SPEAKING PUBLIC FUNDING INTO EXISTENCE:
TRACKING THE NATIONAL ENDOWMENT FOR THE ARTS’ USE OF
CULTURAL ECONOMIC RATIONALES TO ADVOCATE FOR PUBLIC SUPPORT

A Thesis
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ABSTRACT

In this thesis, I track use of cultural economic rationales employed by the National Endowment for the Arts (NEA) to secure public funding. I conducted a content and discourse analysis of Appropriations Hearings in both the House and Senate Appropriations Committees for FY 1967, FY 1982, and FY 1997 and articles from the Journal of Cultural Economics. My methodology, based on Focault’s policy geneology and Kingdon’s policy streams, helped explain how the NEA discusses and argues for public funding in a policy arena via the use of theories derived from cultural economics scholarship. The results show that depicting the arts as a public good was an overarching theme in the problem stream, with supporting arguments changing due to circumstances in the political or policy streams. This work has implications for how arts advocates can continue define and articulate their desire for increased public funding using the work of cultural economists.
DEDICATION

I would like to dedicate this work to Dr. David Seward. He sparked my interest in language, introduced me to Aristotle, and understands my sense of humor. I cannot repay him for these valuable gifts.

Furthermore, even if he does not know it, he has been an inspiration to me as a student, a researcher and an educator.
ACKNOWLEDGEMENTS

Many thanks to my mother for her constant reminders to “watch my mouth.” While I was not always able to do so, it was nice to know that she was always listening and always cared about what I had to say.

I would like to offer my most sincere and humble thanks to Dr. Wyszomirski and Dr. Lawson. Their guidance, support, wisdom and humor made this journey much more enjoyable than it might have been otherwise.

I would also like to thank Molly Uline-Olmstead. Throughout this process she has helped me draw diagrams, correct run-on sentences, and discuss Foucault. Better yet, she did these things with the wisdom of a true intellectual and the kind words of a true friend.

Last, but certainly not least, I would like to thank Alexander C. Wood. His love and support helped me overcome uncertainty, exhaustion, and occasional bouts of writer’s block. His steadfast belief in my ability to reach this goal was both humbling and empowering.
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FIELD OF STUDY

Major Field: Arts Policy and Administration
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CHAPTER 1:
INTRODUCTION

Watch your thoughts, for they become your words. 
Watch your words, for they become your actions. 
Watch your actions, for they become your habits. 
Watch your habits, for they become your character. 
Watch your character, for it becomes your destiny.
Author Unknown

The concept of the power of words was introduced to me at an early age. When learning how to speak, my mother tells me that she paid a lot of attention to the way I used words. Being the product of a mother educated in childhood development has its benefits. Temper-tantrums were not tolerated. Self-reflection was strongly encouraged. Learning how to effectively express my thoughts and emotions with words was required.

In addition to a healthy respect of language in use, my mother also instilled in me a love of the performing arts. My childhood was filled watching and participating in musicals, dance and piano recitals. Receiving a dance scholarship allowed me to pack my appreciation of the performing arts, the use of language, and the rest of my belongings, and go to college. My undergraduate academic interests were varied: business, economics and international area studies. The new concepts I learned often seemed at odds with each other. The positive use of the phrase “economic development” in my business classes
directly conflicted with the negative connotations evoked when discussing “economic development” in my international studies classes. The concepts I learned were also at odds with what I knew and loved about the arts. I often grappled with conflicting theories, norms and ideologies. Reconciling America’s rich culture with its poor arts institutions appeared impossible. My desire to understand the How? and Why? of these conflicting issues led me to pursue a Master’s in a joint-degree program. The Arts Policy and Administration program and Ohio State University presents Arts Administration from an Arts Education viewpoint and Cultural Policy from a Public Policy perspective. Coursework in my graduate studies has presented me with scholarly resources that have further illuminated the contradictory ideologies, causing the conflicts to become more pronounced as I gather more information. These challenges were also presented with the opportunity to explore the complexities of the following fields: nonprofit organizations (particularly arts organizations), business and economics, and one way they overlap: the cultural economic rationale.

In this thesis I will couple my love of the arts and my fascination with word choice to examine use of the cultural economic rationale in the non-profit arts as a means of defining policy issues. The purpose of this research is to establish the ways in which cultural economic rationale has been used to discuss the policy concerns of the nonprofit arts sector.

Background

This type of research requires care in word choice. Part of that care is establishing definitions of the words that I will use. The term “the arts” means various things
depending upon the audience. Some consider the term to be all encompassing of any type of expression. Some exclude crafts, while others may use the term to mean “high art” or “popular art.” In order to circumvent any misunderstanding I am using Heilbrun and Gray’s cluster of the following art forms: “the live performing arts of theater, opera, symphony concerts and dance and the fine arts of painting, sculpture and the associated art museums and galleries” (2001, p. 21). This limitation is done for three important reasons. First, each of the two broad categories, the live performing arts and fine arts, are internally linked to the production practices of both subcategories. In the broad fine arts category the subcategories all share the fact that they are intertwined and interdependent upon each other for the production and consumption or display of the art (Heilbrun, 2001). Second, the included categories are operating under a nonprofit basis. This nonprofit status means that these organizations are responsible for their own business actions but are also qualified to receive assistance from the government as well as private businesses and individuals. I chose the word “qualified” because their ability to receive funds from the government is one of the most common ways that the nonprofit arts emerge within the policy arena. This qualification is significant because government funds are scarce and there are many organizations vying for resources. Third, the groups that were excluded, essentially the commercial arts industries, are large categories that house a large number of subcategories that are diverse in history, scope, institutional background and practices. The significant differences between the groups that I have included and those that are excluded are motivations, methods and economic assumptions, especially the level of desire for direct governmental financial intervention.
Another phase that needs unpacking is “nonprofit arts discourse.” I use this to mean the set of assumptions held by those within and advocates of the nonprofit arts. This discourse incorporates some value and belief elements from the for-profit and government sectors. This is done to facilitate inter-sector communication between those representing the nonprofit arts and those representing the other two sectors. The most significant assumption within the nonprofit arts discourse is the assumed alignment with the status of other nonprofits. Nonprofits exist under the assumption that they provide a public good. This is implied via the language used within the nonprofit sector and explicitly in the tax exemption language in the United States Tax Codes. How this assumption operates within and affects the nonprofit arts discourse will be discussed in this study. In order to clarify for the reader, when I am discussing assumptions I will use the term “nonprofit arts paradigm.” When discussing inter-sector dialogue I will use the term “nonprofit arts discourse.”

A third point of necessary clarification is the phrase “cultural economic rationale.” For the purposes of my research I am using the phrase as a means of grouping arguments crafted by economists, for example market failure, public goods and positive externalities, that are applied to the nonprofit arts sector. Cultural economic rationales are one way the nonprofit arts have attempted to secure government funding. The process of securing government funding involves players from various sectors: nonprofit organizations, artists and arts institutions, businesses and government, giving rise to issues of different discursive tendencies, priorities and concerns. These issues become apparent when communication among the aforementioned sectors occurs. I will be looking at the cultural economic rationale for the arts in a policy context. I want to
discover how the different discourses interact with one another as a means of advocating policy action.

Cultural policy action can only take place as the arts position themselves in the public policy arena. The inclusion of public funding and the necessary government processes associated makes cultural economic rationales political arguments (Swaim, 1982). The nonprofit arts institutions upon which my data are based are actively operating in a mainstream society. As part of their missions and goals these organizations provide a public good to their community. By providing a public good they are, in theory worthy of public funding. A precondition of receiving public funding is through their status as a 501(c)(3) tax-exempt organization. Because of this status they have been researched in ways that present them in a favorable light as a justification of public funding. This is important to my research because this status may influence the actors involved, their behavior and their political access points. All of which affect how they make their political argument for funding.

Theoretical Lens

To properly address cultural economic rationales as a political argument, I will utilize the political policy idea of “issue definition,” defined as “what we choose to identify as public issues and how we think and talk about these concerns” (Rochefort, 1994, p. vii). This interpretive framework focuses on policy issue construction. It also examines how issue definition may shape and reshape issue construction in a policy context.
Issue definition analysis is based on the defining process, illuminated by the following questions that I seek to answer, which are adapted from Considine (2005, p. 74):

WHAT:
• What are the characteristics of the problem being named?
• What is omitted from this formulation?
• How are inclusions justified?

HOW:
• What are the “theories” about the problem’s causes or origins?
• Whose interests benefit from the prevailing definition of problems?
• How do the names and categories being used direct attention to solutions?

WHO:
• For whom is the problem a problem?
• Which actors are presumed to be part of this problem and its solutions?

Traditionally, researchers have looked at issue definition in two broad arenas. The first is focused on how the description of an issue can enhance or detract from its ability to be presented before the government. In the first arena the way an issue is defined determines the actors involved and their behavior. The actors involved may also have an effect on how the issue is defined. This is particularly important in the case of public arts funding, where public perception of artists is a significant factor. The definition also determines the relevance to decision makers. The second arena is how the issue definition is “linked to the solutions that government devises (Rochefort, 1994, p. vii). In this aspect of study, derivatives of an issue’s definition, such as perceived values, social implications, significance and causes are investigated from the viewpoint of previous governmental action or inaction.

At the root of both of these arenas is the definition of the issue. Without a clear understanding of how the issue is described, further investigation and analysis is not
possible. To that end I will be conducting my research on how cultural economic rationales are used to describe the issue of the value of the arts in a public policy setting.

Background of the Issue

Culture’s existence in the public policy arena is best described by C. Richard Swaim: “culture has emerged as one of those areas where segments of the public do not accept what the market provides; rather, they expect government to guarantee greater cultural availability and protection from the vagaries of the market” (1982, p. 1). This expectation led to government subsidy of the arts, which created additional responsibilities for those receiving subsidies especially in light of all of the budgetary constraints commonly associated with government (Mulcahy, 1982). With government funds comes engagement with the public policy process. At the heart of this process is the concept of issue definition.

As is the case with many issue definitions, the issue of the value of the arts in society has undergone various revisions. It is important to note that these arguments do not have an unequivocal chronological order. These various arguments co-exist and overlap. They branch off from one another, are part of one another and all strive to demonstrate the ways in which the value of the arts can be expressed. Historically, arguments for the arts have fallen under two broad categories: intrinsic and instrumental. Intrinsic values are those that belong to the arts because of their very nature. These benefits may be individual but they accrue largely to the public (McCarthy, 2004). Instrumental values are those that use the arts as the “instrument” to achieve the benefits.
Each of these broad categories house various arguments for the value of the arts. These arguments are important because they demonstrate ways the issue of arts funding has been defined by different actors over time. Many of these arguments have been tied to other issues such as education, national security, healthcare and finance/economics. While these arguments have been used on their own, during the course of issue definition revisions and alternatives, elements of arguments from both the intrinsic and instrumental categories have been incorporated into cultural economic rationales. As a result, it is important to acknowledge the existence of other arguments for the value of the arts. This acknowledgement will assist in contextualization and analysis later. These arguments have implications for personal and public benefits, as depicted by McCarthy, Ondaatje, Zakaras and Brooks (2004, p. 4) in Figure 1.1:

![Figure 1.1: Framework for Understanding the Benefits of the Arts from McCarthy (2004)](image-url)
The benefits depicted in this framework fall into argument subcategories. Benefits housed within the intrinsic category are: captivation, pleasure, expanded capacity for empathy, cognitive growth, creation of social bonds and expression of communal meanings (McCarthy, 2004).

Intrinsic arguments are often linked to social ideals based on the assumption that the arts have qualities that benefit society (Fullerton, 1991). These arguments rely heavily on non-numerical indicators of value such as aesthetics, pleasure and social bonds. Some of the intangible and innumerable factors intrinsic arguments incorporate are creativity, democracy, cultural development and national identity (Fullerton, 1991). Intrinsic arguments are used to promote the ideal of democracy via the arts’ ability to simultaneously celebrate the individual experience and promote community identity, national identity and national pride.

Feelings of captivation, wonder and pleasure are private benefits that do not naturally accrue to the public level. The expansion of individual capacities however, such as the expanded capacity for empathy, creates benefits that can accrue to the public. The expanded capacity for empathy not only broadens individuals’ understanding of their own lived experiences, but those of others around them as well. In addition to creating social bonds this type of benefit is attributed with providing the ideological substance, such as care for others, necessary for a functioning democracy (McCarthy, 2004). When considering the benefits of art on cognitive growth Eisner (2000) lists that the recognition of the following is a result of arts participation:

- Qualitative relationships are important
- Problems can have more than one solution
• There are many ways to see and interpret the world
• Learning requires the ability to adapt possibilities as they unfold rather than approaching problems with a specific purpose
• Neither words nor numbers can exhaust what we know
• Small differences have large effects
• Metaphor is important in describing experiences

Housed within the instrumental category are cognitive, attitudinal and behavioral, health, community-level social and economic. Instrumental arguments rely on numerical assessments such as money and achievement percentiles. Although a variation of cognitive benefits also appears under the intrinsic category, benefits such as improved reading and math skills are quantifiable in the traditional sense and therefore are placed within the instrumental category. Also, most often associated with school aged arts participants is school attendance and improved self-efficiency. McCarthy (2004) argues that social benefits of the arts vary dependent upon the type of arts participation creating, appreciating or promoting. For some, creating arts is a means of presenting their heritage, establishing or maintaining a cultural identity, or building a sense of community among participants. Appreciating art has the ability to create social bonds between people in different ethnic, economic and occupational backgrounds as well as across generations. Promoting the arts creates social capital for participants in the form of social contacts, a source of legitimacy and reaffirmation of social or economic class.

Of particular import to my research is economic value. Economic value relies on pre-established economic theories like production, consumption, utility and prices that are not focused solely on the creation or consumption of the arts. These calculations of value rely on how the arts act and react in a free market environment. The way those actions affect producers and consumers is also a factor. Although originally criticized as
dispassionate and without the same sentiment or “heart” as aesthetic or “arts for art’s sake” arguments, economic value arguments became an advocacy tool that combined other arts arguments. The ideological shift from value assessments relying heavily upon intrinsic value to the incorporation of economic value of the arts is manifested in the rise of the field of cultural economics in the late 1960s.

Over time, all of these arguments have aligned themselves with other policy items to combine the issue of the way in which the arts are valued with the issue of how much they are valued. Combining these issues is done in order to gain and maintain elevated policy relevance because “the arts are still a low public policy priority for most Americans. When asked to evaluate the importance of various community services, the arts ranked after health, transportation, education, law enforcement, housing, and recreation facilities” (Mulcahy, 1982). Therefore alignment with these various areas is a logical step to ensure a position for the arts on the public agenda.

A Brief History of the National Endowment for the Arts

Attempts to start a National Council on the Arts started in 1955, but these efforts were not successful until 1965, with the creation of the National Foundation for the Arts and Humanities. This foundation was part of the Great Society and housed the National Endowment for the Humanities and the National Endowment for the Arts (NEA). This was the first time a federal agency was responsible for supporting the arts. While greatly supported by the Senate the creation of the NEA has a much harder time with the generally unsupportive House of Representatives.
After a slow start, the NEA enjoyed a healthy and steadily increased budget, with only a few minor decreases from the early 1970’s to FY1992 (National Endowment for the Arts, 2002). The organization used those funds to support the creation and maintenance of State Arts Agencies and various programs within the following disciplines music, dance, literature, visual arts and theater. Programs supporting arts education were also funded.

Although there were some minor ideological skirmishes between those that desired a smaller government and budget cuts, the NEA was relatively controversy-free until 1989. The arms length sponsorship of Andres Serrano through a NEA grant to Southeastern Center for Contemporary Art, an organization that provided small grants to artists, caused uproar. Partly due to Serrano, creator of Piss Christ, the NEA became embroiled in rolling controversy. Soon after the Serrano’s work, the work of Robert Mapplethorp, which was criticized as autoerotic and homoerotic, was on display at the Cincinnati Museum of Contemporary Art in an exhibition allegedly partially funded by the NEA. This compounded issues for the NEA. For the first time since its creation the NEA was engaged in political, ethical and ideological mayhem. Under fire from many enemies, the NEA was faced with substantial cuts and calls for elimination of the organization during what was called the “Culture Wars.” Although attempts to eliminate the NEA were thwarted, efforts to slash the NEA’s budget and further restrict granting procedures were successful. In the post-Culture War era, the NEA has fought for increased appropriations in an attempt to reach pre-Culture War budget levels. Through its creation, existence and fight for survival the NEA has demonstrated various arguments for its importance. Over the years, the way that the organization and its supporters have
defined the issue of the appropriateness of federal support for the arts has undergone many revisions.

I have chosen to look at cultural economic rationales used within the nonprofit arts discourse as an example of issue definition. Through the use of these rationales the current aesthetic, societal and economic values of the arts are demonstrated by the people in the community, city or state the individual using the rationale represents. Rather than delving into the various, complex reasons behind a population’s aesthetic, societal or economic values as they pertain to the arts, I want to investigate how these values are expressed discursively. I plan to accomplish this task by examining a reoccurring event, the appropriations hearing for the National Endowment for the Arts. I have chosen to look at three specific fiscal years 1967, 1982, and 1997. These fiscal years were chosen because they saw significant changes in the NEA’s budget. These budgetary changes will provide a dramatic background to investigate which advocacy arguments were made that may have had an impact on funding levels.

Overview

Public policy, as it pertains to the arts, has plural influences. When discussing and analyzing research about the nonprofit arts there are factors that arise from arts and cultural theories, nonprofit organizational structure based on government regulations and business practices. These different influences provide the thoughts that are later expressed in words. According to Lowry (1984, p. 2), the “pluralistic components” that make up the various ways in which the arts are discussed and viewed in the policy arena
include “private patrons, philanthropic foundations, business corporations, federal, state, and local governments, and the influences of the marketplace.” The various components all have a role in shaping and utilizing cultural economic rationales within the nonprofit arts discourse in the policy arena. The purpose of this study is to investigate the discursive roles and arguments of these actors to see how they have changed, or remained constant, as time has passed.

In Chapter Two I will provide the thoughts that will guide my words in a literature review culminating with my conceptual framework in Chapter Three. This framework consists of Kingdon’s policy window theory and the concept of issue definition. In this chapter I will provide a brief history of issue definition analysis and discuss the theoretical foundations. I will also identify shortcomings of the concept and how I will address them.

In Chapter Four I will discuss how my thoughts, guided by my conceptual framework, will translate into action. This methodology chapter will first focus on how I use discourse, content and textual analysis to examine the congressional appropriations hearings. I will also discuss my coding system.

In Chapters Five and Six I will discuss whether or not the thoughts, words and actions of the various actors within my data have resulted in any habits or trends. In these chapters I will analyze the data by fiscal year and discuss any changes in discourse, content and semiotics that I discover. I plan to not only analyze my data, but I will also contextualize my findings.

Finally, in chapter seven I will discuss how any habits I find in chapters 4-6 may have turned into the character of the two main foci of my research the nonprofit arts
world and the field of cultural economics. I will also discuss any implications of my findings that may affect those foci, and provide suggestions for further research.

Summary

In this chapter I have discussed my personal reasons for immersing myself in this research project. In addition to providing background information on the valuation of the arts, I have acknowledged the two schools of thought on the value of the arts intrinsic and instrumental. I have also discussed the cultural economic rationale. I then gave a brief history of the National Endowment for the Arts and identified my data set, which includes congressional appropriations hearings for the National Endowment for the Arts for fiscal years 1967, 1982 and 1997. Through these hearings I will investigate the use of the cultural economic rationale as a means of issue definition in the public policy arena. Finally, I provided an overview of the organization and content of my research.
CHAPTER 2:
REVIEW OF THE LITERATURE

In this chapter I will discuss the literature that has is related to and informs my research. I will start with literature related to the process of policy formation, focusing on the authors and theories with the most relevance to my work. I will then look at studies within the field of Arts Policy that have guided my thoughts during the initial phases of my research. I will end by stating what I have taken away from these works.

Policy Formation

The policy process literature provides frameworks for understanding the elements involved in policy formation. These frameworks present organizing concepts for further investigation. This body of literature increasingly combines the work of policy analysts and political scientists in order to provide a skeletal structure for others to flesh out with additional research of events and actors involved in policy making.

The policy process involves the following factors: the beliefs, values, goals, experiences and perceptions of a multitude of actors both inside and outside of
government. Theorists have constructed frameworks in order to simplify these factors, thus facilitating analyzation. These frameworks delineate “what factors are likely to be critically important versus those that can be safely ignored” (Sabatier P. A., 1999, p. 4). The frameworks also define categories in which phenomena are to be grouped. The process of policy formation is an expansive topic with a significant amount of literature, which utilize the following frameworks: The Stages Heuristic, Institutional Rational Choice, The Punctuated-Equilibrium, Policy Diffusion and the Funnel of Causality and other frameworks in Large-N Comparative Studies. Currently there is a lack of fully developed and accepted criteria for comparing frameworks. In order to accomplish this task the particular researcher is left to their own devices. Due to the lack of established methods for framework comparison, I will use Edella Schlager’s (1999) criteria, which identifies (1) types of actors, (2) units of analysis, (3) levels of analysis, and (4) scope. Through the use of these criteria I will provide an overview of the various frameworks for explaining and researching the policy process.

Both the Stages Heuristic and the Funnel of Causality frameworks have a top-down approach to the policy making process, focusing on the decision process of policy makers and limiting the scope to the implementation phase. However, while the Stages Heuristic focuses on “knowledge of the policy process” and “knowledge in the policy process” (Lasswell, 1971, p. 28), the Funnel of Causality looks at socioeconomic conditions, public opinion and political institutions at the state and local levels. The Institutional Rational Choice framework is based on the assumption that institutional rules affect individual behavior, emphasizing rational individuals operating within institutions. While this framework was designed with a broad scope in mind, it is usually
confined to a specific institution or a set of related institutions. Due to the multitude of
institution types the units and levels of analysis change depending on the focus of the
investigation. Policy Diffusion is concerned with policy adoption by public officials at
the state level thus placing the focus of this framework in the implementation phase.

Within the policy process literature, the work of three authors, John W. Kingdon,
Paul A. Sabatier and Frank R. Baumgartner, stand out because of their frameworks:
Multiple Streams (Kingdon), Advocacy Coalition (Sabatier) and Punctuated-Equilibrium
(Baumgartner). Their work is often quoted, cited and used as a reference point for the
theories of others. Each of these frameworks has greatly impacted policy process
scholarship and deserve further unpacking.

Kingdon’s most well known work, *Agendas, Alternatives and Public Choice*
seeks to answer the following questions: Where do policy ideas come from? How do they
get to the policy arena? Where do alternative policy ideas come from? How do some
ideas gain salience while others fade away? Focusing on the process of agenda setting
and alternative formulation, Kingdon discusses policy idea development and the role of
actors inside and outside of government within a Multiple Streams framework.

Kingdon bases his investigation of policy ideas, agendas and alternatives on a
variation of Cohen, March and Olsen’s garbage can model. Kingdon’s interpretation of
the Cohen-March-Olsen model names the federal government as an “organized anarchy,”
then proceeds to focus on the “organized” aspects while discarding most of the “anarchy-
based” aspects. By applying the properties of problematic preferences, unclear
technology and fluid participation Kingdon (2003) indentifies three processes in agenda
setting “(1) problem recognition, (2) the formation and refining of policy proposals and
(3) politics.” These three processes are manifested in three corresponding streams (1) problem, (2) policy and (3) political.

According to Kingdon (1993), when these three streams converge a policy window is opened. This opening occurs when “people recognize a problem, a proposal is ready that can be related to that program, and the political conditions are right” (p. 44). Kingdon identifies the following possible reasons for why a policy window opens: (1) a problem becomes pressing, (2) substantial changes in the political stream, (3) scheduled renewal of enabling legislation, and (4) a crisis. He places emphasis on the ideas and how they are expressed politically in the agenda setting phase.

While Kingdon focuses on ideas, Sabatier (1999b) focuses on the information that shapes the ideas. Sabatier’s Advocacy Coalition Framework (ACF) emerged out of “(1) a search for an alternative to the stages heuristic, (2) a desire to synthesize the best features of the top-down and bottom-up approaches to policy implementation and (3) a commitment to incorporate technical information into a more prominent role in our understanding of the policy process” (p. 117). The original version of ACF was based on the following five premises:

- Theories of the policy process and policy change must address the role of technical information.
- A time frame of a decade or more is required to understand the process of policy change.
- Instead of looking at a specific government organization, the most useful unit of analysis is a policy subsystem.
- The concept of a policy system should be expanded from: administrative agencies, legislative committees and interest groups to include: journalists, researchers, policy analysts and actors at all levels of government involved in policy formulation and implementation.
- Public policies can be conceptualized as belief systems because they incorporate implicit theories about solutions.
These premises demonstrate ACF’s heavy reliance upon knowledge and how it affects policy-oriented learning and policy change. This knowledge is not limited to technical knowledge, but also includes knowledge of conditions and processes that may affect it. This framework utilizes the methods of case study, survey and systematic quantitative analysis. Each method has provided more solid ground for the framework as they simultaneously provide information while also correcting oversights of the other two methods. For example, while case studies failed to gather data on actor’s beliefs and behavior, surveys did. When case studies and surveys provide only a partial picture of the number of coalitions involved in a policy issue, quantitative analysis completes the picture.

After a period of critique and reconfiguration, the premises listed above resulted in the following hypotheses in Figure 2.1 from Jenkins-Smith (1994, p. 184):
### Table 1: Hypotheses Drawn from the Advocacy Coalition Framework

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<thead>
<tr>
<th>Hypotheses Concerning Advocacy Coalitions:</th>
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<tbody>
<tr>
<td><strong>Hypothesis 1:</strong> On major controversies within a policy subsystem when policy core beliefs are in dispute, the lineup of allies and opponents tends to be rather stable over periods of a decade or so.</td>
<td></td>
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<tr>
<td><strong>Hypothesis 2:</strong> Actors within an advocacy coalition will show substantial consensus on issues pertaining to the policy core but less so on secondary aspects.</td>
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<tr>
<td><strong>Hypothesis 3:</strong> An actor or coalition will give up secondary aspects of a belief system before acknowledging weaknesses in the policy core.</td>
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<tr>
<th>Hypotheses Concerning Policy Change:</th>
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<td><strong>Hypothesis 4:</strong> The policy core attributes of a governmental program are unlikely to be significantly revised as long as the subsystem advocacy coalition which instituted the program remains in power.</td>
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<td><strong>Hypothesis 5:</strong> The policy core attributes of a governmental action program are unlikely to be changed in the absence of significant perturbations external to the subsystem, i.e. changes in socio-economic conditions, system-wide governing coalitions, or policy outputs from other subsystems.</td>
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<th>Hypotheses Concerning Coalition Learning:</th>
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<td><strong>Hypothesis 6:</strong> Policy-oriented learning across belief systems is most likely when there is an intermediate level of informed conflict between the two coalitions. This requires that:</td>
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<td>i) Each have the technical resources to engage in such a debate; and that</td>
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<tr>
<td>ii) The conflict be between secondary aspects of one belief system and core elements of the other or, alternatively, between important secondary aspects of the two belief systems.</td>
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<td><strong>Hypothesis 7:</strong> Problems for which accepted quantitative data and theory exist are more conducive to policy-oriented learning across belief systems than those in which data and theory are generally qualitative, quite subjective, or altogether lacking.</td>
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<td><strong>Hypothesis 8:</strong> Problems involving natural systems are more conducive to policy-oriented learning across belief systems than those involving purely social or political systems because in the former many of the critical variables are not themselves active strategists and because controlled experimentation is more feasible.</td>
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<tr>
<td><strong>Hypothesis 9:</strong> Policy-oriented learning across belief systems is most likely when there exists a forum which is:</td>
<td></td>
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<tr>
<td>i) Prestigious enough to force professionals from different coalitions to participate;</td>
<td></td>
</tr>
<tr>
<td>ii) Dominated by professional norms.</td>
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Figure 2.1: Hypothesis Drawn from Advocacy Coalition Framework, Jenkins-Smith (1994)
ACF is significant because it aggregates individual actors into a more manageable investigative subsystem. This simplification of the various belief systems helps to facilitate analysis and comprehension.

Sabatier advocates for more collaboration between the work of political scientists and policy scholars. He argues that political scientists tend to focus on a particular facet involved in the policy process such as institutions (legislative, president and political parties) or types of behavior (public opinion and voting). On the contrary policy researchers seem to have a too broad view because they focus on the policy making process, which is all-inclusive. Sabatier also identifies topics that are more narrow than that of traditional policy scholars but broader than that of political scientists (for list see Sabatier, 147).

Most policy process theories have been designed to explain either a stable policy process or one based on crisis and constant change, but never both. Baumgartner’s (2001) Punctuated-Equilibrium Theory (P-E-Theory) was designed with the goal of explaining the times of stability as well as moments of erratic change in the policy process. Founded on theories of political institutions and rational decision making, this theory focuses on two elements in the initial phases of the policy process: issue definition and agenda setting.

Based on the concept of issue definition, Baumgartner argues that the way an issue is defined has significant implications for the modest change or drastic overhauls of policies. PET builds upon the design of American political systems, which were “conservatively designed to resist many efforts at change to make mobilizations necessary” in order for policy change to occur (True, 1999, p. 99). This theory
simultaneously accounts for instances where mobilization occurs over an extended period of time as well as when circumstances permit this process to happen relatively quickly.

Baumgartner (2001) uses theories of the negative feedback processes to discuss mechanisms that promote stability in public policy. These mechanisms include theories of: bureaucratic behavior, policy subsystems, and interest-group pluralism; all of which act in a point, counter-point way to discourage sharp changes in public policy. He also uses theories of positive feedback processes to discuss models of momentum, bandwagon effects and thresholds to describe dramatic policy changes.

Review of Research Methods

In Anderson’s work (2003) Baumgartner and Jones note that the “methodological tradition of intensive case studies” has significantly hindered “theoretical progress” (p. 39). Many works do use theory, however it is done so as a means of positioning their specific case and research. While these works do provide theoretical insight into the policy analysis they fail to serve the purpose of being generally applicable. Sabatier (1999a) calls for an empirically verified body of theory while acknowledging the difficulty of doing so due to the complex nature of the policy process and the diversity of behaviors and actors involved with various policy issues. This calls into question methods used in research on the policy making process; particularly the phases that Kingdon, Sabatier and Baumgartner focus on, which are issue definition and alternative generation.

Overall the literature on issue definition is based on case study. Therefore the choice of one methodology over another relies heavily upon the research goals and data
Policy typology, or cross-sectional studies, serve as a means of comparing policy issues at a single point in time. This comparison method is often used to discuss the levels of difficulty that some policy issues experience relative to others. This method focuses more on the public understanding of an issue than the actual definition; calling upon theories of media attention and public opinion. Policy typology has helped to advance the field, especially with its links to the development of interest group and policy subsystem literature. Unfortunately, it often does not explicitly address the initial way in which the public formulates and sustains their understanding and opinion of public problems. This oversight does not account for the possibility of plural problem definitions and understandings.

Comparative case analysis was born of the need to document the agenda access of particular types of individuals and groups, incorporating elements of policy typology in order to garner information about the players involved in the agenda setting process. Comparative case analysis is similar to policy typology in that it is based on theories of the drivers and impediments to problems reaching the public agenda, and may look at either a range of related issues or a broad category of issues.

Longitudinal studies focus on one issue over a given period of time. Due to the focus on one particular issue, longitudinal studies’ shortcomings lie in the areas of generalizability and comparability. The benefits of this approach are that it not only
accounts for multiple articulations and understanding of a problem, it is also well suited
to document changes in problem definitions over time.

Interest Groups

Interest groups are important actors in the policy process, regardless of the research methods used. An Interest Group is an “association of individuals or organizations, usually formally organized that attempts to influence public policy” (Thomas, 1999, p. 114). Interest groups can be broken into the following broad categories: business, labor, education, agriculture, government, social issue, minority, religious organizations and good government groups. The increase in the number of interest groups can be attributed to the diversification of economic activity and the increase of government involvement in social issues.

Interest groups serve as “major intermediaries between the governed and the government” (Thomas, 1999, pp. 118-19). They serve both groups by educating their members and the public about issues; they then represent the views of their members to public officials in the hopes of affecting decisions. These groups access and affect the decision of policy makers through various strategies. The type of action taken by interest groups depends on the type of situation an interest group finds itself in, as depicted in Figure 2.2:
At the root of all interest groups actions is the need to “develop and enhance an interpersonal relationship with various participants in the political process” (Thomas, 1993, p. 28). In order to create and maintain these relationships interest groups must strategically deploy their resources, particularly money and information, to garner political power (Kingdon, 1993; Thomas, 1993; Thomas, 1999).

According to Kingdon (2003) interest groups are often the most discussed actors within the process of problem definition. Kingdon argues that interest group activities are concentrated in the problem definition process. He claims that “a central interest group activity is attaching one’s own alternative to agenda items” (p. 50). This is not to say that interest groups are not involved in agenda setting as well. Through activities that mobilize support for their causes, interest groups apply pressure that directly impact the government agenda. As evidences in the chart above, this pressure can be used positively, to promote new agenda items, or negatively, to block changes in public policy.
Sabatier does not pay particular attention to interest groups on their own, but he acknowledges the importance of interest groups within advocacy coalitions. Advocacy coalitions are Sabatier’s strategy for aggregating the actors involved in policy subsystems. An advocacy coalition is comprised of interest groups, elected officials, researchers and others that share a belief system. Because ACF is steeped heavily within the concept of policy-oriented learning, Sabatier attributes advocacy coalitions with the accumulation and dissemination of knowledge about policy issues. As a part of advocacy coalitions, interest groups can also be credited with contributions to the “substance of public policy by being significant sources of both technical and political information for policy makers” (Thomas, 1993, p. 119).

Baumgartner (2001) places interest groups under the category of “negative feedback mechanisms.” He notes the “tendency for communities of like-minded interests to dominate policy-making in their areas” (p. 6). Once these groups attain the political power to achieve favorable public policies they become devices of negative feedback for those that seek to alter or abolish those policies. It is at this time that interest groups expel their resources to create “systems of limited participation” or “policy monopolies” in order to prevent dramatic change to public policy. Although housed within the category of negative feedback, interest groups are capable of utilizing aspects of positive feedback mechanisms. Interest groups grab the spotlight for themselves on the political stage by using tactics with proven political salience. By using arguments that have worked for other issues in the past, interest groups hope to resonate with the public and policy makers. When interest groups use this strategy it often affects the way they define their issues.
Related Literature

The work of Kingdon, Sabatier, and Baumgartner has significantly influenced my work. I detail their contributions to this study in my conceptual framework. In addition to these authors, others have conducted research that impacted and informed my research. I will briefly discuss those authors here.

My work seeks to expand the research on the actions and actors involved in the initial phases of policy formulation by examining it in the context of arts policy, specifically in the National Endowment for the Arts (NEA). In order to position my work I will provide a review of the literature that investigates the NEA using conceptual frameworks based on the theories and concepts I have reviewed above. This literature falls into the traditional role of political science in that authors focus on a particular facet of the institutions or behaviors involved in the policy making process.

In his work *Congress and the National Endowment for the Arts: Institutional Patterns and Arts Funding, 1965-1994* Matthew Moen (1997) takes a longitudinal look at Congress. This research focuses on bicameral differences within congressional support of arts funding. Moen’s work approaches the NEA from the view of Congress’ role in funding the arts, rather than the role of the arts themselves; and in doing so filled a gap in the research that had existed until that time. Through the examination of how the House of Representatives and the Senate handle congressional hearings, appropriations and reauthorizations, Moen demonstrates the distinctly different characters of each institution. He argues that the character of each House directly affects the way that each approaches
the issue of arts funding and the role of the NEA. This work is significant because it takes
the theories of public policy analysts that have looked at the role of Congress in policy
making and incorporates it into the issue of public arts funding. Moen focused on two
institutions involved in public arts funding allowing for an investigation of arguments and
rationales used for and against the federal role of arts funding. This article states that
advocacy arguments are perceived differently by members of the House versus members
of the Senate. These differences in message reception are demonstrated in the debates of
reauthorization and appropriations. The points of change indentified in this article focus
on ideological and member changes within each chamber. In this article Moen
demonstrates the importance of the role structure plays in the policy process. He
demonstrates the ways Congress is involved in Kingdon’s political stream. This article
discusses how circumstances within both houses in Congress has led to an equilibrium
point where the Senate has been “more generous with funding levels than the House” for
decades (p. 187).

In The Case for the National Endowment for the Arts: Federal Funding for the
Arts in America in the 1960s and 1970s, author Shauna Saunders (2005) investigates uses
of the economic term “public good” by those advocating for an increased federal role in
public funding of the arts. The author discusses how the concept of public goods is used
by those outside of the traditional realm of economics to demonstrate practitioner use of
technical scholarship. Saunders’ focuses the bulk of her investigation on former NEA
Chairwoman Nancy Hanks. Arguably one of the most influential leaders of the National
Endowment for the Arts from September 1969 to October 1977, Nancy Hanks was not a
trained economist. However she utilized the ideal of arts as a public good to assist in the
creation of public policies in favor of the arts. Saunders provides contextualization for the use of economic arguments within the 1960s via America’s economic and political conditions. Saunders argues that the ideological fight against communism during the Cold War and the call for increased arts participation during a time of economic hardship resulted in practitioners using economic arguments. In this work Saunders acknowledges the following points: (1) economic arguments are used in advocacy of public arts policy, (2) while the conceptual foundations are within the field of economics their use may be by those outside of the field of traditional economics and (3) “developments in public policy and the arts are not entirely accounted for in either the formal framework of public goods theory or in . . . merit-good-dependent explanations” (p. 607). In Saunders’ discussion of federal arts advocacy via the economic ideal of a public good she identifies ways arts advocates used the political environment to construct changes in the way the arts were defined. According to this article, the role of academics is “de-privileged” in favor of those that had the political standing to see what arguments carried policy salience and were able to adapt those arguments to the arts (p. 595). Saunders’ work is concerned with the problem stream or focusing on how an issue is framed by arts advocates in order to demonstrate the arts’ collective benefits and wording the needs of arts organizations in a way that promotes public funding as a viable, logical, primary solution. In her investigation of the problem stream Saunders focuses on policy ideas, specifically the application of economic ideas to the arts. She is also concerned with the coupling of policy ideas; combining the “political ideology of the era” described in the six core beliefs of the liberal consensus” (p. 596). In this liberal consensus economic policy ideas, which facilitated the use of economic principles applied to the arts, were
combined with ideals of equality and individualism in the face of the American preoccupation with the threat of communism. Of particular significance, is the way arts advocates defined problems facing arts organizations and how they should be solved through utilization of issues and ideals already occupying the minds of citizens and lawmakers.

In *Old Pictures in New Frames: Issue Definition and Federal Arts Policy* Elizabeth Strom and Angela Cook (2004) conduct a content analysis of Congressional debates on arts funding from 1965 - 2000. This content analysis is supplemented with a review of the arts coverage in the New York Times and other arts periodicals. Strom and Cook focus their explanation of the discourse shift in public arts funding arguments on the connection between the arts and economic development. Through their content analysis and contextualization, the authors demonstrate the creation of a discursive link between the arts and local economic development. Strom and Cook then demonstrate how this discursive link aggregates to the federal level in Congressional debates. Like the work of Saunders, this article argues that the bulk of arguments in favor of public arts funding operate from an externality base. This work is significant because it acknowledges the shift from externality arguments based on intrinsic benefits such as personal fulfillment to instrumental arguments. In addition to this acknowledgement is the argument that cultural advocates consciously reformed their arguments in order to broaden their political appeal and to combat opposition. Strom and Cook demonstrate how arts advocacy arguments change over time to align themselves with other policy relevant concerns, often through alliances with partners in different advocacy areas. The points of change are identified as policy circumstances, particularly the specific concerns
of legislators at various points in time. Strom and Cook’s work is based in the issue stream where issues are defined and redefined through the use of differing policy ideas and the building of advocacy coalitions to achieve maximum policy relevance.

In *Budgetary Politics and Legislative Support: The Arts in Congress* Margaret Jane Wyszomirski (1988) discusses the importance of tracking budgetary patterns as a demonstration of “the practical as well as symbolic embodiment of government priorities” (p. 9). This analysis, based in Kingdon’s political stream, tracks past budgetary patterns in Congress as a means of creating a tool to predict the future of budgetary concerns affecting the arts. Wyszomirski follows the entire budgetary process, starting with authorization, progressing to the funding maximums set by committees and finally to the appropriations process. The nuances of each phase specific to Congress’ dealings with the National Endowment for the Arts are displayed. Of significant importance is Wyszomirski’s discussion of the Congressional Arts Caucus (CAC). Founded in 1981, the CAC serves as an additional actor within Congress as well as the advocacy network for the arts. The creation and rise of the CAC is portrayed as a point of change in the way arts advocacy was conducted. At its start it was bi-partisan. However, circumstances within Congress in general served as another point of change, as the emergence of a more conservative Congress eroded bi-partisan arts support. This effectively altered the landscape of Congressional arts support. Wyszomirski goes on to discuss the underdeveloped arts policy network of the time. This network showed signs of becoming a potent advocacy coalition due to increased work of interest groups. However, this coalition’s development is significantly hindered due to a lack of politically powerful supporters on both sides of the aisle at the congressional level. While some supporters
within Congress were named, the potential for the sustainability of the support was portrayed as bleak.

In her article *The Politics of Congressional Arts Policy: National Decisions, Local Needs and the Public Interest* Mary L. Weaver (1988) opens by discussing the common misconception that political trends occur quickly. Often this is due to their portrayal by the media. This sentiment echoes those discussed in Baumgartner’s Punctuated-Equilibrium Theory. Weaver chooses to focus her article on the equilibrium portion of the Punctuated-Equilibrium Theory, noting that “the longer term, more substantial trends are often more difficult to discern, but have far more impact on the eventual outcome of most policy decisions” (p. 35). Weaver positions her article by noting the decentralizations of power held by the chairs of subcommittees via reorganization of the committee structure, as well as domestic policies to address social problems. Within this context Weaver presents the idea that “a policy subsystem model based on a concept of public interest would be more useful than on based upon public works” because she argues that it would be “more descriptive of the reality arts policy making” (pp. 36-37). This argument is based on the rhetoric of arts advocates. Weaver is clear to point out that she does not presume that public interest is more effective an argument than public works. However, she argues that Congress, the National Endowment for the Arts and interest groups, the actors in the arts-policy subsystem, are better equipped rhetorically to utilize public interest rationales. Weaver investigates the aforementioned actors and their roles within the arts-policy subsystem. The National Endowment for the Arts and interest groups are “responsible for providing information and support to Congress” and Congress “in return provides authority and financial
resources” (p. 37). Weaver’s article has important implications. One is that the roles of
the various actors within the arts-policy subsystem and the methods they employ to
satisfy those roles should be based on their rhetorical strengths. Furthermore, by
including all actors within the subsystem, those defining the issues, the politicians
involved and the resulting public perception, Weaver provides insight into some of the
inner workings of all three of Kingdon’s streams. She concludes that the successful
convergence of all three streams occurs when the policy subsystem is afforded the
opportunity to act in a time of equilibrium. Weaver credits this to the time it takes for all
actors to construct the rhetorical strategies necessary to establish a “roughly equal,
reciprocal relationship” with each other (p. 56)

Summary

There are valuable things from each piece that have influenced the way that I have
thought about my own work. From Moen, I have learned the importance of looking at
this issue longitudinally. This is done in order to allow the issue to have time to develop
and to capture times when it changes or is affected by the actors involved. The discussion
of the motivations and preferences of Congress is another important aspect I learned from
Moen’s work. From Saunders I found validation in my investigation of economic
principles that are used by those outside the realm of traditional economics. Particularly
important is Saunberg’s inclusion of practitioners. This is important as my research is
focused on practitioners and a group of researchers that would eventually branch off from
traditional economics to cultivate the field of cultural economics. From Strom and Cook I
realized the importance of outside contextualization. This has informed my decision to incorporate the work of researchers and practitioners within the *Journal of Cultural Economics*. Strom and Cook also acknowledged that arts policy advocacy arguments will shift; and that there are actors within the policy process that create the impetus for alterations in issue definition. This is something that I will keep in mind while looking at my data. Wyszomirski’s work has guided my thoughts on advocacy at the congressional level with her work on the Congressional Arts Caucus (CAC). While the CAC is not in existence for a portion of my data, I know to look for its impact on the rest of my data. Wyszomirski’s article has informed me to take care in comparing a time when the CAC does not exist to a time when it does. Weaver’s article serves to caution me to pay close attention to discursive and rhetorical strengths of the nonprofit arts discourse. Discerning whether or not the nonprofit arts discourse operates by using those strengths will be critical to my analysis, as it demonstrates the ability of the discourse to acts proactively or reactively when engaged within the government discourse.
CHAPTER 3: 
CONCEPTUAL FRAMEWORK

For my research I am investigating how cultural economic rationales used within the nonprofit arts discourse are used to advocate for in a public policy arena. This investigation aligns use of cultural economic rationales with the concept of issues definition. In his work, public policy analyst John Kindgon discusses a policy window. The policy window theory helps conceptualize how policy issues emerge on the government agenda. Kindgon argues that, in order for an issue to move onto the public policy agenda, be decided and acted upon, a policy window must be opened. The opening of a policy window involves three distinct streams that must converge: the problem stream, the policy stream and the political stream. The problem stream is steeped heavily in problem definition and recognition. The policy stream focuses on the production of altered definitions of the problem and various solutions by policy communities. The political stream is concerned with reception of the problem or issue and is based on the actions of interest groups and public opinion. Based on their “sensitivity to the way information affects choice,” these three streams, along with
elements from Sabatier’s Advocacy Coalition and Baumgartner’s Punctuated Equilibrium, comprise a conceptual framework for my research (Zahariadis, 1999, p. 74).

The Problem Stream

Kingdon’s problem stream is primarily concerned with how an issue is identified, by indicators, and how it is presented, through issue definition. Some issues are clearly evident due to such indicators as: mortality rates and rising costs. Sabatier’s focus on substantive information is particularly applicable here, because many issue indicators in my research were constructed by actors outside of government such as Baumol and Bowen and various authors published in the Journal of Cultural Economics. Research by actors outside of government not only served as issue indicators, they also helped to shape the way the issue was framed and presented to policy makers. While indicators are important, the particular way an issue is defined is also “worth consideration” (Kingdon, 1984, p. 90).

Issue indicators very seldom act alone to bring an issue to the forefront. Focusing events, crises and symbols help propel issues into the limelight. The creation of the National Endowment for the Arts was due, in part, to the policy salience of ideals such as national prestige and the Great Society (Saunders, 2005; Moen, 1997). Like issue indicators, symbols help shape the way an issue is defined.

A significant component of Kingdon’s problem stream is a concept he called problem definition. From Kingdon’s perspective, this concept is concerned with the way specific social, environmental and health problems are defined. Although the concept is
particularly useful to my research, I find the name problematic because funding for the arts is not a “problem.” Therefore I will refer to this concept as “issue” definition.

The way an issue is defined presents, not only the issue, but associated values, beliefs and assumptions of causation as well. By investigating the way actors representing different sectors define reasons the arts should be financially supported by the government at different points in time, I will also gain insight into the values and beliefs of those sectors. I will also be able to investigate how those values and beliefs affect the issue definition over time.

The Policy Stream

The policy stream is concerned with the formation, re-formation, discarding and consideration of various alternative issue definitions. Any given issue definition is comprised of multiple idea components. This is usually done in an attempt to include the preferences of, and appeal to as many as possible. However, an initial issue definition is seldom, if ever, left in its entirety; especially not over an extended period of time. It is in the policy stream that the components of an issue are broken apart and analyzed. Some components are discarded, while others are updated and/or combined with elements from different definitions of the same issue.

Kingdon (1984) argues that the majority of this process takes place within “communities of specialists” (p. 143). A community of specialists can include: “researchers, congressional staffers, people in planning and evaluation offices and in budget offices, academics and interest group analysts” (p. 116). Important to my research
are: researchers and academics. Kingdon notes that, “after interest groups” researchers and academics are the “next most important set of nongovernmental actors” (p. 53). These two actors are significant in the ways they affect problem definition by presenting alternative definitions to actors within government. Their actions can have significant short-term as well as long-term effects. In the short-term the work of academics and researchers has the ability to create idea communities around issues that are already on the agenda. In the long-term they can alter the way a problem is perceived over time.

Another actor not mentioned in Kingdon’s list is practitioners. For the purposes of my research I use practitioners to mean arts professionals (or arts administrators). Practitioners are important because of their use of cultural economic rationales both in the field of arts administration as well as in Congressional Hearings as witnesses.

The Political Stream

To avoid confusion I want to clarify how the word “political” is being used in this context. Kingdon (1984) considers “political” factors to be: “electoral, partisan or pressure group factors” and “political” motivations to be “politician’s attention to voter reactions and efforts to obtain the support of important interest group leaders” (p. 145). The political stream is primarily focused on the national mood concerning a particular issue. Contrary to what the name “national mood” may connote, it is perceived in the attitudes and actions of actors of the public actively involved with the issue. This excludes the general public because they are not all actively involved in every issue. Perceptions about the national mood have the ability to affect government agendas and
promote some issues while hindering others. The political stream is about the ways actors can influence the perception about an issue to turn the outcomes of any governmental decisions to their advantage.

In this stream organized forces such as interest groups have a significant role over the agenda status of the issue they have defined. My purpose for incorporating information about interest groups is not to argue for or against the theories about them. Instead it is to assess the impact of interest groups on issue identifications within my data set.

Kingdon’s attention to the impact of administration change is of particular interest in this stream. Because my research is focused on Congressional Hearings, personnel and administration changes are factors to be taken into consideration. This must be done if I am to construct a thorough picture of the messages about arts funding brought to and discussed on Capitol Hill.

Policy Window

The convergence of the issue, political and policy streams result in the opening of a policy window. During this time that actors involved with a policy issue have the greatest chance of receiving satisfaction through favorable policies. The significance of an open policy window is the circumstances that contributed to opening it. Policy windows are “opportunities for action on given initiatives” (Kingdon, 1984, p. 166). There are two distinctive types of windows: “problem windows” and “political windows.” “Problem windows” are opened by compelling problems. “Political
“windows” are opened because of happenings within the political stream, such as a change of administration. While the coupling of these two streams enhances the chances of inciting governmental action, the combination of all three streams significantly increases an issue’s chances for influencing policy making.

An actor that is often influential in the combination of all three streams is the policy entrepreneur. Policy entrepreneurs are those willing to invest their resources of time, energy, reputation and money in return for future policies they favor. Kingdon (1993) notes that “at those critical points in time, [policy entrepreneurs] play a major part in joining the previously separate streams” (p. 44). These actors, who can be within or outside of government, are credited within providing legislators with clear definitions of a problem and solutions to it. Policy entrepreneurs are vital at three points: (1) pushing their issues higher on the government agenda, (2) promoting their issues during the process of softening the issue and (3) coupling the streams (Kingdon, 1993; Kingdon, 1984).

In the issue definition process, policy entrepreneurs are another actor presenting definitions and alternatives. The weight of their resources increases the amount of consideration their specific definitions receive and positively impacts their ability to move their issues onto and up the government agenda. The most important function policy entrepreneurs perform is the joining of streams. Policy entrepreneurs “hook solutions to problems, proposals to political momentum, and political events to policy problems” (Kingdon, 1984, p. 182).
In his work *Public Policymaking*, James Anderson (2003) notes that issue definition can be either a top-down or a bottom-up process. I am taking the concept of policy entrepreneurs and applying it in a bottom-up view of the issue definition process.

**Filling In The Gaps**

I plan to address the advocacy shortcomings of Kingdon’s work by including elements of the Advocacy Coalition Framework (ACF). This framework is applicable because of its “commitment to incorporate technical information into a more prominent role in the policy process” (Sabatier, 1999, p. 117). The ACF argument that technical and policy analysis knowledge are often used in an advocacy fashion are particularly useful to my research. This emphasis on the creation, refining and use of technical knowledge done by advocacy coalitions, particularly interest groups, will help with investigating the evolution of cultural economic rationales over time. Sabatier’s inclusion of researchers as important actors in policy subsystems also aligns well with my own research as researchers are an integral part of the knowledge construction of cultural economic rationales. Unlike Kingdon’s work, which considers agency officials and researchers to be more passive or policy-indifferent than interest group leaders and legislators, Sabatier encourages consideration of researchers as members of advocacy coalitions.

Although Kingdon’s work does not explicitly claim to operate under the assumption a stable, nor dramatic policy process, the focus on issue-definition and agenda setting lean toward concepts of dramatic change. In order to account for both dramatic and incremental changes I will incorporate elements of Baumgartner’s
Punctuated Equilibrium Theory (P-E-Theory). This is particularly important because it allows me to discuss the incremental changes that occur within research and interest groups, while also accounting for dramatic changes in issue definition.

Summary

I hope to discern if there is an open policy window when cultural economic rationales are being used. If there is an open policy window, I want to discern if cultural economic rationales, emerging specifically from the researchers and practitioners, contributed to opening the window. I plan on accomplishing this task by investigating the use of cultural economic rationales in Congressional Appropriations Hearings. Because changes in issue definition can be attributed to changes in values and conditions I plan to supplement the Appropriations Hearings by looking at the Journal of Cultural Economics. This is done not only to track changes in the rationales but to also assist in contextualizing my findings.
CHAPTER 4: METHODOLOGY

Philosophical movements from the 17th to the 20th centuries place increasing significance upon language. The focus on how language expresses reality has evolved to the study of how language shapes reality. Language is a critical factor in public policy-making and issue definition,” playing a critical role in “understanding, argument, and individual and group expression” (Rochefort, 1994, p. 9). In an effort to acknowledge and respect the power of language, my methods focus on language, particularly through the concept of discourses. A discourse is a set of behaviors, assumptions, beliefs, norms, ideas and perceptions.

This thesis will track utilization of cultural economic rationales within the nonprofit arts discourse in the policy arena between the years of 1965 and 1997. I will accomplish this by examining congressional appropriations hearings for the National Endowment for the Arts in FY 1967, FY 1982, and FY 1997. I will pay close attention to the arguments used by the various actors involved to advocate for or against nonprofit arts funding as well as describe the data in terms of how each actor linguistically
structures their argument to promote or suppress certain theoretical or conceptual values. Through the use of discourse, content and textual analyses I will also highlight the values and norms expressed within the hearings. I am employing this triangulation of measures in the hopes that by using “multiple operationalism,” the “biases of any one method might be canceled out by those of others” (Seale, 1999, pp. 472-73).

I will also layer theories based on two frames. The first is linguistic, specifically sociolinguistic perspectives and the second is interpretivist. While linguistic approaches focus on the centrality of language and the way it shapes reality, interpretivist theory focuses on the cultural experiences of the authors, listeners and observers. Both approaches share the belief that language is not static. The linguistic approach focuses on language in use. The Interpretivist approach serves to place the language being used in context. Approaching my data from both angles will provide a richer picture for analysis. The linguistic approach allows for language change and therefore changes in perceived reality. Interpretivist theory assumes the subjectivity of language, acknowledging that authors, listeners and observers may interpret the meanings of language differently. Both theories are strengthened through the use of method triangulation which “accepts a view of research as revealing multiple constructed realities” (Seale, 1999, p. 474). Allowing for multiple constructed realities lays the foundation for me to investigate the realities I find expressed in the data by individual actors as separate entities, with their own influences, values and discourses. In order to further demonstrate the applicability of both approaches I will further explain them.

Sociolinguistic theory assists with tracking linguistic changes and relating them to social changes, specifically through intergroup communication. Within my data actors
from the business, public and nonprofit sectors are interacting with one another. This qualifies the various users and audiences of the cultural economic rationale as actors in intergroup communication. Under sociolinguistic theory there are three social scientific perspectives outlined in the following illustration, Figure 4.1:

![Sociolinguistic Theory Map (Turner, 1996)](image)

The two extremes, Social Structure and Social Behavior, are strictly based upon presupposed social-structural realities concerning race, gender and class. Both limit the range of outcomes based on language. They also negate the importance and influence of previous experiences upon communication practices. Therefore neither would be helpful to my research. Social Action simultaneously acknowledges the existence of some fixed-structures in society, for example the policy system, while noting that language has a broad range of consequences. In the case of issue definition these consequences include framing the issue, the naming of causes and the presentation of solutions. These linguistically based consequences are dependent upon intergroup communication
For this research the groups involved in intergroup communication are members of Congressional appropriations committees and the National Endowment for the Arts, members of foundations and corporations, researchers, practitioners and artists. Under the praxis theory, the outcomes of language use are only partially understood as some outcomes are unforeseeable. Under rational action language users are fully rational and use language to achieve clearly established ends. I plan to utilize the above model while contextualizing of both the nonprofit arts discourse and cultural economic rationales in order to investigate their origins. Through the data, I hope to ascertain whether the nonprofit arts discourse and the cultural economic rationales used within it emerged under rational action, praxis, or a combination of both.

I also plan on employing an Interpretivist frame. Through the data, and the contextualization of that data, I hope to discover the field of cultural economics’ subjective frame of reference. The Interpretivist frame emphasizes experiences and reference points within a subjective frame of reference, the importance of which is explicated throughout the following discussion of the methods.

Discourse Analysis

The field of Discourse Analysis is vast, encompassing many meanings that appear to change with each use. Those meanings are then manifested in a myriad of methodological approaches including critical, sociocognitive, political, discursive psychology, conversational analysis and Laclau and Mouffe’s discourse theory (Macgilchrist, 2008). Phillips and Jørgensen (2002) note that, through overuse without
being clearly defined, the concept has taken on an ambiguous quality that simultaneously allows for malleability and vagueness (p. 1). Discourse can mean language, language and practice or language and practices that assists social construction depending on the theoretical base.

The word “discourse” as a philosophical term is most often associated with Michel Foucault, a philosopher closely related to the discourse historical method. While discussing the various uses of the word “discourse” he notes that is it sometimes used as the general domain of all statements, sometimes as a groups of statements, and sometimes as a regulated practice that accounts for statements made; all of which adds to some of the ambiguity of the word (Foucault 1984). Regardless of the intended meaning of the word there is one unifying point on the matter. Discourse analysis is a theoretical as well as methodological foundation based on theories of language, both the construction of as well as the presence and importance of social organizations and structures; all of which focus on the social nature of humans (Phillips, 2002). For the purposes of this research I am using discourse to mean a set of assumptions, beliefs, norms, ideas and perceptions.

In his discussion of discourse Foucault relies heavily on social theory, specifically the role power plays within discourse construction and maintenance. While some argue that in order to use discourse analysis you must subscribe to the social theories that Foucault expresses, I argue that there is a continuum consisting of three major points: description, implication and genealogy. Description means that the motivations for using discourse analysis are descriptive in nature. At this end of the spectrum, a power assumption is stated early and the entirety of the research focuses on the way that
assumption is reproduced in a particular context. Implication is when the research focuses on a particular discourse and its implications for the construction of power. This is most useful to question the construction and/or distribution of power. Genealogy can be used to track power distribution and the way that the “powers that be” came to be or the way that groups gain from discursive manipulation.

Discourse analysis is important to this research due to the effects of a discourse. While I do acknowledge the work of Foucault based on power construction, distribution and maintenance within a discourse, it is not necessary for my research. The discourse I will investigate comes from people of power. I am taking this power as a given. Therefore, discursive implications for the construction of power are outside the scope of this research. To that end, I will be using discourse analysis within the constraints of the genealogy end of the spectrum. The way things are discursively constructed has significant implications in the establishment of a subjective reality. The resultant subjective reality greatly impacts the way policy issues are perceived and articulated within the policy arena. Tracking discourse components and shifts will assist in realizing the subjective reality, or realities, in which the nonprofit arts exist. The identification of these realities will assist in the contextualization and comprehension of the origins of cultural economic rationales and their usage over time.

Phillips and Jørgensen (2002) outline four key premises as the conceptual foundations for the field of discourse analysis: “(1) a critical approach to taken-for-granted knowledge; (2) historical and cultural specificity; (3) links between knowledge and social purposes and; (4) a link between knowledge and social action” (pp. 5-6). In order to demonstrate the applicability of discourse analysis to my research, I will explore
these premises within my conceptual framework. A critical approach to taken-for-granted knowledge is rooted in the concept that no one individual’s or organization’s view of the world is objective truth. This accounts for the creation of alternative issue definitions among various groups. Tracking what an actor presents as given knowledge provides insight into discursive values and norms of the organization and profession that actor represents. The historical and cultural specificity premise discusses the contingency of knowledge. This knowledge is based upon historical experiences and cultural understandings. This premise’s significance to this research is its validation in tracking the discourse over time as it is likely to change due to lived experiences of the actors involved. The link between knowledge and social processes concept is best summarized by Phillips and Jørgensen (2002) as the understanding that “knowledge is created through social interaction in which we construct common truths and compete about what is true and false” (p. 5). This is specifically applicable to the policy making process and the competition between varied perspectives that takes place during the dynamic issue definition process. Through group interaction old definitions are discarded or merged with other definitions to create new ones. The link between knowledge and social action in this research provides for the following assumption: a particular understanding of a policy issue (due to the way that it is defined) assists policy makers in formulating certain courses of action while refuting others. This is essentially the establishment of a policy-making discourse specific to the issue. When investigating the “symbolic meaning of messages,” which is the essence of issue definition, it is important to note that there is no one given meaning. Different meanings exist based on the context and what research
questions are asked of the data. This is another justification for use of the triangulation of methods. By asking different questions of the data I seek to strengthen my discoveries.

For this research I will apply the theory of a discourse specifically to language-in-use (Fairclough; Gee, 1999). A discourse establishes and reflects “rules” of interaction, particularly means of communication. These “rules” are comprised of the values and norms held by the professions, related institutions and sectors the actors in my data represent. These values and norms are a significant factor in the language used and how the actors’ arguments are presented. By using this interpretation of the word “discourse” I am consciously placing other definitions of “discourse,” specifically those that include the interpersonal body language, gestures and actions that accompany the words or text outside of the scope of this research.

Rochefort and Cobb (1994) categorize issue definition as “policy discourse” stating that the purpose of issue definition is to “explain, to describe, to recommend, and, above all, to persuade” (p. 15). I will be looking at how cultural economic rationales are used as policy discourse. According to Considine (2005) policy discourse “acts as both a filter to remove unwanted issues and as a ladder to rank and promote some established account” of current situations (p. 74).

Policy discourse occurs “when political actors, inside and outside of government, communicate about political matters, for political purposes” (Graber, 1981, p. 196). It is a specialized field of discourse analysis mired in debate over the intellectual frames used as data “filtering mechanisms” (Considine, 2005, p. 71). The discussion of political language emerges from various fields including: discourse analysis, conversation analysis, linguistics, linguistic anthropology, political science, psychology, sociology,
history, philosophy, rhetoric, communication science and cultural studies. These multiple influences have resulted in “overlapping themes and concepts, and terminological inconsistency and ambiguity” due to a lack of cohesion (Gastil, 1992, p. 470). Many have stated that there is no set methodology for public policy analysis, as each topic of study requires unique methods (Oakerson, 1980). While some excuse the discipline for its lack of standard methodology, others criticize it for being “rich in methods, and poor in methodology” (Oakerson, 1980, p. 1). I will briefly discuss the dominant frames used in policy discourse analysis and explain their significance to my research.

Policy discourse based in the post-structuralist tradition attempts to explain which institutions and values define the norms and preferences of society through the investigation and naming of dominant discourses in conjunction with significant emphasis placed upon marginal discourses. Analysis dependent upon the rational choice model relies heavily upon the notion that whatever ideas are set forth at the beginning of the policy making process are indicative of a wide range of preferences. The rational choice model also assumes that preferences and norms are incrementally altered as a result of the continual interaction and compromise between individuals with conflicting preferences and viewpoints. The pluralist framework operates under the assumption that elites dictate the dominant norms and values; allowing it to be closely related to the power struggles outlined by Foucault. However, individual preferences are taken into consideration on a substantive level, resulting in the creation of policies that are indicative of the “least worst outcome” (Considine, 2005, p. 72). I will not be using any of the aforementioned intellectual frames by themselves as any theory that “attempts to encompass all action and perception as parts of a single mindset” is a threat to internal
validity (Considine, 2005, p. 73). Additionally, there are reasons specific to each framework that prevents their use in this research. The post-structuralist tradition cannot be used on its own because of its focus on marginal discourses, which are not materialized nor institutionalized. This places those discourses outside of the powerful, legitimized realm of policy-makers. The rational choice model relies on the assumption that the range of ideas and preferences are established at the onset of the policy making process; which does not allow for incorporation of new ideas. This model also assumes compromise and does not offer provisions for significant alterations due to arguments that are not resolved through cooperation. The pluralist framework operates under premises of power and elites, which I have already established is not the focal point of my research, but is still a factor. Although I am not basing my research solely within the confines of one of the aforementioned frameworks, I will incorporate elements of each as is necessary. This is done in an attempt to be empirically open to what I will find in the data. When discussing my findings I will be explicit in my explanation of which frameworks are applicable and why.

I will be investigating how the policy discourse of the value of the arts, demonstrated by cultural economic rationales, has changed over time. I assert that these changes that occur over time will occur both incrementally as well as drastically in accordance with the punctuated equilibrium theory. In addition, I will be using discourse analysis methodology to not only investigate the language used throughout my data, but also to investigate the meaning behind that language. I accomplish this by looking at the following categories outlined by Gastil (1992) to investigate the precise ways cultural economic rationales are linguistically structured: (1) lexicon, (2) grammar, (3) rhetorical
strategies, (4) conversational tactics. These categories are of great importance because they play a “vital role in shaping and transforming political reality” (Gastil, 1992, p. 470). As Kingdon (2003) pointed out, the shaping of political reality is the main purpose of crafting various issue definitions. It is important to note that, in this case, the policy discourse is made up of other discourses, communicated by the various actors present in my data. The multi-discursive tendency of the nonprofit arts discourse and cultural economic rationales employs the theories, methods and language of multiple fields, which speaks to the pluralist framework. I will be looking at the aforementioned categories in order to answer how, why and to what effect cultural economic rationales are used to advocate for federal support of the arts in a policy arena. I will briefly describe the components of each category to demonstrate why I am doing this.

Political Discourse Strategies

In this section I will discuss various political discourse strategies. I will highlight how these strategies are employed, some of their effects, and the type of discourse indicators I will look for within my data, starting with lexicon. Lexicon includes vocabulary, technical words, imprecise words, euphemisms and loaded words. Vocabulary affects discourse in that it opens or restricts the realm of possibilities based on an actor’s ability to express him or herself. In a study of political language Edelman (1964) concluded that “both the perception of fact and value connotations hinge on the adequacy and character of the available vocabulary.” This is also a concern when constructing an issue definition, as the ability to name certain causes or promote certain
solutions is directly dependent upon the available vocabulary. Fowler (1985) acknowledges the use of vocabulary in the construction of a discourse by noting that “detailed systems of terms develop for the areas of expertise, the features of habitat, the institutions and relationships, and the beliefs and values of a community” (p. 65).

Technical words are a more narrow focus on vocabulary. Technical words have a “precise and often complex meaning for a specific language community” (Gastil, 1992, p. 475). The use of technical words has the ability to exclude those outside of the specific linguistic community by making the language inaccessible. Imprecise words are the opposite of technical words. They are used without a clear meaning, this is sometimes due to struggles over meaning, as is often the case during the process of issue definition. Imprecise words can be purposefully employed for three reasons. First, “vagueness allows different listeners to infer contradictory meaning, causing them to agree with the speaker for entirely different reasons” (Gastil, 1992, p. 476). Second, ambiguity can mask the ignorance of the speaker and camouflage unpleasant aspects of the message. Third, repetition of meaningless words acts as an anesthesia to listeners’ brains, leading them to be less critical and more receptive to the message. Gastil (1992) argues that euphemisms “veil a social indelicacy yet [are] fully understood by both the speaker and the listener” (p. 476). While the former part of the definition is hard to argue against, I do not agree with the latter. Due to the ability of words to have multiple denotations and connotations I assert that listeners may not always be cognizant of the misleading way an actor may use a word. For example, a political actor may use the word pacify as a euphemism for a forced action; while “to subdue” us a secondary denotation of the word, the primary denotation connotes a peaceful action (Gastil, 1992). Should a listener not know of the
secondary denotation, they may not be aware of the use of euphemism and may take the message exactly as it was communicated. Loaded words, in contrast to euphemisms, provide additional meanings including connotations, presuppositions, implications, attributions and associations (Graber, 1981). Loaded words can unify speakers and listeners through reminders of common ideology and inspire or motivate listeners. Most important to their application to issue definition, “loaded words can frame an issue” (Gastil, 1992, p. 478). The use of a loaded word or phrase suggests proper or improper action.

The discussion of grammar includes the subcategories speech acts, implicature, syntactic devices, selective pronoun usage and naming conventions. Speech acts are important because they blur the line between talk and action. In his work van Dijk states (1988, p. 27):

Direct control of action is achieved through discourses that have directive pragmatic function (elocutionary force), such as commands, threats, laws, regulations, instructions, and more indirectly by recommendations and advice. Speakers often have an institutional role, and their discourses are often backed by institutional power.

Implicature comes in two forms: running board technique and phantom meaning technique. The running board technique carries an implied meaning, where listeners are purposefully led to presume an argument for or against something has been made even if the speaker made no direct claim. The phantom meaning technique is similar to the running board technique except that it is unintentional. Rhetorical questions are another form of implicature. The stating of rhetorical questions leads listeners to presume that the questions are stated to make a point. Overall, the problem with implicatures are that listeners to do not uniformly interpret them (Wilson, 1990). However, of particular
importance to issue definition is the use of implicature’s abilities as a tool for “placing the world within a preferred ideological frame” in three ways (Gastil, 1992, p. 481). These are, first, the ability of implicature to appeal to listeners at an unconscious level. Second, is its ability to actively involve the listener in the discourse, which is especially important because it not only develops the discourse through the meanings the speaker creates, it also maintains the discourse through the listener’s acceptance. Third, is the ability of implicature misunderstandings to be mitigated over time due to repetition.

The category of syntax houses the devices complexity, generics, sequencing, the passive tense, the deletion of the subject, nominalization, negation and agency. Complexity is a tactic employed by the powerful against the less powerful within a discourse. The use of this tactic may result in listener confusion and prestige attributions to the speaker. Generics are intended to be the opposite of complexity through the use of general terms meant to avoid the alienation and polarization of listeners. However, like complexity it has the ability to confuse listeners. Sequencing, the passive tense, deletion of the subject and nominalization are all devices used to alter the listener’s perception of responsibility. These devices are all common during the process of issue definition where actors seek to shape their audience’s perception of the issue and its causes. In this instance causes could also be interpreted as those people or circumstances responsible for the issue’s occurrence. Gastil explains the differences and implications of each device (1992, p. 483):

The following five sentences illustrate these techniques, each of which distances the speaker from the hearer and reduces the speaker’s apparent responsibility in the matter: (1) I will penalize you if you do not observe these regulations. (2) If you do not observe these regulations, I will penalize you. (3) If you do not observe these regulations, you will be penalized by me. (4) If you do not observe these regulations, you will be
penalized. (5) Failure of observance of these regulations will result in penalties. Sentence (1) is a straightforward statement, telling the listener what the speaker will do if the listener does not follow regulations. In (2) the sequence of subject and object are reversed. In (3) the active verb is replaced by the passive. In (4) the passive allows the subject to disappear altogether, and in (5) the sentence is nominalized, transforming the verbs into a noun phrase (failure of observance) and a noun (penalties).

Again, these differences are noted by actors involved in the process of issue definition. Acknowledgement of these seemingly subtle differences in structure will assist in promoting care when investigating the profound differences in the definition and its perception caused by use of these devices.

The use of pronouns is important because it reflects “certain social facts about the speaker” that will be useful when contextualizing my data (Wilson, 1990, p. 47). Pronoun use is based on four factors. One, people use pronouns in “developing and indicating their ideological position” for example the difference between referring to the government as us or it (Wilson, 1990, p. 46). Second, “the choice of pronoun indicates how close/distant the speaker is to the topic under discussion”, for example the difference between using the words we and they (Wilson, 1990, p. 62). Third, the use of we can actively involve listeners, make them feel ideologically closer to the speaker and make them more receptive to the message. Finally, attributions of responsibility can be significantly impacted by the use of pronouns; especially in consideration of the differences in responsibility distribution expressed by it, we, and I.

 Naming conventions are when political actors refer to themselves by office, positions or affiliations rather than their given names. This can be done to draw attention toward a conceptual category or ideology, or to draw blame away from that particular
person. While of some importance to issue definition, this tactic is more useful in the contextualization of arguments made and who made them.

Rhetorical strategies “draw upon both lexicon and grammar, but transcend the level of phrasing and sentence structure” (Gastil, 1992, p. 487). Rhetorical strategies related to political discourse include integrative complexity, rituals, metaphors and myths (Perelman, 1982). Political discourse is known for its integrative complexity in that it is “characterized by a recognition that more than one point of view can be valid and that the different perspectives can be integrated or related to one another in some manner” (Pancer, 1992, p. 32). This is an integral concept of issue definition; accounting for multiple definitions and the process of alternative generation. Rituals are an important component of any discourse. Ritualistic political discourse can “provide instant commonality” between the speaker and the community of listeners (Gastil, 1992, p. 487). This can help actors who view an issue in a certain way identify one another easily. This may also facilitate definition collaboration, where actors with similar interests work together to “co-author” issue definitions. Used in a manner similar to rituals, repeated use of metaphors can lead listeners to make assumptions about the relationship between the items being compared. The use of metaphors has benefits, such as the favorable shaping of proposed actions, the ability to draw listeners in from outside the discursive community and the maintenance of community cohesion. However, like implicature, the use of metaphors may result in the listener deriving different meaning that those intended by the speaker. Myths are a “simple and non-falsifiable causal theory that justifies actions or assertions and is somewhat widely held by the discursive community” (Geis, 1987, pp.
Myths are effective against attack from those outside the discursive community because “they are remarkably invulnerable to intellectual assault” (Geis, 1987, p. 29).

The identification of the above devices housed within the four aforementioned categories will not only assist with tracking cultural economic rationales, but will also facilitate the investigation of how different sectors make use of them within their own discourses. Within the data set I will identify the discursive tendencies of the sectors private (for-profit), nonprofit and public (government) by identifying three discourse indicators:

- Rules: This indicates the values that govern the way in which the sector is discussed.
- Filter: This includes the actor’s profession as well as the organizations they represent.
- Ranking: This demonstrates the importance given to each of the rules. This helps define which values hold the most significance.

The three aforementioned sectors (public, private, nonprofit) were chosen because of their direct connection to the arts and cultural sector and their presence within the data set. Members of Congressional appropriations committees and the National Endowment for the arts represent the public sector. While others that offer testimony, supporting materials represent the private arts funders such as foundations and corporations as well as practitioners within the nonprofit arts sector. Finally, those that create my contextualization data represent the researchers. The investigation of various indicators will help me to delineate sector specific values and norms that reappear in the arts and culture sector. Through establishing the existence of the three discourses highlighted, I will facilitate discussion of how these discursive tendencies interact with one another within the nonprofit arts discourse.
I will conduct a content analysis that looks at both manifest and latent content. Manifest content, such as the number of times a particular word is used accounts for visible occurrences. Latent content includes the use of certain theories, which cannot be directly measured but can be indirectly measured through verbal indicators. Both will assist in the operationalization of the “conceptual definitions” established by the discourse map by turning them into units of measure (Neuendorf, 2002).

A traditional discourse analysis involves a review of all linguistic devices employed by those that produce and maintain the discourse. While it is comprehensive it requires a “specialist linguistic knowledge” and a wealth of time (Wilson, 1993, p. 6). In order to correct these things that I do not have I am incorporating content analysis. Combining the two types of analysis also allows for correction of a criticism of content analysis: “it takes the linguistic content of texts at a high level of aggregation without consideration for the interrelationships between words or concepts” (Wilson, 1993, p. 6). By integrating content and discourse analysis I am establishing a way to identify key relationships within the discourse of the nonprofit arts. Wilson (1993) defines key relationships as “those interrelationships between words which are considered important and the interpretation of the discourse,” the following three components in particular (p. 6). One, the agents of actions in the text; specific to my research are: members of Congressional appropriations committees, those employed by the National Endowment for the Arts, practitioners and researchers. Two, the attributes assigned to various persons or things; particularly attributes assigned to supporters of federal support for the arts and the rationales they employ to illicit that support from others. Three, the various modifying and negative words and phrases associated with the agents and attributes. Having
discussed the significant components of discourse analysis that will inform and direct my research I will now shift toward the other way I plan on analyzing my data: content analysis.

Content Analysis

Titscher et al (2000) credit content analysis as being the “longest established method of text analysis” (p. 54). What originated as a term that was solely concerned with the quantifiable aspects of a text has evolved to include methods that seek to quantify a wide range of qualitative categories. In his book Content Analysis: An Introduction to Its Methodology, Klaus Krippendorff (1980) outlines a manifestation of the technique that is particularly applicable to my research: “a representation of ‘facts’” (p. 21). In order to discover how the various discourses intermingle to construct and promote the field of cultural economics I will be employing methods of content analysis. My discourse analysis is aimed solely at establishing the norms, values, information and standard practices of pre-existing studies in order to determine the definition of the issue as it is presented. My content analysis will assist me in achieving two objectives. The first is to establish and track the professionalization of the cultural economic field based on the content of certain texts as well as the contexts in which those texts were created. The second is to further explicate and contextualize uses of the nonprofit arts discourse and the cultural economic rationales used within it (Neuendorf, 2002).

The selection of data is crucial to the success of a content analysis. Due to resource constraints some data is limited to a certain time period. As a result of this I
chose to pick various points in time frame for my data in order to conduct a longitudinal study. My data will also consist of related documents on the theories, methods and uses of the cultural economic rationale to justify and/or request funding for the arts for purposes of further contextualization. Krippendorff (1980) describes a sampling plan as “sufficient detail [as to] how a researcher proceeds to obtain a sample of units that are collectively representative of the population of interest” (p. 66). My sampling plan will consist of cluster sampling focused on two clusters: governmental discussion on support for the arts and scholarly works focused on the theories of cultural economics. By tracking the various rationales over time, I will be able to track the evolution of issue definitions informed by cultural economic rationales in the policy arena.

Within the varied strata of data are clusters relating to reports, books, congressional debates over arts funding and scholarly articles. The latter two categories will be used directly as data sources. Scholarly articles, including scholarly critiques of methods, theories and concepts, and congressional debates will be utilized as a means of tracking the ideals expressed by those advocating for federal support of the arts. The former two categories will be used as necessary to facilitate analysis and track progression of thought in the field. I will use those supplemental materials to investigate the emergence, frequency and specific arguments of cultural economic rationales.

I chose to look at Congressional appropriations hearings because actors from the public, for-profit and nonprofit sectors are present. This is also the setting in which decisions about federal support for the arts are made. I will look at fiscal year (FY) 1967 because that year saw a fairly large increase in appropriations. By investigating that year I seek to discern if that increase was the result of effective issue definition and coalition
building. FY 1982 was chosen because it was the first budget under the Reagan administration. This FY will allow me to investigate the potential change in argument that accompanies that change in administration. Finally, FY 1997 occurs after the significant fall out of the Culture Wars, which resulted in drastic budget cuts in FY 1996. FY 1997 may show signs of argument reorganization and reformulation as the arts community tries to rebound from the negative effects of the Culture Wars. All of these fiscal years were chosen, in part, because they avoid the distraction of reauthorization years. These years also saw significant changes in the agency’s budget. These budget changes may provide context for seeing what types of issue definitions and arguments were made and might have had an effect on the funding levels.

While the appropriations hearings account for all the actors I have chosen to look at, I felt that further contextualization of researchers was necessary. I will accomplish this by looking at the Journal of Cultural Economics. The data set from this pool of sources will consist of publications surrounding and including the fiscal years I have chosen to review. The set of sources will be coupled as follows in Figure 4.2:

<table>
<thead>
<tr>
<th>Congressional Hearings</th>
<th>Journal of Cultural Economics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations for FY 1967</td>
<td>None Available</td>
</tr>
<tr>
<td>Appropriations for FY 1982</td>
<td>Issues from 1980 – 1982</td>
</tr>
</tbody>
</table>

Figure 4.2: Appropriations Hearings and Corresponding Journal Issues
I have chosen to look at publications before the time of the hearings to investigate whether or not the concepts and issue definitions within the Journal of Cultural Economics are echoed within the hearings. Publications during and after the hearings are included to track the reactions of researchers and practitioners to outcomes of the appropriations hearings and the circumstances in the field of nonprofit arts.

Although the ideational kernels of the field of Cultural Economics were around before the creation of the National Endowment for the Arts a professional organization and the associated publication such as the Association for Cultural Economics International and the Journal of Cultural Economics were not created until 1973. I felt that it was important to include a year prior to the creation of a professional organization in order to discern any differences in the way cultural economic rationales were expressed before and after the creation of a professional organization and publication dedicated to the field. For this time frame I will use research publications, books and reports that discuss theories of arts patronage and the arts and state.

Methods of Analysis

Within my chosen data set I will look for units of analysis. Units of analysis are components within the specific categories that are to be examined. Through the use of the discursive tendencies outlined in my discourse map I will establish the following syntactically defined units: signs (graphs, charts and pictures), area (field from which they originate) and time; and the following semantically defined units: value statement and value unit of meaning. These units will assist in categorizing the information. These
categories are the operationalization of variables, which facilitates their quantification.

The following categories are applicable to my research and will be used as a guide (Holsti, 1968, p. 645):

1. Theme: Over-arching subject
2. Norms: Basis for classification
3. Values: Attitudes, goals and wishes displayed
4. Features: The way in which issues are described
5. Actors: The persons involved
6. Origin: Where the data came from
7. Time: When the data creation took place
8. Methods: Methods of research employed in the data

Investigating categories 1-4 will allow me to provide a cohesive set of data that takes the information provided by the articles and the hearings and apply it directly to the arts and culture sector as policy discourse. Categories 5-6 will facilitate the application of Scheurich’s policy archaeology to my data. Categories 1-6 will allow me to apply the theory of policy problem definition to my data. Categories 7-8 will provide me with background information to assist in contextualizing and explaining my findings.

Coding

I will utilize coding methods to track the frequency with which cultural economic rationales occur during congressional appropriations hearings. Instead of focusing on frequency of word use, I am focusing on the frequency of the use of rationales with a common conceptual base. For clarification, I am using Carley’s (1993) definition of a concept: “a single idea, or ideational kernel, regardless of whether it is represented by a single word or phrase” (p. 81). Due to the effects of the process of issue definition it is
important to note that a simple word frequency count would not be applicable. This is because specific issue definitions and alternatives, meaning the particular words chosen for use, are in a constant state of flux, while the concepts behind them are relatively stable. As a result it will be necessary to code for concepts rather than specific words.

I will code my data in a multistage process consisting of three levels. First, I will divide the arguments into arguments in favor of federal support for the arts (PRO) and those against it (CON). Second, I will code for arguments that have a conceptual base within the field of economics (ECON) and those arguments that a conceptually based outside the field of economics (OTH). Third, within those ECON arguments, I will code for the various cultural economic rationales: the cost disease (CD), public good (PG), source stimulation (SS), economic stabilization (EST), economic impact (EI), economic sustainability (ESU).

Textual Analysis

The above categories are comprised of units of measure. I will employ these units to conduct a textual analysis that is “oriented toward the social character of texts” (Fairclough, 2003). As the “social effects of texts depend on the process of meaning making” it is important to address that process (Fairclough). Fairclough notes that there are three elements in the process of meaning making: the production of the text, the text itself, and the reception of the text. To that end I am taking the concept that “texts have causal effects” as given (Fairclough). The purpose of this study is not to decide whether or not there are causal effects, as getting a clear understanding of the definition of the problem is simply the first step in the long process of policy analysis. My intent is to
offer organized, coded data to assist in the task of further policy analysis on this topic to determine what those causal effects are. The first element, production of the text, refers to the authors and the institutions that sponsor the reports. While the productions of the institutions themselves are of great importance to this study, the inner-workings of each institution are not. Therefore an institutional analysis is outside the scope of this research. The text itself, the second element, will be discussed in further detail below. The third element, the reception of the text, will be investigated through professional critiques of methods and styles gathered from scholarly journals and think tank working papers.

The text itself, previously stated as the second element in the process of meaning making will have to be classified in order to facilitate organizing the data. The classification of my data will rely heavily on the expressed intent of the reports (Dooley, 2001). This will include the intended purpose, audience and desired result as expressed by the authors. As an introductory means of identifying the intended audience I will closely examine what the study considers “given information.” This will provide insight to the prior education, familiarity and views on the issue held by the intended audience (Dooley 2001; Ward 2001). Furthermore, I will be conducting a textual analysis that will focus on the internal relations of the texts; including “interdiscursive analysis” that is based in the semantic characteristics of the narratives of the cultural economic rationale (Fairclough, 2003). As noted previously, this is due to the interdiscursive nature of the cultural economic rationale which employs theories, methods and language of various discourses. Of particular importance is the language used, especially for the meaning that is infused into the language and wording choices. While working through the data I will read the narratives for the following inter and intra textual semantic characteristics:
causal (which includes: reason, consequence and purpose), conditional, temporal and contrastive/concessive. Documenting the various presentational styles that result from these different semantic relationships will assist me in identifying and characterizing the various discourses. By investigating the inter-relationship between discourses and discursive techniques used throughout the data, I will examine the degree to which certain discourses are used over others and how that may have changed over time. I will also be looking for the silences in the data; meaning the topics and methods not discussed in the data. Through the use of articles and publications that critique the methods used in the cultural economic rationale I will seek out and document examples of resistance to the discourse and suggestions for counter-discourses (Wetherell, 2001).

**Validity**

Qualitative methods have historically had issues with the concept of validity. Krippendorf describes a validity “trilemma” that content analysts must deal with as a result of narrow definitions of validity. This “trilemma” involves the establishment and maintenance of material-oriented, process-oriented and result-oriented validity. They way to avoid this issue is the adoption of a more inclusive definition of validity and the ways in which it can be achieved. Due to the nature of my research some common validity issues, such as those dealing with inferences made from data, are not as strictly applicable. In seeking to prove the existence of various discourses within the cultural economic rationale and demonstrating how those discourses are utilized I am being descriptive. I am not seeking to investigate the consequences of this multi-discourse practice thus this analysis is more description based than inference based.
Krippendorff (1980) discusses validity at length, stating that the two most common hindrances to validity are conceptual and methodological. Conceptual issues arise from ambiguities regarding the “target for inferences from data” and the concepts used to make those inferences (pp. 155-156). Clearly defining the relevant values and perceptions held by the various actors involved is the first and most important step in establishing and maintaining validity. With the values and norms of the actors stated, their influences on the definition of the problem can be looked at in a way that maximizes reliability and validity because it avoids assumptions about preferences. Documenting established values and norms adds validity to conclusions drawn about the discursive tendencies. This in turn adds validity to the categorization system that is constructed based upon those tendencies, thus establishing process-oriented validity. Based on the construct of the analysis I will be able to link any conclusions made directly to documented actions and norms. This direct link between conclusions and the documents is consistent with the results-oriented validity concept of correlative validity (Titscher, 2000).
The National Endowment for the Arts was appropriated $2,898,308 for its first
cfull year of operations. For FY 1967 the agency asked for $7.75 million. It is important to
note that, at this time, the components of John F. Kennedy’s New Frontier and Lyndon B.
Johnson’s Great Society, including the National Endowment for the Arts, which had seen
much success due to the liberal presence in Congress, was beginning to suffer financial
strain due to the expansion of the Vietnam War. The resulting amount of their actual
appropriation for FY 1967 was $8,475,692.

Events Leading Up To The Hearings

The events leading up to Appropriations Hearings for FY 1967 were influenced
by scholars’ and practitioners’ previous investigations into the intersection of arts and
government. The intellectual effects of these books, reports and conversations led to the
events I will detail below. In turn these events would later influence the nonprofit arts
discourse.
In his book *Commitment to Culture*, Frederick Dorian (1964) investigates the ideals, theories and practices behind government involvement in the arts in countries such as Austria, Italy, France, West Germany and England. Dorian distills his findings into musings on “an American formula” for federal arts support. According to Dorian, the root of the issues surrounding public arts funding lies in the answers to two rhetorical questions: “do we consider art an indispensible element of our lives? Do we see in art a property of humanity without which the American way of life is unthinkable?” (p. 458). These questions can be tied to the concept of the arts as a public good. Assuming the arts are a public good, it would be the responsibility of the government to ensure that the arts are accessible to all its citizens. This basic assumption would eventually become the foundation of the nonprofit arts discourse.

During a time when private support was under significant strain, Dorian (1964) presented three questions: (1) Are our foundations, individual donors, and all other private sources of patronage able to support the rapidly growing and widely expanding art life in the United States? (2) Can these combined sources assume the enormous task of a perpetual underwriting of art and supporting all its various functions? (3) If such an assignment should prove to be untenable, what are the alternatives? (p. 459). Question 1 presents the idea of assistance in the establishment of economic stability within arts organizations from outside sources, and questions if the current outside sources, mainly private patronage can achieve this goal without additional help? Question 2 introduces the idea of economic sustainability over an extended period of time. Once economic stability is achieved, the economic sustainability of arts organizations would, in theory, allow them to progress to providing additional services and increasing audiences.
Question 3 addresses the need to identify ways in which both economic stability and eventually sustainability can be made possible. These questions would later be addressed by arts advocates with a scholarly background in economics.

Twentieth Century Fund Meetings

Prior to Appropriations Hearings for FY 1967, prominent arts advocates consisted of members of the Twentieth Century Fund, economists William J. Baumol and William G. Bowen, and various members of the arts community. It is through events involving these actors that the nonprofit arts discourse, especially as it pertains to its interaction with the government was established. The Twentieth Century Fund, as of 1966, was a nonprofit research organization focused on programming in public economics such as welfare and public education and had “only recently extended research in social and cultural questions” (Twentieth Century Fund, 1966, p. 1). The Twentieth Century Fund recognized the role that foundations could play in supporting the arts. In order to identify ways to do so a series of meetings, involving 29 officers staff members representing various foundations, 19 representatives from the arts community and Roger Stevens, representing the government, were held to discuss the economic issues negatively affecting arts organizations. Those present represented private, corporate, and family foundations:

- The Duke Endowment
- The Ford Foundation
- United Stated Steel Foundation
- Rockefeller Brothers Fund
- Russell Sage Foundation
- Old Dominion Foundation
- Gulbenkian Foundation, Inc.
Representing the artists were a mix of traditional artists and arts practitioners:

- Clive Barnes, dance editor for the New York Times
- Richard Barr, a theatre producer
- Thomas Buechner, director of the Brooklyn Museum
- Lucia Chase, director of American Ballet Theatre
- Merce Cunningham, dancer and choreographer
- Lloyd Goodrich, director of Whitney Museum of American Art
- Louis C. Jones, director of New York State Historical Association
- Michael Mabry, executive director of Theatre Communications Group
- Dr. William Schuman, president Lincoln Center for the Performing Arts
- Robert Tobin, president Central Opera Service
- Stanley Young, director of American National theatre and Academy.

Discussions that focused on theatre, music, museums and dance outlined the current situation of each discipline and highlighted places for foundations to intervene. The artists and those representing them often interjected with their wishes or anecdotes about the realities of being an artist or working within an arts organization. Despite the many issues covered in these meetings, “behind the discussion there was an awareness of how substantially-and on the whole how suddenly-government has entered into the picture” (Twentieth Century Fund, 1966, p. 2). The way arts organizations are deemed worthy of assistance are defined is important to the role of government in arts funding (Twentieth Century Fund, 1966, p. 5):

The Broadway theatre has confused the issue, being a commercial enterprise, and making occasionally such spectacular profits. But a theatre
institution that provides in addition to entertainment certain basic cultural services—support of new works, preservation of the classic repertory, training of fresh actors, the recruiting of new audiences and particularly the audiences of the young—such an institution will not, and never has, made a profit.

The last mission, recruiting new audiences, particularly the audiences of the young, indicates that nonprofit theater has important system maintenance missions in addition to successful production goals. These added missions align the outcomes of arts organizations with the concept of a public good. Although not explicitly articulated, this passage makes the distinction between for profit and nonprofit organizations based on three criteria: (1) Their audiences, (2) The services they provide and (3) Their earning potential. These defining factors are later repeated in the testimony of Roger Stevens in his discussion of the growing number of American citizens able and willing to participate in the arts, the intrinsic benefits of enriched lives, and the financial issues suffered by a majority of nonprofit arts organizations.

At the Twentieth Century Fund meetings Roger Stevens, the first Chairman of the National Endowment for the Arts, stated, “The [National] Endowment [for the Arts] is in business because not enough funds for the arts are coming from private sources” (Twentieth Century Fund, 1966, p. 27). This statement contradicts the historical presumption that support for the arts in America is primarily a matter for private action. During the creation of the National Endowment for the Arts there was some concern that government involvement would decrease other funding sources. Indeed, participants at the Twentieth Century Fund meetings acknowledged (Twentieth Century Fund, 1966, p. 3):
Today a new factor is tending to inhibit the foundations in their approach to the arts. This is the growing role of government. From thinking that government would never act at all in this area, we have gone to the opposite conclusion of thinking that perhaps government is going to do everything.

The significance of this statement is that foundations are not acting because they do not want to, but because they are unsure of what their efforts should be in light of government involvement. According to Federick Dorian (1964), there are some that could feel threatened by a government presence in arts funding. However, Dorian warned that “too many Americans regard private patronage as a bottomless well” (p. 459). Furthermore, government funding may be necessary if private support wanes in the future. These comments appear to be an allusion to the Ford Foundation, a grant-making organization started in 1936. It is important to note that, while the Ford Foundation avidly supported the arts, predating the National Endowment for the Arts by a decade, they maintained their strategies for supporting the arts irrespective of the emergence of government aid into the world of the arts. In their annual report for 1967, the Ford Foundation noted that, when choosing grantees “professional and artistic criteria override other possible considerations, including amateur activities and the role of the arts as an asset in the civic landscape” (The Ford Foundation, 1967, p. 51). This view placed the Ford Foundation outside of the realm of arts advocates searching for government support of the arts under the assumption that the arts are a component of a functioning democracy. This stance by the Ford Foundation defined the issue of financial support for the arts as something done out of desire to do so, not out of obligation. Furthermore, it places the burden of providing the arts to every citizen upon the government, as private sources would only cater to some.
Through the discussions held at the Twentieth Century Fund, the issues that prevented large-scale foundation support of the arts prior to the creation and encouragement of the National Endowment for the Arts were identified. The primary issues were defined as foundations’ desire to put “their money into something that promises to be self-supporting after a while” and the assumption that “the institutions of the arts are not, and cannot be expected to be, self-supporting” (Twentieth Century Fund, 1966, p. 5). The operational tendencies of foundations and the financial structure of arts organizations appeared to be ideologically incompatible. The inability of arts organizations to be self-supporting is an idea credited to economists William J. Baumol and William G. Bowen.

Baumol and Bowen’s Economic Dilemma

In addition to the organization of meetings for arts advocates, the Twentieth Century Fund was responsible for funding Baumol and Bowen’s (1966) work Performing Arts: The Economic Dilemma. In their report Baumol and Bowen discuss the ‘cost disease,’ a phrase they used to describe the inability of the performing arts to benefit from economies of scale and decreased costs of production due to technological advances in an economy. Unlike the case for many other industries, these developments helped create an insurmountable income gap for the arts. This statement appears to imply that this increasing gap had been caused by private patronage falling short. Private patronage is no longer enough not because they no longer give, but because the amount they give is essentially shrinking as the income gap increases. This income gap steadily increases the
costs arts organizations incur without providing them the opportunity to mitigate those increases. This problem has resulted in the creation of staving-off procedure[s],” which include “borrowing money, sometimes from a bank, sometimes from individuals” or “[living] indirectly on the succeeding year’s subscription income” in an effort to close the income gap as much as possible (Baumol, 1966, p. 156). Unfortunately, these staving-off procedures have prevented arts organizations from achieving financial stability. In order to prove their point, Baumol and Bowen conducted extensive economic research in the performing arts.

The purpose for the book was clearly articulated by August Heckscher in his forward: “I suggest the analysis and the figures contained in this report point the way to a considerably larger contribution by government” (Baumol, 1966, pp. viii-ix). This kind of statement was never actually articulated in the book itself, the authors stated that they intended to “explain the financial problems of the performing groups and to explore the implications of these problems” (Baumol, 1966, p. 4). However, the language and methods of analysis used explains why this work was immediately linked to calls for government support and was used by many arts advocates as a way to justify and increase government arts funding. While the economic analysis they provided was sound, they chose to justify public support for the arts based on the arts as a public good; a claim that they provided no quantitative evidence for, as they did for cost disease. What the authors did do was repeatedly discuss the cost disease with other justifications for government arts support in the same paragraph, leading readers to link the two concepts together. In his book *Paying the Piper* Alan Peacock (1994), a pioneer in the field of Cultural Economics, later noted that Baumol and Bowen’s work “seemed to offer objective and
technical evidence that public subsidies for orchestras and opera should be tied to the growth of their costs” (p. 32). While Peacock, a trained economist, could find ways to appreciate the technical aspects of Baumol and Bowen’s work that was sound, the average arts advocate did not have this capacity. This resulted in advocates valuing the policy implications made in the book over the methods and analysis. In their book Baumol and Bowen harshly criticize arguments against support of the arts, and offer no criticism whatsoever of noneconomic arguments in favor or government arts funding. This bias, coupled with a warning that a government failure to provide funds may result in a misallocation of resources, established Baumol and Bowen as advocates for government support of the arts without ever explicitly saying so. Avoiding explicit advocacy statements helped them maintain the image of “expert objectivity.” As noted by Baumol and Bowen (1966), “the first ground for government intervention in the economy is inequality of opportunity” (p. 378). When it comes to equal opportunity, the government “may have to help in the provision of opportunities for attendance in many parts of the country where professional performance is now totally unavailable” (p. 379). All of this is under the assumption “that the extremely narrow audience for the arts is a consequence, not of limited interest, but of the fact that a very large segment of the community has been denied the opportunity to learn to appreciate them” (p. 379). With statements like these Baumol and Bowen lay the groundwork for additional arguments advocating for an increased government role in arts funding, without making demands. They also portrayed the economic situation of the arts as dire and linguistically established it as a crisis; thus escalating a sense of urgency other arts advocates gravitated
toward. In addition to being acclaimed for its policy implications, the work of Baumol and Bowen is credited with starting the field of cultural economics.

Prior to the FY 1967 hearings the ideas presented by Baumol and Bowen gained popularity and support. With the legislation for the creation of State Arts Agencies “a number of states which might not have considered forming a state arts council will now move in that direction in order to qualify for federal funds from the National Endowment for the Arts” (Baumol, 1966, p. 351). Baumol and Bowen (1966) noted that “the most interesting point to be gleaned from [this] is the evidence that community support can be stimulated in this way” (p. 351). This increase in governmental support at various levels was noticed by private sources as well. Once participants at the meetings held by the Twentieth Century Fund acknowledged the increase in government support at all levels, there was a call to members of the private sector: “Now it is absolutely incumbent upon the foundations to move along with government, to match and to supplement its efforts, lest the cultural life of the country grow dependent upon funds from once source” (Twentieth Century Fund, 1966, p. 4). These types of statements make clear that the concept of source stimulation, aided by the emphasis put upon diverse patronage by researchers, spilled over from the public sector into the private sector. This “fear” of a dominant one source is a persistent undercurrent, supporting the call for mixed funding for nonprofit arts organizations.

Although Baumol and Bowen (1966) focused on the economic stability of performing arts organizations, they also discussed individual artists’ inability to achieve fiscal sustainability solely with their art (p. 169):

Wages of performers do rise, but they do not always manage to keep up with wages in the rest of the economy. Because performers frequently are
dedicated individuals who are willing to work under economic conditions which would be considered appalling in other activities, the performing arts are relatively insensitive to general wage trends.

This fact was also recognized by meeting participants at the Twentieth Century Fund (1966): “It is shocking to realize that within the strange economics of the artistic profession almost no composer of serious music can make a living at his art.” This was also acknowledged by the National Endowment for the Arts when justifying their support of grants to teaching artists, choreographers and creative writers. These programs were always justified by referencing artists’ chronic financial instability. These programs served two main purposes: aiding artists with the, often prohibitive, costs of producing and preserving their art, allowing them to take time away from other jobs in order to create new work and the creation of job opportunities for artists. The issue of sustainability, although usually linked to individual artists is also relevant at the institutional level. In the meetings held by the Twentieth Century Fund dancer and choreographer Merce Cunningham expressed his preference to receive assistance with fiscal sustainability: “A thousand dollars a year he could count on was better, in his judgment, than sudden affluence and an equally sudden return to institutional poverty” (Twentieth Century Fund, 1966, pp. 5-6). This comment, and the Twentieth Century Fund’s efforts to advocate for individual artists assistance presents foundations as a group that would prefer to focus on sustainability handing over responsibility of stabilization to the government. While stabilization is concerned with establishing consistent fiscal soundness, sustainability assumes stability and seeks to further operating capacity. This does directly contradict the previous expressed wishes of foundations only wanting to grant “seed money” to organizations that would eventually become self-sufficient.
When justifying the government role in arts funding, Baumol and Bowen (1966) take an approach slightly different than the assumption that the arts are purely a public good. Instead, they categorize the arts as mixed commodities, “goods and services whose characteristics are partly private, partly public” (p. 381). While these types of commodities would still, in the eyes of an economist, qualify for assistance from outside sources “mixed commodities can be expected to cover part of their cost by sale to the public” (Baumol, 1966, p. 382). However, the issue of patronage of the arts, and who should be involved in such patronage is a key issue. Baumol and Bowen (1966) assert that more individuals would provide financial assistance to the arts if more arts advocates would take the initiative to educate potential patrons about the need for financial support and the reasons behind that need (p. 323, emphasis is authors):

No doubt many individuals avoid giving to the arts because several important points have never been made clear to them: that most performing organizations are not profit-making institutions; that the arts play an important role in society beyond the mere provision of entertainment; and that wealthy patrons no longer stand ready to cover deficits automatically.

Discursive Rules

The events I have described above, Dorian’s book, the Twentieth Century Fund Meetings and Baumol and Bowen’s book, served to establish some parameters, or rules, for the nonprofit arts discourse. First, and of greatest importance when discussing government involvement in arts funding, is the perception of the arts as a public good. While the arts should be actually called a combination good, as discussed by Baumol and
Bowen, public good is the phrase that is championed. From this discursive rule logically follows the rule that the arts are for everyone. This stems from the technical definition of a public good (Baumol, 1966). With this rule comes the introduction of new arts audiences. This is alters the image many held of the arts as a good solely for people with money that lived in metropolitan areas. This image is continually combated linguistically by repetitive use of the phrase “public good” from the first rule of the discourse. Next is the assumed validity of the “cost disease” theory as described by Baumol and Bowen (1966). At this point in time there are no negative critiques of the cost disease theory within the discourse. With assumed validity of the cost-disease comes a final discursive rule: while it is important to discuss ways of stabilizing arts organizations and making them sustainable through outside aid, there is no discussion of making arts organizations entirely self-supporting. There are times when the traditional usage of the term “seed money” may imply that this is not a rule. However the implication is that there will be additional supporting funds from more than one source to further supplement any “seed money.” Beneath all of the rules is an underlying assumption that only quality or excellent artists and arts organizations may benefit from use of this discourse. This perceived quality or excellence is determined by those within the discourse that have the support of their peers. These discursive rules were definitively established prior to the appropriations hearings for FY 1967.
Senate Hearings

Due to his work with the Twentieth Century Fund, Roger Stevens was well aware of the desires for government arts support and the preferred means of justifying that support. In his position at the Twentieth Century Fund meetings, Stevens represented the government. However, at the Congressional Hearings Stevens was charged with representing the arts community.

On Thursday, March 10, 1966 the Senate met to hear budget justification testimony for the National Endowment for the Arts. Those present included Roger Stevens, Merrill Collett and Senator Gale W. McGee. Merrill Collett was the acting Administrative Manager for both the National Endowment for the Arts as well as the National Endowment for the Humanities at the time. Senator McGee was a Democrat representing Wyoming. In his capacity as an administrative manager Collett was only called upon to speak once about the efficiency of the offices. The majority of the testimony was a dialogue between Stevens and McGee. These two actors were the filter through which the nonprofit arts discourse (inclusive of artists and arts organizations) was practiced and maintained. During these hearings the following topics were discussed at length:

- The Decrease in Quality Arts Organizations
- Partnerships
- Operating procedures at the National Endowment for the Arts
- Granting Programs

These topics had corresponding themes that were reiterated throughout the testimony as listed in Figure 5.1:
Stevens’ role as an art advocate as well as a government employee had a significant impact on how his messages were filtered. Due to his ability to interact with other arts advocates creating the nonprofit arts discourse Stevens was able to maintain that discourse at the Senate testimony. I will discuss how he does this in his discussion of each of the aforementioned topics from the Senate hearings. For the reader I will be sure to use quotation marks when using the exact vocabulary used by actors involved in the hearings. Not intended as a quote, I am doing this to demonstrate the way the nonprofit arts discourse was maintained throughout the hearings.

Decrease in Quality Arts Organizations

Stevens presents the decrease in quality arts organizations as a direct result of the lack of necessary funds for organizations to sustain themselves. More important is the lack of funds necessary for quality arts organizations to expand their activities to reach broader audiences. Stevens is sure to point out that, in comparison to other countries, the
United States does have quality arts organizations. However, these organizations are located in larger, affluent, metropolitan areas. According to Stevens, the steady decrease in quality arts organizations is happening in areas where there are no artistic alternatives. This means that the majority of citizens are living without quality arts organizations. The causal factors attributing to the arts’ dire position are not discussed in the hearings. This is a direct result of the audience that Stevens is speaking to. Senator McGee asserts himself as an arts advocate throughout the hearings, mainly through pronoun usage. The assumption is that someone operating within the nonprofit arts discourse would already know background information regarding the financial circumstances of the arts. When responding to Stevens, Senator McGee frequently uses the term “we.” This is done as a way to demonstrate identification with the work of the National Endowment for the Arts. Senator McGee further demonstrates how close he is to the work of arts advocacy (FY 1967 National Endowment for the Arts, Senate, 1966, p. 1595):

I suppose that is where year after year we will get an increasing amount of static from the legislative branch. It is hard to define and measure and then sum up creativity. The man who is appropriating money wants to know how many did we get; how many, how high, and how wide. It is ridiculous; but, nonetheless, those are the facts. It would be nothing new to suggest those days will be dark days, but somehow we have to rise to it.

This quote is significant for two reasons. First, Senator McGee’s establishment of himself as an ally, which allows Stevens to assume that the Senator has a level of given knowledge about the arts and their needs that other Senators may not. Second, Senator McGee’s identification of discursive differences between the nonprofit arts discourse, which incorporates outcomes that are often difficult to quantify, and the government discourse, which has a strong preference for quantifiable outcomes. It is clear throughout
the testimony, through words of encouragement interjected by the Senator, that this is more of a conversation than a justification hearing. Speaking to a fellow advocate allows Stevens to omit some background information of the issues he is discussing under the assumption that Senator McGee already knows.

Partnerships

When discussing how the National Endowment for the Arts plans on “assisting” artists and arts organizations Stevens makes frequent mention of partnerships. The most important partnerships, based on the conversational tactics of sequencing and emphasis are those that involve “private resources.” Stevens makes sure to emphasize that the actions of the National Endowment for the Arts are done with the goal of “private resource” “stimulation.” When listing potential partners, through sequencing, Stevens reiterates the level of importance each partner possesses: “Federal Government and private resources, State and local governments, and institutions and organizations” (FY 1967 National Endowment for the Arts, Senate, 1966, p. 1568). Stevens does acknowledge the work that has already been done to support arts organizations (by private foundations). He expresses his desire not to tread upon the toes of foundations but to “cover what other people are not doing” (FY 1967 National Endowment for the Arts, Senate, 1966, p. 1595). This desire to work with, and not against foundations, is further expressed when Stevens announces “the Arts Endowment has also just completed negotiations for a consultant who has had long experience with the foundation field” (FY 1967 National Endowment for the Arts, Senate, 1966, p. 1592). This consultant’s main purpose was to serve as the primary point of contact for foundations and other private
donors such as corporations and individual patrons. This acknowledges the interdiscursive nature of the nonprofit arts discourse and demonstrates the National Endowment for the Arts’ desire to utilize advocates that can travel comfortably between various discourses.

Operating Procedures

Due to Senator McGee’s prior knowledge of the broad themes involved in arts advocacy, he was capable of asking more in depth questions about daily operations at the National Endowment for the Arts. Throughout discussion of granting procedures as well as the way granting programs were initiated Stevens make frequent reference to the “experts” within the field: “I would like to say we are asked by the act to have expert panels pass on all individuals and groups that are eligible for grants” (FY 1967 National Endowment for the Arts, Senate, 1966, p. 1594). The frequent mention of experts is meant to serve two purposes. First, it creates a sense of credibility within the National Endowment for the Arts as well as the programs that they conduct. Second, is to preemptively assuage any fears of governmental control of the arts. By constantly referencing the “private citizens” responsible for “wisely suggesting” courses of action, making recommendations, and “guiding” the actions of the National Endowment for the Arts Stevens is reassuring both those inside and outside of government that there is a system in place to prevent guarantee plural control of the arts. Of note is the use of the word “guide” to express the role of the council. This word expresses that, while the
Council does have some power, they do not “dictate” the actions of the National Endowment for the Arts.

One of the Council’s roles is to ensure that all granting programs have an element of accessibility and equity. These two elements were frequently cited as justification for National Endowment for the Arts programming. In cases where this is not explicitly stated within the granting procedures themselves, for instance grants to individual artists, Stevens makes it a point to say that these grants are to “enable” artists to serve the general public. There is a significant amount of emphasis placed upon building touring capacity in order to reach rural audiences and to redistribute the reach of quality arts organizations from metropolitan areas to all areas. This emphasis reiterates the view of the arts a public good that should be provided to all citizens equally, via the “support” of the government.

Granting Programs

In an effort to avoid the image of a hand-out Stevens refers to the granting programs at the National Endowment for the Arts as a means to “enable” artists and arts organizations to serve American citizens, using the actual word “enable” thirteen times. The implication that this will take time as well as continued financial support is subtly hinted at through use of words like “development,” a word used eighteen times, “fostering growth,” and by Stevens’ tendency to utilize the concept “seed money.” In addition to placing the burden of the work upon grant recipients, Stevens is also maintaining the discursive rule of presenting the arts as a public good. In the description
for each grant program there is some reference to broadening the grantees area of service, reaching new audiences, exposing younger audiences to quality arts experiences or some combination thereof. This is a larger factor in programs that involve public schools, where free performances are also a part of the grantee’s obligations.

Language used throughout the Senate Hearings focused on development of artists and arts organizations as a means of increasing arts access across the nation. Senator McGee’s questions about operating procedures highlighted the proposed methods for fostering partnerships, increasing accessibility and strengthening arts organizations. Generating “seed money” was repeatedly references as the main effort to increase the quality of arts experiences.

House of Representatives Hearings

The witnesses on record were Roger L. Stevens, Livingston Biddle and Charles Mark. Roger L. Stevens was serving as the Chairman of the National Endowment for the Arts at the time, Livingston Biddle was the Deputy Chairman for the National Endowment for the Arts and Charles Mark was the Director of State and Community Operations. They were questioned by Congressman Michael Kirwan, a democrat from Ohio and Congressman Winfield Denton, a democrat from Indiana. During the testimony only Stevens and Mark actually spoke. Contrary to the support demonstrated by Senator McGee in the Senate hearings, Stevens had a less conversational cadence to his testimony with the House of Representatives. This was despite his use of inclusionary tactics which included stating things as though they were given knowledge with language such as;
“clearly,” “as you know,” obviously,” and referring to citizens as “our people.” During this hearing the following topics were discussed at length: The Need for More Money and New and Developing Audiences

These topics had corresponding themes that were reiterated throughout the testimony as illustrated in Figure 5-2:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Need for More Money</td>
<td>Financial need of arts organizations, the Cost Disease, Source Stimulation, Diversified Patronage</td>
</tr>
<tr>
<td>New and Developing Audiences</td>
<td>Increased leisure time, increased demand for quality arts experiences</td>
</tr>
</tbody>
</table>

Figure 5.2: Topic and Theme Chart: House of Representatives Hearings, FY 1967

The Need for More Money

At the outset of the House of Representatives Hearings the private sector’s inability to continue sustaining the arts is defined as the causal factor of the arts’ current financial situation. In his opening statement Stevens gives a brief overview of the structure of the National Endowment for the Arts, which along with the National Endowment for the Humanities, forms the National Foundation on the Arts. Stevens concludes his opening statement with a reminder of the basic purpose of the National Endowment for the Arts: “to develop and promote a broadly conceived national policy of support” for the arts (FY 1967 National Endowment for the Arts, HR, 1966, p. 269). The
beginning of this phrase is relatively specific in meaning. “Develop” and “promote” are actions that the government means to take; serving as creator and advocate. The second half of the phrase is vague. It is arguable that the vagueness surrounding the phrase “broadly conceived” and “support” was purposefully constructed to allow for more freedom in the actions of the National Endowment for the Arts. It is not clear who should or would be involved in the conception of the national policy of “support,” nor it is clear what sense of the word “support” is implied. “Support” could be financial, morally or through specific programs. This vagueness serves to increase the number of individuals that support the National Endowment for the Arts. Due to the fact that they are each mentioned within the testimony it is conceivable that many within the arts community, the government and the private sector feel justified including themselves in the group of actors able to assist in broadly defining the national policy of support. Given that the type of support is not specified is a point of consensus building. This is because those that believe government should support the arts morally but not financially, or vice versa are all in agreement that the government should support the arts; thus creating a unified front where one may not actually exist.

Stevens continues his testimony under the heading “Enthusiasm for Legislation” in which he discusses the “immense grassroots support for this legislation” (FY 1967 National Endowment for the Arts, House, 1966, p. 269). This statement was likely to have an impact on Congressmen, as the connotation of grassroots is based on the concept of a lot of people with limited power; these are precisely the type of people Congressmen represent. When discussing supporters of the National Endowment for the Arts’ creation a clear distinction was made between the grassroots community or common people, the
“responsible business leadership,” and the “leaders of the arts organizations” (FY 1967 National Endowment for the Arts, House, 1966, p. 269). It is important to note that this statement does not include the Business Community as a whole, only those business leaders deemed responsible. Furthermore it includes only some leaders of arts organizations rather than leaders of the organized arts community as a whole. This is because many kinds of arts organizations and their representatives were uncertain, ambiguous or opposed to government funding at the beginning. When discussing supporters from the arts community, Stevens qualifies them by claiming that they are “acutely aware of the great backlog of needs in the arts” (FY 1967 National Endowment for the Arts, House, 1966, p. 269). This statement implies that supporters of this legislation are those informed about issues negatively affecting the arts community. This not only increases credibility of National Endowment for the Arts supporters within the arts community, it also defines those that are not supportive as “uninformed” of the issues affecting the arts field.

In naming the unmet needs of the arts the issue of funding is introduced. The private sector, the traditional patron of arts in the United States as named by Stevens, was depicted as a source that was drying up because they “are simply no longer able to sustain the arts” (FY 1967 National Endowment for the Arts, House, 1966, p. 269). While Stevens does not provide any of the factors that led to this statement, inclusion of the word “able” implies these sources want to continue providing support to arts organizations but cannot provide enough support due to the increasing income gap many nonprofit organizations suffer. Furthermore, the “great backlog of needs” introduces the idea that there are many unmet needs negatively affecting the arts, and that these needs...
have not been met for a considerable amount of time. Taking cues from the language and sense of urgency expressed by Baumol and Bowen in their book, Stevens used language that consistently referenced the “cost disease” with words such as “suffer” and “survive.” The sense of urgency Stevens hoped to convey was underscored by frequent use of the word “emergency.”

Stevens finished his opening statement with “that is why this governmental ‘seed money’ is so essential” (FY 1967 National Endowment for the Arts, HR, 1966, p. 269). The phrase “seed grant” was appropriated from the private and nonprofit sectors that began using the term “seed money” in earnest in the 1940s to mean funding specifically for operating costs in the initial phase of a business or organization. This phrase connotes that assistance will be temporary and that eventually no longer be necessary. It is important to note that, when the National Endowment for the Arts picks up the idea of “seed money” it is actually running contrary to the cost-disease assumption that nonprofit arts organizations are structurally incapable of being self-sustaining. While the actual term “seed money” only used twice, the concept was used often; most likely used for its positive connotation among businessmen and government workers who would assume the phrase was being used in the way it is by foundations and the private sector.

Due to the financial strains present at the time, there was some doubt cast on the strength of the public good argument, especially when the arts were compared to other government funding programming. At the end of the Hearings Congressman Denton introduces the idea that the arts will have to compete against other government programs such as “the school milk program, the program for Federal schools, and the money for
land-grant colleges” in the public arena for government funds (FY 1967 National Endowment for the Arts, HR, 1966, p. 300-301):

During the past month, we have had any number of agencies before this committee from the Department of the Interior who have had their budget estimates drastically reduced as a result of current world conditions, more especially in Vietnam. . .In view of the budgetary action that has been taken on what we call our action programs in this bill, do you think this committee would be justified in recommending this increase of about $8 million in fiscal year 1967 for the National Endowment for the Arts and the Humanities?

These alternative program examples seem to suggest either that there are more apparent mixed goods or more widely accepted public goods. Statements such as these may have been the impetus to strengthen the argument of the arts as a public good in order to better position them for funding among many program alternatives. At that time, the argument that the arts were a necessary part of life on par with other government spending was not mirrored in Stevens’ reply to the concerns stated by Mr. Denton (FY 1967 National Endowment for the Arts, HR, 1966, p. 301):

We hope that we would comply with the thoughts of Congress on setting up programs for the tremendous increase of leisure [time] that will take place. I think in terms of looking ahead that we need to be ready to supply to the people of this country the kind of entertainment and recreation that they are entitled to.

This reinforced the idea of the arts as a luxury that citizens of a wealthy nation are entitled to rather than presenting the arts as an integral part of a democratic society. In the long-term this argument did not prove to be useful since it presumed the “leisured American” and was not equipped for use with the “overworked” or “unemployed” American.
New and Developing Audiences

The inadequacy of current funding sources for arts organizations would not be a problem for governmental concern if other issues, such as the increase in leisure time and the desire for every citizen to be exposed to quality arts experiences, were not identified. Stevens notes that: “very, very rarely do you find an arts organization which has sufficient funds available for an adequate program, to say nothing of one capable of expanding and reaching out to satisfy the needs of that new and developing audience” (FY 1967 National Endowment for the Arts, HR, 1966). Stevens expresses this concern by stating that the arts are something “which our people are more and more seeking – and will increasingly seek as the number of leisure hours grows” (FY 1967 National Endowment for the Arts, House, 1966, p. 269). According to the Stevens, these additional issues were exacerbated by arts organizations’ inability to rectify them due to lack of resources. This has resulted in a “rapidly growing demand” and arts organizations incapable “of expanding and reaching out to satisfy the needs of that new and developing audience” (FY 1967 National Endowment for the Arts, House, 1996, p. 269). The solution proposed by the National Endowment for the Arts are “seed grants” for various programming initiatives; which Stevens describes as “essential” (FY 1967 National Endowment for the Arts, House, 1966, p. 269). Although accessibility is not an economic rationale on its own, the arguments used to justify the ways increased accessibility can be achieved, such as making arts organizations economically capable to increase the number of performances per year and tour, are. Tied to the rationales of economic stability and sustainability, accessibility was cited as an initial function of the Endowment by Roger
Stevens: “...in accordance with the spirit and purpose...of making the arts and their values available to wider audiences in every community throughout the United States” (FY 1967 National Endowment for the Arts, 1966, HR, p. 269). The main and supporting arguments for increased accessibility seen throughout the hearings are depicted in the diagram below in Figure 5.3. In it the goals, strategies, and solutions for the problem of limited arts access expressed in the hearings are shown on an arts organizational level as well as a financial/economic level.

Figure 5.3: FY 1967 Hearings Argument Summary
The National Endowment for the Arts (NEA) was appropriated $143,456,000 for FY 1982. This was a decrease of $15,339,000 from the $158,795,000 they were awarded the previous fiscal year (FY1981). FY 1982 saw many changes in arts support at the Federal level. All discussions centered on the fact that the new administration, headed by Ronald Reagan, was proposing a 50% budget cut for the National Endowment for the Arts. Livingston Biddle, a man instrumental in the start of the National Endowment for the Arts in 1965, who served as Deputy Chairman under Roger Stevens, was now Chairman. This significant budget cut was presented as part of an internal overhaul to reduce government spending in a time of inflation. However, in both the Senate and House hearings it was made clear that many felt that the arts were being singled out. The constant refrain was: Why the arts? The fact that government spending the arts was a very small percentage of total government spending was frequently referenced in conjunction with the fact that a 50% decrease seemed extreme. Due to the proposed cuts,
Biddle’s task was to rally support for the arts and demonstrate their importance to Congress in order to mitigate the budgetary damage the Reagan Administration was threatening. It is also important to note that the Congressional Arts Caucus was formed at this time. Started in 1981, the Congressional Arts Caucus was an important actor within the arts policy subsystem. As members of Congress their emphasis was (supposedly) focused on their constituents. This provided constituents that were arts advocates another means to voice their opinions and concerns about the arts. This was also another forum for information gathering and for research results to be disseminated.

Works Leading Up To The Hearings

The editions of the *Journal of Cultural Economics* prior to Appropriations Hearings for FY 1982 include Vol. 4 Issue 1 (June, 1980), Vol. 4 Issue 2 (December, 1980) and Vol. 5 Issue 1 (June, 1981). While the articles in both issues discuss various topics dealing with Cultural Economics certain themes emerged: issues with the classification of cultural and arts organizations, measuring success of those organizations and funding sources.

An article by Louise W. Wiener falls outside of those categories but is important to mention. Wiener’s article is primarily concerned with calling attention to the economic and diplomatic benefits of American Cultural Tourism. Wiener places emphasis upon presenting arts and cultural organizations as the purpose for travel, rather than placing it on the periphery. While this work does not mention public subsidies or the role of government in arts funding, this work has many policy implications about the use of
artists for Cultural Diplomacy: “While America’s political prestige may be declining in some areas of the world, this nation’s reputation as a cultural leader is at an all-time high – and still growing” (Wiener, 1980, p. 2). Wiener’s intention was to promote the popularity of American artists as proof that people would travel to America for the arts. However, this statement also implies that the arts had the potential to be a powerful diplomatic tool. The diplomatic abilities of American artists became a minor discursive rule at this time. However, it is important to mark its beginning because it becomes more important in the future of justifying public funding for individual artists.

Classification

The way nonprofit arts are classified has implications for the ways they are perceived as well as what types of assistance are considered acceptable for nonprofit arts organizations. In the previous chapter, the arts (and the nonprofit organizations that presented them) were named “public goods.” This language was used by those outside of government such as Baumol, Bowen and those at the Twentieth Century Fund as well as those within government such as Roger Stevens advocating for public arts support. In their article, Gassler and Grace (1980) define art as a “quasi-group-consumption good” with the justification that “art is information, which is the purest of all group-consumption goods” (p. 24). He claims that public good is misleading because of its connotations of “general welfare or government supply,” which is part of the reason that the term “public good” was used in the first place (p. 24). In addition to being more “honest” about the way they classify the arts, Gassler and Grace also point out that their
term, quasi-group-consumption good, “does not contain the word “collective” which might offend sensitive conservative ears” (p. 24). This note is of particular importance to arts advocates dealing with more a more conservative legislature. In his article, Milton Russell (1980) also notes that “art services are by no means pure goods” (p. 76). With the emphasis placed upon a group Gassler and Grace’s definition does imply some sort of public benefit, with information being portrayed as a desirable if not a necessary thing. On the other hand Susan Touchstone (1980) explicitly states that “the lively arts are not viewed as necessities” despite previous discursive attempts to portray them differently (p. 35). This view, like Gassler and Grace’s, negates the concept of the arts as a pure public good. This is not to say that they were ever actually defined as a public good, instead this is how they were referred to within the nonprofit arts discourse. These opposing views demonstrate a shift in the discourse, which discursively acknowledges that the arts are not a pure public good. In his article Seaman also discusses the relative “publicness of the arts” (p. 52). Seaman’s conclusions do not offer any definitive answer as to the degree of public goodness the arts possess, however he does acknowledge the desire of many to discern it.

The use of classification tactics is common when requesting public aid for certain activities. Arts advocates typically use one of the following arguments: merit good, market failure or public benefits of the arts, or some combination thereof to classify the arts as deserving and qualified for government funds. Cwi, Berleant and Russell each discuss different aspects of these arguments. Cwi (1980) defines merit goods as “goods which some persons believe ought to be available” to the masses (p. 39). Furthermore, Cwi (1980) notes that merit good is “primarily a political notion referring to an activity
that some segment of the population wants, is willing to pay for with tax dollars, and expects the government to assist in providing” (p. 39). Russell discusses how many arts advocates deem the merits of the arts a given. This demonstrates a divisive portion of the nonprofit arts discourse. While Russell is partially correct in that many arts advocates take the merits of the arts as a given, and have made this some-what of a discursive rule, there are opposing views within the discourse. Many arts advocates, including artists themselves, believe in “art for art’s sake,” and do not feel the need to attribute certain merits, especially economic ones, to the arts. While this division within the discourse does exist, inner-group turmoil over this issue is not present at this time.

Arts advocates seldom use the merit good argument. It is most often used in conjunction with the market failure argument. Baumol and Bowen (1980) laid the foundation for this argument in their book Performing Arts: The Economic Dilemma.

Based on their work Cwi comes up with the following definition of market failure (p. 40):

The market fails when the price of a good, or current preference orderings, or the distribution of incomes, or current availability, or accessibility, or some combination of these leads to insufficient or inequitable distributed private consumption or limited variety and quality.

Although it has not been named “market failure” specifically by arts advocates, the elements that comprise the market failure argument have been discursive rules within the nonprofit arts for years prior to this point. Arts advocates requesting government funds have made frequent mention of the “inequality” or arts opportunities, both geographically and economically. This is also relevant to the issue of “accessibility.” The concept of “quality” arts experiences has also enjoyed frequent use by arts advocates. While market failure within the arts is readily acknowledged by cultural economists, the
necessary action is not agreed upon. Some state that this does not necessarily mean that the arts deserve government funding. This is mainly why arts advocates use this argument in conjunction with the merit good argument. Market failure is a recorded cause of financial strife within the arts, and the merit good argument makes a case for why the government should care.

The public benefits of the arts argument is often layered on top of the two aforementioned arguments. This argument is linked to the classification of the arts as a “mixed good” or “quasi-group-consumption good” based on the fact that they have positive public externalities despite being privately consumed. Cwi, Baumol, Bowen and others have suggested that these positive externalities do accrue to the public, benefitting those that do not participate in the arts as well as those that do. This argument qualifies the arts to be augmented by public support when used in conjunction with market failure and merit good arguments. In his article, Henry focuses on the aspect of creativity, claiming that via the arts the ability to think and work creatively is enhanced. Focusing on the positive effects creativity can have on the world, Henry (1981) argues: “the holistic approach may not only lead to an improvement in the socioeconomic conditions of the world but could eventually foster change in human goals” (p. 58). Henry adds that “in addition to their aesthetic, cultural and educational benefits” which are other public good attributes previously incorporated into the discourse, “we now visualize the arts as an input to the process of improving the material well-being of the human race” (p. 58). Positive externalities like the ones mentioned by Henry are almost always discursively linked to the intrinsic benefits of the arts. This discursive rule was relaxed somewhat as economic impact became another positive externality accepted by both arts advocates and
by State and Local governments. While the idea of economic impact was first introduced by Baumol and Bowen in *Performing Arts: The Economic Dilemma*, it did not catch on discursively until this time.

Another important aspect of classifying the arts is grouping arts organizations. The most significant grouping is based on organization size. Berleant recognizes the increased public support offered to larger organizations. Touchstone notes the slightly increased financial stability of larger institutions and discusses the importance of aid to smaller ones. The differences in financial status of larger vs. smaller organizations are established as discursive parameters at this time. The funding advocacy language differs slightly when discussing public aid to larger organizations and smaller organizations. This will be later demonstrated in the Appropriations Hearings for FY 1982. Another important distinction is the way the art product is consumed. In the nonprofit arts discourse the emphasis is placed upon live experiences from “quality” arts organizations. This purposefully omits many amateur arts activities as well as many “household ‘cultural’ amenities” such as transmitted or reproduced arts products (Gitard, 1981, p. 63). The increasing popularity of these “household cultural amenities” does qualify a previous discursive tendency to emphasize the growing demand for the arts in America. However, the popularity of these amenities is growing contrary to, or in spite of the fact that they are not favored in the discourse.
Measuring Success

The issue of measuring the success of arts organizations and the desire of many to quantify the “merit” of these “merit goods” began after the first grants were dispersed and continued to increase as no ready means of quantification presented themselves. A long-standing desire of taxpayers and those responsible for how taxpayer dollars are spent is to see the success rate of their investments. Seaman’s article is concerned with the constructive criticism of an attempt to quantify the degree of public good provided by the arts via a “crowding test.” A “crowding test” is designed to “capture public good characteristics not obtainable through market demand” and is related to the concept that if a commodity has significant public good attributes then government intervention is required in the case that the market fails (as it is expected to do in public good situations). A “crowding test” is meant to capture the number of individuals unable to pay for and/or have access to the benefits of public goods due to market failure. Seaman (1980) criticizes the application of these tests to the arts based on the fact that the functions involved do not allow for the “role for other peoples’ art consumption, no role for generalized community benefits stemming from an expansion of this commodity, and in general, no role for any of the “merit good” arguments that are usually discussed as sources of the publicness of arts commodities” (pp. 48-49). Seaman argues that, instead of measuring preferences and the publicness of the arts, this method measures building capacities of arts organizations that allow their commodities to be viewed by more than one person due to “seating and standing arrangements at concert halls and galleries” (p. 49). Cwi (1980) furthers this argument in his article by discussing the lack of common
methods or standards to judge the efficiency of public spending in the arts on the basis of public goods. Cwi also makes clear the fact that the merit good argument is not measurable because it is based in advocacy and not economics.

In their discussion of arts organizations as “nonprofit enterprises,” Gassler and Grace (1980) note that “because of the nature and variety of the economic functions they perform, the activities of nonprofit enterprises cannot be evaluated using present economic criteria” (p. 19). Defining nonprofit arts organizations as “nonprofit enterprises” comes with the assumption that they participate in two kinds of activity. One type is market activity, which is measurable with methods applied directly from traditional economics. The second are “activities which bypass ordinary markets” usually found in instances of merit or in public good circumstances (Gassler, 1980, p. 23). The use of the term “nonprofit enterprise” comes at a time when awareness of the nonprofit sector and of nonprofit enterprises as a distinct type of organization was on the rise. Over time the quasi-quantifiability of nonprofit enterprises becomes accepted as inevitable.

The fact that the “tools of neoclassical economics simply do not provide adequate insight into problems related to the arts” is lamentable, but stated as a given (Seaman, 1981, p. 36). As a combination good, there are aspects of the arts that can be quantified, however the difficulty or possible inability to quantify the public good benefits of the arts is established as a rule within the discourse. However, it is noteworthy that this issue illuminates discursive breaks amongst various groups. Traditional economists and cultural economists were suffering from discursive issues as they tried to find common ground and theories that would apply to both fields. This is primarily due to commodity markets, which are easily defined in traditional economics but harder to define in the arts
due to the lack of homogenous arts products. Furthermore, the issue of the counterfactual is often difficult to capture when dealing with the arts. Additionally, discursive problems arose between cultural economists and arts practitioners who would like to apply the work of cultural economists due to “the failure of economists to communicate effectively, or even to agree upon an approach to communicate effectively” (Seaman, 1981, p. 37). While these issues previously existed they were exacerbated by those wishing to quantify the arts and their benefits for advocacy purposes. The growing frustration of arts practitioners and advocates waiting for cultural economists to determine theories and approaches that will enable them to provide useful information is further discussed in Seaman’s 1981 article An Assessment of Recent Applications of Economic Theory to the Arts. Louis H. Henry (1981) tackles the inability of cultural economists to “provide a convincing cause-and-effect or means-to-end relationship between the arts and the so-called practical side of life” from a different perspective by (p. 52). Henry refers to the intrinsic values of the arts and implies that the lack of statistics or mathematical proof is not as important as the other ways to see the benefits of the arts; primarily via creativity.

**Funding Sources**

A constant throughout each article is the acknowledgement that nonprofit arts organizations have difficulty operating without some sort of assistance. The discussion of what constitutes justification for assistance and who should provide it varies amongst the articles. In defense of the idea that the arts do provide some sort of public benefit, Seaman (1980) notes that “the willingness of people to give voluntary contributions and
business firms to give grants suggests that there are external benefits accruing from somewhere” (p. 52). This statement is based on the assumption that contributions come from rational individuals, just as business firms are comprised of rational individuals seeking to gain a return on their investment. Of particular significance is Seaman’s explanation of the impetus for private and firm giving to the arts. Seaman names “the government as the specific institutional mechanism for providing such ‘collective support’” (p. 52). This concept became a discursive rule for nonprofit arts advocates.

Naming the government, particularly the National Endowment for the Arts, as the impetus for private donations, while not a cultural economic rationale, is presented as a strong advocacy argument for those in favor of public arts funding. This is virtually an inversion of the income gap justification for government funding. Initially, arts advocates wanted the government to help fill the income gap because the private sector was unable. Now arts advocates claim that the government role is to promote private support. This shift made the National Endowment for the Arts “stamp of approval” more significant than the actual dollar amount of money they provided. Cwi, Berleant and Russell reference the fact that, in comparison to the rest of government spending, the amount of money spent by the National Endowment for the Arts is a very small percentage.

In her article Touchstone acknowledges the presence of public arts funding, but puts into perspective how small a percentage of operating budgets those grants are. Touchstone instead highlights the importance of private giving, noting the large differences in dollar amounts from private versus public funding. Of particular importance is Touchstone’s discussion of organization size in relation to the importance of private funding. She claims that larger, more established organizations with a stronger
base of participants, is better equipped to handle the disappearance of public funding than small to mid-sized organizations. This idea is especially important to the discourse of the nonprofit arts as they seek to stress equality in arts opportunities both geographically as well as with organization size. The importance of public funding to smaller, less established organizations quickly became a discursive rule due to the inability of smaller organizations to professionalize and experience growth without public support. This could be linked to the concept of the National Endowment for the Arts as a catalyst for private arts giving. Without assistance from the National Endowment for the Arts, organizations will not be able to solicit the type of private funding that would allow them to gain a broader base of donors. Private donors were crucial at that time and “based on the magnitude of [private] sources of revenue, it appears that they will remain vital to the health of the arts” (Touchstone, 1980, p. 43).

Established Discursive Rules

At this time the new discursive rules of portraying the National Endowment for the Arts as a “catalyst” for private support, support of plural funding sources, the acceptance of the inability to completely quantify the effects of the arts and the acknowledgement that the arts are referred to as “public goods” for its connotation rather than for accuracy were established. As the discourse matures, elements that were once emphasized become standard, or common, knowledge and are only used to further the arguments and use of newer discursive rules. This shifts the focus from the unquestioning acceptance of: intrinsic value of the arts, the public good argument and the income gap to
a general understanding that can be critiqued, altered and strengthened as needed to solidify the place of new rules within the discourse.

Senate Hearings

In the spring of 1981 the Senate met to hear testimony in support of the National Endowment for the Arts. There were many people present that represented the following sub-discursive groups within the nonprofit arts discourse of artists, arts practitioners, members of the for-profit and government sectors. C. Jeffrey Thompson represented the for-profit sector as an attorney as well as arts practitioners as a board member of Ballet West. Those present representing artists and arts practitioners were also representing western and rural states in an effort to appeal to the new, republican controlled Senate. They included:

- Leontyne Price, Operatic Soprano from Laurel, Mississippi
- Alan Lomax, Anthropologist and Folk Historian
- Sue Freeman, Chairwoman of the North Dakota Council on the Arts
- John Frohnmayer, Chairman of the Oregon Arts Commission
- Joseph Krier, Vice Chairman of the San Antonio Arts Council
- Frank Diaz, former Deputy Director, New York State Council on the Arts, representing the Association of Hispanic Arts
- Louis Harris, Chairman of the National Council for the Arts

Those representing the for-profit sector were:

- Frank Saunders, Vice President, Corporate Relations and Communications, Philip Morris, Inc.
- Kenneth L. Albrecht, Vice President, The Equitable Life Assurance Society of the United States

Those representing the government sector included:

- Senator Mark Andrews, a Republican from North Dakota
- Senator Thad Cochran, a Republican from Mississippi
Senator Andrews asked hard-hitting questions throughout the testimony, especially when Senator Cochran was not present. Andrews distances himself from those testifying by refusing to identify with them via the use of “you” when referring to witnesses and the concerns they express. This is in direct contrast to the way Senator Cochran expresses his enthusiasm for witnesses, particularly fellow Mississippi native, Ms. Price. Furthermore, Senator Cochran discusses his pride in the arts organizations and programs within his state and uses the term “we.” While Cochran was not present through the duration of the hearings due to other commitments, Andrews was there for the duration.

Although no one spoke at the actual hearing, the following organizations were represented in written statements that were included in the records:

- National Assembly of State Arts Agencies
- The New Hampshire Commission on the Arts
- The American Symphony Orchestra League
- The Speech Communication Association
- The Utah Arts Council
- The Idaho Commission on the Arts

From the testimony presented, the following topics repeatedly emerged: Source Stimulation, Accessibility and Equality, and Economic Impact. The themes corresponding to the aforementioned topics were as follows as demonstrated in the Figure 6.1:
<table>
<thead>
<tr>
<th>Topic</th>
<th>Theme</th>
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<tbody>
<tr>
<td>Source Stimulation</td>
<td>• National Endowment for the Arts as a “stamp of approval”</td>
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<tr>
<td></td>
<td>• Current state of the income gap argument: inability of the</td>
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<td></td>
<td>private sector to “make up the difference”</td>
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<tr>
<td>Accessibility and Equality</td>
<td>• Decrease in arts organizations leads to a decrease in arts</td>
</tr>
<tr>
<td></td>
<td>opportunities</td>
</tr>
<tr>
<td></td>
<td>• Only the larger organizations have the chance of surviving</td>
</tr>
<tr>
<td>Economic Impact</td>
<td>• Communities will lose money if the arts disappear</td>
</tr>
</tbody>
</table>

**Figure 6.1: Topic and Theme Chart: Senate Hearings, FY 1982**

The discursive rules of presenting the arts as a public good and expressing the intrinsic values of the arts, which were once carefully maintained through specific lexicon are now implied throughout the testimony of various witnesses. As each individual focuses on the topics outlined above, they engaged in discourse maintenance by taking the two aforementioned discursive rules as a given, infusing them seamlessly within the more structured use of newer discursive concepts. The discursive rule of presenting the arts as a “necessity” and not a “luxury” is furthered only slightly; being alluded to occasionally barely mentioned explicitly.

**Source Stimulation**

A significant portion of the testimony provided by representatives of the for-profit sector focused on the topic of source stimulation. As participants in the nonprofit arts discourse, all of the for-profit sector representatives subscribed to the concept of the income gap. All expressed their belief that it does exist and that it will continue to be a
problem for arts organizations. Income gap references stated as given knowledge are evidence of discourse maintenance. This concept, due to its extensive inclusion by for-profit representatives appears to have resonated in the for-profit community, especially among arts supporters within the discursive sub-group. From a self-declared, purely for-profit viewpoint Joseph Krier states, “you don’t make cuts that destroy agencies. You don’t make cuts that put more people on unemployment, and as a result, increase Federal expenditures in another area. That does not make good business sense” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 94).

Representatives from the for-profit sector appear to be combating an issue similar to the one encountered by Roger Stevens in FY 1967: the assumption that private dollars (from individuals or corporations) are enough to sustain the arts on their own. Kenneth Albrecht explicitly refutes this notion: “the corporate community is not an endless source of funds any more than the federal government is” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 66). The prepared statement from the Arts Council of San Antonio calls the rationale for the extensive budget cuts “fallacious,” claiming that “it presumes a potential level of private support that does not exist” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 97).

While the significantly increased presence of corporate giving is acknowledged it is credited to the National Endowment for the Arts: “it is clear that private support has increased as a result of federal support” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 100). Furthermore, “if it were not for the partnership support of the NEA, we would not have underwritten so many exhibitions as we have done” this stated as a direct result of “the reassurance or the stamp of approval of the National Endowment
for the Arts” which is described as “very important” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 77). The matching aspect of grants from the National Endowment for the Arts was coveted more for its symbolic value of approval more so than the actual dollar amount. This symbolic stamp of approval often helped to stimulate more funds than were required for the matching grant: “people always get a better fund drive in a matching program” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 83). Discursively, the importance of a pluralistic arts support system is demonstrated throughout the testimony. Some explicitly state it: “the reality is that the arts in America are held together by a loose patchwork of small contributions, subsidized admission fees, grants and endless fundraising activities (FY 1982, National Endowment for the Arts, Senate, 1981, p. 100). However, for many the plural framework of arts support is inherent in many of the arguments against the notion that private support can and should replace public support presented in the testimony.

At this point, the concept of seed money has firmly taken root within the discourse. While it is still frequently referred to specifically with that language, “seed money,” the idea has also permeated throughout the references and examples of other concepts. For example, when discussing the importance of the National Endowment for the Arts as a “stamp of approval” is defined as the “chance for support” thus giving organizations a “chance to survive, to grow, and to enrich” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 80). Although not clearly stated the implication is that with this chance, these organizations will also be afforded the opportunity to grown on their own.
Arts practitioners championed the “steady” and “secure presence of the National Endowment for the Arts as the primary cause of private support, without which “many new and developing groups would not have begun their programs” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 85). This statement accomplishes two discursive maintenance objectives. First, it places emphases on new and developing groups as well as placing emphasis on the deeply-embedded concept of seed money. In her prepared statement Sue Freeman, Chairwoman of the North Dakota Council on the Arts, states the success of the seed money concept: “there are many project which were begun by North Dakota Council on the Arts which are now self supportive” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 86).

Accessibility and Equality

The discursive assumption among artists and arts practitioners is that cuts in government funding will cause the arts to revert to how they were prior to public funding: in certain geographic areas and only for individuals with high incomes. This assumption is maintained by the emphasis on rural area arts programs made by arts practitioners representing states such as North Dakota, Oregon and San Antonio, and is of particular importance to a subcommittee with many representatives from rural areas. While expressing this assumption the arts practitioners were re-establishing the discursive belief in Baumol and Bowen’s income gap. This was done by making the case that, in an attempt to mitigate the ever increasing income gap, arts organizations “will find it necessary to charge fees which will deny admission to a substantial portion of the public.
it was intended to serve” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 98). The argument is given more layers when used in conjunction with the discursive rules utilized to discuss source stimulation. This leads to the combined argument: decreased government funding will result in loss of private sources, which will cause “programs which have been developed over the last decade to reach new audiences, minorities, and special constituencies [to] be drastically curtailed” (FY 1982, National Endowment for the Arts, Senate, 1981, p. 98). It is assumed that, if the cuts take place, only larger institutions with a strong private donor base have a chance of survival. The intrinsic values of the arts are implicitly referenced often as arts practitioners discuss what would be lost if smaller arts organizations ceased to exist. The public good benefits resulting from the arts are also heavily implied when arts practitioners discuss how, in response to funding cuts, larger institutions would scale back touring, free performances, and outreach activities.

Economic Impact

Arts practitioners chose to focus on the arts as a way to bring businesses to their communities. This facet of economic impact does not incorporate much in the way of calculations, but it does have the power of being confirmed and supported by the for-profit sector. This is significant because of the importance placed upon the for-profit sector within the nonprofit arts discourse as well as the government sector. Anything perceived as “sound business practices” is revered by both.

Those representing the government decided to tackle another aspect of economic impact. After each individual’s testimony Senator Andrews asked where they would
make cuts in order to continue funding the National Endowment for the Arts. This issue was introduced in FY 1967, during a time when government spending was focused on the Vietnam War. At a time when inflation and government spending were problems, this issue was reintroduced. Most of the witnesses did not have an answer, or chose to be diplomatic and not provide one. However, Mr. Harris offers a small laundry list of programs to cut or significantly decrease including food stamps, highway funding, and sewage treatment plant grants. Even those that did not offer an answer to the question when it was asked directly did adhere to the discursive rule of placing government arts spending in context. The fact that government spending in the arts is only a small part of the resources provided to the arts from various sources, as well as being a small percentage of total government spending was reiterated by many witnesses more than once.

Throughout the Senate Hearings the main discursive rules were maintained though extensive repetition by actors representing each of the sectors that comprise the nonprofit arts discourse. While some, like Ms. Price, were more articulate than others, all utilized the nonprofit arts discourse in an attempt to lessen the budget cuts proposed by the Reagan Administration.

House of Representatives Hearings

On Thursday May 7, 1981 the House of Representatives met to hear testimony in support of the appropriations request put forth by the National Endowment for the Arts in February (a copy of which was provided in the records). Those present represented
artists, arts practitioners and the government. Those representing artists and arts practitioners were:

- Livingston Biddle, Chairman of the National Endowment for the Arts
- Donald A. Moore, Deputy Chairman, Policy and Planning, National Endowment for the Arts
- Mary Ann Tighe, Deputy Chairman, Programs, National Endowment for the Arts
- Margo Albert, Member, National Council on the Arts
- Larry Baden, Budget and Planning Office, National Endowment for the Arts
- Bernard Blas Lopez, Member, National Council on the Arts
- Robert Wade, Office of the General Counsel, National Endowment for the Arts
- Itzhak Perlman, Violinist
- Rosalyn Wyman, Member, National Council on the Arts

Livingston Biddle did most of the talking during the justification and testimony. As the Chairman, Biddle was charged with conveying the needs of artists, arts practitioners and the general public to the government. Rosalyn Wyman, Bernard Blas Lopez and Margo Albert spoke sparingly; discussing their role on the National Council for the Arts and the ways they have tried to cope with the possibility of significant budget cuts. Itzhak Perlman offered two unique perspectives: artist and person with a disability. His testimony was in support of what the National Endowment for the Arts does for artists as well as what they do to make arts events accessible to those with physical disabilities. Robert Wade offered testimony about the reporting practices of the organization, while Larry Baden and Donald Moore offered additional insight into administrative practices.

Those present representing the government were:

- Representative Sidney R. Yates, a Democrat from Illinois
- Representative Joseph McDade, a Republican from Pennsylvania
- Representative John Murtha, a Democrat from Pennsylvania
- Representative Ralph Regula, a Republican from Ohio
• Representative Norman Dicks, a Democrat from Washington

Representative Regula demonstrates that he is a supporter of the arts by making frequent, prideful reference to the arts activity in the nation. However, Regula is not a supporter of the standard operations of the National Endowment for the Arts. As a proponent of increase state power, Regula made a strong case for decentralization of power from the National Endowment for the Arts to State and Local Arts Agencies. Representative Yates is a supporter of the arts and demonstrates his support of the operations of the National Endowment for the Arts by mitigating some of the criticism given by Regula. Yates often intervened on behalf of the National Endowment for the Arts by re-wording Regula’s suggestions and questions prior to asking witnesses to respond. Representative McDade presents himself as a supporter of the arts, the National Endowment for the Arts and, more specifically, of Livingston Biddle. McDade frequently makes frequent use of the inclusive term “we” while Regula and even Yates often use “you.” McDade made it a point to congratulate Biddle on his achievements and expressed his displeasure at the fact that, due to the new administration, this would be Biddle last time appearing as Chairman. Representative Murtha, while he does not use “we” does express his gratitude to Biddle for ensuring that rural areas received as much funding as larger cities. Representative Dicks did not speak much, but his comments were mainly focused on his support of the Challenge Grant. Dicks does present the committee with an article from the Wall Street Journal: Companies Doubt Their Arts Giving Would Rise To Offset Reagan’s Cuts dated Thursday, February 26, 1981 to contextualize the negative perception of proposed cuts in the corporate world and the media.
In the testimony the following topics were brought up numerous times:

Accessibility and Equality, Strengthening Capacity, Education of the Arts, Source Stimulation and Economic Impact. Those topics were discussed with frequent mention of the corresponding themes below in Figure 6.2:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Theme</th>
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| Accessibility and Equality | • Responses to charges of elitism  
                          | • Desire to equalize touring initiatives with resident initiatives  
                          | • Acknowledgement of larger institution bias                       |
| Strengthening Capacity | • Professionalization  
                          | • Infrastructure  
                          | • Financial stability  
                          | • “Capacity building”                                             |
| Education of the Arts | • Focus on the Artists in Education Program  
                          | • Educating future patrons  
                          | • Developing tastes and values                                     |
| Source Stimulation | • Public funding as a commitment/promise  
                          | • Debunking the myth that private money will replace public money: “seal of approval” and “leveraging” |
| Economic Impact | • The multiplier effect  
                          | • Urban revitalization                                              |

Figure 6.2: Topic and Theme Chart: House of Representatives Hearings, FY 1982

Accessibility and Equality

In the budget justification Livingston Biddle notes that significant cuts in funding would “erode the progress that has been made in establishing new centers of artistic
excellence and in making arts of the highest quality more readily available to people throughout the country” (FY 1982, National Endowment for the Arts, House, 1981, p.1270). This statement, while discussing the accessibility of the arts also takes other discursive rules of “excellence” and “quality” arts experiences and places them in the background as supportive reasoning for the accessibility permitted by current funding levels.

In addition to the proponents of the previous arguments made for accessibility and equality the National Endowment for the Arts added two additional facets: equalizing touring initiatives with resident company initiatives and acknowledging and rectifying the bias toward larger organizations. While in previous years a significant amount of funding was given to touring initiatives to allow organizations to reach audiences outside of their immediate communities, this year saw a shift in focus toward the establishment and strengthening of resident companies within communities. This desire to build a “strong home base” is portrayed as a means of putting “quality” arts in every community (FY 1982, National Endowment for the Arts, House, 1981, p. 1288). This argument was utilized, in part, to combat charges of elitism. The National Endowment for the Arts was being criticized for focusing on touring a select number of companies rather than empowering communities to develop their own artists. Livingston Biddle uses this critique to provide additional reasoning as to why funding should not be cut. He argues that a return to a time when the arts were funding solely by private donors would also be a conscious return to times of elitism (FY 1982, National Endowment for the Arts, House, 1981).
In the face of substantial cuts, Livingston Biddle proposes a significant scale-back of the Challenge Grant. This comes with the acknowledgement that the Challenge Grant is biased toward larger institutions with an established donor base. According to Biddle the Challenge Grants “by and large affects a smaller number of grantees than the other programs. It by and large affects the major institutions rather than the smaller ones” (FY 1982, National Endowment for the Arts, House, 1981, p. 169). When the decision to curtail one of the most publicly successful programs is questioned, Biddle responds that “programmatic areas must take precedence” because they reach more people and have a greater impact in more communities (FY 1982, National Endowment for the Arts, House, 1981, p. 169). Here, Biddle is explicitly ranking the development of the discipline program areas over the institutional development of a small number of larger arts institutions.

Strengthening Capacity

The capacity building argument furthers the old discursive concept of “seed money” with the new discursive concept of “professionalization.” The rationale was that, if organizations are provided with more opportunities to become “fiscally stable” and “managerially accomplished” that they would become less dependent upon donations at a faster rate (FY 1982, National Endowment for the Arts, House, 1981, p. 1289). The National Endowment for the Arts claimed that this was a two part process. The first part is implied as the professional development of the artists. This aspect is, in effect, managed by all of the other grant programs currently in place. The second part is building
“administrative capacity” through professionalization of arts practitioners. The old rhetoric of "artistic excellence" is now used in conjunction with "administrative excellence." Both are now listed as pre-requisites for receiving government funds and achieving the ultimate goals of becoming “financially and administratively stable,” a phrase that was used throughout the budget justification and subsequent testimony. Through the Fellows Program and the Leadership in the Arts Program the National Endowment for the Arts sought to foster professional development within the field. Through the sequencing used by listing financial stability before administrative stability, the implication is that public funding will again act as “seed money” to help organizations achieve short-term financial stability. It is during this time of financial stability that administrative stability can be developed. This will eventually lead to emergence of organizations that are capable of maintaining financial stability on their own.

Education of the Arts

The initial justification for the majority of programs presented in the budget is to “advance the appreciation” of various art forms to “a wide public audience.” Implied in this language is the fact that this appreciation must be acquired through multiple arts experiences. Because the importance of educating future arts participants was previously established as a discursive rule, this argument is a demonstration of discourse maintenance. The desire to provide arts opportunities to as many people as possible is stated with the implication of providing those people with the public good benefits as well as the various intrinsic values that have been accepted as a given within the
nonprofit arts discourse. Again, through the use of previous discursive rules to help establish new ones the nonprofit arts discourse matures.

The “advancement of appreciation” of the arts serves two purposes. Not only does it cultivate arts tastes and preferences, it also grooms future arts patrons. Given the early research from cultural economists demonstrating a direct link between early and frequent arts exposure and future giving, this argument built upon previous work within the nonprofit arts discourse to encourage funding more community-based arts education experiences. This is primarily done through the Artists in Education program which allows artists the opportunity to work with children in public schools. This program and the supporting examples of how this increased students’ performance in school, as well as increased community involvement with the schools, links issues of education, a popular topic at the time, with the issue of arts education. This program bundles the arts with education in a way that increases the policy relevance of arts education and increases the number of citizens willing to take an interest in the issue.

Source Stimulation

To many organizations the matching function of grants provided by the National Endowment for the Arts acts as a “commitment” to a quality organization; encouraging private donors to trust in that commitment. The rhetoric of partnerships has resonated with many in both the public and private sectors. The potential removal of one of the partners was not met with much enthusiasm. They felt that others would interpret the disappearance of government support as evidence that the arts were no longer important
or necessary. The fear was that this would have a “domino effect” causing private and other public sources of money to pull out of the arts, resulting in no funding whatsoever. The word “commitment,” meant to resonate with those representing the government sector, individuals who should be familiar with the concept of campaign promises and their commitments to constituents was used sixty-one times. This demonstrates a shift in argument from public funding as a means of filling the income gap, to the public funding as a catalyst for a combination of support sources. Part of this “commitment” from the National Endowment for the Arts is the promise of “excellence” and “quality.”

According to Rosalyn Wyman, private donors and foundations have come to count upon the National Endowment for the Arts as a “seal of good housekeeping” (FY 1982, National Endowment for the Arts, House, 1981, p. 153).

One demonstration of the “stamp of approval concept” were Challenge Grants. The Challenge Grant was mentioned often as a success story of source stimulation. The rigorous requirement of a 3-1 match was met by many large institutions, demonstrating the capability of the government to stimulate private giving to the arts. Through justification of the Challenge Grant an important word is introduced into the nonprofit arts discourse, “leveraging.” This word was used sparingly in the past. However, it gained popularity within the discourse, being used sixteen times; moving to replace the phrase “source stimulation.” This is important because it demonstrates the preference for for-profit sector words and connotations over non-profit sector vocabulary.
Economic Impact

Despite the fact that the National Endowment for the Arts had been working on a research model for economic impact since 1978, economic impact is not yet an argument that many feel comfortable using explicitly. Some mention that the economic benefit of the arts “is their beneficial affect in improving the attractiveness of the city and the center city as a place to live, to visit, and in which to invest” (FY 1982, National Endowment for the Arts, House, 1981, p. 1296). This argument is supported with some evidence from reports stemming from various Chambers of Commerce, but the link is not a strong one. Therefore this argument is mentioned in passing, and is sandwiched between other arguments that have more policy salience.

The other times economic impact is mentioned it is in passing and without any supporting evidence: “the arts mean money for communities. It means taxpayers, it means jobs, it means everything surrounding it. Whether it is a taxi driver who brings somebody to the theater, or whether it is a restaurant that is around the corner” (FY 1982, National Endowment for the Arts, House, 1981, p.154). This statement, like most others that reference economic impact in this way, is vague and does not offer any compelling support. Being purposefully vague has two implications. First, it could be stated in this manner to portray it as given knowledge. Second, it could be stated in this way to avoid any counter-argument.

Overall the House Hearings focused on ways to generate support for the arts. Whether it was through Challenge Grants or grooming future patrons, the focus was on cultivating funding sources outside of government. The concept of “seed money” is an
underlying assumption of all the aforementioned arguments. This portrays the existence of the National Endowment for the Arts as a necessary first step in securing long-term private support for the arts.

Both the Senate and House Hearings focused on using the concept of “seed money” to encourage the increased organizational and financial sustainability of arts organizations. A summary of the rationales at both the organizational and financial/economic levels, including strategies, barriers and goals, is depicted below in Figure 6.3.

![Figure 6.3: FY 1982 Hearings Argument Summary](image)

Articles After the Hearings
The *Journal of Cultural Economics* produced three issues after the Hearings: Vol. 5 Issue 2 (December, 1981), Vol. 6 Issue 1 (June, 1982) and Vol. 6 Issue 2 (December, 1982). The articles in these issues discuss two main topics: social and economic benefits of the arts and Baumol and Bowen’s concept of the income gap.

**Social and Economic Benefits of the Arts**

Social cohesion is listed as one of the many benefits of the arts in Gapinskit’s (1981) study on Symphony attendance. The most important conclusion reached in his work is that “education shows a more forceful influence on attendance than does income when the joint movement of education and income is acknowledged” (p. 82). This implies that people will not be able to take advantage of the social benefits provided by the arts if they are not educated through arts exposure to appreciate the arts. This study provides evidence for the discursive rule about education of the arts presented and established in the FY 1982 hearings. In his article C. D. Throsby (1982) also discusses the role of the arts as “a force for social cohesion” and a way of “educating and binding local communities” (p. 1). Throsby maintains the nonprofit arts discourse by acknowledging that “empirical economic impact studies perform a vital function in supplying data” that provides insight into the financial consequences of arts funding (p. 1). He further maintains the discourse by expressing that empirical studies, by omitting information about intrinsic values, may “neglect what could be one of the major motives for local investment” in the arts; and that “the evaluation problem arises because the benefit of these sorts of projects are not reflected in market transactions” (p. 1). Throsby
takes his sentiments a step further by suggesting methods for conducting a cost-benefit analysis that also identifies the public good aspects of the arts. This would allow people to measure both the social and economic benefits of the arts.

Demand for benefits provided by the arts is tackled by Roger McCain. He makes the important distinction of short-term vs. long-term demand. This distinction has been discursively hinted at in the past, with references to cultural preservation for future generations, but has yet to be incorporated as a discursive rule. McCain’s approach puts emphasis on the “cultivations of tastes” through arts exposure to create demand in the short-term and increase demand in the long-term. This reaffirms the discursive rule to encourage education of the arts. One way to encourage education in the arts is to provide children with arts experiences early. This is the topic of Bamossay’s article. While early and frequent arts experiences are already a part of the discourse, Bamossay’s study provides empirical evidence as support; thus satisfying the desire of many to quantify results.

Baumol and Bowen’s Income Gap

Work to clarify and refine the income gap theory occurred through a scholarly dialogue between Samuel Schwarz, William Baumol and Hilda Baumol. Schwarz’s (1981) first article focuses on critiques that demonstrate how “the data which [Baumol and Baumol] exhibit do not necessarily portray the behavior which they claim to have existed” (p. 85). Through critiques on Baumol and Baumol’s units of measure and data collection methods, Schwarz demonstrates that, while their explanation of what is
occurring may be correct the evidence they present does not support their conclusions. 

This comes at a time when the desire for empirical evidence to support advocacy arguments is in demand. In their response, Baumol and Baumol (1981) defend their units of measure with a justification found within their original hypothesis that prices would change over time but only sparingly due to their resistance to price increases. As for the concerns about their data collection methods, Baumol and Baumol state that they “simply misreported the facts” about their data sample and set out rectifying that with a complete explanation (p. 90). This significant error was not incorporated back into the original report or as an addendum. Therefore, only those that were actively involved in the cultural economics field were aware of it. This prevented any of Baumol and Bowen’s work from methodological attack when used by arts advocates.

Schwarz (1982) continues the dialogue with his article A New Look at the Earnings Gap in the Arts. In it he reiterates a thought from his first article: “while the logic of the argument seems compelling, it has not always been borne out empirically” (p. 1). Schwarz makes an important distinction that echoes some underlying discursive tendencies to make value judgments. In his article Schwarz discusses the importance of calculating outputs as well as the “quality” dimension of those outputs as well. As an example he states: “a Beethoven symphony played by the Chicago Symphony Orchestra is not the same as when played by a high-school band” (p. 3). Schwarz also illuminates many items not discussed by the initial income gap theory, such as the fact that donations can increase the potential income gap and the public good implications of arts organizations purposefully not increasing prices in order to reach a broader audience. He
concludes by saying that the foundations of the income gap theory are basically sound but that there is more empirical work to be done to realize the full potential of this argument.

Summary

Although arts practitioners, artists, arts advocates within the government and academics were all operating within the nonprofit arts discourse various actors focused on different factors. Artists and arts practitioners were shifting from arguments for government to fill the income gap to arguments for a mixed source support system. This support system was designed to have the government serve as an advisor to other funding sources. Some government actors had already proven that a plural system was America’s ideal arts funding structure and were looking for ways to minimize the role government plays that structure. Academics moved onto challenging and refining the income gap theory in order to put it to use developing economic impact rationales, a concept that was hinted at by arts practitioners in the Hearings but never fully developed.
CHAPTER 7:
GETTING PEOPLE TO “BUY” “EXCELLENCE”: FY 1997

Between FY 1983 and FY 1992, the National Endowment for the Arts enjoyed increases in their appropriations, growing from $143,875,000 (FY 1983) to $175,954,680 (FY 1992). FY 1993 through FY 1995 saw decreases in the appropriations amount, starting at $174,459,382 (FY 1992) to $162,311,000 (FY 1995). These cuts were the result of political controversy during the Culture Wars. During the Culture Wars controversial artwork from artists such as Robert Mapplethorpe, Andres Serrano and others funded indirectly by the National Endowment for the Arts caused uproar among the political right and other specialist groups. Some called for the elimination of the agency altogether in the wake of the Republican acquisition of majority control of the House. FY 1997 is particularly significant because of the evidence of increased partisanship. The once bi-partisan issue of public arts funding has turned into a situation where Democrats are perceived as allies and far-right Republicans are viewed as enemies. In addition to the controversy surrounding the arts, there was also a large national debt concerning legislators. Significantly cutting government spending was touted as the way to prevent future generations from struggling under the burden of
national debt. These circumstances led to steady decreases and the eventual appropriation of $99,494,000 for FY 1997.

During her time as Chairwoman of the National Endowment for the Arts Jane Alexander re-structured the organization and combated calls for its elimination. Nominated by President Clinton and sworn into office in 1993, Chairwoman Alexander made many internal changes in order to increase accountability and navigate the National Endowment for the Arts through the later years of the Culture Wars. Chairwoman Alexander’s credibility was fortified by her extensive work as an actress prior to becoming Chairwoman.

Works Leading Up To The Hearings

At this point (1996 and 1997) the field of Cultural Economics was experiencing considerable growth in theory and popularity. These areas of growth resulted in an increase in the editions of the Journal of Cultural Economics released per year from two to four. These editions were released in March, June, September and December. Prior to the Appropriations Hearings for FY 1997 the Journal of Cultural Economics released Vol. 19 Issues 1-4 (1995), Vol. 20 Issues 1-4 (1996) and Vol. 21 Issue 1 (March, 1997). The growth of the field was discussed by David Throsby (1995) as he acknowledged “how far the discipline of cultural economics has come” (p. 199). Throsby notes the progression from a time of “self-conscious pioneering” to a time when “the need for apology has all but disappeared” which attests to the “evolving maturity” of the field of cultural economics (p. 199). However, this growth and maturity is tempered by the fact that “we are still searching for sound theories, good analysis, comprehensive data, or all
of the above” (p. 199). This comment opens the discussion of issues of quantifiability and methods that have plagued the field for some time. In their work, Luksetich and Lange (1995) note the progression of “pathbreaking” work that describes “objective functions and theoretical constructs with corresponding economic measures in the performing arts” (p. 51). However, they also admit that within cultural economic literature there is the tendency for conjecture. Previously, the quasi-quantifiability of the arts was taken as a given. Now more emphasis is placed upon “the importance of empirically investigating . . . organizations in the arts” (Luksetich, 1995, p. 66). The desire to better align the field of cultural economics with the overall field of economics is demonstrated in the calls for “a set of criteria against which programs, policies or strategies can be evaluated (Throsby, 1995, p. 201). In addition to areas for improvement, the increasing awareness of the policy impact of cultural economic research was also discussed. In his discussion about a systems approach to more broadly contextualize culture and economics, Throsby (1995) notes that his work presents relevant and interesting policy concerns. With the understanding that the policy environment views “traditional economic outcomes as of paramount importance,” Throsby’s scholarly request for more instances of sound theory and quantifiability in cultural economics stems from the desire to increase the cultural economics’ level of policy influence (p. 205). Prior to the construction and use of the nonprofit arts discourse, arts advocates appeared to merely want government support. However, through the use of the nonprofit arts discourse and its strong ties to cultural economics clearly defined policy goals and strategies have emerged. The nonprofit arts discourse gave arts advocates demonstrable structure and purpose.
In the issues leading up to the hearings emphasis was placed upon better defining the following issues: individual artists, for-profit and governmental giving trends, nonprofit organizations’ motivations and survival tactics. However, discussion of the aforementioned issues are merely factors of the attempt by cultural economists to illuminate, critique and celebrate various aspects of Baumol and Bowen’s work *Performing Arts: The Economic Dilemma*. In the 30 years since Baumol and Bowen’s work some have credited that work as the foundation for the field of cultural economics; while others have questions the methods and theories used not only by Baumol and Bowen but by a number of studies based on the concepts they introduced: the income gap and the cost disease.

In their seminal work Baumol and Bowen also introduced the importance and plight of the individual artist. In the past this topic was not mentioned regularly. The status of individual artists was thought of in some of the previous Appropriations Hearings but was not investigated further by other cultural economists. It was not until 1996 that cultural economists began to take a second look at the theories provided by Baumol and Bowen. This shift is best described by David Throsby (1996): “one area which has only recently begun to receive the attention it deserves is the economic behavior of the individual performing artist, who is, after all, the mainspring of what we see and hear on the platform or the stage (p. 225). The over-crowded labor market, small wages and increasing costs of production are discussed by authors reinforcing the claim that everything stems from the individual artist. Other authors discuss artists implicitly by outlining the financial plights of organizations forced to forgo hiring additional artists or firing the ones they have in an effort to survive (Kirchberg, 1995; Luksetich, 1995).
According to Throsby (1996), the pressure “on performing companies to contain unit labor costs are one strategy in dealing with the income gap problem” is still a concern for artists (p. 229). The state of the artist is summarized from a purely economic point of view by Towse (1996): “there is a chronic oversupply of artists, which drives down artistic pay. Performing organizations do not need to pay high wages to attract workers, except to the few stars” (p. 246). Towse’s gloomy summary is slightly furthered by the assertion that “this excess supply does not consist of untalented wannabees but of highly trained, experienced and able performers” (p. 246). While the political controversies surrounding individual artists did coincide with these articles, it is not explicitly stated why these authors chose to look at the individual artist. Due to the language used, it could be argued that these articles were scholar’s response to the Culture Wars, however there is no definitive proof as to what prompted these articles.

Quality

Alan Peacock and Tyler Cohen introduce an important factor into the discussion of Baumol and Bowen’s work: aesthetic quality. While critiquing the concept of the cost disease, Peacock (1996) takes an “agree to disagree” stance, stating “for the purposes of later discussion I shall assume that there is fairly conclusive evidence of the existence of the ‘cost disease,’ though my own study. . .does not offer support” (p. 218). Tyler Cohen (1996) refutes many of the claims made by Baumol and Bowen by offering evidence supporting the claim that the “performing arts [are not] stagnant in terms of productivity, compared to other economic sectors” and that “the performing arts enjoy innovations in
process and innovations in product” in his aptly titled “Why I Do Not Believe in the Cost-Disease” (p. 208). While both authors acknowledge that survival is the primary concern of arts organizations, their opinions on the perception of survival methods differs. Cohen appears to take a “purely economic” point of view. He presents the effects of technological advances and the replacement of live arts experiences with recorded ones as evidence that the performing arts can and have taken advantage of innovation as a means of survival. Peacock only looks at the internal survival strategies of organizations, causing him to paint a bleaker picture of the chances for survival. The main aspect where opinions differ is in the defining parameters of progress and cost-minimization. Cohen’s definition of technological progress and cost minimization includes extra-organizational activities and considers various manifestations of arts experiences as “valid.” Peacock’s discussion is looking solely at the individual organizational level. In Peacock’s the discussion the issue of “excellence” or “aesthetic quality” are taken into consideration when discussing the “validity” of various organizational survival techniques.

Other authors considered quality a factor in their investigations of arts organizations. In their work on symphony orchestras, Luksetich and Lange attempted to quantify the motivations and objectives of various organizations. In addition to identifying profit maximization as a primary objective, they discovered quality maximization was also a primary concern. The issue of quality “implies a definition which demonstrates which actions are excluded rather than permissible,” thus acting like a self-imposed guide among arts organizations (Peacock, 1996, p. 219). This discussion continues the “artistic deficit” debate that arose in the mid to late 1980s. This debate centered on who and how decisions about excellence were made.
The discussion of quality is directly related to the discussion of “high art” vs. “popular art.” Luksetich, Lange and Peacock all discuss these two types of art without explicitly defining them. The actual definitions of both are rarely explicitly stated. Instead discussion of the division between “live” and “recorded” and “amateur” and “professional” are usually included as indicators of what counts as “high art” and what is “popular art.” It is commonly accepted that “popular art” does not suffer as severely from issues like the cost disease and the income gap as the “high arts.” Heilbrun (1997) explicitly states that the “high arts enjoyed an unprecedented boom in the United States from the 1960s into the 1980s” (p. 29). However, the 1990s saw a sharp increase in “popular art” participation after years of steadily increasing. Heilbrun’s statement implies the effects of the creation and operation of the National Endowment for the Arts. This is confirmed later as Heilbrun (1997) defines the National Endowment for the Arts as “an agency devoted to the promotion of the high arts” (p. 30). Although this statement is made as a slight against the obvious bias of the organization, the blow is softened by the acknowledgement that the National Endowment for the Arts is dedicated to increasing access to the “high arts.”

The concept of accessibility has often been discussed through implication. However, the many assumptions made about the arts and accessibility in the past are discussed and expounded upon in issues of the Journal of Cultural Economics. Generational accessibility, stated as “intergenerational equity” is an argument that the arts must be preserved in order to allow future generations to enjoy them (Throsby, 1995, p. 203). Throsby gives this argument, used sparingly in the past, new life by tying it to cultural capital and sustainability. In doing so, he not only strengthens the economic ties
to the intergenerational equity argument, but also adds another facet to arguments of intrinsic value (cultural capital) and sustainability. Intrinsic values, specifically the arts as a public good, although considered a given among arts advocates, is often not considered a strong argument for those concerned with the bottom line. The theory that intrinsic values, and access to their benefits is a goal that often runs counter to that of cost-minimization, which was only implied in the past, is explicitly confirmed by the following statement (Throsby, 1995, p. 204):

The distribution of cultural resources, access to cultural participation, the provision of cultural services for disadvantaged groups, and so on, are all aspects of equity or fairness in the conduct of cultural life that may be overlooked in the pursuit of efficiency-related outcomes.

The geographic bias of arts activities, while stated in past National Endowment for the Arts Appropriations Hearings, had not been discussed by economists until this time. Empirical evidence linking arts consumption and support to “an uneven geographic distribution of cultural supply among American metropolitan areas” where “generosity is higher, where larger corporations are prominent, income is higher, and the welfare ideology is more liberal” is significant to arguments of accessibility as well as giving trends (Kirchberg, 1995, p. 306). Empirical evidence supporting the claim that arts organization’s attempts to minimize costs will adversely affect accessibility also lends quantifiable credibility (Peacock, 1996). The way these studies were presented to the reader implies a growing awareness of the policy implications this work had.
Policy Relevance and Impact

Growing awareness of policy relevance and impact occurred in these issues of the journal. While many referenced the fact that policy-makers would most likely be interested in their specific discussion, others were explicit in their acknowledgement of policy relevance of cultural economic research as a whole. Some authors also place their work within a policy framework, such as Throsby’s (1995) statement of the relevance of his work “in a policy context” (p. 201). Luksetich and Lange discussed the effects of unconditional grants, which are primarily from private patrons versus conditional grants which are often from the government and foundations. Luksetich and Lange reported that unconditional grants resulted in higher quality output, while conditional grants positively impacted attendance and accessibility. These comments were made with the understanding that their findings would “provide valuable policy implications in the area of public arts support” (Luksetich, 1995, p. 66). Other authors offered advocacy advice. Alan Peacock (1996) had this to say to arts advocates: “as cultural lobbies using the ‘cost disease’ argument for public support and patronage soon discover, the relative insignificance of the claim on resources required to keep the performing arts in a healthy condition is not as influential an argument as it appears at first sight” (p. 223).

Established Discursive Rules

It is important to note that market failure and intrinsic values are now a given part of the discourse and are no longer mentioned on their own; they are simply points that support other arguments. The discursive “maturity” of these two arguments suggests that
the public good argument as a whole is maturing discursively, although new evidence supporting the public good argument would be welcomed within the discourse. Accessibility is one past argument that is still a strong discursive point. It is stated explicitly often and implied to within all other arguments for public support. Peacock (1996) discursively links the concept of quality to accessibility by stating that “to remain ‘live’ and ‘pure’ means looking for new audiences” (p. 220).

Within certain subsets of the discourse, particularly those that deal with the National Endowment for the Arts, quality and excellence are very important. It is a discursive assumption that tastes and preferences must be cultivated in order to create and maintain audiences for excellent arts experiences. However, the cultivation of tastes and preferences no longer directly implies traditional arts education arguments. Cultural economists are increasingly investigating who is in control of deciding what is quality and what is not. Investigations into the affects of quality judgments on arts activity preferences discursively separate the cultivation of tastes and preferences from traditional arts education. Previously, these two concepts were bundled together. The assumption was that art education would lead to early exposure to arts experiences. This would serve as taste cultivation and training for future patrons and donors. The term “art education” was used to mean both. However, there has been a discursive acknowledgement that the two concepts are separate, both in the use of the actual term “taste cultivation” and in the way that taste cultivation is discussed as separate from education. This shift was a direct result of studies that proved the link between education and arts attendance was weakening (Heilbrun, 1997). There is also the assumption that, “one of the most important developments in solving the problems caused by Baumol’s cost disease will be
a gradual change in people’s preferences” (Kesenne, 1996, p. 242). There is also some discussion about “high art” vs. “popular arts” and the issues (both in issues of quality and demand) that arise between the two types of art. There is also the underlying understanding that live performances are of better quality and significant than recorded performances. This is based on the assumption that the intrinsic values of the arts can only be gained from a “quality,” live experience; although the rise of interactivity as a form of participation that is more active may cause some to rethink the contrast of “high quality” vs. “low quality” to contrast “spectator” vs. “participant.”

The maintenance of quality is also dependent upon the training and performance of new artists. Although it is not a discursive rule per se, the dire situation of individual artists is proven empirically and discussed as a significant problem. “It all starts with them,” is, understandably, the sentiment throughout the discourse. Without artists, the works and performances that arts advocates are attempting to secure government funding for would not exist. The discursive acknowledgement is universal.

Senate Hearings

During the Senate Hearings in spring of 1996, there far fewer people present to speak on behalf of the National Endowment for the Arts than in the past. The only representative for the arts was: Jane Alexander, the Chairwoman of the National Endowment for the Arts. The overwhelming majority of people present represented the government sector. They included:

- Senator Slade Gorton a Republican representing Washington
- Senator Conrad Burns a Republican representing Montana
• Senator Robert Bennett a Republican representing Utah
• Senator Harry Reid a Democrat representing Nevada
• Senator Dale Bumpers a Democrat representing Arkansas
• Questions submitted by Senator Robert C. Byrd a Democrat representing West Virginia
• Questions submitted by Senator Pete Domenici a Republican representing New Mexico

While Senators Byrd and Domenici were not present during the actual hearing, they submitted written questions for Ms. Alexander to address. The political issues surrounding individual artists and the existence of the National Endowment for the Arts in recent years may account for the lack of artist representatives. Because Jane Alexander was an artist herself and is now representing the government as Chairwoman lends credibility to her role for both sides, which many considered to be at odds with each other. As the sole witness at the actual hearings, it was Jane Alexander’s duty to speak on behalf of artists, arts organizations and their partners while operating within a somewhat hostile legislative environment. Senator Gorton lauds her ability work within both discourses by “commending [her] for the magnificent job [she has] done under the most difficult possible circumstances” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 638). Senator Gorton presents himself as an admirer, however he makes it a point to distance himself by use of the second person “you” rather than the inclusive “we.” Senator Gorton’s approach was mimicked by Senators Burns, Bennet, Reid and Bumpers who congratulated Chairwoman Alexander for her ability to handle difficult and often dire circumstances in previous years, but were careful to linguistically distance themselves. While some, such as Senator Bumpers were more enthusiastic about aligning themselves with the arts, there was still a desire to focus their discussion on the arts in their area. In the past, supportive Senators would discuss the arts in their state and also
use inclusive language, such as “we” to discuss the state of the arts in the nation and the role of the National Endowment for the Arts.

Although they were not present at the actual hearing, the following organizations were represented in written statements that were included in the records:

- American Council for the Arts
- American Symphony Orchestra League
- National Assembly of Local Arts Agencies
- Association of Independent Colleges of Art and Design
- Dance USA
- Opera America

These all represent service organizations dedicated to helping organizations and artists. However, they do not have the same political legitimacy as testimony from an actual organization or individual artist.

All of the arguments used in favor of increased funding are focused on the premise of: “if we do not get more funds.” This premise is followed by an explanation of potential negative effects. Arguments are made from a negative viewpoint as a result of the negative publicity and adverse circumstances of prior years. At this time arts advocates are operating under a bunker mentality. From the testimony presented, the following topics repeatedly emerged: Accessibility, Source Stimulation and Accountability. The themes corresponding to the aforementioned topics were as follows in Figure 7.1:


<table>
<thead>
<tr>
<th>Topic</th>
<th>Theme</th>
</tr>
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<tbody>
<tr>
<td>Accessibility</td>
<td>• Urban vs. Rural Arts Access</td>
</tr>
<tr>
<td></td>
<td>• National Programs</td>
</tr>
<tr>
<td>Source Stimulation</td>
<td>• National Endowment for the Arts as a “stamp of approval”</td>
</tr>
<tr>
<td>Accountability</td>
<td>• “Excellence” and “Quality”</td>
</tr>
<tr>
<td></td>
<td>• Tracking public money</td>
</tr>
</tbody>
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**Figure 7.1: Topic and Theme Chart: Senate Hearings, FY 1997**

**Accessibility**

All of the Senators present represented rural states. This fact was stated with pride as they outlined the arts activities in their respective states. This meant that this particular audience was primed to hear the argument that the National Endowment for the Arts ensures that the rural states these Senators represented receive the same access to arts activities as urban areas. With the understanding that “private and philanthropic giving to the arts is highly localized, which makes it that much harder for the arts to flourish in small and rural areas” Chairwoman Alexander makes the argument that “initiatives in underserved rural and inner-city areas are now really threatened by the reduction in funds” that the National Endowment for the Arts faced previously and was fearful would continue (FY 1997, National Endowment for the Arts, Senate, 1996, p. 639).

For the first time, accessibility was given an explicit definition. Chairwoman Alexander described access as “a deliberate effort to reach audiences that have not been reached before or that have been limited in their opportunities. It seeks to...
appreciation for and awareness of art forms to which exposure has been limited or nonexistent” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 682-683).

This definition furthers arguments in support of touring initiatives and the desire to focus on projects that “are of national, regional or field-wide significance” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 683). In an effort to manage the damage done by previous budget cuts, the National Endowment for the Arts decided to make programs with a specific national scope a priority. At first glance, the desire to focus on nationally significant projects would seem to be in conflict with the desire to reach “audiences that have not been reached before. However, the linguistic structure of the project descriptions expresses a desire to equalize arts experiences across the nation in both urban and rural areas. This would supposedly reach new audiences while simultaneously serving older audiences. To this end, the National Endowment for the Arts worked to strengthen bonds with State Arts Agencies in order to “make up a national network that is helping to provide access to artistic excellence in every corner of the country” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 663). This initiative was introduced as the premise for an argument against handing the work of the National Endowment for the Arts over to the private sector. According to Chairwoman Alexander, a private entity would most likely not be able to undertake goals to serve the national purpose currently maintained by the National Endowment for the Arts. Her justification is based on the fact that “most private givers to the arts – corporations, foundations and individuals – focus on local projects. When making decisions about whether to support projects outside their home communities, they rely to a great extent on recommendations made through NEA’s system of review” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 668).
More important than the actual dollar amount is the recognition. Words such as “privilege” and “prestige” are used to describe federal support. Chairwoman Alexander details how the loss of Federal support due to decreases at the National Endowment for the Arts forces arts organizations to “miss out on the privilege of recognition from the Federal Government, which further diminishes their ability to go out and raise money or attract more money in their local area” (FY 1997, National Endowment for the Arts, 1996, p. 639). This argument is repeated throughout the testimony.

The assertion that the private sector could not make up a larger income gap as a result of diminishing government funds was used previously but now the reasoning has changed slightly. Previously, the assumption was that private sources could not afford it. This is no longer the assumption. It is now assumed that, while private sources may have the money, they will not spend it without guidance. It is often stated or implied that “private givers follow the lead of public support” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 643). Chairwoman Alexander presents the National Endowment for the Arts as a source of guidance for the private sector as well as local and state governments. The concept of “seed money” is still present and is used in this argument. However, the concept is use implicitly more than explicitly as in previous years. In the past, the concept of source stimulation was used to describe the positive effects of public funds. These funds would spur private, foundation state and local funding. Now, the concept is used to describe the negative effects of decreased government funding.
According to Chairwoman Alexander, without the “seal of approval” provided by the National Endowment for the Arts, the arts would, in fact, take a “triple hit in reduction of their funds” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 650). In addition to the argument that private and foundation money follows public money, the National Endowment argues that, left to private sources, the arts would revert to their pre-1965 state. This implies that the arts would disappear from rural areas and only exist in large urban areas. It is interesting that public funding proponents are still using the “seal of approval” argument in the face of sustained political controversy that stems, at least in part, from private reactions that challenge the National Endowment for the Arts’ judgment of quality as flawed and biased. It seems to indicate that a legislator could find themselves caught between two interpretations of what is quality arts. Legislators would have to chose whose opinion about this “counts,” a conservative general public of the artistic community peer panels?

Finally, as an attempt to capitalize on the previously assumed influential power, the National Endowment for the Arts established an Office of Enterprise Development. This office was charged with seeking “new ways of creating supplemental funding for the nonprofit arts in America” by finding or creating new revenue sources (FY 1997, National Endowment for the Arts, Senate, 1996, p. 642). The interdiscursive nature of the nonprofit arts is demonstrated in the list of people identified as important to this initiative: “business people, tax experts, marketing talents, members of the arts community, philanthropists, public relations firms and others” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 685).
Although the word “leverage” was used frequently in the past, it was not used in the hearings by Chairwoman Alexander. However, it was still used by the arts service organizations in their letters of support. In fact, this concept more than any other dominated the discussion. Used in conjunction with the “seal of approval” and “validation” language, the concept of source stimulation was used to discuss the decreasing ability of arts organization to promote accessibility. Furthermore, the arts service organizations expressed a dependence on the National Endowment for the Arts’ assessment of “excellence” and “quality” in order to gain acceptance and approval from potential private funders.

Accountability

Accountability was mentioned frequently, but discussion about it was purposefully vague. While Chairwoman Alexander repeatedly states that she has “taken a number of steps to improve accountability in the grant-making and monitoring process,” those steps are never discussed in full detail (FY1997, National Endowment for the Arts, Senate, 1996, p. 644). Ways in which the National Endowment for the Arts intends to “safeguard” public money are roughly outlined with the promise they “have safeguards by which [they] can ask for [their] money back” (FY 1997, National Endowment for the Arts, Senate, 1996, p. 648). For Senator Burns, who was questioning her at the time, this answer appeared satisfactory. Chairwoman Alexander uses vague language again the second time she was questioned about measures to ensure accountability: “I am confident that the steps I have taken to increase Endowment control and accountability over the use
of federal funds will substantially eliminate grants that do not meet the highest standards of artistic excellence and artistic merit;” she concludes by saying “the steps I have taken have certainly increased our accountability for the taxpayer’s dollar” (FY 1997, National Endowment for the Arts, Senate. 1996, p. 667-668). This is an admission that such controversial grants represented inadequacies and mistakes in the agency’s decisions and processes. It is also an attempt to address public assessments in addition to artistic peers’ concerns.

This “increased accountability” is centered on the concepts of “excellence” and “quality.” These two words are used often when the means of measuring impact, significance and success are discussed. Because these two words are inarguably positive, the fact that they are vague in nature is not called into question. These two words are associated with what many consider experts in various arts disciplines, who are qualified and able to make those kinds of judgment calls. The emphasis placed upon review panels and the discretion of prestigious artists reuses the previously mentioned concept of the National Endowment for the Arts as a “stamp of approval.” However, emphasis on the judgment of artistic peers avoids the fact that questions about the agency’s accountability introduce judgments other than peers into the decision process and thus sets up inherent value conflicts.

House of Representatives Hearings

On Thursday, March 7, 1996 the House Subcommittee met to hear testimony regarding the National Endowment for the Arts. What differentiates this years from the
others discussed is the fact that testimony in strong support of, as well as strong opposition to the National Endowment for the Arts was heard.

Those representing the arts included:

- Jane Alexander, Chairwoman, National Endowment for the Arts
- Robert Mayer, representing the Association of Independent Colleges of Art and Design
- Melanie Moyer, a high school senior representing Cullman High School in Alabama
- Deborah Scesa, a teacher representing Farmland Elementary School
- Rachel Robinson, a student of Deborah Scesa
- Debra Blount, Education Director, Washington Opera
- Janet Marcus, a member of the Tucson City Council representing the National Assembly of Local Arts Agencies
- Barbara Russo representing the National Assembly of State Arts Agencies

Robert Mayer established his credibility as an arts administrator by stating his experience as executive director of the New York State Council on the Arts as well as a panelist for the National Endowment for the Arts. Mayer presents his arts support in a different light, claiming that the Association of Independent Colleges of Art and Design have only received a small amount of funding once from the National Endowment for the Arts. Mayer states: “we’re not here to testify about the National Endowment for the Arts for our survival at all, but really of a higher principle and that is the issue of advancing the practice and recognition of art” (FY 1997, National Endowment for the Arts, House, 1996, p. 8). With this statement Mayer proceeds to discuss the “three-legged stool that support cultural activities in the United States” which he identifies as “individuals, corporations, and the government” (FY 1997, National Endowment for the Arts, House, 1996, p. 8). Janet Marcus echoes that sentiment in her testimony: “the cultural funding infrastructure in this country is very interwoven and we operate on a delicate balance in sharing responsibility for public funding of the arts at the federal, state and local
Mayer claims that the government role may be the most important because of its “somewhat unbiased viewpoint compared to the whims of individuals or corporate bottom lines as to why they are giving money to the arts” (FY 1997, National Endowment for the Arts, House, 1996, p. 8). The government role, as seen by Mayer is to “uphold the highest artistic standards;” thus implying that artistic quality is itself a public good (FY 1997, National Endowment for the Arts, House, 1996, p. 10).

Melanie Moyer, Barbara Russo, Deborah Scesa and Rachel Robinson’s testimonies all talked about the intrinsic benefits of the arts. As an actress and singer, Melanie Moyer was able to attest to the benefits of the arts as a performer as well as a student. Moyer, Scesa and Robinson discussed the improvement to self-esteem and confidence through the arts. All three also mentioned the arts as a deterrent from destructive behavior and crime. Janet Marcus, representing the National Assembly of State Arts Agencies also discussed the arts as a “key factor” in crime reduction. According to Marcus, the intrinsic benefits of the arts not only improve the overall education of students by “benefit the community as a whole” as well (FY 1997, National Endowment for the Arts, House, 1996, p. 210). Mention of the community links this argument to the previous assertion that individual intrinsic benefits can and do accrue to the community and local levels as a public good.

Debra Blount best summarizes the points made by individual witnesses. She asserts, and the others claim that the past achievements of the National Endowment for the Arts have been: “expanding access to the arts; providing a catalyst for private sector funding; boosting local economies through the arts; and promoting understanding of our

As previously stated, this fiscal year also saw testimony in strong opposition to funding for, as well as the existence of the National Endowment for the Arts. Representing this view was Martin Mawyer from the Christian Action Network. Mawyer’s testimony centered on the view that some are “truly offended by some of the art work that comes out of that agency [the National Endowment for the Arts]” (FY 1997, National Endowment for the Arts, House, 1996, p. 275). According to Mawyer, the offensive artwork “mocks religious values and highlights sexual perversion, glorifies profanity, features human mutilation and sadomasochism and torture” (FY 1997, National Endowment for the Arts, House, 1996, p. 275). Mawyer’s main concern is that a government agency is spending taxpayer money on things that taxpayers object to. Most of Mayer’s complaints center on what he feels to be the lack of accountability within the National Endowment for the Arts. Mayer’s perception of the National Endowment for the Arts is that they are a government agency that is in the “practice of advancing a political agenda, and in [his] opinion, a radical political agenda” (FY 1997, National Endowment for the Arts, House, 1996, p. 288). Mayer’s testimony culminated with the presentation of a “death certificate” for the National Endowment for the Arts. In this document Lyndon B. Johnson is listed as the father and Jane Alexander as the mother. The caption at the bottom reads (FY 1997, National Endowment for the Arts, House, 1996, p. 278):

It’s time to “pull the plug” on the National Endowment for the Arts and issue this “Certificate of Death.” Stop using my tax dollars as a “life-support system” for this agency. Please bury the NEA and put an end to its assaults upon religion, its mockery of Christ, its attacks on values, its ridiculing of beliefs, and its glorification of obscenity and homosexuality.
It is important to note that concerns about accountability and judgment of quality are issues that cannot be refuted by economic arguments. Here, cultural economic rationales have no purpose. The nonprofit arts discourse’s past reliance upon cultural economic rationales, may account for some of the difficulty the agency experienced in defending itself within the discourse. Overall taste and accountability arguments demonstrate a shift from cultural economic arguments, which have historically been the bulk of arguments used by the agency. The National Endowment for the Arts appears much weaker than when judged by measures based on cultural economics. Unlike proponents who presume the continuity of the agency is a good thing, these critics do not want continuity or even improvement. They seem to have concluded that the National Endowment for the Arts has become a “public bad.”

While not expressed nearly as explicitly as the account of Martin Maawayer, doubts about the public good of the National Endowment for the Arts are evident in comments made by Congressmen conducting the Hearings. Those present were:

- Representative Sidney Yates, a Democrat from Illinois
- Representative George Nethercutt, a Republican from Washington
- Representative Ralf Regula, a Republican from Ohio
- Representative Tom Bevill, a Democrat from Alabama
- Representative Jim Kolbe, a Republican from Arizona
- Representative David Skaggs, a Democrat from Colorado
- Representative Bill Richardson, a Democrat from New Mexico
- Representative Jerrold Nadler, a Democrat from New York

Representatives Richardson and Nadler were not present for the hearings. Instead, they submitted letters in support of the National Endowment for the Arts. Both expressed concern over the potential decreases in accessibility that could result from further budget cuts. However, they both focused on the economic impact of the arts as their main
argument for increased funding for the National Endowment for the Arts; stating the impact on the number of jobs, services and contracts that exist because of the nonprofit arts sector. In response to the political attacks the National Endowment for the Arts had faced in recent years, Representative Nadler had this to say: “we must not let political ideology blind us to the overwhelming evidence that support for our art and culture is for the benefit of all of us. We must not let extremists use our great cultural diversity as a wedge issue to divide us” (FY 1997, National Endowment for the Arts, House, 1996, p. 273).

Representative Yates demonstrates his complete support of the National Endowment for the Arts throughout the hearings, especially during the testimony of Mr. Mawyer. Representative Yates expressed his disapproval for the message and methods employed by Mawyer and extensively questioned him in an abrasive manner that demonstrated his dislike for the man based on his attack of the National Endowment for the Arts. There are other times during the hearings that Representative Yates clarifies a point made by an arts advocate or poses a question to skeptical Congressmen such as Representative Regula in a way that demonstrates his identification with the cause of additional funding for the National Endowment for the Arts. Representative Skaggs also presents himself as an avid supporter of the arts through many of the same tactics. He is particularly passionate about the fact that arts funding is a partisan issue; much like Representative Yates. He demonstrates knowledge of the arguments used against the National Endowment for the Arts and articulates counter-arguments that echo the discursive rules of the nonprofit arts discourse. Although he did not speak much Representative Bevill demonstrates his strong support of the arts and the National
Endowment for the Arts by stating: “Sid Yates here is our leader and he’s been out front for years working on this” (FY 1997, National Endowment for the Arts, House, 1996, p. 824). His use of the first person, inclusive “our” means that he identifies and agrees with the stance taken by Representative Yates, which has been clearly established.

Representative Regula presents himself as a partial arts advocate. He does express positive sentiments toward the National Endowment for the Arts, but demonstrates his ties to the Republican Party that is calling for the elimination of the organization by voting down a motion by Representative Yates to strike elimination language from proposed legislation. When this event was discussed Representative Regula stated that he was “reflecting the wishes of the majority of the majority” by which he means the majority of the Republican Party that was in the majority at that time (FY 1997, National Endowment for the Arts, House, 1996, p. 834). Like Representative Regula, Representative Nethercutt does not present himself as an enemy of the National Endowment for the Arts, but he does not express his wholehearted approval either. His line of questioning focused on alternative revenue streams for the organization. In the middle of his questioning Representative Yates asked Representative Nethercutt if he would join him in his work to increase funding for and avoid elimination of the National Endowment for the Arts. Representative Nethercutt’s response, “it all depends,” was followed by additional discussion about revenue streams that would act as “an alternative to the termination of funding” (FY 1997, National Endowment for the Arts, House, 1996, p. 823). A similar stance was taken by Representative Kolbe. While he did not explicitly express his opposition to the National Endowment for the Arts, he was clearly not completely in favor of the organization either. Representatives Nethercutt and Kolbe’s
alignment with the wishes of the Republican Party are repeatedly demonstrated by using vague language when discussing support of the agency and using more detailed language when discussing negative aspects of the National Endowment for the Arts. While neither explicitly expressed their opposition to the National Endowment for the Arts, they were clearly not completely in favor of the organization either.

Hearings

In the House of Representatives Hearings the following topics were brought up numerous times: Accessibility, Source Stimulation and Accountability. Those topics were discussed with frequent mention of the corresponding themes below in Figure 7.2:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>• The inability of the private sector to provide quality arts experiences to all citizens</td>
</tr>
</tbody>
</table>
| Source Stimulation | • The National Endowment for the Arts as a “seal of approval”  
                      • The “domino effect” of budget cuts  
                      • The inability of the private sector to fill the income gap |
| Accountability | • Increasing measures of accountability within the organization  
                      • Problems with public perception  
                      • Inability of the National Endowment for the Arts to anticipate and avoid all controversy |

Figure 7.2: Topic and Theme Chart: House of Representatives Hearings, FY 1997
Individual Artists

Although it was not mentioned as often as the topics above, the issue of individual artists was discussed. This is important because much of the controversy surrounding the National Endowment for the Arts was perceived to be the result of individual artists. As a result of this perception almost all grants to individual artists were banned the previous fiscal year. This action was not supported by the Chairwoman who stated many times throughout her testimony that “without the artist there can be no art” (FY 1997, National Endowment for the Arts, House, 1996, p. 856). The ramifications and implications of this ban were discussed briefly, but passionately by Jane Alexander in her written statement (FY 1997, National Endowment for the Arts, House, 1996, p. 816):

All creation, of art, of invention, of science, begins in the mind of the individual. Without the artist there can be no art. Congress’s elimination of grants to nearly all individual artists sent a very negative message that artists can’t be trusted – or at the very least – they are disrespected. One refrain I have heard many times is this: ‘I don’t care what the artists do, I just don’t want them doing it with my money’ – meaning the taxpayers’ money. The fact is, artists pay taxes too. Everyone can name a government program with which they disagree, but that does not mean the program in question isn’t worth or important to the public good.

Accessibility

Chairwoman Alexander made it a point to offer examples of decreased accessibility to the arts that would directly appeal to members of the subcommittee. Her examples centered mostly on the rural and underprivileged urban areas that most of the subcommittee members represented. Alexander outlined how arts opportunities were and
will continue to be “abolished, cut back or scaled down, or made more expensive, or made cheaper in quality” as a result of budget cuts (FY 1997, National Endowment for the Arts, House, 1996, p. 811). When asked about the role of corporate and foundation dollars in arts funding, Alexander referenced a recent Rockerfeller study that concluded corporations and foundations “will not and cannot give more” (FY 1997, National Endowment for the Arts, House, 1996, p. 817). Alexander noted that, when corporations and foundations do support the arts, their dollars “are given locally, concentrating on the largest, most prestigious institutions” (FY 1997, National Endowment for the Arts, House, 1996, pp. 817-818). Chairwoman Alexander claims that the giving trends of the private sector, while they may benefit certain communities, are unacceptable for the nation as a whole. A national focus is what sets the National Endowment for the Arts apart from the rest of their partners in arts funding. They “make the arts and the artistic experience accessible to all Americans” (FY 1997, National Endowment for the Arts, House, 1996, p. 829). It is strongly implied that, if arts funding is left solely to the private sector the elitism that the National Endowment for the Arts strove to combat would return and become permanent.

Source Stimulation

“Leverage” returns as a word frequently used to describe the positive effects of Federal support on the private sector. “Seed money” is also used throughout the testimony. These two phrases are used to discuss the position of the National Endowment for the Arts as the “catalyst” for additional funding from other sources. The small dollar
amount of grants is referred to in order to reinforce the fact that these grants are not
intended to carry the complete financial burden of arts organizations. Instead, Federal
funds are portrayed almost as a symbolic portion of the multi-faceted arts support system
that includes the public and private sectors. Instead of presenting the National
Endowment for the Arts as a main financial supporter, the organization’s role is portrayed
as small but “vital.” It is hypothesized that without this “vital catalytic role,” arts funding
will suffer “across the board” (FY 1997, National Endowment for the Arts, House, 1996,
p. 841).

According to arts advocates, the most important part of this “catalytic role” the
National Endowment for the Arts plays is as a “seal of approval.” The phrases
“imprimatur of excellence” and “stamp of approval” are used to describe the National
Endowment for the Arts by Chairwoman Alexander as well as members of the
subcommittee when questioning her. This demonstrates discourse maintenance, as the
phrase is used as a statement of fact by those representing government rather than just as
an argument by someone representing the arts. When discussing the ramifications of
budget cuts Chairwoman Alexander notes: “arts organizations lost far more than dollars.
They lost the prestige and recognition and the fundraising potential that comes with it”
argument by acknowledging that corporations and foundations do make their own
funding decisions, however “they have often used the Endowment as a guide in assessing
the artistic excellence of the projects proposed to them for funding” (FY 1997, National
Endowment for the Arts, House, 1996, p. 861). In summation of these arguments,
Chairwoman Alexander presents the idea of the “domino effect” of reduced spending on
the arts. This “domino effect” starts with a decrease in government funds. According to Alexander, this sends the message that funding the arts is not a priority. This leads to a decrease in arts spending at the state and local levels as well. This would make it difficult for state and local arts agencies who would find it “difficult or impossible to survive the loss of federal incentive and the federal example, which have done so much to attract state and private support” (FY 1997, National Endowment for the Arts, House, 1996, p. 860). These negative endorsements would also lead to a decline in private sector and foundation spending in the arts.

Accountability

While accountability was discussed vaguely in the Senate Hearings, the actual steps taken to ensure increased accountability were discussed in detail in the House Hearings. This may be due to the fact that the Senate was known to be a supporter of the National Endowment for the Arts, thus needing less convincing than the less supportive and somewhat hostile House of Representatives. In these hearings Chairwoman Alexander acknowledged that she “was concerned when [she] came into the agency that there were some processes that were not addressing the best” (FY 1997, National Endowment for the Arts, House, 1996, p. 827). Alexander identifies the sub-granting process, where the National Endowment grants funds to an organization that then re-grants those funds according to their own standards to another individual or organization, as the main issue. Chairwoman Alexander then details the elimination of sub-grants and the additional documentation requirements she implemented as part of an organization-wide restructuring. These additional documentation requirements include: an overview
and supervisory process that takes place at the discipline level, a grants management process administered by the Grants Office and an audit resolution process conducted by the Endowment’s Inspector General. These three processes were put in place to “assure that the funds will be used appropriately” in order to avoid repayment requirements. Repayment issues were another facet of accountability discussed in detail. These issues result when a grantee does not use the money in the manner outlined in the grant. These measures include complete or partial repayment and also have negative ramifications on the reputation of the artist in question. It is not entirely clear if all of these measures were created or simply refined and strengthened by Chairwoman Alexander during her time at the National Endowment for the Arts.

In her discussion of accountability Chairwoman Alexander touched upon a significant part of the issue: public perception. According to Alexander, the perception of people such as Mr. Mayer from the Christian Action Network and other, more conservative Americans created a “totally unbalanced way of looking at the agency” that “the arts administrators and the patrons of art and the audiences were not able to respond [to] properly” (FY 1997, National Endowment for the Arts, House, 1996, p. 827). Chairwoman Alexander sees the issue of public perception as a key factor of the political controversy still surrounding the National Endowment for the Arts years after the work of Serrano and Mapplethorpe. While not an actual argument, the theme that “controversy is inevitable” reoccurred throughout the testimony. Chairwoman Alexander expressed this sentiment during her confirmation hearing in 1993 and reiterated it in the FY 1997 testimony: “by its very nature art will have some controversy, because not all people will
be pleased all of the time. So that’s a given. And you’re never going to eliminate that” (FY 1997, National Endowment for the Arts, House, 1996, p. 827).

Due to political circumstances the focus of both Senate and House Hearings was accountability. The arguments used at both the agency and government levels, goals that were established and barriers that were present are depicted in Figure 7.3 below to summarize Hearings within both Houses.

![Figure 7.3: Argument Summary for FY 1997](image)

Articles After The Hearings

The *Journal of Cultural Economics* produced three issues after the Hearings: Vol. 21 Issue 2 (June, 1997), Vol. 21 Issue 3 (June, 1997) and Vol. 21 Issue 4 (December,
In these issues, the evolution of the Cultural Economic field are discussed explicitly and implicitly. Bruno Frey identified: *founders, followers of significant achievement, and followers of the mainstream* as three phases of the Cultural Economic field. In the *founders* phase Frey discussed the importance and impact of Baumol and Bowen. When discussing the work of others in the early stages of the field Frey notes that “while there are valuable forerunners, in particular Wagenfuhr (1965), Anderson (1974) and Stein (1977), Baumol’s contribution sparked off a large number of studies” (1997, p. 165). The *followers of significant achievement* phase is “characterized by a number of studies which were directly influenced by Baumol but which go beyond him in clearly identifiable ways” (Frey, 1997, p. 165). This phase describes the bulk of work to date in the field of Cultural Economics and includes work that supports and criticizes the work of Baumol and Bowen. The *followers of the mainstream phase* is “devoted to passively testing propositions advanced in the previous two phases” (Frey, 1997, p. 165). This phase is significant because of its increasingly narrow focus on particular aspects of previous studies. This phase is known for its more advanced techniques of study and its more sophisticated analysis. Furthermore, this phase “provides the stepping stone[s] for the next innovation” which would start the phases anew (Frey, 1997, p. 166). These three phases echo the process of discourse establishment, maintenance and evolution.

In the rest of the articles, it becomes clear that the field is embarking upon phase three. Articles that discuss broad themes and support or challenge the work of Baumol and Bowen have given way to articles discussing specific aspects of accessibility (Kolb, 1997) (Steiner, 1997), productivity (Taalas, 1997) and value assessments (Bonus, 1997). The topic and corresponding article titles are in Figure 7.4 below:
<table>
<thead>
<tr>
<th>Topic</th>
<th>Article Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessibility</td>
<td>• <em>Pricing as the Key to Attracting Students to the Performing Arts</em></td>
</tr>
<tr>
<td></td>
<td>• <em>Optimal Pricing of Museum Admission</em></td>
</tr>
<tr>
<td>Productivity</td>
<td>• <em>Generalized Cost Functions for Producers of Performing Arts - Allocative Inefficiencies and Scale Economies in Theatres</em></td>
</tr>
<tr>
<td>Value Assessments</td>
<td>• <em>Credibility and Economic Value in the Visual Arts</em></td>
</tr>
</tbody>
</table>

**Figure 7.4: Article Content Summary for the *Journal of Cultural Economics* 21(2-4)**

These particular facets of broader topics serve two purposes. First, they demonstrate discourse maintenance, as the theories and findings of previous works are taken for granted. Second, they help explicate supplemental arguments for later use in the discourse.

**Summary**

It is evident in both the Appropriations Hearings and the *Journal of Cultural Economics* that older discursive rules are running out of steam in the policy arena. This is largely due to uncontrollable circumstances of public opinion. However, in the *Journal of Cultural Economics* articles after the Hearings it becomes clear that, whether or not they were actively aware of it, the scholars were embarking upon a new phase in cultural economics that will provide the nonprofit arts discourse with new ways of achieving old goals.
CHAPTER 8: CONCLUSIONS

From my work I concluded that the nonprofit arts discourse is comprised of elements from three distinct discourses: nonprofit, for-profit, and government. From the nonprofit discourse come concepts related to funding such as the concept of “seed money.” From for-profit discourse come concepts of fiscal responsibility such as fiscal stability and sustainability. From the government discourse come concepts of accessibility, equity and accountability. Both for-profit and government discourses share a preference for traditional economic theory and quantifiable measures of success. The nonprofit arts discourse was actively and knowingly created by scholars, artists, arts practitioners and arts advocates within the nonprofit, for-profit and government sectors. This act was strategically done to increase the political salience of arguments for public arts funding. While there were attempts prior to 1967 to create a strong nonprofit arts discourse that would appeal to each of the aforementioned sectors, it was not until the creation of *Performing Arts: The Economic Dilemma* by Baumol and Bowen that all interested parties found a common discourse held together by arguments that appealed to arts advocates from different sectors and backgrounds. Scholars appreciated the work of
Baumol and Bowen’s economic analysis, which appealed to not only the “bottom-line” minded for-profit sector arts advocates, but artists and arts practitioners as well. Furthermore, the endorsement of the Twentieth Century Fund, expressed by August Heckscher, secured the support of nonprofit and government sector arts advocates that acknowledged and accepted the credentials of Heckscher as an accomplished private sector representative, and a nonprofit actor well versed in the government discourse.

The convergence of these discourses orchestrated mainly by political proponents and foundation allies utilizing the work of scholars, resulted in the creation of not only the nonprofit arts discourse, but the field of cultural economics as well. From both for-profit and government discourses came the importance of economic estimations of value, which led to the emergence of cultural economics as a key component of the creation and subsequent maintenance of the nonprofit arts discourse. The creation of broadly defined concepts of: source stimulation, accessibility and “excellence” became the backbone of the nonprofit arts discourse. Further arguments that emerged under these categories were introduced, discussed and solidified through the work of cultural economists in the *Journal of Cultural Economics*.

**FY Connections**

Taken separately, conclusions reached about the discourse used in each fiscal year may appear to be trapped in time; relevant to a period that has passed. However, the discourse used each fiscal year I examined helped shape the topics and define the terms used in subsequent years. I have come to think of each fiscal year much in the way that I have named the chapters: “Establishing the Arts as a Public Good” for FY 1967, “Public
Funds to Pay for Public Access” for FY 1982, and “Getting Government to “Buy” “Excellence”” for FY 1997. I will discuss how my conclusions have helped shape that view.

In FY 1967, the first time that the organization had to justify their actions before the appropriations subcommittee, the nonprofit arts discourse was in its infancy. Much of what was said and argued was being tried for the first time to test its political salience. The use of the broadly defined “cost disease” was used to introduce the income gap, a budget deficit that was insurmountable with only private patronage. At this time the nonprofit arts discourse, through use of concepts and terms borrowed from traditional economics, began establishing the arts as a “public good.” While this was meant symbolically more than literally, the concept led to the argument for increased accessibility of the arts. Under the theory of a public good, the government should be responsible for creating and maintaining increased opportunities to enjoy “quality” arts experiences. With the argument for increased accessibility came value judgments about the arts in America under the guise of providing “quality” or “excellent” arts experiences. These terms were used a qualifiers that separated much of what was already occurring in the popular arts in America from what those at the National Endowment for the Arts desired.

In FY 1982 it became evident that much of the logic proposed in FY 1967 had gained public approval and thus provided a foundation upon which further arguments could be developed. One point of clarification that had to be made was the meaning behind the endorsement of the terms “quality” and “excellence.” Previous use of these terms led to charges of elitism that had to be dealt with. This issue was handled by
discursive inclusion of arguments for public funding to build and strengthen professional capacity of arts organizations and artists. It was argued that these activities would not be paid for by the market due to the cost disease. With the general acceptance of the “cost disease” by artists, arts practitioners, some scholars and arts advocates within the government and the for-profit sectors, it became an established part of the discourse. The main concept that accompanied the “cost disease,” diversified patronage, also became an established part of the discourse. It was this particular concept that paved the way for arguments related to source stimulation. The most significant argument that emerged from the diversified patronage foundation was the “stamp of approval” argument. This argument placed the government at the center of diversified patronage. It established the government as the key decision maker as to what constituted art worthy of public and private funds. Arguments related to source stimulation also borrowed some theories related to public goods. According to traditional economic theory, public goods provide certain benefits not always recognized within the market. In general the benefits resulting from public goods are more valuable than the market can account for, therefore there will always be a gap between what the market will pay for public goods and what they are actually worth. This “income gap” was used to argue against significant budget cuts in light of inevitable market failure that occurs in the arts.

In FY 1997, some of the arguments used in the past proved to be troublesome for the National Endowment for the Arts. Their previous assertions as art funding decision makers made them a prime target for political attack when the creation and exhibition of artwork that some found offensive was credited to the National Endowment for the Arts. One of the results of this was extensive work to re-establish the credibility of the
organization as a “stamp of approval.” This led to more arguments in favor of increased accountability measures and further development of the concepts of “excellence” and “quality.” Political threats to significantly cut and eventually dismantle the National Endowment for the Arts led the organization to rely upon the discursive foundations built in previous years to stave off elimination. Previous arguments for diversified patronage and the establishment of the National Endowment for the Arts as a “stamp of approval” facilitated use of a “domino effect” argument. This argument asserted the National Endowment for the Arts as a foundation for arts funding, without which the diversified funding structure for arts would crumble. Previous work establishing the importance of accessibility and “excellence” allowed the National Endowment for the Arts to argue that private funders, notorious for concerns about “the bottom line” and prestige would only fund large, established arts organizations. This was perceived as a significant threat to arts access because the National Endowment for the Arts previously established the perception that large institutions were primarily in affluent urban areas. The National Endowment for the Arts directly linked the concept of total private patronage to the demise of rural and underprivileged arts access. The concept of the government’s commitment to all citizens was employed implicitly in the hearings and explicitly in agency granting patterns in order to achieve increased policy relevance.

The National Endowment for the Arts also linked the concept of accountability to the concepts of “excellence” and “quality”. They argued that if the arts are of excellence quality, then the agency behaved properly and lived up to government accountability standards. In contrast, the opponents of the National Endowment for the Arts regarded the agency as unaccountable because they viewed the agency’s grants as supporting art
that was of poor quality and meretricious. It was at this time that the National Endowment for the Arts tackles a task different than that of previous fiscal years. Instead of advancing an argument and seeking to win acceptance, the agency was forced to combat opposing arguments.

Supporting the Discourse in Different Streams

While the nonprofit arts discourse was created as rational action, its continued use was conducted in ways that align it with praxis theory. Prior to 1965 arts advocates that desired public funding were unsuccessful. It was not until after the start of the National Endowment for the Arts that arts advocates found arguments with political relevance and salience that they could actively use to their advantage. With the Twentieth Century Fund Meetings and Baumol and Bowen’s work arts advocates were able to carefully construct arguments to use in the policy arena. Although they were not responsible for the emergence of the theories they used, they were responsible for the rational arrangement of concepts and theories that became the nonprofit arts discourse and cultural economic rationales. After its original use in FY 1967, the meanings expressed in the arguments utilized within the nonprofit arts discourse were only partially understood, as the outcomes were largely unforeseeable. The early establishment of the nonprofit arts discourse, and the choice of arguments used, allowed the discourse to adapt to political circumstances as they emerged using variations of rationales used to create the discourse. The scholarly support of cultural economists in the Journal of Cultural Economics helped to shape the supporting arguments and the evidence presented to strengthen those
arguments. The policy relevant material provided by the *Journal of Cultural Economics* progressed from theories to empirical evidence as the methods and concepts evolved over time.

In the problem stream the nonprofit arts discourse assumed the arts were a public good early. Defining the arts this way shaped the form and content of the supporting arguments of accessibility, source stimulation and “excellence” that found discursive traction with cultural economists and appealed to government actors. Without the overarching theme of the public good argument the aforementioned supporting arguments would have lacked cohesion and would fall outside the realm of government action. The values, beliefs and assumptions that accompanied the concept of public goods facilitated use of supporting arguments in a policy arena.

It is in the policy arena that the discourse proved its abilities in the policy stream. The overall definition of the arts a public good allowed enough flexibility to adapt overtime. The supporting arguments underwent alterations as a result of two important actors: cultural economists and legislators. As the field of cultural economics matured, methods and concepts changed. These changes resulted in changes to the language and presentation of arguments supporting public funding of the arts as a public good. Legislators, through their questions and critiques expressed in appropriations hearings, caused users of the nonprofit arts discourse to alter it in order to appeal to them. Another facet of issues raised by legislators was problems that affected their constituents. This significantly affected the way the nonprofit arts discourse acted and reacted in the political stream.
Public perception and opinion, particularly concerning charges of elitism and the culture wars, caused users of the nonprofit arts discourse to further explicate their meaning or to alter language and arguments in order to combat political attack. This was first a concern in FY 1967 when the agency implied a bias toward high art and larger institutions. Public perception and the opinion of some cultural economists led to charges of elitism. These charges were handled by agency officials in FY 1982 by incorporating language denouncing elitism. This denunciation was later used as a reason that arts funding should not be left to private patrons who had elitist tendencies. Advocacy groups such as the Christian Action Network played a significant role in the political stream in FY 1997, causing the National Endowment for the Arts to defend their operations and alter the discourse to include measures of increased accountability. This was an instance where the concept of the arts as a public good was used against the discourse.

Impact

The somewhat natural convergence of the problem, policy and political streams appears to have occurred only once: during the creation of the National Endowment for the Arts and the nonprofit arts discourse (FY 1966 and FY 1967). It was at this time that the political stream, represented by John F. Kennedy and Lyndon B. Johnson, was supportive of the arts with “The New Frontier” and “The Great Society.” The political stream also consisted of a generally uninformed public. While this could be seen as a negative, when the general public has little or no information for or against a policy issue, they tend to be passive about it. The policy stream consisted of support from political
proponents. Due to the convergence of these two streams the arts did not need to be defined in any particular way for the policy window to open, resulting in the creation of the National Endowment for the Arts and the budget increase in FY 1966.

In FY 1982 the political stream, namely Congress, was focused on the perception of the National Endowment for the Arts as an elitist agency. Outside of the National Endowment for the Arts, the public was concerned with inflation and government spending. In the policy stream, under the Reagan Administration legislators were looking for ways to cut government spending and reassert private action. Neither of these streams held favorable conditions for the National Endowment for the Arts. However, in the problem stream the National Endowment for the Arts was able to frame arts funding as a small investment with a large return that benefits all citizens. By using various arguments based on the concept of the arts as a public good, and depicting budget cuts as a threat to its existence, the National Endowment for the Arts was able to support this claim. This allowed them to successfully merge the three streams and partially open a policy window that significantly lessened their budget cuts.

In FY 1997 the political stream was openly hostile to the National Endowment for the Arts. Public perception was that the agency funded immoral art that was offensive, perverse and sacrilegious. The policy stream was divided into two halves: supportive Democrats and invalidating Republicans. Worse than the situation in FY 1982, these two streams held pointed opposition to the funding and even existence of the National Endowment for the Arts. Through work in the problem stream, the National Endowment for the Arts defined themselves as an agency with clear and strong accountability measures. They also portrayed themselves as a valid judge of “excellence” and “quality”
that was deemed credible by private and foundation arts patrons. As in FY 1982 it was the National Endowment for the Arts’ work in the problem stream, along with help from the supportive half of the policy stream, that partially opened a policy window. While the agency sustained significant cuts, this policy window allowed the agency to avoid elimination.

The other instances where public arts funding was decreased slightly as opposed to large-scale budget cuts (FY 1982); or saved from elimination (FY 1997) resulted from the use of the nonprofit arts discourse within the problem stream to converge with the policy and political streams to create an open policy window. This has significant implications for those that use and operate within the nonprofit arts discourse. This implies that informed use of this discourse, with strategic use of supporting arguments from the field of cultural economics has the ability to positively impact public arts funding and support thereof. Knowledge of the discourses that comprise the nonprofit arts discourse could facilitate argument adaption for various audiences and could be used to gain allies and build support in the for-profit, nonprofit and government sectors. Most important is the capacity for preemptive action. For those well-versed in the government discourse, the nonprofit arts discourse could be aligned with particularly policy salient issues and arguments in order to avoid problems in the policy and political streams.
Future Research

There are a few avenues for future research that could be utilized as tools for advocacy purposes. Future research into the nonprofit arts discourse, its origins, uses and evolution would be particularly beneficial to artists and arts organizations as an advocacy tool. Further investigation into how individuals from the nonprofit, for-profit and government sectors are introduced to the discourse and how they later maintain it would be helpful to arts advocates interested in increasing their numbers.

There are also ways that my research could be expanded upon to provide a better understanding of the nonprofit arts discourse. My research focused on cultural economic rationales within the discourse. While I touched upon other arguments such as intrinsic benefits, accountability and “excellence” I did so in regards to how they relate to cultural economic rationales. Further investigation of other rationales such as the instrumental value of the arts, especially educational benefits, would provide a richer picture of the different facets of the discourse.

My research stops at FY 1997, but the field of cultural economics has made progress since then. A look at how the field of cultural economics has progressed since the conclusion of my study (1997) would answer questions that arose in the *Journal of Cultural Economics* in 1997 about the next phase of the field. Although the theoretical and practical aspects of such rationales as economic impact and contingent valuation appeared between 1982 and 1997, they did not become a significant factor in my data. Use of these two rationales and cultural industries could be investigated.
Finally, when and how the discourse, particularly use of cultural economic rationales, is used is another area for further investigation. This study focused on the use of cultural economic rationales within the policy arena through the filter of the National Endowment for the Arts. Investigation into how other actors use cultural economic rationales and whether or not their use affects a different stream (policy or political) could yield different results as to the policy relevance and salience of various rationales. One actor ripe for investigation is Americans for the Arts. This organization, created in 1996, actively participates in each of the discourses that comprise the nonprofit arts discourse (nonprofit, for-profit and government). As an advocacy organization it could be argued that their work would mostly affect the political stream. The policy briefs, issue alerts and their work during Presidential Elections also demonstrate their ability to operate within the policy stream as a source of information for policy-makers. However, their research and work in securing high-profile artists to testify on behalf of the National Endowment for the Arts also affect the problem stream. As in depth look at how this organization uses cultural economic rationales within the nonprofit arts discourse may yield interesting information that could be used by all actors involved in the discourse: artists, arts practitioners, legislators and arts advocated from for-profit and nonprofit sectors.
LIST OF REFERENCES


