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Introduction: The Trojan Horse – From Patronage and Philanthropy to Product Promotion and Privatization

The Trojans could not believe their luck. Outside the gates of their city, gleaming in the early morning sun, stood a giant majestic horse of polished oak. It was an object of great and beguiling beauty. They examined, poked, prodded and gazed in awe; they cheered with delight. It seemed to be a gift from the Greeks, to appease the Gods and atone for their misdeeds. In actual fact, though, hidden in its cavernous interior were the crack troops of the Greek army, intent on opening up the city of Troy to invasion from outside. Among the Trojans, a few lone figures viewed the wooden horse with suspicion and urged great caution. Their voices went unheeded. The Trojans towed the giant horse into the heart of their city. They did not stop to ponder the warning of the need to beware of Greeks bearing gifts.

The research on which this book is based began in the 1980s, prompted by our concerns about the encroachment of commercial sponsorship across British culture. As sponsorship, which first emerged in the arenas of sport and then moved purposefully into the arts, came to be seen as an inevitable method of funding, it became an almost unnoticed lever for a major incursion of the private sector into what were once public services, to eventually embed itself into the bedrocks of the welfare state, the health and education sectors. Our project became broader, placing sponsorship in the context of privatization, an integral part of British economic policy since Margaret Thatcher abjured the Keynesian arguments for a mixed economy in favour of Milton Friedman's monetarism. The entry of the free market into all aspects of culture and society has been the mark of English governments ever since, embraced with varying degrees of fervour. While forms of private patronage have always been important to the economics of culture in Britain, and there is a long history of commercial sponsorship in America, it is with the first Conservative government of Margaret Thatcher that commercial sponsorship becomes a significant player

in the economics of British cultural life. In the United Kingdom, commercial sponsorship has become an increasingly visible mode of finance in arenas which had once been funded by the state; it is to be found in sports halls, schools, theatres and galleries, hospitals, surgeries and libraries and is now conceived by government as a means of support for activities that can (apparently) no longer be afforded by the public purse. Judt has described this shift from public to private finance as ‘the worship of the private sector, the cult of privatization’ (Judt 2010, p. 107).

Writing in 2007, Craig Calhoun and Richard Sennett argued that an understanding of the change to economic and cultural policy requires a critical analysis that is shaped by both cultural and economic theory:

the privatization movement of the last quarter century . . . is as good an example as any of the need for sociology informed by both cultural analysis and political economy. (Calhoun and Sennett 2007, p. 4)

This book sets out to be informed by both cultural and economic analysis. We are cultural analysts, and our past work has investigated the cultural practices of television, sport, celebrity, fairgrounds, tourism and popular fiction, but we have always sought to situate those practices in a political and social economy. We argue here that the practice of cultural sponsorship has, over the past 25 years, been an integral part of the ‘cult of privatization’ and that commercial sponsorship has provided an apparently benevolent carapace for the privatization of the public realm.

One of the difficulties in attempting to track the extent and growth of commercial sponsorship is that there are no reliable national statistics for the amount of sponsorship that is in the economy, nor for its extent. The only figures that are available are those from market research companies, who inevitably have a vested interest in demonstrating the success of sponsorship deals, but who will not acknowledge the problems. We have made use of government, union and company reports, newspaper stories and websites, but the picture can only be partial. What does emerge, however, is clear evidence that commercial sponsorship has developed from being an extra method of funding for special events, to becoming part and parcel of contemporary economic discourse. The cover of George Monbiot’s *Captive State* (2000) directly evokes commercial sponsorship in what Monbiot describes as the ‘corporatization’ of Britain: ‘Schools promote fast food, Police forces bear logos . . . Is nothing safe in our corporate state?’

Sponsorship has worked through a process by which the incursion of private finance into the public sector has been naturalized by the familiarity of corporate names in public services and institutions. Stephen J. Ball, in discussing education, has pointed to:

narratives of plausibility . . . (which) offer language and practices in terms of which the public sector is being reformed. They are fundamental to the production of an obviousness, a common sense, a 'banality' . . . and offer an inevitability of reform of a particular sort. (Ball 2010, p. 1)

We would argue that central to that hegemony and among the most pervasive of those 'narratives of plausibility' has been commercial sponsorship; it has been the Trojan horse that ushered in the seeming inevitability of corporate interests into the public economy.

As governments became increasingly reluctant to support forms of culture and public good, the lack of public funding was expected to be taken up by private benefactors or enterprise. Yúdice argued in 2004 that as a consequence, the role of culture had become redefined in the late twentieth century:

. . . the role of culture has expanded in an unprecedented way into the political and economic at the same time that conventional notions of culture largely have been emptied out . . . (it) is increasingly wielded as a resource for both sociopolitical and economic amelioration. (Yúdice 2004, p. 9)

In the British context, one of the ways in which culture became such a resource is through its use by commercial sponsors, both under the Thatcher government, which required cultural organizations to seek private funding, and by New Labour, which explicitly saw 'culture' as a means of regeneration. And in that shift, 'culture' in all its myriad forms came to be seen as a commodity that could promote and enhance a company brand.

Those advocating the need for commercial sponsorship have regularly suggested that it is merely a continuation of the work of arts patrons and the great philanthropists of the nineteenth century. In recent years, as the neo-liberal agenda has promoted privatization and a reduction in the power of the state, philanthropy is being promoted, with renewed vigour, as a potential source of funding for public goods such as libraries, the arts, educational institutions and hospitals and clinics. However, sponsorship, patronage and philanthropy are not entirely synonymous (although they may often be collapsed into one another), and there are marked distinctions to be made between them.

Patronage

Patronage of the arts is, of course, nothing new and was well established during the Italian Renaissance, most notably associated with the Medici family and especially with Lorenzo de Medici (born in Florence in 1449), the banker and art connoisseur. He assembled leading artists around his court, giving support to, among others, Botticelli and Michelangelo. The most significant distinction between this form of patronage and modern sponsorship is that the motives were associated with personal and political power, and with self-aggrandizement, rather than with the promotion of products or a company. The Medicis were certainly aware of the ways in which benevolence underwrote the image of their power, yet that power stemmed from ownership and wealth; patronage was a reflection and celebration of, rather than a reason for, their power.

Patronage as a term evokes such connotations of Renaissance aristocrats and benign monarchs supporting great artistic enterprises. 'Patronage' was the term that Norman St John Stevas used when (grudgingly) he had to accept that the Thatcher government was not ideologically prepared to adequately support the Arts Council and that private capital was now required. 'Patronage' was a convenient conceit that evaded the trade associations of the phrase 'commercial sponsorship'.

There can of course be no absolute distinction to be drawn between sponsorship and private patronage, although corporate sponsorship can be understood as a different phenomenon. While wealthy patrons may indeed historically support artistic or sporting endeavours as a means of burnishing their reputations and status, the patron is in a distinctly different relationship when it is a corporation rather than an individual, and it is a commercial rather than a private arrangement. The involvement of a sponsor is motivated by the desire to raise the corporate profile and to promote a commercial company or product with a set of values and activities that evoke loyalty and empathy in the public. A condition of corporate 'investment' will depend on the display of a company name and logo at the sponsored event. A commercial sponsor is never, unlike some benevolent patrons, invisible, anonymous or silent.

Writing in 1981, Raymond Williams (before commercial sponsorship was the pervasive phenomenon that it has now become) does understand commercial sponsorship to be a form of patronage, although he identifies sponsorship as a new and different stage that emerged with industrial capitalism:

This fourth form of patronage survived into conditions in which commodity and market relations had become dominant. Indeed it can still be found in

our own time, in some individual cases but also in new forms of patronage. There is a limited sense in which some industrial and commercial corporations have entered into patronage . . . analogous to earlier courts and households, commissioning works for their own use or ownership. But while some of these cases are of this simple kind, others are more directly involved with modern market conditions whether as a form of investment or as a form of prestige advertising. (Williams 1981, p. 43)

Williams did, however, come to understand commercial sponsorship as a serious danger: in a 1981 lecture at the National Theatre, he raised the spectre of a production of *Hamlet* sponsored by the cigar manufacturer, a prospect that is now not as far-fetched as it seemed at the time.

Pierre Bourdieu, similarly, did not initially make a distinction between private patronage and contemporary commercial sponsorship. In a 1995 conversation with the artist Hans Haake, he expressed his alarm at the lack of dissension and the failure of general understanding of the implications of the pervasive growth of sponsorship:

Private patronage is in fashion. Some public relations firms, for example, are hired to help businesses choose the best place for their symbolic investments and to assist them in establishing contacts in the world of art or science. In the face of this, critical awareness is nil, or almost nil. People move along in a dispersed manner, without collective reflection. (Bourdieu and Haake 1995, p. 15)

This was certainly the case in Britain, where, from the 1980s, the need for sponsorship was so crucial to the survival of many organizations that they were in no position to express opposition. It was not so much that there was no ‘critical resistance’ to the encroachment of commercial sponsorship, it was more that cuts in public funding required organizations to seek private sponsorship – and – forced into competition for the scarce funding and sponsorship available – were also unable to join together for ‘collective reflection.’ Haake, however, is swift to correct Bourdieu’s conflation of the two terms; he is concerned to make a distinction between patronage and sponsorship, arguing that ‘patronage’ is an ideological strategy in which sponsors come to appear altruistic:

I think it is important to distinguish between the traditional notion of patronage and the public relations manoeuvres parading as patronage today . . . corporations give themselves an aura of altruism. The American term *sponsoring* more accurately reflects that what we have here is really an exchange of capital: financial capital on the part of the sponsors and symbolic capital

on the part of the sponsored. Most business people are quite open about this when they speak to their peers. Alain-Dominique Perrin, for example, says quite bluntly that he spends Cartier's money for purposes that have nothing to do with the love of art . . . In his own words: 'Patronage . . . is not only a great tool for communication. It does much more: it is a tool for the seduction of public opinion.' (Bourdieu and Haake 1995, p. 17)

The sponsorship industry is itself quite clear that sponsorship is not patronage and that its purpose is indeed the 'seduction of public opinion'. Townley and Grayson, lawyers involved in the brokerage of sponsorship, are explicit in their 1984 definition that what distinguishes sponsorship from patronage is the business aspect of the arrangement:

The sponsor must intend to gain promotional benefit from the sponsorship relationship. This is one basis upon which sponsorship may be distinguished from patronage. A patron makes a gift, whereas a sponsor makes an investment. Since the sponsor's motives in making the investment are commercial rather than altruistic it is necessary that he is engaged in some form of business activity for the benefits to accrue. (Townley and Grayson 1984, p. 5)

Philanthropy

Like the patrons of the Renaissance and after, the nineteenth-century philanthropists were not primarily driven by the need to promote their products or companies, but similarly were not unaware of the impact of public benevolence on their image and reputation. The great philanthropists of the nineteenth century generally became philanthropic after they had made secure fortunes, were already highly successful, and when the company had ceased to be the central feature of their lives. These philanthropists left behind them a legacy of museums, art galleries, concert halls, libraries, universities, charitable foundations and trusts and, in some cases, a whole town. Philanthropy may or may not be about self-aggrandizement, individual legacy or commemoration; it may grow out of guilt or from a genuine desire to 'do good works', but what distinguishes it from sponsorship is that it is not primarily about the promotion of goods and services.

Philanthropy had been a significant element in public culture for many centuries, but there is reason to argue that the nineteenth-century philanthropy in Britain and America was the product of specific social conditions, growing

out of the triumphal phase of the growing power of the bourgeoisie in the mid-nineteenth century, when the attention of the bourgeoisie turned to amelioration of the impact of industrial capitalism and urbanization. As is well known, the rapid growth of industrialization from the late-eighteenth century prompted rapid urban development with little planning or infrastructure and little municipal governance as we would now understand it. Yet the new rising middle class remained largely blind to the appalling poverty and exploitation involved in industrialization until well into the nineteenth century. The revolt against the 'Bleak Age', as it has been described, began seriously in 1830 and continued for 20 years (Blackburn 1940, p. 42).¹ Concerns over poverty, disease and mortality prompted a whole series of legal interventions which established a framework for the public provision of museums, bathhouses, libraries and local health boards.²

Private benefaction began to play an important role in this provision from the 1850s. The model village of Saltaire was founded in 1853 by Sir Titus Salt.³ In Liverpool, a museum was enabled by a gift in 1860 from William Brown, who also gave money for the Central Library in 1860; in 1877, the Walker Gallery (also in Liverpool) was enabled by a gift from Sir Andrew Walker, and the Picton Reading Room and Library was established in 1879 (Blackburn 1940, p. 44–7). However, it was only in the 1870s that the extensive philanthropy of such figures as Sir Henry Tate (1819–99), George Cadbury (1839–1922) and Joseph Rowntree (1836–1925) in Britain, and Andrew Carnegie (1835–1919) and John D. Rockefeller (1839–1937) in America, began to make an impact. It is significant that the majority of these figures had a religious background; Rowntree and Cadbury were both Quakers, Tate was the son of a Unitarian Minister, Rockefeller was involved in the Baptist Church. It is also notable that five of these men were born in the 1830s and so were in their 20s in the 1850s – the period in which concerns over the condition of the working classes had begun to extend into public discourse. However, in each case, their major charitable works began much later in their lives. The Cadburys commenced work on the village of Bournville in 1879, the soap manufacturers Lever Brothers created Port Sunlight, a model industrial village in Cheshire in 1888, and embarked on a programme of 'prosperity-sharing' with their employees. The Rowntrees commenced work on a village community, emulating Bournville, in 1901. None of these figures seems to have been concerned with the need to promote their products; they had already made large sums before taking to philanthropy and may have been more concerned with demonstrating their own benevolence or establishing a personal legacy.

Henry Tate, the owner of the Tate sugar company, was one of the most significant figures in British philanthropy. According to Jones, Tate was motivated by his concern for the education and the physical welfare of the people; Jones argues that there was 'nothing haphazard about his giving. It was carefully thought out and designed to do the greatest good to the greatest number' (Jones 1960, p. 28). Tate funded universities and colleges, scholarships, art galleries and libraries in Liverpool; on moving to London, he devoted most of his donations to South London, where he lived. He funded a free library at Streatham and paid for two more at Lambeth and Brixton as well as providing the freehold site for the Balham library. Tate's most significant bequest, of course, was the formation of the Tate Gallery in London, which opened as the National Gallery of British Art in 1897 (Jones 1960, p. 29). There is no suggestion in Jones' account that his motivation was anything other than philanthropic⁴.

In America, the philanthropy of Andrew Carnegie and John D. Rockefeller, whose respective fortunes were made in steel and oil, was on a much grander scale, but again, seems not to have been driven by profit motives but rather by concerns for public health and education. Carnegie's first gift (of public baths to his hometown) was in 1873, and he would go on to give away more than \$350 million during his lifetime, including the funding of so many libraries across America that they became known as the 'Carnegie Libraries', and a considerable donation to the New York Public Library. Rockefeller has the reputation of being the richest man in history; at its peak, his personal fortune was estimated at almost \$1 billion, of which he gave away around \$550 million. Some 80 per cent of these funds was given to four charitable organizations⁵ founded by Rockefeller, with special emphasis on education, health and medical research. Other donations allowed for the founding of colleges and universities in Britain and America, including Spelman College, the first university for African-American women.

In Britain, Sir Thomas Lipton (1850–1931) is the pivotal figure in establishing a relationship between philanthropy and product promotion and can be considered as one of the first modern sponsors. Lipton, like Tate, Rowntree and Cadbury, had made his fortune in retail, but he was of a younger generation than the other major philanthropists and was keenly aware of the importance of promotion of his brand. Lipton was a key figure in the development of both branded goods and chain stores; the son of shopkeepers, at 15 he emigrated from Scotland to America where he worked in a grocery store, before returning to Scotland and starting a provision store; he subsequently opened shops all over the United Kingdom and acquired tea and coffee plantations. In 1898, Lipton founded the Alexandra Trust to provide the poor with cheap and wholesome

meals and was knighted the same year.⁶ Lipton had a personal interest in sport, competing unsuccessfully (several times) in the America's Cup, and would become one of the first sponsors of sporting events. He provided two trophies for football tournaments,⁷ and even attempted to establish a world football trophy, well in advance of the eventual establishment of the World Cup in 1930⁸. Lipton was well aware of the links between branded goods, retail stores and astute promotion and, as such, was one of the first to utilize sport sponsorship; he was then, by action if not intent, a key figure in harnessing philanthropy to the promotion of a brand.⁹

Asa Briggs has noted that there are five conditions which are central to the development of the modern retail trade, the point at which branded products emerge and advertising links retailing with entertainment (Briggs 1960, p. 10). Briggs' five economic conditions for the development of a mass entertainment industry are:

1. large and concentrated urban population
2. income growth sufficient to allow people to buy regular cheap entertainment
3. increase in the amount of leisure time
4. urban public transport systems
5. technology being applied to entertainment

(Briggs 1960, p. 9)

It is at this moment, of the growth of literacy, the emergence of a popular daily press and the development of branded goods which all combine to lay the foundations of a consumption-driven society, that Lipton emerges. And Lipton was not alone; the development of advertising and the increase in income and leisure are closely linked with the establishment of chain store brands. In 1880, there were 1,500, by 1900, there were 11,645; Lipton was among the major names along with Home and Colonial, Freeman Hardy and Willis, Hepworths, W. H. Smiths and Boots the Chemist, which alone had 150 shops by 1900. Lipton and Dewars, the whisky manufacturer, were among the firms sponsoring sport events from the late nineteenth century.

Sponsorship, in the sense that we now understand it, is thus also the product of this moment. The growth of a modern and commercialized society and the emergence of a modern media system gave rise to new cultural forms of advertising, of which sponsorship can be understood as one. According to Marwick:

Commercial sponsorship of sport (and, in a lesser degree, cultural activities) goes back at least to the nineteenth century. In what might perhaps be thought

of as the twentieth-century pre-history of sponsorship, the main protagonists were the press, creating events which then could be extensively reported and the oil companies whose particular interest was motor racing. (Marwick 2003, p. 267)

There had been some sporadic examples of sponsorship from the mid-nineteenth century, usually associated with sport, but these often came out of personal interest or a specific one-off advertising opportunity. One of the first known sport sponsorships occurred in 1852, when the railroad company Boston, Concord and Montreal sponsored the first Harvard-Yale regatta, promoting the event with a brass band, fliers and advertising for the resort areas of New Hampshire (Smith 1988). In 1861, the restaurateur and hotelier partnership Spiers and Pond sponsored the English cricket team on a tour of Australia, but this appears to have been motivated by love of the sport rather than promotion of the hotel chain. Sport sponsorship gathered pace and the events were more targetted from the late-nineteenth century; Coca-Cola and Kodak advertised extensively in the programme for the 1896 Athens Olympics (Sanghak 2009). By the early-twentieth century, Oxo and Coca Cola were among the big company names to be periodic sport sponsors. The first Indianapolis 500 motor race in 1911 was sponsored by tyre manufacturer Firestone. (Sanghak 2009). Sponsorship emerged in other forms too, *Pears Cyclopaedia*, sponsored by the soap company, began in 1897.

However, the commercial sponsorship of sport was of no great significance until the mid-1960s. From the 1920s, commercial sponsorship had acquired a negative connotation in Britain. The introduction of commercial radio in the United States had taken place in a deregulated context, and policymakers in Britain understood this to mean that it was the sponsors who dictated programming (e.g., see Adams 1978, Barnouw 1978). The British Broadcasting Company outlawed sponsorship from its beginnings in 1922, a policy that was continued as it became the British Broadcasting Corporation in 1927, this was one of the conditions of its Royal Charter. The structure of Independent Television, established in 1954, sought to keep broadcasters and advertisers at arm's length. In the British context, a strongly entrenched patrician sensibility, with a degree of disdain for commerce and trade (embodied in the first Director-General of the BBC, Lord Reith), combined with an intellectual left hostile to advertising, produced a climate that was distinctly unenthusiastic about the commercial sponsorship of broadcasting, or indeed about any other form of public activity.

The 'moment of 1945' (outlined in the next chapter) marked the institutionalization of notions of public good, public culture, social welfare and communal awareness at the heart of British society, in the form of the welfare state. Health, well-being, education, the arts and sports were constructed as public activities that should be publicly supported, available to all for the general good. Patronage and philanthropy continued, but the provision of such public institutions as libraries, galleries, museums and universities no longer depended on private benefactors, but were funded by the state through taxation. Commercial sponsorship remained marginal in British social and cultural life until the start of its dramatic growth in the 1960s.

Products, branding and the promotion industry

While the Selsdon Group, St John Stevas and others keen to promote sponsorship to meet the shortfall in state funding regularly evoked the terms 'patronage' and 'philanthropy', the industry that has grown up around sponsorship is very clear that sponsorship is neither, and is explicit about its function and purpose. As commercial sponsorship grew, it developed routines and systems and spawned a new sub-industry of sponsorship agents and brokers. These new quasi-professionals clearly understood sponsorship as a form of advertising and a promotional strategy. The significant growth in commercial sponsorship from the 1970s onwards gave rise to a whole tier of agencies, consultants and brokers, keen to establish a niche business bringing together an activity or institution and a potential sponsor.

All the definitions of sponsorship from this new industry acknowledge that sponsors are looking for a clear return, whether in increased sales, enhanced brand recognition, or a more favourable public image. There is very little attempt to sustain any claim that sponsors are simply providing a benevolent donation. One marketing research firm, MAPS, examining the topic for the first time in 1995, commented:

This is an area of marketing which now has wide acceptance amongst both practitioners and the general public. The practice has seen steady growth over the last five years and is used by an ever widening range of businesses. (MAPS 1995, p.1)

MAPS divided the field of sponsorship into four categories (arts, sports, broadcast and 'other') and defined sponsorship as: 'the payment of money or

the provision of goods or services in kind by business to an organizing body for the purposes of promotion a business name, product or services' (MAPS 1995, p. 1). This report clearly states that sponsorship is a form of advertising and cautions against confusing it with event management or corporate hospitality. A 1980 *Economist* special report on sponsorship gave a very similar account of the characteristics of sponsorship:

1. the sponsor makes a contribution in cash or kind
2. the activity is not part of the main commercial operations of the company
3. The sponsor expects a return in terms of publicity which does not reflect adversely on the sponsor (Simkins 1980)

The Association of Business Sponsorship of the Arts (ABSA, an organization established in 1976 to facilitate matches between potential sponsors and arts organizations in need of sponsorship) is also clear in its 1990 definition that sponsorship is a 'commercial deal' rather than philanthropy and that sponsorship acts to promote the sponsoring company.

The MAPS report also quotes a definition of commercial sponsorship from the International Chamber of Commerce:

... any communication by which a sponsor contractually provides financing or other support in order to establish a positive association between the sponsor's image, identity, brands, products or services, and a sponsored event, activity, organisation or individual. (MAPS 1995, p. 2)

Corporations thus appropriate images and the cultural kudos associated with a prestigious event for use in their own advertising; promoting links between the event and the sponsor. As consumers have become ever more resistant to conventional forms of advertising, 'lifestyle' and 'branding' have become key terms in contemporary marketing. Companies are therefore increasingly concerned about associating their products with particular sets of connotations. Sponsorship is a key strategy in that process; events and organizations can be linked to a brand, without there being any intrinsic relationship between the sponsoring company and their products and the sponsored body and their event.

The nature of the relationship between the recipients of sponsorship and the sponsor may well be imprecise. Writing in 1988, from the perspective of the sponsored rather than the sponsor, the museum curator Sue Kirby saw sponsorship as an 'ill-defined' partnership, but was clear that the sponsor derived distinct benefits from the arrangement:

In return for a payment, a corporation will receive an ill defined 'partnership' in which the buildings and resources of the company will be made available to them in return for a price. This might range from allowing corporate entertainment on the premises, to the display of the logo on programmes and publicity materials. (Kirby 1988, p. 97)

The brand consultants Montoya and Vandehey are clear about the centrality of sponsorship in developing a recognizable brand and unabashed in advocating sponsorship as the most effective way of capturing both public affection and publicity:

Advantages: Positive community attention and a more positive brand. You get to be associated with things that everyone likes or respects, like kids' sports or charity . . . It's pretty simple: you buy an ad in the program for a high school musical, purchase an outfield wall sign for the local minor league baseball team, or put your name on a poster for a charity concert. Sponsorships do two things: create brand awareness and associate you with community involvement and generosity . . . Make sure you're getting enough bang for your buck, and make sure you turn your sponsorship into a press release. (Montoya and Vandehey 2009, pp. 90–1)

Sponsorship is recommended here not in any way as an act of generosity, of patronage or philanthropy, but as a means of garnering brand recognition, positive associations and self-promotion. Montoya and Vandehey outline the range of sponsorship opportunities from high-profile art performances to local charity and sports events: 'Local baseball and soccer teams . . . Museums, symphonies and other arts organizations. Charity events like golf tournaments and 10K runs. Concerts. High school organizations. County fairs and festivals. (p. 215)'.

The act of sponsorship constructs an apparently congenial and integral relationship between the sponsoring company and the event or organization receiving sponsorship. Those events that require funding from sponsorship are likely to belong to the public sphere and to be underfunded and are therefore in a position to command public affection. The sponsorship of such events involves an association of the values and connotations of such events with the sponsoring organization.

Wragg (1994, p. 11) also defines sponsorship as 'the support of an activity or an event from which the sponsor expects to derive a tangible benefit' and declares that sponsorship is distinct from philanthropy; he insists that sponsorship is always a business transaction. Writing in 1994, he points out that 'over the years,

a large and growing area of overlap has developed between sponsorship and charitable donations, as sponsors have embraced such activities as “community sponsorship” or “social sponsorship” (Wragg 1994, p. 9). For Wragg, the three main motives of sponsors are brand awareness, product promotion and corporate hospitality. He suggests that for corporate hospitality, it is important that ‘the sponsorship package should always include an agreed number of tickets for the sponsor’ (Wragg 1994, p. 25), and that these tickets should be associated with an élite level of access to the event, because as Wragg puts it: ‘people like a feeling of exclusivity, of being able to wander around an exhibition with a drink in their hand and not being bothered by crowds, or even worse, crowds of rowdy schoolchildren on an outing’ (Wragg 1994, p. 28). One impact of sponsorship has thus been a reduction in the availability of tickets for the general public to sporting and artistic events, as Londoners noted during the 2012 Olympic Games, where banks of seats allocated to sponsors remained empty, while the public (whose tax had substantially contributed to the staging of the Olympics) could not gain access to events.

Montoya and Vandehey advocate that the sponsor should make every effort to milk the sponsorship relationship for every possible public relations advantage:

Attend the event that you sponsor and carry business cards. Let people know that you’re a sponsor, and make sure they know what you do . . . Leverage the sponsorship as a PR opportunity. If the event doesn’t issue a press release about your sponsorship, issue your own . . . For a few thousand dollars (often much less), a sponsorship can buy you a great deal of goodwill. (Montoya and Vandehey 2009, p. 215)

Wragg also emphasizes that sponsors should gain the maximum credit from their sponsorship, and that it is important to exclude competitors from association with the event; ideally ‘not allowing competitors to advertise in the same programme’ (Wragg 1994, p. 26). Corporate paranoia over ‘ambush’ marketing reached new heights with the staging of mega events, such as the Olympic Games. Visa credit cards have been sponsors of the Olympic Games from 1986, and in 2012, it was the only card allowed on the Olympic site (to the irritation of many spectators). The contract a host city signs with the International Olympic Committee requires it to ensure special legislation is passed restricting the ability of competitors to advertise in the vicinity of the event; cafés and restaurants close to the Olympic site in London were forbidden from offering ‘Olympic’ breakfasts or meals. It is clear that sponsors have a vested interest

in minimizing any attention for other funders; this includes public forms of support, such as sports, government or arts funding bodies, which typically provide a much larger proportion of the costs.

Wragg goes so far as to suggest that sponsorship can produce benefits in sympathetic government legislation (a point that Jim McGuigan also made in relation to the Millennium Dome) and in the recruitment of staff: 'A company that is seen as environmentally aware is more likely to receive planning permission than one whose record is suspect. A company that is seen as being progressive and at the forefront of new technology will be more attractive to school leavers and bright graduates' (Wragg 1994, p. 42).

In its use of public events as marketing opportunities, sponsorship can be understood as a highly effective and insidious mode of advertising. Sponsors, in sponsoring élite or offbeat events that are in some way apart from the mainstream, can target a particular consumer group that may not be amenable to other forms of direct advertising. A group that may feel passionately about an esoteric form of the arts or sporting activity and which prides itself on individual tastes can be hooked into positive feelings about a company that appreciates and supports their particular set of interests. Sponsorship of cultural or sporting events also provides a direct benefit to the sponsor in that the events supported can be a form of corporate hospitality, in which shareholders and business associates can be impressed by good seats for a glamorous event at which the sponsoring company is apparently intimately involved.

Bourdieu has identified 'patronage' (or, as Haake prefers, 'sponsorship') as a mode of 'symbolic domination':

Patronage is a subtle form of domination that acts thanks to the fact that it is not perceived as such. All forms of symbolic domination operate on the basis of misrecognition, that is, with the complicity of those who are subjected to them. (Bourdieu and Haake 1995, p. 54)

Case studies and reports from Arts & Business (the organization set up to broker sponsorship in Britain), in the 1980s and 1990s, entirely confirm this understanding of sponsorship as an 'exchange of capital'; a 1990 *Economist* report specifically cites the jeweller Cartier (the example used by Haake) as a case study in the successful sponsorship of the arts. Bourdieu includes his concept of 'symbolic capital' as among the benefits accruing to the sponsor:

A foundation that makes donations accumulates symbolic capital of recognition; then, the positive image that it is thus assured (and which is often assessed in

dollar terms, under the heading of *good will*, on business account sheets) will bring indirect profits and permit, for example, to conceal certain kinds of actions. (Bourdieu and Haake 1995, p. 18)

The term 'symbolic capital' is never employed by either the sponsors or the organizations that promote sponsorship; it is in neither's interests to declare that the relationship is one of mutual endorsement. However, both repeatedly refer to the 'cachet' of association with arts organizations and recognize the ability of sponsorship to 'enhance brand identity' – which are benefits derived from symbolic capital.

Jim McGuigan makes a distinction between *associative* and *deep* sponsorship in which he suggests that 'associative sponsorship' is a form of sponsorship from which a company benefits by association with prestigious organizations:

Associative sponsorship is the standard form of cultural provision in the arts and public sector. Sponsors may accrue kudos through association with artistic culture, particularly prestigious events, but are not supposed to influence their content. As critics have argued (such as Shaw 1993), this is not what actually happens in practice. Sponsorship exerts all sorts of subtle pressure on editorial decision making, programme selection and so forth. Nevertheless, the norms of associative sponsorship are still claimed and defended officially in order to preserve cultural integrity. . . . (McGuigan 2010, p. 51)

McGuigan distinguishes between this form of sponsorship and 'deep' sponsorship, in which he argues that corporate capital exploits the association of sponsorship to develop a culture that is entirely in its own interests:

The purpose of deep sponsorship, however, is, unashamedly, to actually construct culture in the interests of corporate business. . . . The most extreme form of deep sponsorship is autonomously created culture, usually of a popular kind so that the form itself is a vehicle for advertising, merchandising and public relations. (McGuigan 2010, p. 52)

This is, however, a difficult distinction to sustain. If 'associative sponsorship' has the potential to exert 'subtle pressure', then this is only different from the construction of a culture as a matter of degree. As sponsorship becomes naturalized across all forms of cultural practice, the boundaries between associative and deep sponsorship are becoming increasingly blurred. 'Associative' sponsorship always has the potential to shift into 'deep' sponsorship, the 'subtle pressure' can at any point shape and control the forms of culture. There is no

national institution in a position to admit that they are compromising their 'cultural integrity' in return for the now necessary funding that sponsorship offers. The theatre director Philip Hedley was one of the few to break that silence and wrote that public funding now rested on:

... the willingness of an arts organisation to invest time, money and imagination in seeking out and keeping sponsors happy. It would be a foolhardy director who raised doubts on whether that investment of resources was on balance worthwhile. And it would take a bravely self-critical director to acknowledge that they had decided not to stage a play because of the effect it might have on the theatre's fundraising capacity. *The Guardian* (25.02.12).

Forms of art which are perceived as challenging, violent or subversive are not generally attractive to potential sponsors, but curators, directors and arts administrators cannot allow that that might be a factor in their choices. A commercial sponsor will only support events which fit in with the way in which it would want the company and its products to be perceived by the public. Extreme sporting events, many sports involving women (which tend to be less covered in the media), are also unlikely to attract sponsorship. The impact of commercial sponsorship in artistic and cultural life is to limit the range of that public sphere and to shape the cultural agenda.

Sponsorship can also be deployed in a strategy of corporate image adjustment. Wragg notes: 'if your company has a hard image then a sponsorship that shows it as caring or even as one with a "cuddly" image could improve public perceptions' (Wragg 1994, p. 39). The McLibel trial, in which McDonalds brought a case of libel against two environmental activists, had damaged the company's public image. The case began in 1990 and was settled in 1995; MAPS reported that year that targetted sponsorship had been central to a turnaround in the public perception of McDonalds:

When research revealed that McDonalds had an uncaring, unhealthy and arrogant image, the company developed a sponsorship programme for athletics (apparently the most popular spectator sport amongst its customers) which succeeded in shifting its image to that of a healthier, more community minded company. (MAPS 1995, p. 12)

Sponsorship can thus be deployed to enhance a corporate image in the wake of scandal or disaster. Another example is that of British Petroleum's sponsorship of the Tate Galleries, after their role in the environmental disaster of an oil spill in the Gulf of Mexico.

In a context in which anything can become a marketing opportunity, the moral bearings of sponsors (and their brokers) can often lose their moorings. In 1991, Caroline Gillies wrote an article for *Business Sponsorship* in which she celebrated global environmental catastrophes as great opportunities for corporate sponsors:

A few years ago nobody wanted to know about the environment. But suddenly, and happily, it has become hot news. Oil spillages, holes in the ozone layer, disappearing tropical rain forests, the protection of rare animal species, the recycling of waste and the rise of the Green Party have all become extremely topical and many causes worthy of support have emerged as a result. (Gillies 1991, p. 62)

The growth of sponsorship

While politicians prefer the terms ‘patronage’ and ‘philanthropy’, and the industry brokers are unabashed in their understanding of sponsorship as brand promotion and advertising, there is no national or internationally agreed means of defining sponsorship nor of distinguishing support in finance from support in kind or benevolent giving. