

# *The Journal of* Law, Social Justice & Global Development

## Trust and Cultural Governance

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### Article Information

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**Issue 24: 2019:** *Special Issue 'Development, Democracy and Culture'*,  
Clammer, J. and Vickery, J. eds.

**This article was published on:** 20th January 2020.

**Keywords:** Cultural governance, control, institutional trust, responsibility tangibles and intangibles

**Journal ISSN:** 1467-0437 **Article DOI:** <https://doi.org/10.31273/LGD.2019.2404>

### Abstract

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What is the role of governance in the cultural sector? Is governance simply a tool for measurement or can it prove to be a mechanism for support and dialogue? Evidence gathered from our empirical global study of 2017, indicates that most cultural governance approaches remain relatively crude and general and are only partially adapted to the local situation. We elaborate this claim through a careful and systematic examination of a theoretical diagram (Figure 1), which summarises the evolution of cultural governance through evidence collected from nine different geographical locations (across five continents). How governance can develop (we suggest, away from control and towards one of support and dialogue) depends upon a number of factors. These factors include attributes of confidence, cooperation, appreciating a variety of tangible and intangible features, and most importantly, institutional trust. Institutional trust should be understood as being different to the more widely discussed notion of interpersonal trust and furthermore, our understandings are further complicated by the broader cultural and political context of a country. With this article we want to claim that institutional trust is an important factor (or even condition) in the development of an effective cultural governance process.

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## Introduction

In October 2018, Foreign Affairs and Vice-President Federica Mogherini confirmed that the European Union (EU) is now a 'cultural superpower'. This assertion was not surprising considering the wealth and richness that resides within this sector across the whole of Europe, yet a closer examination of the situation reveals that many EU member states are looking to cut budgets for arts and culture. What makes this situation difficult for politicians is that simply making cuts (at least, arbitrarily) could also be a 'vote-loser' if not managed in a sensitive manner. The politicians are often aware that they need to balance on the one hand, the knowledge that continuing to fund the arts and culture at current levels is not realistic in the medium to long-term, whilst on the other hand, many European states, are now demanding that arts and cultural organisations with public financial support, need to become more financially resilient and look for philanthropic support, sponsorship and/or other resources. Additionally, in recognition of their activities, they expect that there should be no compromise with regards to their artistic integrity, mission and values. This is a difficult balance for the arts and cultural sectors between business resilience and artistic excellence.

In order to introduce the central argument of this paper, let us first provide the context for the discussion for readers perhaps unaware of the background. The first question many countries or regions ask today (we will use 'locations' as an abbreviation in this paper) and their governments (and this can be at multiple levels across these locations, that is, local, regional and national): are the arts and culture sectors demonstrably valuable to a community or are they simply a wasteful drain on public resources? The evidence suggests that the arts and culture for Europe and more widely across the globe are generally positive for societies (see Peacock and Rizzo, 1994; McCarthy, Ondaatje, Zakaras and Brooks, 2004; Crossick and Kaszynska, 2016). As an example of the numerous quotations of economic statistics, revenues of €535.9 billion (a figure from 2015) were generated from the creative and cultural industries (CCIs) contributing 4.2% of Europe's Gross domestic product (GDP). A figure

like this, places the sector as the region's third-largest employer (after the construction and food and beverage industries). And likewise, this rosy picture is not limited to Europe, for in the US, Australia, Canada, Japan (to name a few) arts and cultural economic activities are often reported to account for similar summary percentages of their respective nation's GDP. Its size, its facility to support young people, and women (often over 50% of a working population) makes the arts and cultural sector politically attractive but also a very sensitive arena. Therefore, not getting a convincing balance for this sector may have severe implications for future development, current attractiveness and future valuation of arts and culture, and its ramifications in terms of political economy can spread well beyond this sector both in that location and beyond.

We do need to recognise, obviously, that some areas of these industrial sectors are commercially viable (for example, commercial art, books, design, some heritage locations, and so on), however, indisputably, there is another dimension, one that is less profitable and more closely allied to heritage or education, (or simply, the protectors of history). Consequently, often in order to protect the range and depth of the arts and culture in any given location, decisions need to be made regarding whether (or not) to offer support, and if so, how? This leads us to the opening question, if different locations decide, or need to decide, whether or not they want to fund certain aspects of the arts and culture – how can they justify this allocation of monies in the face of the usual political routines of prioritisation and justification of expenditure? This inevitably leads to current political and economic dynamics, where providers (grant givers from mostly public-sector governments of different levels and different types of trusts and charities etc.) require the arts and cultural sector both in Europe to provide full accountability and transparency (basic principles of governance) so as to assume a professionally defensible position within the political economy.

In this paper, we want to examine how, and with what mechanisms and circumstances, needs to be developed in order to provide a viable means of response to these challenges. That is, an efficient and effective means to support both providers

(see above) and receivers (normally arts and cultural organisations and these can be both large and small) and seemingly to make an accountable and transparent means of control for the best use of public funds. The process most often employed to fulfil this complex task is what we refer to as ‘cultural governance’.

Yet, despite this propensity the application of governance principles at present remains relatively crude and inadequate for the complex needs of this sector. In this paper, we will suggest that through extensive empirical evidence it is possible to support the development of a process that leads to a more effective tool. This is not something that can be immediately implemented, but rather something that demands time and experience to appreciate the ‘local’ issues that this entails (which we will identify below). It is important to appreciate that the development of an effective cultural governance process within any given location is unlikely to conform to a standard template. The individual circumstances of the location, including its political climate, together with the stage of its appreciation of arts and culture, is critical.

Nevertheless, we will argue in this paper, that there is a common pattern of development for the arts and cultural sectors with regards cultural governance. We summarise this in Figure 1. and will discuss the different stages in the pages below. Our examination in the following pages suggests that we are, globally, currently in an important phase in the appreciation and support of arts and culture. Of course, not all places around the world are at the same stage of appreciation. Some places see arts and culture as being critical to the guise and identity of a community, perhaps as a country as a whole, whereas others are still trying to determine what exactly is arts and culture to them! This difference in appreciation, together with an increasing move towards greater control and measurement of resources (in a climate where resources are becoming increasingly scarce), leads us to the current situation where governance in the arts and cultural sector is developing, not all at the same speed, nor always in the same direction. Our examination in this paper attempts to chart the critical issues facing the development of

governance in the cultural sector, and we will assert that while there are differences there are also common features that make for a pattern of development. This pattern of development, we suggest, can be presented in two halves. The first half reflects an evolutionary development with a prescriptive application of the principles of governance (including clarity regarding the roles and responsibilities of stakeholders; appropriate check and balances; and perhaps most importantly, transparency and accountability).

We observe that most locations still reside in this first half (identifiable in the Figure), yet there is also evidence to suggest that not all locations are content to remain in this first half. We therefore evolved further to positions (in the second half) that we define (in the Figure) as *devolutionary*. The distinct difference between the two halves is the change of emphasis – from an emphasis on control and measurement, towards one of ‘trust and support’. We suggest that for the arts and cultural sector (and this may be true for other sectors as well — but we will not make this claim here) that if we are looking to develop a healthier ecosystem through governance and trust, then the current disproportionate focus towards measurement has in many locations to be replaced by a more balanced support mechanism and therefore move towards a context in the spirit of the words spoken by EU Foreign Affairs and Vice-President Federica Mogherini: “to be ... financially resilient and additionally, in recognition of their activities; “equally, not compromising with regards their artistic integrity, mission and values”.

What we also need to stress at this point is that such a move forward is not appropriate for all locations. Some locations face other factors (political, social, and environmental) that preclude this type of development as being the only way forward. Therefore, we need to emphasise that our examination below will only be relevant for some locations at a certain point in their development.

## 2: What is cultural Governance?

We should also at this early stage rehearse for those readers unaware of the context of cultural governance its origins. Therefore, what is cultural

governance? The term cultural governance unsurprisingly emerges from the corporate sector, where it has been in common usage for several decades (see Lubatkin, Lane, Collin, and Philippe, 2005). Etymologically the term can be traced back to the Latin (*gubernare*) and Greek (*kybernein*) words for 'govern' which means steering in the navigational sense (see also Stokke 1997: 28). Thomas Schmidt (2011) makes the claim that it is important to appreciate the sectoral features of governance, and he is clear that each sector demands its own understandings and this is certainly true for arts and culture.

Accordingly, Moon argues that cultural governance can be defined as: '(...) government's direct or indirect involvement in the promotion and administration of programs of cultural organizations (including museums) existing in specific geographic boundaries with unique financial and administrative arrangements' (Moon 2002). Moon's definition seems to emphasise administrative control – seemingly following in the spirit of the corporate definition. However, the question emerges, is this approach in the best interests of both providers and receivers? 'Providers' as a grouping depicts grant-givers (and perhaps in some circumstances, see Brazil, where financial grants are less evident and instead they introduce tax incentives), whilst 'receivers' are the applicants, normally cultural institutions/ organisations rather than individuals (artists) who argue that they represent a particular organisation from the arts and cultural sector who wishes to apply for support – whether this is public monies or other type of third-sector income.

To support our argument, we draw upon an international empirical study (that the authors conducted in 2017). Carried-out across nine different international countries (Ethiopia, Taiwan, India, Hong Kong, Australia, South Africa, Brazil, Serbia and USA), and spanning five continents, we used the five cultural governance principles developed by Schrauwen & Schramme (2012) as the base for our examination. These are: a clear division of roles and responsibilities; check and balances; transparency and accountability; the composition of the board and the relation with the stakeholders, as a framework to test in how far the different locations were familiar with them

and in how far they applied these principles in their context. The opening argument of our empirical study from 2017 was that a 'one-size fits all template' for all locations was likely to be inappropriate and generally our study confirmed this hypothesis. The result was nine individual collections of data written by our local collaborators that we included in our book (published by Palgrave-Macmillan) entitled: *Cultural Governance in a Global Context: An International Perspective on Arts Organizations* (ISBN: 978-3-319-98859-7).

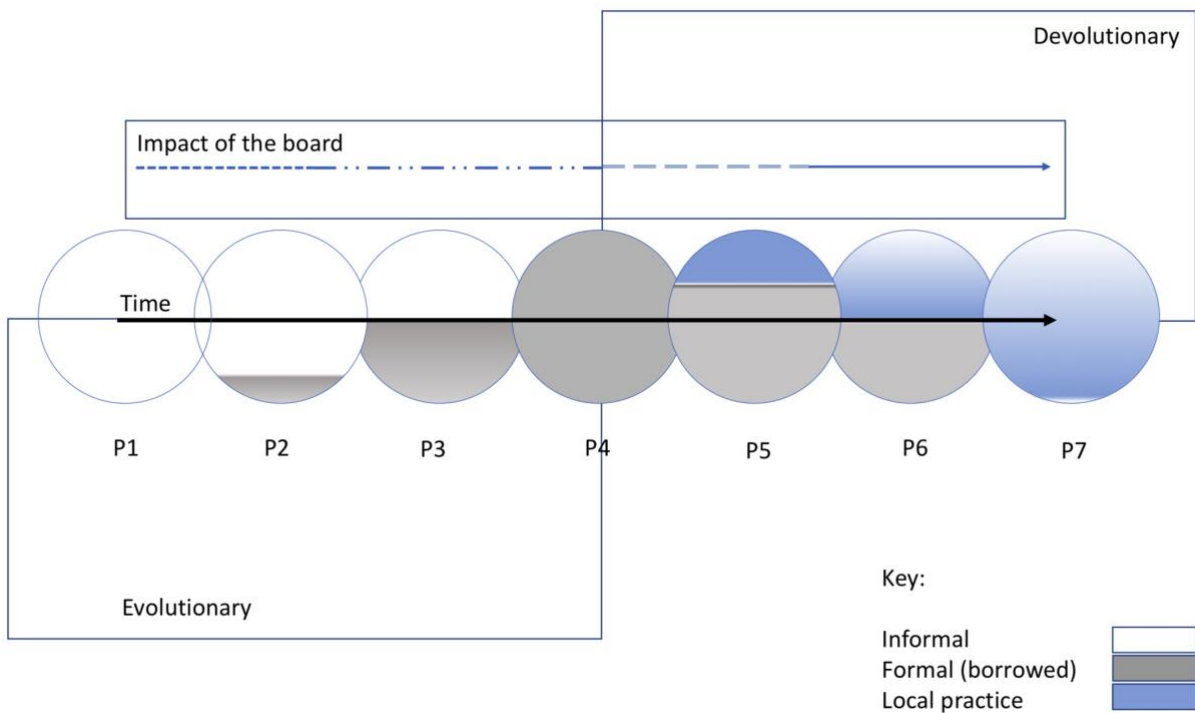
We will not here rehearse all of the results and findings from each location. What we will do is summarise the overall results and discuss our subsequent reflections as a contribution to debates on democracy and development in the cultural arena.

### 3: Findings from the 2017 study and implications for the future

In the final chapter of the above book, we suggested that depending where arts/cultural organizations are in their own life cycle, and correspondingly where the location was in its stage of development as a public-sector provider, there would be a correlation between these two features with regards to the understanding (and application) of cultural governance. We place this correlative understanding within two predominant features that depicts the two main halves of Figure 1 (below) – the evolutionary and the devolutionary.

The evolutionary part of the model reflects the earliest stages of appreciating arts and culture in a location. Here we offer four stages of evolution: the reader should see Figure 1 not as an accurate prescription, but rather as a generic, representation of evolution and thereafter devolution. That is, different locations will develop at their own individual pace rather than via a particular prescriptive path.

In the study, we noted that at the first point of evolution were the beginnings of the recognition of the potential of arts and culture and cultural policy. It should be noted in these early stages of evolution that in some locations, the term *culture* is not employed or used as a descriptor of activities, rather other alternative labels are used



– for example in Ethiopia, the term they employed most commonly was ‘heritage’. Thus, arts and culture were seen as aspects within the wider notion of heritage and at this early point of evolution understandings of the potential/value of arts and culture was still emerging.

