or community investment projects, and money assigned to commercial sponsorship. The discussion revealed, however, that the division between these two fields is not always so black and white and corporate support of cultural activity often takes a hybrid form. It was suggested that a lack of accessible information about the change in corporate funding priorities, and an over simplification of today's complicated funding environment, has left arts fundraisers ill equipped to negotiate and master a difficult terrain. The reality of hybrid sponsorships requires more recognition, explanation and exploration, for cultural organisations to adapt to and exploit today's corporate funding opportunities. The need for a more sophisticated analysis and development of such blended funding packages will become imperative as predicted trends in CR unfold. While many CR professionals still sit in separate departments outside mainstream business structures, forecasts for the next 10 years point to a progressive integration of CR functions with core operations – a transformation which some suggest will, ultimately, make CR vocations and terminology obsolete (CRG, 2007).

More fundamentally, the discussion insisted that cultural organisations commit to a more serious and intelligent engagement with the subject of CR and move beyond seeing it as just an inconvenient obstruction to accessing corporate money. Before pointing a critical finger at the ethical practices and values of business, cultural organisations were challenged to take a sober review of their own operations. John Knell of the Intelligence Agency comments:

> *‘We have created a sector at the margins of business practice, an industry outside the rules of industry…Business people in general would take more interest in the arts industry if it didn’t operate by strange, remote and seemingly incomprensible rules’* (Harris, 2006).

This paper has argued that the principles underlying CR have as much relevance to the world of culture as they do to business. Benchmarking models in use in the corporate sector offer tools that, with the guidance and advice of business, might also be adopted for examining, measuring and improving practice in the cultural sector, in so doing making an invaluable contribution to the bottom-line performance of organisations and their long-term sustainability. Companies would thereby further the objectives of their own CR agendas by simultaneously helping cultural organisations to fulfil theirs.

By taking such an approach to CR, cultural organisations have an opportunity to establish a new common ground and shared language with business, by playing a similar game to recognisable rules. To be successful in this, however, they will need to abandon dependent or parasitic behaviours and reform their funding gameplan by moving away from viewing the private sector as a prosperous piggybank for one-off donations, to a resource that has the potential to empower cultural organisations over the long-term, by helping them to help themselves. This goal is likely to be attained only if the cultural community commits to working in a more genuinely collegiate way and embraces the principles of megacommunity action, involving the pooling of resources and knowledge in a shared effort which strives for results that create the greatest benefit for the cultural ecosystem as a whole, rather than for individual bodies or artforms.

The development of CR is, without question, fast moving and the urgency of climate change, stoked by the government’s prioritisation of the issue, is fuelling its progress. Cultural organisations must now develop the knowledge, attitude and stamina to stay abreast with the subject alongside the rest of the non-profit sector, which has already established a strong head start. In order to claim a seat at the CR table, cultural bodies need to become much more involved and visible lobbyists. Proving the social value of culture will always be a challenge when pitched against causes that occupy the base levels of Maslow’s hierarchy of human needs: the sector must become stronger, more unified and unapologetic in championing the pro-social benefits of cultural activity. New economic research in the field of well-being and happiness, which challenges traditional methods of measuring social prosperity and progress, may provide invaluable support to the argument and cultural bodies should investigate ways to position themselves advantageously with this line of thinking.

The cultural sector will never counter the charge of elitism in the corporate world, however, if it does not start to mix more effectively with its charitable brethren and be seen to be present and engaged with other NGOs at significant CR gatherings.[50] The subject of business partnerships with NGOs has become one of the most common and popular topics for debate at CR conferences and in training programmes for CR professionals; but while humanitarian, environmental and sporting charities are regular topics of discussion (and sporting NGOs increasingly so with the approach of the 2012 Olympic Games), cultural sector initiatives are nowhere on the agenda. Informal discussions with senior staff of leading NGOs and with Business in the Community, suggests that there *is* a willingness to recognise the value of cultural activity in CR initiatives, but that the dialogue and drive from the cultural sector has so far been lacking.[51] Knell (2007: 46) writes:

> *…the arts and cultural sector seems remarkably inoculated and isolated from developments in the broader non profit sector, and funder and funded alike have been less than energetic in exploring common solutions to pressing problems, and driving faster learning and innovation across the arts and cultural sector.'*

Information on CR concerned specifically with the cultural sector is extremely thin on the ground, in relation to the wealth of discussion and analysis generated by the business sector and by the non-profit world more generally. This research found that information that has been produced by the cultural sector is exceptionally siloed, and makes few cross-references and links with other studies and thinking both within the cultural community and elsewhere. A sustained strategic effort is now needed to connect the world of culture with the world of business. This will require cultural leaders who can master the tongues of both sectors and eliminate friction at the interface. If the cultural sector wants to shake off accusations of exclusivity and separateness, one needs to question whether the division of business sponsorship of culture through the agency of Arts and Business, from the development of business sponsorship of non-cultural charities through organisations like Business in the

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[50] For example, with the exception of the writer, no representatives from the arts and cultural sector were present at the 2007 Corporate Responsibility Summit in London – organised by Ethical Corporation in partnership with Business in the Community and the largest corporate responsibility conference of its kind in Europe.

[51] I am grateful to Stephen Farrell, Development Director at Business in the Community, for discussing with me BITC's 'Seeing is Believing' programme in the UK and India, and the role that cultural activity might play in this.

Community, remains a viable model for the future. A more integrated cross-sectoral approach may now be necessary to develop business partnerships with megacommunity working potential, and to bond culture's relationship with corporate (social) responsibility in pursuit of the elusive elixir of sustainability.

7.

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PERSONAL COMMUNICATION

Key examples only, referenced or footnoted in the text

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Vellani, Anmol: Executive Director, India Foundation for the Arts