

Lecture 4, April 1st

Ian Hunt: Anthony Davies is an independent writer and researcher who has focused on structural political questions about art and culture: specifically how art functions within capitalism as it has mutated. Benedict Seymour, who has been involved with *mute* magazine, is also a writer and researcher, and approaches similar issues with a different critical emphasis. I should also mention, as he may not, that he is one half of the electric pop duo Petit Mal, with Melanie Gilligan. The subject they will consider tonight is art's connections with finance capitalism, and it is probably on many people's minds that a protest is at this moment underway in the City of London.

Anthony Davies: I'm going to begin by giving a heavily truncated account of where I'm coming from and the debates that I've been involved in over the last 15 years or so, which Ben Seymour has also been a significant part of. In my case these cover, broadly speaking, cultural and economic analysis and critical engagement with developments in capitalism. These debates have taken in everything from: the City's emergence as the global financial services hub in the early 1990's, Cool Britannia and the birth of the Creative Industries, cultural entrepreneurship, the intensification of sponsorship, corporate alliances and partnerships in the late 1990's right through to anti-capitalist struggle and resistance in London, Seattle and Genoa. They've moved through critiques of the Knowledge Economy, the Third Way, the dot-com and New Economy collapse and some of the resulting 'back to basics' reactionary registers that we witnessed across business and contemporary art in the early to mid 2000's. Over the last few years I've addressed: self-organisation, the limits of radical reform agendas and inherent contradictions in so called 'progressive art institutions', particularly those that exploit temp/casual workers and then purport to represent their interests, facilitate their struggle against precarity. The reason I'm reeling these off in flashback mode is that I would like to underscore the fact that these 'developments' and I use the term hesitantly as they are of course, in varying degrees, also indicative of crisis and capitalist restructuring. These developments, in one form or another, also now take on a systemic significance which wasn't always present at the time—particularly as they now seem to dovetail, to take us up to the endgame of the current global economic meltdown. What I mean by endgame is that it's difficult to see where any of these 'developments' go from here.... other than into reverse or terminal decline (if we take the City of London, for example).

Over the last 15 years the systemic has been easy to lose sight of—and I think that this is precisely what we need to attend to now. So with time constraints in mind let me move promptly on and first note the G20 meeting taking place on the other side of town at the Excel Centre, Docklands where heads of state are busy working on their respective and now, it would seem, collective response to the financial meltdown. I'd like to take this lead and not look at how the system might be reformed or restructured but whether the contradictions, or the antagonisms can be pushed any further—and I think that in the art field or the cultural field we can certainly see some of those antagonisms. And I'm conscious here of the need to be vigilant in terms of the narrative, the language of this crisis and challenge those from mainstream political

organisations, the media and other groups who are staking a claim on representing the interests of the ‘taxpayer’, the little-man, the ‘main streeters’, Joe Sixpack and the working class, and on and on. And if we stay with the populist narrative on this we’re talking about those poor souls who’ve been dazzled and duped by the excesses of capital, who bought into the system and are now caught in its headlights—staring at the potential loss of their homes, their jobs, savings, pensions and healthcare, as the fat cats on Wall Street continue to haul in multi-million dollar profits and bonuses. At least this is how many of those across the political spectrum are now casting it—and this, I think, links David Cameron to anti-capitalists like Chris Knight and the Austrian far right Freedom Party’s Heinz-Christian Strache—all these people have invoked an almost biblical call for ‘a day of reckoning’ with those who’ve abused the system. And if we just stay with this for moment longer, it’s clear—certainly with Cameron and Gordon Brown, at least—we’re talking about the same Tories, the same New Labour, the same political establishment, basically, who’ve not only created the regulatory environments and conditions in which finance capital operates, but have simultaneously dismantled, privatised and outsourced many of the social support structures that we might have relied on now—certainly over the last thirty years: public housing, unions, welfare provision and healthcare, etc.

So I think this is a crisis of faith, not just in the financial system and free-market economy, but in the state form, state apparatus itself—a state that has been totally caught out, is unable to find an adequate response—doesn’t seem to even have a grasp of what’s going on.... yet continues to act in the interests of capital against the interests of working people—both waged and unwaged. I think this is where it’s important to be vigilant, as this is precisely the space, the critique taken up by the Far Right. What we might want to do in the discussion afterwards is to pick this up and work out what it’s about. But for now I’d like to focus on some of those systemic failures in the financial system and in terms of this discussion ask where education and the contemporary art market might figure in all this. What I’d like to do here is ask: how do we factor the current crisis into the debate? How do we connect with, understand it? Grasp its consequences? What does it mean to ‘practice’, to act politically at this moment in time?

In terms of education and contemporary art production there are a couple of texts which offer us a useful starting point—taken together they give us some purchase on the historical dimension of this debate. These were both published either side of an earlier crisis in capitalism in the 1970s. The first is the ‘Business University’ by the Marxist historian and activist E.P. Thompson, published in *New Society* in February 1970; and the second is a text called ‘Pricing Works of Art’ by conceptual artist, union activist and former member of Art & Language, Ian Burn—this was published in *The Fox Issue 2* in 1975. (As far as I know it hasn’t been republished).

In 1970 after publicising an impending takeover by corporate-managerial forces in education, and at the peak of a student occupation, E.P. Thompson dramatically resigned his post at Warwick University in solidarity with students and in direct opposition to the tailoring of education to the needs of business. In the ‘The Business University’ Thompson brilliantly un-picks the composition of university committees at Warwick. He looks at the increased role for business leaders, the erosion of academic inputs and standards etc. and, critically I think, the hidden hand of the Confederation of British Industry (CBI). He goes into the published financial accounts, identifying the businessmen, the companies and interests they represent. It’s a great text and extremely prescient. But for the purposes of this discussion I’m just going to focus on a single point—and though E.P. Thompson doesn’t dwell on this too much, I’d like to note the ‘very nearly’ private university, that is the university ‘in symbiotic relationship with the aims and ethos of industrial capitalism, but built within a shell of public money and public legitimation’. I’ll return to this later but would like to stress again, ‘the shell of public money and public legitimation’.

Five years later, in the aftermath of an oil crisis—this probably sounds quite familiar—spiralling food prices, global market instability and the dying days of a US led war in South East Asia, Ian Burn’s 1975 text, ‘Pricing Works of Art’, opened up a far-reaching debate on art and finance. And in a framework marked by a burgeoning relationship between the state and big business (this is the same relationship that E.P. Thompson had noted five years earlier), what Burn does is to look at new concentrations of wealth gathered around fledgling ‘Art Investment Funds’ Modarco and Artemis. (And they did exist in the early 70s—these are funds essentially, at least in the case of Artemis, that had a fund of thirty million that it would invest on the art

market, and so this is not a new thing, this is something that we could track back). Now what Burn does is—it's a text that's kind of written addressed to artists—he takes on commodity value, property rights and class relations. And in an attempt to unpack the dynamics of contemporary capitalism, he claims, 'we are no longer able to talk about our art production independent of market coercion. Is there any level we can?' the demands of the market—for example for artists to simultaneously be consistent, to be unique, to be 'innovative'—have permeated production to such a degree that 'the fusion is complete' (the fusion between art production and market coercion is complete in 1975 according to Burn). Now, he goes on to argue that contemporary art had become integrated into the commodities market to such an extent that it was unable to express anything other than 'an acquiescing reflection of its own economic dependence'. I'm going to return to both E.P. Thompson's shell of public money—this idea of the veil—and Ian Burn's notion of market acquiescence and paralysis later.

But how do we factor these observations into the financial systems' subsequent and unrelenting drive to create new markets and sources of profit—generally, its dynamic adaptability? What of privatisation for example? Either E.P. Thompson was correct and the 'nearly privatised university' of 1970 is still heading inexorably towards full privatisation, or he got it wrong, and what we're witnessing is a far more complex process in which full privatisation as such, is suspended, held in abeyance as capital works out novel ways to extract the institutions' present and indeed future resources. But still—and I think this is the critical point perhaps—within the shell of public money and public legitimations. The dynamic adaptability of capitalism also brings into question Ian Burn's claim that fusion as such is complete, or certainly that based on a fixed relation between production and market coercion. Can this ever be said to be complete? (If we look at what's happened over the last thirty-five years these debates—I listed some at the beginning, from the last fifteen years—are relationships, if you like, between capitalism and culture. So it certainly isn't complete, and wasn't complete in 1975.)

If, as the last thirty years have proven so forcefully, capitalism is always on the move then what types of fusion, market coercion are taking place now? And as the context of yet another global 'crisis' in the financial markets serves to highlight, any debate on

Art, Education and Finance should at the very least, attempt to lay out the corresponding coordinates and then, as with 'The Business University' and 'Pricing Works of Art', serve to locate points of strain, antagonism and vulnerability in the system.

Maybe we can do this tonight, but for now I'd like to factor into the equation the boom-bust cycle of the late 1990s and the subsequent collapse of the New Economy. During the early 2000s we witnessed globalisation's fall from grace as the system imploded spectacularly under the weight of its interdependencies. In the present collapse the responsible party, the catalyst, if you like, has been credit, the repackaging of debt, and the belief that spreading risk among millions of investors would somehow function as insulation against shock. In fact, the opposite has been the case and the 'interdependence risk', identified by business analysts in the early 2000s as what brought down the economy—it's the Achilles heel of globalisation, returned to haunt the system. This has created a situation in which few if any policy makers, bankers or economists regarded the ultimately catalytic phenomenon of so-called subprime defaults and the initial forecast of up to two million American home repossessions as a serious threat to the economy as a whole! In fact, showing signs of profound amnesia some in the financial community even passed the early 2007 market jitters off as a welcome correction (so the two million home repossessions would be a welcome correction!)—that it would haul in risky lending and spending patterns amongst the poor.

Of course, it's now clear that the entire house of cards—the bits of financial paper 'spliced and diced' to create other bits of financial paper, repackaged and sold on as credit derivatives—all were stacked on lenders' predatory practices in low-income communities, selling sub prime mortgages to the poor, knowing that many in these communities would default on payments and lose their homes. A key miscalculation, it seems, was to presume that by carving up and spreading mortgage loans outwards they would be distanced from the threat of defaulting borrowers. This situation was further exacerbated by a series of interest rate cuts between 2001 and 2003 (and we've been here before—in the US it went from 6.5% to 1%, in the UK it went down to 1.5%) and the idea was both to soften the impact of the downturn, and encourage consumer spending to drag us out of recession. So this, combined with two decades of

financial liberalisation, encouraged an even more intensified expansion of credit across the board. In addition to subprime mortgages, many middle class households started to rely on home equity loans (second mortgages) to offset increasing labour insecurity and long term downward pressure on wages. That is, loans were taken out just to maintain a basic standard of living, in turn fuelling what is now regarded as the next big wave of debt defaults, so called midprime (middle class repossessions).

These developments have been at the core of the dubious 'expansion' of the economy over the last decade with the financial system intensifying its targeting of the personal income and future earnings of workers as a source of profit, in part to offset a decline in profits linked to business investment. The fact that we essentially borrowed, were encouraged or compelled to borrow our way out of the early 2000s recession was noted as a serious problem at the time. That this was overseen by the infinitely complacent Federal Reserve, has seen the financial community disingenuously raise its hands, declaiming shock and disbelief that subprime, being such a small sector of the global markets, could not only have brought one house down, but spiral outwards into a global catastrophe.

I've only described in sketchy detail the initial phase of this crisis—and, of course, it's moved on significantly since then, with extreme consequences currently being experienced across all sectors of the economy. We've seen governments toppled, mass redundancies, export markets collapse globally, parts of the manufacturing industry hit the wall, and, as the social crunch continues, protests, riots, wildcat strikes, kidnapping—I think it's called 'bossnapping' now in France? We've seen occupations—two occupations, one in Bassildon with their link to Ford motors (that took place this morning)—and still we're only at the beginning.... I mean no one can see an end to the beginning, so we're still at the beginning phase of it. In fact an economist recently said that we have not only entered uncharted waters but we don't have a boat; we're still at a phase where people are not sure where we're heading.

But let's return to those markets that are orbiting education and contemporary art. These, at least up until late last year, were presented as relatively stable—I'm sure most of you remember it being presented as somehow decoupled or de-linked.... that it would continue to boom. Now these narratives of market affirmation accompanied

by claims of exponential and seemingly uninterrupted growth, paradoxically perhaps—and I think this is a major point—both education and the contemporary art market might be equally read as a product of crisis—in the sense that both these areas were certainly boosted by the downturn and subsequent restructuring of the early 2000s. (I don't know of anyone who has put the globalisation of the art market before 2001—maybe someone in the audience can direct me to that....)

So what happened during this period is we saw a massive injection of state funds into building infrastructure and supporting enterprise schemes in the educational sector. This in turn, transformed the way in which many universities started to function and of course, opened up new commercial growth markets for business. This would certainly have been recognisable to E.P Thompson. But education is now a space in which business incubation, enterprise schemes, university IP portfolios, venture capital and International Overseas Student markets—or competition for those markets—are shadowed by increasing student debt, poverty and bankruptcy. So these growth markets should be seen in relation to the economic undertow in the UK at least, of four thousand plus students going bankrupt by 2007 and 90% of students now in debt—something like £16bn in total. (When I left college in '94 eight students went bankrupt—a very small measure....)

Here it's clear, to me at least, that the state and financial systems' predatory claim on students' future earnings, which are what loan repayments will be, should be viewed—if we think about business activity in educational institutions—in conjunction with its land grab on their present knowledge production, and an increasing commercialisation of intellectual property in their universities. So the shell of public money and public legitimation, noted by E.P Thompson all those years ago, is clearly still required by capital; and the nearly privatised university—suspended somewhere between the public and private sectors—offers conditions for what venture capitalists themselves refer to as 'land grabs' on future knowledge production.

The globalised contemporary art market was also a direct beneficiary of the downturn that opened the century. Here we can track capital flight from corporate shares during the economic downturn of 2001 to 2002, where so called pleasure investments (and this is what contemporary art fits into along with yachts and luxury travel—according

to the Merrill Lynch World Wealth Report, at least) were linked to these communities—the rich if you like—to risk balancing strategies and portfolio diversification. Now in terms of the art world and the art market of the early 2000s what we also see are new concentrations of wealth from the emerging BRICs economies—Brazil, Russia, India and China—entering the equation, and along with this we get the myth of decoupling. Now decoupling is the idea that an emerging economy or indeed sector—let’s say, China—could be both globally connected—say, to the American consumer—and simultaneously immune to, decoupled from, any global downturn (so once spending stops in the States the idea was that China could still be decoupled from the global economy, could still be booming. You can see how this has fitted in to the art market). If we wanted to be really perverse, and taking into account the British debt bomb—currently £60,000 per household I think.... is that right?—we might also factor in state divestment.... I don’t know if any of you have come across the interest-free £2000 Own Art Scheme put forward by Arts Council England to entice over-indebted British consumers into collecting art? So there are four strands—the Arts Council seems like the least exciting of all of them....

So this market dynamic is consistent with other economies in which the top-end (if you like the portfolio diversification amongst the rich) is de-linked from, though of course contingent on, debt and exploitation at the bottom (so we look at the Own Art loan); what we seem to have is a kind of boom and bust running concurrently in the same sector—a boom at the top and a bust at the bottom. In terms of the dynamics of capitalism and the contemporary art market, I think that the unstable and vulnerable areas that we’ve seen elsewhere—subprime, for example—are not to be found at the lower end (the Own Art loans are not really worth looking at in terms of vulnerability in the system), but we need to go further up the chain.

As in the financial system, it may well be the dubious and predatory activities of intermediaries that prop up the house of cards—and what I mean are the dealers, gallerists, curators, consultants, art critics, specialist publications, auction houses, and of course artists themselves: all come together to sustain the illusion of a unique, apparently autonomous market and its potential for infinite growth. For the moment at least, they function as de facto credit, or credibility rating agencies, guaranteeing both the ‘quality’ of sales and levels of associated risk. As with Moody’s, Standard & Poor

and Fitch, the so-called ‘high priests of global finance’, these ratings are based on privileged insider information (nothing new) and are often tailored to the needs of commissioning clients. Unlike its financial equivalent, we’ve yet to witness the art system fully turn in on itself. But it is arguably the middle tier—collectors and dealers—where new wealth and power formations have most recently been consolidated and the deepest investment has been made that is most vulnerable.

And finally to return to Ian Burn’s comments on acquiescence—what I’d just like to note here is something that might be referred to as the reflexive hedge. Now I don’t know if anyone here has come across debates around reflexivity, self-reflexive practices, or auto-critique, but this is a kind of wave of discussion around how artists should discuss their practice within the market. Seen in the light of other economies already briefly discussed, as well as ubiquitous and crushing personal debt—the 60K per household—the recent promotion of ‘market reflexive practices’ by Isabelle Graw, from *Texte zur Kunst*, might be read as a cynical attempt to secure degrees of separation from the upbeat narratives of the art markets. Or, more precisely, what we are seeing are individual actors working within key nodes of the contemporary art system identifying strategies, for example auto critique, to restore a semblance of critical agency and hence mitigate over-identification with excesses in the system. On this front, an Artforum Roundtable on Art and its Markets from mid-2008 (I don’t know if anyone had the pleasure to read that?) offers an interesting glimpse into how the high priests of the contemporary art market—those whose professional careers, social networks, economy, lives, loves etc., are bound up with the art market—are beginning to implement strategies to distance themselves from impending crisis.

And we’ve seen similar ‘reflexive’ hedges in the financial sector (nothing new), particularly in the run up to the credit crunch. These were characterised, for example, by public declarations in the form of senate hearings bringing key players together to scrutinise failings in their respective industries (there was a Senate committee on Banking, Housing and Urban Affairs hearings on subprime mortgages in March 2007, six months before the whole thing broke). In the midst of a full blown crisis we also get ‘confessionals’—this is where individual players like hedge fund manager David Einhorn take us through the trials and tribulations, the compromises and heartaches of being on the frontline of an increasingly complex and out-of-control financial system.

While these might at first appear to be reformist rants geared towards propping up the system, they're more likely attempts to extricate institutions and/or individuals out of market interdependencies—prior to staking a claim on the next phase of 'development'—if that makes sense. And with David Einhorn what happens is that when he talks about his confessional, where he talks about the problems of being a hedge funder, he was backed up by also betting against Lehman Brothers. He's now moved into gold to bet against quantitative easing—so there's a pattern of looking for the next phase of development.

The financial system is clearly in the process of consuming itself. We've got credit rating agencies attacking the greed of hedge funds, we've got hedge funds crying foul and charging credit rating agencies with insider dealing, etc. And in unison it would seem, some in the art community are beginning to question the market complicity of specialist art magazines, and magazine publishers charge auction houses and dealers with manipulating market value—and I'm thinking here about the 'Con Man' exchange on the Frieze Forum about two years ago, and then the Artforum roundtable discussion 'Art and its Markets' from May 2008. So all of this serves to further highlight not just the strain and vulnerabilities in the system, but where finance and art ultimately connect—and I think here this is the endgame marked by infighting and terminal decline.

IH: Thank you very much. To have a researcher like Anthony who actually goes into detail about the sphere of business, from an approach formed within the cultural sphere—I think in a way you are doing work that a lot of us don't want to do for ourselves, because to actually look into that territory is both so technically difficult and indeed unpleasant! So anyway, over to Ben.

Benedict Seymour: Thanks Ian, and also thanks very much to Dean. It's very good to be here tonight. I guess what I was going to say follows on quite seamlessly from what Anthony was saying, in terms of how the art institution is reorienting itself as the crisis sets in. A year, maybe a year and a half ago, with *Mute* magazine, we commissioned an issue dedicated to the financial bubble called 'Living in a Bubble', and I remember at the time saying maybe we should just scratch that title and go straight to living in a crisis because by the time it comes out things are going to be

looking different. In that issue we looked at the art market and this idea of decoupling which was still being touted, that art would survive the bubble, that it was independent from the wider financial crisis, and again I remember looking at that and saying we just need to change this piece because in a weeks time its going to look wrong. But anyway it kind of held up for a year but come mid 2008.... I suppose the last Frieze Art Fair was still kind of doing okay but there were already mutterings—you know, will it be year that the shit hits the fan? I think that it was Sotheby's that suggested a drop in asking prices or things not reaching their asking prices and so on. Anyway, now that's not news anymore, but what is new and what is worth watching, maybe—whether one is interested in the art world or the wider economy—is the way that capitals' various representatives in the art world and elsewhere are reshaping their discourse in a kind of reactive-defensive way, and precisely in this guise of denunciation or self-exculpation, confessions, self-mortification even. So, basically putting one's hands up in order to sustain the illusion that the system is tolerable, or can be made tolerable. That either by taking a fall, apologising for the system or, equally I guess, pointing the finger and blaming others and saying: 'well you know, *mia culpa*'. But the real problem lies here or there, so I guess I'm starting off by looking at a particular example of that in art discourse—and that's Jonathan Jones, the art critic for the Guardian. I'm not particularly interested in criticising him for some kind of moral deficit, or for trying to cover his own arse having been a critic through the era of the boom—I just don't find it that useful because this is a systemic problem; I don't really want to join in that kind of blame game—you know, lets find the critics who perpetuated this or lets find out who's complicit. Anthony's pointed at the way that this does tie in to the ways that people try to sustain their careers, I guess. What I'm really interested in and what I find really problematic is when critics apologise for capital and present the idea of a kind of palliative or a rehabilitation at a time when everything points to the fact that capital cannot be rehabilitated.... and I think this is where art's critical vocation should come to the fore. As long as we still have art, as well as exposing its reliance on the economy we should look at ways that art can be critical about the economy. I think events like this where we sit around and criticise capitalism and the art economy do show that there is a certain moment in all that where at least things can be articulated. Whether or not we are as a class to generalise—but you know many people participating in the art world tend to be middle class—whether they're in a good position to do things, to transform things and make those

criticisms stick or to push things, I'm not so sure. I suspect that we are rather marginal in terms of historical movements; but still here we are, we're reproducing the system and it's good that there is some room to at least get a measure of it, to see where it's going and to maybe lend our support according to how we analyse it.

Anyway.... so Jonathan Jones, I would say in art terms, has been going back to basics—as Anthony was saying, this kind of idea that art needs to return to its core values. He's been writing these pieces talking about the crisis and basically saying that art has been providing a flattering mirror to finance capitalism. It's celebrated this affluent society and unfortunately this celebration of consumerism and money is now going to come to a stop. So he's quite enthusiastic in his current blogs and articles in the guardian about the idea that it's time for a shake up. What I think is that Jones' critique mirrors a wider conservative tendency in the media; like other commentators Jones sees the crisis as a result of a financial mirror-world that's now collapsing: 'Consumer capitalism is the fantasy of an unlimited market and art promoted a flight from reality.' He goes on to say in a recent blog: 'In postmodern capitalism, secondary markets created a counter reality. It was unfettered by production, the economy was run like a theme park. It's obvious how deeply involved in that daydream was the art of the last twenty years, which so gleefully rejected anything that might tie it to the slow, patient, tedious stuff of real creativity.' So Jones aligns a flight from real productivity in the economy with a flight from labour or hard labour in cultural activity. Indeed, art traditionally further removed from the imperatives of the wider culture industry was heavily implicated in a turn to an economic system built on what Jones calls 'fantasy'—the mirror-world. And, he says, 'Drama, the novel, even cinema have all kept a safer distance from the booming monster of modern capitalism than artists did....'. 'What I want to ask now,' he says, 'is why? What happened? How did art become the mirror of fraud?' Jones goes on to tell a story about art in which it celebrates the prosperity of the post-war bubble and the shiny new products of consumer society, then carries on partying through subsequent economic ups and downs, the victim—and you have to wonder about why he's being so specific—seems to have been, firstly, Abstract Expressionism in particular and emotional depth more generally. So you know, there's a loss of affect in art, there's a loss of feeling and a rise of this kind of shiny, self-involved narcissistic sort of formalism. 'In order to destroy society, art....'—and he's pretty clear that this is art's fault—'art had to first

of all kill it's own capacity for empathy, with anything other than sexy objects and shiny surfaces.... Art gave us all a bad education and told us first with Pop [Pop Art], and then again with postmodernism, that we should embrace the cool, a generalised loss of affect....' As I said, after this it just gets worse and he goes on to accuse art of promoting urban life: 'constantly telling everyone cities are better than the countryside, culture more real than nature'. And then he sort of climaxes with this quaint sort of spasm: 'Art has become the enemy of truth, the murderer of decency'. I mean, one has to start wondering if this very hyperbolic exaggeration of art's culpability has anything to do with the fact he's an art critic. If art is such a terrible thing, maybe being an art critic is kind of special. So I find this slightly odd—to pin the whole problem on art in this way, it seems slightly self-aggrandizing. But anyway, there does seem to be something to his conclusion that, as he says, 'the modern world has screwed itself'. It's more the kind of particular place of art's role in that that I'm not so sure of. In other recent pieces Jones has reiterated the accusation that art has abandoned the reality principle in order to serve this narcissistic and bloated capitalism. You have this recurrent imagery accruing in his writing at the moment of this sort of falsity, deceit, illusion and money, and art as just glitzy veils—as a word that Anthony also brought up over a darker, more intractable reality. So this is kind of art as a veil. Against the art of the fake—of Damien Hirst and Mark Quinn, who he repeatedly sites as examples of this kind of bling and glitter—he then proposes a return to some more traditional modernist practices—less exhibitionist and more expressionistic or Expressionist. He gives Leon Kossoff, the British painter, as a case in point. He says, 'the contemporary art world can cope with melancholy as style, but taste revolts at the reality of sad, severe, serious life. In these painters' work, the problem is you can't parley it, you can't fantasise on it; the authenticity of these artists annoys us, because it tell us there are realities that rule us'. It's not just because he's figurative, that's not his distinction—Hirst and Quinn and other artists like them are figurative too, but in a hyperrealist and glossily enhanced way. 'Kossoff's work exudes, instead, a sombre honesty and compassion,' says Jones. 'In the end this art, in all its painterly materiality, reminds us of the existence of reality per se. The problem with the last decade is that art and money alike were unleashed from facts of any kind. This art returns us to existential, and possibly even social facts'—though Jones notably doesn't get very far into that or expand on what he says are the realities that rule us might be. I think that's an interesting question. I don't think that there is a

problem with saying that art should have a relationship to reality and that maybe there's been a kind of defaulting on that obligation; but it's the nature of those realities that I think needs to be discussed at a moment like this, rather than jumping to the conclusion that it's this melancholic, existential sense of social facts, of existential facts that is art's only field of concern.

So, to sum up.... for Jones anyway, the argument does seem fairly simple: we've lived through an era in which art and money were symbiotic players in a wider scheme; in which real production was neglected and/or suspended, fantasy won over reality, and a shallow hedonism was given free reign. The secondary in all its forms—whether that's secondary markets or artistic illusion—won over the primary, the superficial over the deep, style over substance. There is undoubtedly a lot of truth in this position—he manages to have a polemical sort of force here which you can't just write off. But unfortunately, as an argument against the superficial, or the superficiality of the wider spectacle in which it is embroiled, it's not convincing. Just by inverting the hierarchy of bling over gooey authenticity, without questioning their complicity with each other, confirms that Jones' polemic is part of a new ideology of art.... and capitalism for that matter. It's an emerging, new discourse which will allow the apologist for both art and capitalism to scrape together a certain coherence. So you turn from the bad era of bling to the possibility of a new rehabilitated artistic practice. That effectively brackets the question of what was up with the system in the first place to produce such monstrous distortions and defamations. So like the recall for a return to economic normality by means of stricter regulation and control of the financial markets (as Anthony's mentioned), an inflated art now needs to be brought back down to earth. All qualities which once made the economy and art good are now deemed bad. So the kind of dynamism, the sort of infinite creativity and flexibility and, you know, sort of financial instruments are almost an artistic medium in which financial wizards could spin these amazing webs of capital. The idea of the creative economy is created again.... we could get into this later on, what this will do to that discourse. Certainly there's a reconsideration of the immediate economic benefits of creative activity or, for that matter, the creativity that was once ascribed to financial manipulation. So suddenly you've got the implication of productivity, like the real economy. Now this is something that a few people did talk about—people like Larry Eliot in the Guardian, for example, who had an awareness that the British economy

was not particularly sustainable in the long term. But it was hardly a subject of consistent discussion in the art world.

So in the postmodern in general—and I think we're still talking about postmodernity or post postmodernity or some extenuation of that—you have an elevation of appearance as itself a form of reality and as having a kind of performativity or effectivity. We talk about the virtual and virtual reality in various forms as being not just a surrogate, not just a stand in for the real. Most art departments would think it quite philistine to adopt Jones' position. There is a general respect for the effectivity of the symbolic or the virtual, the communicative and so on. So if all of that was just tinsel and we had to go back to this slow and patient work—and I think Jones has got an almost labour theory of aesthetics—there's a sinister implication that what killed off artistic and financial economy was a lack of hard work, or a lack of graft. This seems to me a real problem.... like, yes there was a bubble, but was it just a case that everybody was just busy partying and having a good time? Or was there, as Anthony's already described very well, other layers to the economy? I think what gets lost in the inversion of the former overvalued artistic and economic values is a sense of both the kind of underside of that and also what was progressive. Maybe two years ago I wouldn't have wanted to stand up and defend the games of postmodernism, but actually it is worth pointing out that the art of consumerism, and the art of Warhol which Jones attacks, did have something going for it in that it bore witness to a struggle for a better life: there wouldn't have been a Pop Art if Pop didn't represent a kind of desire for happiness. This idea that things could be better was no doubt part of the attraction that drew artists in to representing this world. Similarly I think that artists had a sense of responsibility to their world, to representing it as it was, as opposed to as it had been hitherto. I think you can see in Warhol something more complicated than a simple cheerleading for capitalism. Its more like a sense that if art is going to exist at all it needs to tool up and develop its productive forces, as a Marxist theorist would put it, in order to be meaningful. So I think it's worth questioning that sort of brush off of the last forty-odd years of artistic practice, but it's also worth thinking about the amount of hard work going on in the background. I don't mean necessarily the hard work of artists, but the support structure of the bubble system, of the boom.

So Anthony's been talking about the different poles of the economy. I'm doing the same thing. You've got the slums of the world expanding and sprawling down at the bottom of the system, but at the same time up at the top we have the kind of gallery slaves and the precarious creative workers and all the support structure of the glitz. Across the system in general you see a kind of putting-to-work of art and culture as never before. Rather than escaping from facts into some sort of never-never land, it's more like a kind of imposition of brute economic imperatives onto what was in a way a figure for the non-commercial, or the non-labour for play—art as a kind of hedonism, or a kind of escape from the rigors of bourgeois society more generally. So I think it's dangerous to write-off art as this overindulgence, because it sets us up for something else, for what I think is coming next, which is not so much the beginning of austerity, but the expansion of the austerity that we've already been suffering. So getting away from that top end of the economy, where consumers of art arguably are the most privileged, I would say that the majority of the population has seen a kind of intensification of labour, intensification of insecurity, casualisation or precarisation, all be it in the guise of liberation and flexibility and choice. The working week has extended, the working day has extended, the welfare state has been raided—as Anthony has already described. Again if we're going to get the bearings of art now I think we need to factor all of this stuff in; we have to see how that's manifest in culture itself. Not just outside this magic sphere of art but within artworks, and so on, and the forms that art takes now. I think you can see this in every aspect of culture as well, whether in mass popular culture or high art—so-called. The desperation to get profits out of cultural activity—whether that's reality TV or, sensational art YBA-era and beyond, or the kind of tick boxes and drop-down relationships of the social networking technologies (My Space, etc.) or even the lust for authenticity which Jones himself is caught up in: all of that testifies to the metabolism of capital, as Anthony was putting it—it kind of consumes itself. So I think we can get rid of the idea of any innocence for art at the same time as trying to get a bit of space for it to work critically.

To cut to the chase a bit: Jones' problem is when he tells us to go back to facts, wake up from the fantasy, he's got a very crude and positivistic understanding of what facts are and, ironically, this is precisely what carries on the kind of philistinism that he's accusing the art world of being caught up in, in the boom period. Contrary to what

you might believe from the account of Kossoff paintings, facts are not these unmediated lumps of the real, this kind of gooey impasto—sort of guarantee of a sober realism—but actually something more mediated. I think the facts that matter in art are social, political mediations.... in fact they're like abstractions, just as much as money, art and cultural discourse in general partake of a certain abstraction, as part of its tool kit and its power. At the moment there's a kind of discussion of abstraction as if it was—and this is particularly when we're discussing finance, the idea of novel forms of speculation—as though it was just an alien invasion from outside capitalism, so that you have this hoard of 'exotic financial instruments', to coin a frequently used phrase, which like some kind of evil immigrant hoard turned up and threw capitalism off its path, or this otherwise healthy system was derailed. Now you can see how dangerous, when you see it presented like that, this kind of thinking is. I think it's there, it's implicit in what Jones is saying as well, that somehow the artificial, the fictitious, this mere appearance, got in and took over the art world, it took over the wider economy, it took over production.

What I want to say is that there's a germ of truth in this but you have to turn it upside down. First of all finance capital, like art, expresses a crisis of capitalism—they don't cause it, but they're a kind of expression of contradictions in capital. So to put it fairly simply, you know, the proliferation of financial forms of capital has responded to an underlying problem for capitalism in reproducing and expanding capital, and basically that's all capital does. It's a self-reflexive machine if ever there was one, it just wants to get bigger. But obviously capital is always bound up with the social, it can't be made without human beings being put to work. What I'd suggest is that the last forty years—actually much longer—show the declining ability of capital to reinvest, to put money into the honest productive toil that Jones is talking about, and instead (as Anthony's also mentioned) you see a flow of investment into unproductive investment, whether that's capitalism's own consumption fund, as Marx would put it—you know the yachts and the bling—or whether it's the expansion of the public sector or of the unproductive state in all of its forms. For example, in the USA 1% of Americans are in prison. We see massive increases in expenditure on unproductive forms of capital, notably the army and the military, but a contracted ability for capital to just pour money into industrial production and thereby expand capital over all. So rather than blaming art in a slightly, I think, arrogant way as the source of this whole

tendency, we need to get back to the basics in our own way and look at how capital has always had a fictitious element, an element of appearance, and that value in capitalist terms can't really exist without this kind of dimension of abstraction—real abstraction as Marx calls it. In the same way art doesn't exist without appearances: you can't have critical art without first of all the recognition that art is a commodity, like other commodities. It's a special kind of commodity, but it hasn't become a trashy glitzy product; it was born at the time that the consumer economy was being born. Once you understand that you can start to define the range that art can operate in and the kind of limits to its criticality, instead of thinking that it can escape from market society and offer you solace and authenticity like the Kosoff paintings mentioned by Jonathan Jones. Art is useful because of its artificiality. It can make us think about the way we produce the world, or at least some of us produce the world. It can reflect on the man-madness of our crisis, if you like, and therefore, I think, take responsibility and engage with that. So instead of using the blame game or blaming these alien others or blaming the financiers or the bankers or the immigrants or any of the more conservative right wing tendencies, we can say well look its in the system to have these crises, and then we can discuss how to move beyond the constraints of the system.

We've had a long exposition on the parallels between modernism in art and Marxist analysis as a commodity form. It is really striking, when you get into this stuff, the necessity for both of these critical modes for an appreciation of the affectivity of an appearance, for the reality of abstraction. But I'll cut through that and just conclude by saying—as Anthony's mentioned, and I think he's done a great job already—what we've been seeing is a kind of cannibalism of capitalism: it consumes its own recourses, it consumes a lot of what it had formerly stored up—whether that's the welfare state, or whether its art, for that matter. I think the art school, art as an institution, art as a kind of form of thinking and feeling, all of those things have been preyed on, have been subject of the predation of the market as it goes through this self consumption. So I think there's an element of truth that we do need to be critical about that, but we need to be radical about it too. I'll shut up now.

IH: Great, thank you very much. What is striking in what both of you are saying is that there's a sense that a day of reckoning is postponed. Perhaps there is also a need

to reflect on the genuinely acquired social resources of art, as well as the art itself and its recent history, its ability to give something back to its situation. There are clearly different kinds of conservative reactions in different places. So we've Jones's possible return to a labour theory of aesthetics, or a return to what Abstract Expressionism gives to everyone who's learnt how to look at it. There are moments of this point of view that I think are worth taking seriously. There is an imaginable position that is not quite like Jones's that deals with authenticity in a different way

BS: If you look at T. J. Clark's readings of Expressionism, he doesn't even say that the authentic is good; it's almost that it's not the authenticity that's interesting. Well you could say that maybe this is authentic, but the primary thing is the process or the materiality of the practice, the intellectual and sensuous nature of the paintings is still there, it hasn't gone away. But maybe as soon as you start saying, 'here it is, the truth, the authentic', then it's dead again. So to think with it and through it you have to open it back up.

IH: I was thinking.... there's that readjustment, that self-critical process that's going on within art discourse that Ben has described. There's also the reorganisation of capital as Anthony has portrayed it more descriptively: we're particularly interested in that shell of public money and public legitimation, that area of public culture. What struck me also was your account of the poor souls dazzled and duped, all the angry people who've been done out of a feasible future or a feasible pension. There is a connection between that kind of literalism—that they're actually struggling within the situation that they're caught in, they're looking for something to blame—and the protesters on the other side of London this evening who are looking for a banker to attack.

Anthony Davies: I think that's what so frustrating for me.... you talk about the banker today but you go back ten years, almost to **GATT**, you could replace the banker with the corporate executive or the venture capitalist. I can't remember at the time but I was on the streets looking for the same institutions, the same banks, the visible edifice—something that could symbolically represent the system without looking at the systemic. And I think that that was one of the great mistakes in the past with the anti-capitalist movement, certainly within those parts that were linked to

cultural production. So an example might be when I was working at that time on sponsorship or partnership—what I didn't do often was to look at how companies had evolved in that discourse. So I would see **Capgemini** at the ICA and I would ask: what is a management consultancy doing sponsoring a cultural institution? So together the ICA and **Capgemini** would create a club, partnering together to create a new cultural form, if you like, that would bring venture capitalists and cultural entrepreneurs together. What I didn't look at, and what I didn't realise, was that **Capgemini** were also a significant public sector outsourcing company that, through their partnership with the ICA, were able to demonstrate their ability to work with the public sector—and they were voted public sector outsourcing company of the year in 2005. But one of the problems back then in the late nineties—which I think is one of the problems now—is losing sight of the systemic. And the banker and the poor sods who have been duped are part of that problem—it's a populous narrative that has as much of a place in.... if you were following the Austrian elections late last year, you will have seen similar kinds of approaches from Strache and Haider. I think now is the time to stand and engage the systemic, because I think we can see the abuses of the system more clearly.

Anthony Davies: I think that's what can be so frustrating. The actual banker or hedge funder today is a stand-in for the corporate executive, the venture capitalist or the dot-com whiz kid of the early 2000's. We're talking about the visible edifice, a shorthand, something that symbolically represents the excesses of the system but doesn't engage the systemic – if that makes sense. In some respects this might be regarded as one of the problems with much 'anti-capitalist' critique in the late 1990's – certainly that which was keyed into the transformation of cultural and educational institutions. An example here might be debates around sponsorship, alliances and partnerships and the extent to which it was easy to overlook the way in which many companies evolved, adapted to new openings, opportunities in the public sector. A standard question might have been to simply ask why a management consultancy company, say Cap Gemini would be interested in forging a relationship with a cultural institution – say the ICA. But of course this particular relationship evolved so that by the early 2000's we were no longer talking about sponsorship but arguably, the grounding of new institutional forms. I covered these developments at the time (along with Simon Ford) but lost sight of a more general and widespread transformation with companies like Cap

Gemini at the forefront of the scramble to secure public sector outsourcing contracts. Its relationship with the ICA and in particular, demonstrating that it could voluntarily partner and then transform a publicly funded institution was part of a much bigger picture and without engaging on a broader systemic level you can never get to this. *Problem then as now is getting to the systemic and the current crisis offers us this opportunity*

IH: I was also struck by your historical examples, such as the Ian Burn text, which I've not come across before, on the pricing of works of art. I was interested in your conclusion about the fusion of the capitalist economy and the knowledge economy around art at that time. You seem clear that there was something that *wasn't* fully incorporated, but I didn't quite get an understanding of how you would describe it—if it would be in a similar affirmative way that Ben describes the political potential of art....

BS: Can I butt in here? It seems to me that one of the things is that they had their space in which to do their kind of analysis and the collective work that they did—people like Art & Language or [the journal] The Fox; and that's something that gets talked up and it gets reinvented in the last ten years. But arguably the supports for that go away, so, for example, the dole or forms of social security shrivel up. What's changed? What's worse? Artists are professionalized, artists are casualised, artists are pitted against each other more intensively than in the early to mid seventies.

AD: Its very naughty of me to reference a text that very few people have the opportunity to read—it hasn't been republished. I think precisely what you're talking about.... sorry, I'll just very quickly say that with Ian Burn, I think that conceptual art does prefigure cognitive capitalism, knowledge economy in some ways through the materialisation.... in part, what I meant by fusion is a kind of interesting way the relationship between art and finance has been in terminal decline since the 1970s. What I mean by 'terminal decline' is that it almost has nowhere else to go. With this concept of fusion, for example, you could argue in terms of acquiescence—these arguments could be applied equally now as they could be in '75. But what I think did change in the 90s, quite dramatically, was globalisation—the way that the economy became globalised. I think that introduced quite significant questions and problems,

where if you look at the way the city of London utilised culture to promote itself internationally, you see different forms of fusion occurring throughout.... if that makes sense.

AD: It's a bit naughty of me to reference a text which as far as I know, hasn't been republished or at least, widely referenced since it first appeared in the Fox in 1975 [[Pricing Works of Art. Ian Burn. The Fox #1, 1975]]. I find this surprising as it's clearly on the money. In addition to noting the very first generation of art investment funds, Burn highlights the burgeoning relationship between art and finance in the midst an earlier crisis in capitalism. I'm interested in how this relates to both terminal decline (connecting phases of the crisis) and artists acquiescence, where the demands of the market have permeated production to such an extent that as Burn would have it, the fusion is complete. This is as pertinent today as it was in '75. But what certainly changed the terms of this debate, and here I agree with Ben, was the rapid process of globalisation that occurred in the 1990's. This opened up new questions and problems and here we might consider how the City of London, the financial services for example utilised culture and contemporary art as part of its global positioning strategy – a different type of fusion altogether.

Audience (David Cottingham): To make a couple of simple points: the first one is that I think you're taking Jonathan Jones far too seriously. I think he's a lightweight, who is a symptom of the crisis of weekly criticism in art, rather than making any substantial contribution to intelligent debate about contemporary art. If he's not trying out to be Brian Sewell's replacement, then he is the reincarnation of Peter Fuller—without the intellect. Okay, that's a snobby put-down; but I don't think he's saying anything really interesting, and one of the mistakes he's making—and I thought it was something that flavoured both of your remarks, in a way—was to generalise about art. There are such a multiplicity of practices, there are such a multiplicity of spaces in art-making—and I come from a position of a strong commitment to an avant gardist critique of the creative industries. The art world is not monolithic; there are lots of spaces within it; and in the last twenty years or so it seems to me there has been such a multiplication, such a proliferation of spaces and sites and practices, in the absence of those narratives that modernism marshalled, that I think we have to address that—

to start with particular places and the multiplicity of engagements with capital and capitalism.

That's the first thing. And the second thing I'd say is that I take the point about the system and both of you talking about it as being systemic, but neither of you have talked about the globalisation of art practices, and within that globalisation the proliferation of the notions of globalisation. **I quite agree that globalisation is very largely in terms of America or Germany, but an interesting conference I went to a couple of weeks ago at Tate Britain about global modernity, and again the multiplicity of modernities.** If we're going to talk about art and money—now I think its probably an over-ambitious, huge topic to address this evening, but if you get into that—you need to, just as you need to talk about spaces and practices and institutions and so on, you need to also recognise the multiplicity of situations that are going on.

BS: I think that's really interesting. In one of the four hundred earlier drafts of this thing, I was trying to talk about the relationship between the sort of high modernism and we could call it a kind of productive Fordist, imperialist Euro-capitalism. The transition to globalisation sees this proliferation—if you like a kind of cultural eclecticism—and the development of new forms, and an awareness of that unevenness of capitalist development around the globe, which is reflected in the art, etc., etc. But what I was really trying to bring out, what I would like to bring out, is that that process—that apparently often celebrated putting-into-communication of the cultures, which is what Nicolas Bourriaud would say, maybe in ways that I don't know—is bought at the cost of a vast apparatus of capitalist non-reproduction, i.e. structural adjustment programmes; the imposition of US-friendly terms of trade onto the rest of the world, etc.—those social facts are obviously ones that evade Jonathan Jones. They've been addressed in art, but they tend to have been addressed in art in a way that, I'd say, precisely suppresses the systemic. And I think, in a way, Bourriaud routinely and systematically fails to grasp the fact that this is a systemic problem and that you can't cling to the proliferation of subjectivities, or new politics, or new cultural forms as the solution; in fact, that's just to apologise for an untenable situation. I'm not saying that's your position but....

Audience (DC): [Indecipherable].... understandably you need to hold on to that system. [Indecipherable].... It's a kind of tension between particularity and its being part of the system—you don't do justice to particularity by homogenising it. You don't do justice to the system by losing the connections between those spaces. It's just a huge topic, and I suppose I was getting frustrated by the collapsing of everything into a kind of singular art.

AD: I didn't get the sense that there was a collapsing into a singular art as such. I thought it was a general attempt to describe a kind of system, without actually honing in on, admittedly, that which relates to the contemporary gallery system or the art market, for example. But, of course I agree that's incredibly complex.

AD: I didn't get the sense that there has been a collapsing of everything into a singular art as such. I thought a general attempt was made to describe a system, without overfocusing admittedly, on that which relates to the contemporary gallery system and art market. But, I agree it's incredibly complex – a huge topic.

Audience (DC): There are so many different levels of art's engagement with money, and types of negotiation of it that you need to pay attention to. I was just thinking, I don't remember that article by Ian Burn but I remember another one that influenced me hugely called 'Art Market: Affluence and Degradation', which I think was about the same time. And it was interesting that he could generalise at that point because he was generalising from within a narrative which was dominant at the time. Things have moved on, as you say, and its rather like that term 'late capitalism' which is.... you know, its late from the position of Ian Burns in the 70s, and I'm pretty much his generation who thought that there was an end game there, and there's not—suddenly they found the globe to exploit.

BS: But hasn't that just come to an end, isn't that the whole point here? I'm not saying it's all over now, but certainly one thing we seem to be riffing on is the fact that there seems to be a crisis in globalisation: they've just globalised the crisis, which was the exact thing that it was supposed to prevent.

Audience (DC): Yes of course. Just to concur with a point that Anthony made: in another conference at the Tate a couple of years ago on the modern art market, I remember somebody talking from, I think it was Art Review, about the difference with this boom and the previous boom in the early 90s. That one was based largely on Japanese wealth, and when the Japanese economy went belly up that was the end of it; whereas we were much better off because it was globalised—there were lots of sources of wealth—it wasn't recognised that, yes, that's exactly the Achilles heel of it as well, it spreads like a virus all over.

IH: I've got a question I want to put to our speakers as well, arising out of what you said. In a way what you were describing as the multiplicity of art and its diversity, and indeed the proliferation of spaces.... I wonder if either of you would be interested in addressing the incorporation into the art world of more *people* that has happened in the last period. This is something new. When I was an art student in the 80s I could go round the art galleries in an afternoon; discussion was relatively small, you felt like you could see the edge of the British art world or you could meet it in about eight or ten places. Its now much larger. Whether or not this is beneficial to the art, or the critical discourses it produces, the social effects of this are not yet fully understood. Some of them are intensely positive—there are more places for people to have this kind of precarious and interesting life.

Audience (John Russell): Just saying about this idea of multiplicity.... because everyone is saying that it isn't just one thing, but in a certain sense it is just one thing. Because if your talking about the idea of commodity and the way that relates to the structure of an art object, it's a relation of equivalence that you get through exchange value in a commodity. So in a sense you get this same equivalence in the art world—so it doesn't matter if it's a squidgy painting or a cool photograph, its got this same equivalent exchange value of labour time etc. But one question with this equalising strategy: I'm wondering how critical art fits in. Does that have a relation of equivalence to any other artwork? How is this criticality going to work, or operate, or do anything? Or is it, like Anthony's just said, people sitting around positioning themselves ready for when we supposedly come out of this crisis, so they can be well positioned within the market due to their 'criticality'—which they can then cash in as

a kind of cultural capital and start selling some units? But I wasn't really meaning to go off on that....

BS: Its very hard to understand all of those questions in terms of criticality. We didn't get into it because I started with Jonathan Jones. Maybe if I'd started with someone at Goldsmiths or the EIPCP [European Institute for Progressive Cultural Policies] or something we could have got more into that straight away. Ian Burn says everything is being integrated. One of the things that has been integrated in the last twenty or thirty years is criticality, so that the dominant values in professionalised art aren't those of Abstract Expressionism or Pop, but they're actually the ones, maybe, of institutional critique, or a more overtly critical, or subconsciously critical, art process. So, you know, if you go to art school you will be told that you have to reach certain standards of criticality, so its ceased to be something extraneous—and I think that's what your question was pointing to. I suppose the only thing one can say is that, just as much as art was always a commodity and yet was capable of thinking of forms of challenge to the dominant forms of capitalist thinking, it was able to do something some of the time. If there's a hope then it will be in forms of critical activity in art that go on despite, or aside from, or beyond that elevation of fetishisation of criticality. I doubt that it would in any way jeopardise exchange value, or contribute to the collapse of art as an overvalued value, or impede that; and it can happen in various spaces—to get back to this thing about proliferation of sites. It will be happening in the spaces that are contributing to the looting and re-appropriation, or whatever you want to call it, of former public or industrial or whatever space, of working class space. I did a lot of my earlier writing and work on the gentrification process, which seamlessly combines the proliferation of spaces of artistic experimentation, creative labour, etc., with the expropriation of other peoples' space, or the revalorisation of areas that capital could no longer invest in industrially, or as residential locations for the former working class. We can't see art outside of this horrible looting process in the present era. I don't think art always did that so directly, but there's been a relationship. The creative economy—which I would say is in crisis now too—is all about the idea that art should be put to work. Its an instrumentalisation of art which is detrimental to its critical function. However it would be naïve, or falsely innocent, to think that art could happen without a relationship to that bigger exchange process, the bigger process of capitalist circulation and valorisation. All I'm saying is that we need

to fight for the right to try to be critical in so far as we participate in that space at all. You might say it's a good time to start getting out of it. There's discussions of exodus and....

~~**AD:** Both Ian Burn and E.P.Thompson did precisely that. E.P.Thompson resigned his post and didn't teach again at Warwick, got involved in the peace movement. Ian Burn got involved in unionising activities in Australia.~~

IH: This is potentially a very interesting area of discussion. I think that one could have an art education and be thoroughly involved in a lot of the values that are associated with it and take it somewhere else entirely.

BS: But the only trouble is, as we move into a period of increased austerity, I don't believe people will be able to quickly flip over their cultural capital and get back in on things in two years time. I really think this is a most profound crisis, the most profound crisis yet. I'm not habitually catastrophist but I think everything indicates that this is a serious.... not even 1929, this is a much deeper crisis than, I think, capital has had hitherto, and I don't see people cashing in their cultural chips that quickly. And I think that the idea that cultural workers now start an exodus could also play all too comfortably with capital, i.e. if your art school can't afford to spend any more money on materials, or hire any more staff, maybe you should set up your own student-centred learning process. Neo-liberalism has already adopted a lot of this discourse—self-institution and self-organisation—as a way of shifting the costs onto the workers, as it were, or on to the, rather, white-collar version of workers I guess.

IH: I was really thinking about people who might, in a sense, leave the art world and work in other ways

BS: What kind of work? I'm thinking they're going to start conscripting people.... I mean to the army. Give that time.

IH: Are there any other questions?

Audience (Dean Kenning): I kind of wanted to follow on from the previous audience speaker [John Russell] and what David [Cottingham] was saying. There's something about this idea of generalising what art is, on one level, but to me the argument that it's all about multiplicity is also an interesting thing because it's a total cop-out. For me what Jonathan Jones is doing is he's propping up the illusion that there isn't an economic exchange. Basically the economy of art is a luxury, winner-takes-all economy. Jonathan Jones is kind of saying: well, we can solve this problem by going back to authenticity, and by doing that he's kind of pulling the wool over everyone's eyes by saying the problem is the slick, glossy thing. But the fact is it doesn't matter what the art product is—art operates as a particular luxury economy which is completely dependent on the kind of validation which is given to it through institutions like art galleries, through buyers and through.... certain kinds of discourse that go on in magazines, and so on. For a pure capitalist case of that look at the art.net website which lists the top.... ridiculously, the top 50000 artists, or something of that order. I suppose I'm feeling a certain kind of frustration because you're talking in these very general terms. I kind of want to know what.... lets say you're an artist, or an art student—what is the alternative economy that you could get involved with as an artist?

AD: I suppose what it always has been—what John [Russell] was involved in, and a lot of other people were involved in. Now its referred to as self-institution, or self-organisation; in the 90s people called them artist-run spaces. God knows what they called them in the 70s or 60s—but you know students will always self-organise. The question is the spaces—this is one of the other problems, where you get people like Nicholas Logsdail say: well, this recession is a process of renewal. What he wants to see is this process of students, art students, producing new types of cultural artefacts; and if you go back to the early nineties I think people leaving art school—Shoreditch is a good example—they start to populate and occupy spaces where the manufacturing industries have been kind of cleared out, and then they start building cultures within those spaces. I'm not sure if I'm answering your question, but I doubt if you'll find much in terms of students or anything in art schools—I mean has anything ever happened in an art school?

Audience (DK): There's been quite a lot of student occupations.

AD: Other than student occupations. There was one a few weeks ago.... I mean I can't think of anything interesting.

AD: I suppose what's always been there—what John [Russell] was part of with Bank, and others have been engaged in for many years. Now it might be referred to as self-institution, or self-organisation; in the 90s these collective and social 'practices' were called artist-run spaces...but you know art students will always self-organise as they move outside the institution. The question is what form this takes, what type of spaces are we talking about? and what types of economies support them? In terms of the current crisis this is a key question particularly when you find prominent London gallerists like Nicholas Logsdail arguing: well, this recession is healthy, a process of renewal.....a 'welcome correction' even. If you go back to the early 1990's and Shoreditch is a good example here – students leaving artschool and walking straight into a recession were more than adept at breathing life into a system in crisis, populating recently cleared industrial and manufacturing sites, opening up new cultural spaces. I'm not sure if I'm answering your question, but I doubt if you'll find much going on in terms of students in art schools—I mean has anything ever happened in an art school?

Audience (DK): There's been quite a lot of student occupations.

AD: Other than student occupations..... there was one a few weeks ago.... the SOAS occupation in support of sacked and deported 'migrant' workers. I mean I can't think of anything that interesting in terms of art schools at the moment.

BS: What are you expecting to happen though? In a way I think it's a mistake to think that there has to be, or can always be a meaningful valid alternative culture. I think for there to be the culture that we were talking about in the 70s, it took decades of struggle of a much broader proportion of society than the middle class, or artists, to achieve. It took a whole massive movement of people to create the conditions for the welfare state, etc., or to build on earlier struggles in the 40s through to the 70s where you could have the kind of counterculture, so calle. I just think we're coming into a period of massive capitalist attacks on people and on the environment etc., etc., but

without a social base for resisting it. And that's reflected in the low ebb of organisation amongst artists and students. It would be foolish to think that we can just click our fingers and just suddenly see a resurgence of radical, self-organised artistic practice, and arguably this is a good opportunity to question our assumptions about art's ability always to provide an alternative. One of the things that hasn't come to the fore, and I guess I'm trying to defend art against....

Audience (DK): But again you are speaking of 'art' as this totally abstract entity....

BS: No, I mean art is a social practice, it's occurring as we speak. All I'm trying to say is that I think it has historical and social determinants that we have to take seriously when we're talking about what's possible among some people who might be interested in an alternative kind of art space.

Audience 4: Attitude has actually changed. I mean in the 80s we had the Thatcher regime, and I think the differences between art schools now and art schools in the 80s is that people didn't pay for it. Where now people are actually paying to come to art school, you actually have a very different way of thinking. When I was unemployed in the 80s I remember squatting in an unemployment office in Peckham, so we had a collective of people who came together and created a scene. And I think what's happening now, in the late 90s and early 2000s, is the capitalists have come along and taken over the spaces and destroyed a lot of the spaces that were there. Like in **Tolhurst** last year, myself and a friend of mine, Tom—who's here—we squatted at an army base last year, which has now been destroyed for a Tesco. So all these spaces that were available have been turned into nice flats and things. I know in Peckham and Streatham and Deptford and these places have spaces in London, and I know they have this problem in Edinburgh—there's no spaces. I think in some way that the artists have been too pampered and there is this cotton wool thing where now we're getting back to.... **your shrinking your eyes there**.... the fact is that in the 80s we were thrown to the lions and we survived. So you had Hirst, and all that lot did their thing because they didn't have to pay to be at art school. And that's the difference; it changes attitudes, the whole thing—debts and loans.

AD: Can I make a suggestion? Don't pay it back. Seventy percent of EU students studying in the UK have disappeared.

AD: Can I make a suggestion? Don't pay it back. According to a recent statement from the Student Loans Company 70% of EU students studying in the UK have disappeared, failed to repay the loans they took whilst at British universities.

Audience 4: They take it out of your salary.

AD: Only over fifteen grand – it's income contingent.

Audience 4: This is on tape!

AD: The thing about the Byam Shaw occupation was at no point did the students talk about the abolition of student debt. In fact what they did was the opposite—what they did was to put downward pressure on the cleaning staff arguing that student jobs should be in-sourced, and that students should be doing cleaning jobs. I think those are the types of struggles and antagonisms that we'll see over the next few years. Students in the hospitality sector catering are in these temporary sectors in kind of subsistence levels where they earn their extra bit of keep. But it's putting a lot of pressure on other workers in the British economy, and I think that there's certainly some potential for, in terms of the spaces you're talking about.... I would think less about physical spaces and more about the spaces of dialogue with other workers in sectors that students are forced to occupy now. Whether those dialogues are possible or not I don't know, but those are the spaces that I think would be interesting.

AD: The problem with the recent Byam Shaw occupation was that at no point did the students talk about the abolition of student debt. In fact what they did was the opposite..... put downward pressure on outsourced workers by demanding that the university insource its cleaning and catering services and offer jobs to students. As the crisis continues, these are the types of pressure points, the struggles and antagonisms that we'll see more of - workers pitched against workers and here, indebted students' displacing those already working at subsistence levels in the hospitality, catering and cleaning sectors. But there's certainly some potential in terms of the spaces we've

been talking about tonight... the potential for dialogue and solidarity between students, artists and other workers that is. Whether these occur or not I'm not so sure – but this would be an interesting and productive 'space'.....response to what's going on at the moment..

BS: It's kind of striking that you're talking about artists and now the cushy era ending, but what was notable was the lack of interest from artists for the other people, the other workers around them, when they were having it better. I'm not saying artists should suffer, but I do think the lack of a social imagination amongst artists was very palpable, and I think we need to question our assumptions about the necessity. Having defended art maybe too generally, I would also swing it round and say that we assume that art must keep growing, that there must always be more artists—you have to understand that in terms of long term tendencies of capitalism, it only started to offer us all these cheap spaces which artists could then take over and do creative things with because it couldn't use them. It's a sign of a decadence that goes back—in capitalist terms an inability to creatively reinvest, productively reinvest—it goes back a long time. So even the 70s, which we talk about as a time of relative freedom, that was already the beginnings of the capitalist crisis, or indeed the return of a crisis you can date back to the turn of the post-world war period. Capital has been having to destroy large quantities of people and things for a very long time—since 1914 at least its had to expand at a scale at which it wastes capital, whether that's people or factories, and whether it takes on the form of wars or its just letting stuff fall down. So I think the rise of art and the symbiosis of art in that period—you know its relationship to crisis—is something where you're always stuck defending a kind of barbarism. You know, as long as we say 'how will art continue?'—it tends to belie the fact that art really strives, or has striven, to end. The defining thing about art was always to die, to get it over—in a way to end art has been part of art's motor in the same way that capital has that drive forward which can only really be resolved by moving to another social order. So a crisis like this, one of this scale, makes it urgent to get that this time there isn't any going back: its not going to be the early 70s again, the opportunity isn't there for that; and if there is going to be struggle—in art school or whatever—its going to have to be beyond that limit, otherwise it'll just be in-fighting amongst people who are getting screwed. So its really important that we look

outwards, as well as trying to defend our own standards, our own.... you know, I'm not saying that people should give up their education now and become policemen, but we need to work together otherwise we are screwed.

IH: Are there any other questions? I was just thinking that's a suitably prophetic note that we could possibly end on. There's a massive amount of things that we touched on today, and I'm sure some of you found it difficult to locate the art in this discussion. But there are internal transformations affecting our understanding of what art can be at a time like this, which we need to think about. I'd like to thank our two speakers for addressing these issues historically and prophetically.