This is depicted in P1 (place 1) and P2 (place 2): here we can note that locations were at varying degrees starting to appreciate their local traditions, their identity and what made them who they are. People often talk about the dangers of westernized television etc., but what we also noted in the early stages that it was often through the influence of other parts of the world (via television, tourism etc.) that often make local audiences look again at themselves and their own origins, identity etc. Following these early stages of reflexive awareness, we see a gradual movement from P1 to P2. A process of realisation for the different stakeholders to look at descriptors and values made them develop terms/needs such as ‘preserve’, ‘protect’ and ‘support’ their own *identity*, their *artistic traditions*, and other arts, and cultural features, which all over time led to the establishment of national museums and other important

institutions. Thus, we see evidence of the early stages of valuing arts and culture starting in these stages. However, what we also noted at these early stages was that locations often did not simply rely on their own ‘trial and error’ in terms of evolution, but would often turn to other models from other locations — and the evidence of which reveals a form of acculturation.

‘Acculturation’ is when a location attempts to borrow examples of good practice from other more experienced locations (see for example: Sam et al, 2008). They recognize some aspects of their respective histories/interests that were similar and accordingly used this as their basic rationale for the implementation for guidance to their local arts and cultural organizations.

Accordingly, they turned to other more experienced locations for a system that they could ‘borrow’ and ‘implement’, sometimes the Arts Council from the United Kingdom and sometimes UNESCO. In the case of the UK, this may have reflected that many of the locations were former colonies or provinces in the past of the United Kingdom so other locations may look to other influences.



In Figure 1, then, as a consequence of this evolution of acculturation, and leading to implementing of certain rules and procedures, we can see the balance of practical change – from predominantly informal (P1 and P2) towards one where there is a growing (P3) and at P4 an established influence of the formal. In effect, what we are witnessing in these stages of evolution is the borrower looking for a ‘fast-track’ process, with a proven track record of successful performance – thus, a proven tool seemingly able to reduce the risk of poor implementation and/or waste of resources (including time, money, and so on) for this evolving location. We should note that as the formal becomes more and more dominant in the later stages of the evolutionary aspects of the model (P3-P4) then it becomes increasingly evident that the provider wants to use cultural governance as a tool and to be an explicit form of measurement. A focus that might be critiqued as a attention to be more on the tool of scrutiny rather than on the subject (the arts and cultural sector) itself. Thus, producing what might be labelled a form of ‘means-ends inversion’. That is, the process of control becomes more important than the subject examined. If this occurs then this can lead to a very dissatisfied collection of receivers – often artistic-led complaints, where they believe that their needs/understandings are not appreciated by the cultural governance process and should this become widespread then discontent emerges and can become dysfunctional (see Buduru and Pal, 2010).

We can see in Figure 1, in particular the element labelled P4, how the move towards the formal implies an explicit need for accountability/transparency in order to comply with the requirements for continued funding. For some observers P4 might be seen as the optimum stage for cultural governance, but however, we suggest that it is not the solution here for the majority of arts/cultural locations (However, this can differ subject to the political context – see Brazil for example). However, for many artists and creatives they need a context that appreciates who they are and what they can fulfil as part of a particular arts/cultural organization. What we witnessed in multiple locations both from this group and the management teams that work with

them, is that the ‘borrowed process’ did often work but only to a limited degree, and what often emerged from local concerns were questions of appropriateness and relevance for them? P4 seemed to suffer from two main considerations. Firstly, as mentioned, some of the local needs were overlooked. That is, some institutions felt that some of their own individual activities were not fully appreciated. That is, the process/tool was not sufficiently sophisticated enough – often not able to grasp the full range of features that characterized the process and outputs of a specific arts/cultural organization (see Paasi, 2002 for a discussion of the problems of local versus global).

This leads us to the second consideration, and this reveals a propensity to measure the tangible elements often at the expense of the intangible being overlooked (and we will discuss this claim more fully in the next section). There might be a number of reasons for this imbalance – including the origins of governance lay in another sector and location and therefore intangibles were less important or simply different? Therefore, it was these types of signals of discontent that led us towards appreciating the need for a second half to Figure 1 – the *devolutionary*.

The devolutionary represents a context where the location has reached a level of maturity and confidence that the providers are able to re-examine their own policy and practice in supporting arts and culture. We should also recognise that this recognition is not simply the provider acting alone, but rather actively is a collaboration and dialogue with receivers. What we mean by this, is that in the previous evolutionary phase this was much more of a hierarchical relationship, where the power resided clearly with the provider. Now we suggest, in terms of collaboration, it is closer to a professional ‘equal’ collaboration, i.e. one that draws on the expertise and experience of both parties and their respective views of their roles and activities. Of course, and this is important to stress, not all receiving sectors will be at the same level of maturity (or possess the political climate) in these locations. Therefore, we observe that the providers do need to possess a level of maturity and flexibility in order to accommodate individual organizations and different sectors developing at

varying speeds and therefore being at different places in their development life cycle. Thus, it is important to stress that the devolutionary phase recognises that support for the arts and cultural sector needs to privilege the interpretation of local need. Therefore, understanding local need demonstrates a degree of confidence that seemingly is no longer following the route of other locations but now taking control of their own need (Paasi, 2002).

#### 4: Tangibles and intangibles for cultural governance

As was mentioned briefly in the above section, the limitations of a 'borrowed' process, is that it will likely have been developed in another location and perhaps even for a different sector. Ideally a borrowed process needs to be sufficiently flexible and penetrative to accommodate the different and variety of features that may emerge across these locations and sectors. Failure to appreciate this range of features may be detrimental to the effectiveness/relevance of cultural governance and therefore lead to questions regarding its value.

This is especially important for appreciating the character and contribution of the intangibles of cultural organisations. For our purposes, we argue that it is important to appreciate that intangibles can complement tangibles and likewise there can also be other intangibles that are independent of tangibles.

Briefly, what we mean by this is that a tangible asset is a specific physical feature/object/outcome produced within the arts and cultural sector (and we might include here such items as physical spaces of museums, theatres, galleries, etc. and furthermore we would likely include here aspects of their operation and capital costs with regards to replacement in certain circumstances). Therefore, these features are characterised by physical characteristics. Normally these features are easily identified and appreciated by cultural governance processes and therefore measurable. Thus, complying with the normal features of any governance process, regardless of sector.

However, there are also intangibles that exist in the arts and culture sector that may be unique to them, and therefore because it is a borrowed

process, then these features may not always be appreciated. Succinctly, intangibles do not possess the same physical characteristics as tangibles but may (or may not) be associated with them.

Therefore, an example of an intangible associated with a tangible might be a theatre performance. Here the tangible elements of the performance include, number of performances, its length, cast, costs, and so on, together with numbers of people in the audience, etc. Thus, we can appreciate that these aspects of the performance are physical and therefore immediately measurable – yet concurrently, there are other features of this performance that generates non-physical, intangible features, for example as in responses to questions as to 'why this performance'? Or, what are its artistic contributions to the profession, or artistic field? What other forms of value do these performances offer to the audience, and also to the field etc.? These latter features are likely not to be measurable in the same way as the tangible, and yet at the same time, they can become essential for evaluation, so as to appreciate the full contribution of the performance and its place in the overall programme of outputs from this arts organisation.

An alternative way of understanding this relationship is to appreciate that the relationship between the tangible and the intangible in the arts and cultural sector (and we are not claiming this represents all sectors) is not one of opposites or opposing elements – that is, some of the features are visible whilst others are invisible – but rather that their relationship is often complementary. Closer to what French philosopher Maurice Merleau-Ponty eloquently described as where the intangible (or as he labels it 'invisible': *l'invisible*) is more accurately a relationship where one resides 'in-the-visible' of the visible (Merleau-Ponty, 1968). That is, the invisible enables the visible... or to put it in our terms, the intangibles endows the tangible. Not appreciating this relationship is tantamount to only partially appreciating its contribution and therefore the difference between a strong, as distinct from a weak evaluation. Therefore, returning to evaluating the performance above, appreciating only the tangible provides only a partial understanding, it is only when the

intangible features are appreciated as to 'why' and 'understanding its value' etc. that a fuller understanding emerges.

Furthermore, there might be other intangibles that are not specifically associated with tangibles that are also very important to the arts and cultural sector. For example, artistic freedom, artistic judgement, creative reputation, and so on. Each of these (and others) are important to appreciate because they demonstrate to external perceptions the nature of the contribution from the arts/cultural organisation – and although not possessing any physical attribute or really being directly associated with a tangible, they still represent critical features that go to the very core of the rationale for the being of the specific arts/cultural organisation. UNESCO offers additional understandings of intangibles related to heritage: 'The importance of intangible cultural heritage is not the cultural manifestation itself but rather the wealth of knowledge and skills that is transmitted through it from one generation to the next. The social and economic value of this transmission of knowledge is relevant for minority groups and for mainstream social groups within a State, and is as important for developing States as for developed ones'.

Achieving optimal levels of artistic and creative outcomes lies at the core of providing support for the arts and cultural sectors and what we hope we have suggested in this section, is that for the arts and cultural sectors, in order to appreciate the 'qualities and value of their outputs this requires appreciating the intangible as much as the tangible and in order to fulfil the requirements set-out by EU stated at the beginning of this paper. Failure to do this denigrates the cultural governance process and this is especially important for the devolutionary stages of the Figure 1. However, the question that arises in the context of these aspirations, is how to facilitate in ways which meets the needs of the providers (in terms of accountability and transparency) and likewise in terms of the receivers so that they can demonstrate their 'excellence' and how they contribute to artistic/creation? In the next section, we turn our attention towards 'trust' – both as a further illustration of the intangible but

also reflecting its role in the process of developing an effective cultural governance.

### **5: What is trust and how (and why) is it important for cultural governance?**

*Organizations can "succeed or fail on the notion of trust."* (Sheppey and McGill 2007, 245).

Our point here is that if an organisation proceeds towards the devolutionary phase of Figure 1, this then is likely to require a different form of relationship between the provider and receiver to the one found in the evolutionary stage: that is, is a move from a relationship built upon hierarchy and control towards one that is collaborative, built around the notions of trust and responsibility.

We observe that at the evolutionary phase of Figure 1, the process increasingly evolves to one that is relatively rigid and prescriptive yet, also observed, once the location becomes more confident and more aware of their own attributes these more mature receivers will want to have a much greater say in their own development. This entails increasing sense of interests in the character of their own governance, and therefore their needs moves to a devolutionary guise. We suggest that this reflects a type of maturity and is almost inevitable in certain contexts. The role and appreciation of this need is critical and this is where the provider's maturity and confidence in the process is essential.

Here, together with the provider, the receiver now reaching the devolutionary phase is no longer part of a process that is one analogous to an 'outside-looking-in' process (imposing a rigid means of scrutiny), but rather it is one now that it is an 'inside-looking-out' frame. A frame that still performs the main principles of accountability and transparency, it is now the case, that because of the maturity of the context, the providers and receivers are able to grasp their full character – which includes both tangible and the intangible – and able to be presented in such a way (a flexible frame) that allows the receiver to maximise their contributions to external audiences. In some ways, this description builds upon ideas/practice found in the Netherlands and Flanders and their policy of 'apply and explain'. That is, they allow the arts and cultural organisation (as a result of their experience from the evolutionary phase and



in consultation/collaboration with the providers) to develop and construct a frame of evaluation that meets and responds to all stakeholder needs. In this way, the providers acknowledge that the receivers will likely produce individual governance frames that characterise the specific guise, both: past, present and future oriented.

However, to achieve such a ‘healthy’ balance a critical feature required for all involved stakeholders is the notion of ‘trust’ and this is not something that can be immediately assumed, rather that our understanding of trust reveals multiple issues – from understanding its guise, its implementation and thereafter its role in evaluation.

Discussions of trust in academic literature has been broad and often contradictory (Bachmann, 2011; McKnight and Chervany, 2001, Shockley, Neal, PytlikZillig and Bornstein, 2016) leading some to suggest that there is no agreed definition to date (see Rousseau, Sitkin, Burt, and Camerer, 1998, p. 394). A quick examination through Google Scholar reveals claims of over 100 different definitions of ‘trust’. Any suggestion that we might quickly or simply identify and provide a template to implement a trustful relationship is not an easy task. However, we can determine a route that moves our investigation forward.

Firstly, our requirement for trust is that it must be *relational*. The literature suggests that this normally is between trustee and either another person or an object (an object to perform) – but the literature is keen to point out that we cannot assume this is reciprocal (Rousseau et.al 1998). This then leads to questions regarding strategies to reduce the risk involved (Luhmann, 1979) and the impact on the trustee (and perhaps for the trustor) in terms of their voluntary state of vulnerability (see Hoffman, 2002; Luhmann, 1979). Cole and Cohn (2016, 161) summarise these positions in their statement: ‘when one individual trusts another individual, he/she makes him/herself vulnerable and expects that the other individual will not take advantage of that state of vulnerability’.

There might be several strategies to reduce risk/vulnerability but ultimately trust is about having confidence in the other and this leads us to

our second observation. That is, trust is a process and the experience from the evolutionary parts of Figure 1 can provide greater (or lesser) confidence with regards that the other party to the relationship will act consistently and in a style that fulfils the needs of the provider/receiver. It is important to stress that because of the alliance in values and the desire for an effective outcome that the potential divergence of value/interest can be expressed in some industries is seen less likely to occur in the arts/cultural sector (see Parkhe, 1998).

Finally, it is important to appreciate that our examination of trust is not in accordance with general examinations of trust in a casual or informal relationship but rather reflects what Lynne Zucker back in 1986 characterised as ‘institutional trust’. Zucker (1986) argues that institutional trust ‘generalizes beyond a given transaction and beyond specific sets of exchange partners’. Actors base their expectations regarding the behaviour of others whom they do not know (on a personal basis) on the quality of the institutional system (Rothstein and Stolle, 2001). More specifically, in terms of our discussion: *‘the different actors are formally representing different organizations and all stakeholders should base their confidence on their professionalism to act fairly and consistently in fulfilling the tasks that they agreed’*.

Therefore, our assessment for ‘trust’ is one of institution/organisation regarding a form of cooperation with the quality/outcome of another (in our discussion here between providers and receivers) in contrast to an interpersonal assessment of individuals.

An important ingredient here in appreciating institutional trust is the role of responsibility. With institutional trust, the role of the individual is still pivotal. However, after carefully examining the arguments regarding trust, we suggest that within organizational settings that there is a different mind-set to the level of responsibility perceived by the actor in comparison to an individual acting alone. An individual acting alone has no formal allegiance beyond himself or herself (self-interest) and therefore can be discretionary with regards to their attitude regarding

responsibility. Our argument is that with people in occupying roles fulfilling institutional trust this explicitly relies on ‘earned recognition’ from previous dealings at the evolutionary levels and the parties involved believe that the other will act consistently and with responsibility and in some sectors, this can be especially powerful because the individual is not just an employee but someone who is committed to up-keeping the values that their organization possesses (for example in the arts and culture – but also health, schools etc.).

The purpose of cultural governance is to look to reduce the risk associated with the financial support/cooperation from the provider that they trust that the receiver will fulfil the activities that they promised to carry out. This means, towards a form of reciprocal trust between parties. We suggest that through an appropriate frame of support at the devolutionary level that this amounts to a reduction in risk for the arts and cultural sector. We suggest that once the actors reach a certain level of maturity – one that is not governed by close control, but one rather reducing risk through mutual levels of trust and appreciating responsibility then this level of activity can take place.

Thus, returning to Figure 1, we suggest that by reaching P7 we hope to see a fully transparent, open, accessible process led by ‘trust’ and a corresponding understanding and appreciating of ‘responsibility’ between provider and receiver. We must also stress that this relationship should not favour large institutions (capable of maintaining experts to facilitate this relationship), but also be sufficiently flexible to support (and encourage) smaller institutions that are able to ‘earn’ this trust (and this may require a different frame of expectation to large institutions). Likewise, it must be understood that this frame might also need to differ across sectors (within arts and culture) – because the sectors are each progressing at different speeds.

We do envisage that developing along the devolutionary route requires a different balance that provided in the evolutionary stages and essential to this development are the respective boards for each organisation. In the next section,

we offer a short explanation of the importance of the board within our examination of the relationship between providers and receivers.

## 6: Importance of the board

We noted in our 2017 study that some locations had not always appreciated the value and potential of the Board. Of course, boards are not uniform in all locations. They can range from collections of politicians reinforcing their provider role (that is it is a condition of receipt of public support that a certain percentage of the board are politicians representing the providers) to others that are simply collections of interested people and financial supporters. Our discussion of the development of provision recognises these differences, but also, we should stress that in order for the location to develop further, the board must match their need – and this includes political participation – in order for the sector to move forwards. If a board is not managed as a *resource* for the organisation, then we see this as a wasted opportunity and not in the best interests of the development of the organisation and the sector as a whole.

A board should be able to mediate (advise and interpret) ‘top-down’ policy and also guide and support ‘bottom-up’ responses from the management (and perhaps other local contributors). A good board should not be rigid and formal but build towards reflecting and supporting local need. Time is needed for every arts/creative institution to develop and mature with an effective board and it is through the board and their local knowledge (together with their technical knowledge) that providers should convince themselves of the maturity of the particular organisation under scrutiny.

The evidence from our empirical study reveals that a good working, well-balanced board can be a vital and important asset for any arts/cultural organisation. This requires the existing board and management team to frequently audit both their internal and external needs, and this focus should be both current and future-oriented. As the organisation and sector evolves, and thereafter devolves, so must the board match this need and provide appropriate support. An effective board mediates both internally and externally –

internally they can provide technical expert support to guide and monitor; externally they can peruse the environment, market the organisation and explore new opportunities. Thus, board members should be appointed to fulfil these range of roles. Furthermore, some board members might be on multiple boards (if not conflictual) and this can be very useful in ‘pooling’ resources and other collaborative opportunities. It should also be stressed that like all employees, boards and their members must also conform to the principles of cultural governance and therefore act in an accountable and transparent manner. As Former director of the New York Lincoln Center for performing arts once stated “In organizations of all kinds, good governance starts with the board of directors”. (Harvard School of Law forum, 2012).

### Discussion

Let us start with a quote from Katherine Groninger (2016), who offers in her PhD thesis an opening summary of the guise of what is normally expected from cultural governance in the museum sector: ‘Museums are complex organizations maintained on behalf of the public trust. Reliant on funding and community support to thrive, museums must be accountable for financial and ethical decisions to help secure that public trust. To demonstrate compliance with expected standards, institutions are compelled to report and explain their actions. Museum accountability requires institutions to establish an internal structure whereby decisions are made, while being held externally to account for those decisions. Continuous internal and external assessment links a museum’s values to its conduct. Achieving accountability requires inculcating ethical codes and establishing controls throughout the museum’. (2016:1).

This description captures the character of governance as it is proposed in the corporate sector. Its emphasis is explicitly on control, accountability and transparency. Yet, we might also argue that a large section of the other activities typical for the cultural sector that enable these to be undertaken seem not to be fully appreciated. The cultural governance process as described by Groninger ignores the full character of what constitutes the nature and essence of an

organisation from the cultural sector. We could argue that Groninger’s description could easily be talking about an organisation from another sector, as it does not seem to be appreciating the particular characteristics from the arts and culture. Our argument in this paper is that a frame that is too rigid (control-oriented) can only allow for development to a certain limited level – in Figure 1 we suggest evolution can stop at the equivalent of P4 and this may be an appropriate goal for some environments where control is perceived to be important.

For these locations P4 represents a stopping point. Other locations perceive stages P3 and P4 as evidence of increased formalisation but at the same time increasing awareness of the limitations of the borrowed governance process (for example, from UK or the West) and this is a top-down approach. A process that was not developed for their context, but for a different set of needs and accordingly; ‘cracks’ start to appear in the borrowed governance approach. P5 represents a realisation that a location possesses the confidence and the ability to move towards a more devolved approach. However, such a move also is likely to require a different frame of support — one that is less about hierarchical control and more about collaborative support (and in particular employing dialogue as the critical tool for change). This is a key mind-set change and should only be considered where all the stakeholders/actors are ready to move in this direction.

Our underlying argument is that the stakeholders at each location are best placed to identify the development towards a frame that is appropriate for them. Our above discussion suggests that this is likely to lead to a flexible frame of support capable of moving toward a self-regulatory practice within an acceptable frame of practice.

We can conclude from our study, and continuing conversations (and a recent more local study see Van Doninck & Schramme, 2019) following the study, that some form of cultural governance is inevitable. Providers (varying levels of government) will likely continue to emphasise that there are limits to the resources available for supporting the arts and cultural sector. In these

circumstances, competition is inevitable and this will lead to selective support measures. Certainly, in terms of our discussion the devolutionary phase of the model presented in this paper identifies that the issues of trust for the individual as compared to the organisation are complex and diverse.

Regardless of whether an individual (an artist) or a cultural organisation is looking for support it is likely that for all the role and contribution of the board in building trust should be retained and continue to be a required feature. However, the evidence from our earlier empirical study suggests that the value, role and potential of the board was not always appreciated in the cultural sector. However, boards can play an active role, acting as effective mediators, in both providing a supporting role towards the organisation and providing specific often 'independent' information to the providers (different governance levels). The implications are clear, board memberships should reflect the needs of the organisation and this may have implications for political participation. In other words, as the organisation evolves so must the skills-base of the board (match and anticipate) both to the internal and external needs of the specific arts and cultural organisation. Therefore, the evolution of the board from the early stages (when friends/supporters may make up the main constituents of the board) towards professional support, is necessary and thus appropriate mechanisms for training and support need to be part of the spectrum of support provided from different governmental levels. However, we would also argue that if there are problems in finding and appointing appropriate board members, this is also an important factor in the quality of the devolved arts/cultural organisation to consider.

### Conclusion

At this point we must conclude our examination. Our purpose here has been to review and argue for the future development of cultural governance. We argued that cultural governance in the current global economic and political context is dominated by a mind-set of measurement. We are concerned that this mind-set although in the short term can be valuable, however in the medium/long-term is inhibitory,

especially if these tools are not developed to match the current and future needs of this sector.

We suggest that there are two main questions to understand the process of good governance in the cultural sector. Firstly, is cultural governance always about accountability and transparency, and is the only way to achieve this through close control? Or is cultural governance closer to a process of hierarchal control, leading towards relational support? Relational support and dialogue where the same principles of cultural governance persist – clear division of roles, transparency, check and balances - but here in terms of reciprocal trust and responsibility.

Secondly, is good governance in the cultural sector not more about the appreciation and the contribution of the intangibles in combination with the tangibles? If so, what mechanisms need to be established in order to appreciate this breadth and depth of character for the arts and cultural sectors? Therefore, our account here attempts to present an approach that reflects a more flexible frame – one that meets local need – whether provider or receiver – and most importantly one that facilitates the arts and cultural sector to grow without retribution.

This is only possible if the level of institutional trust is high enough and if the board is playing its role as a mediator between the providers and the receivers. Yet, we also acknowledge that further empirical research is necessary to elaborate our frame further so that it becomes a more valuable resource.

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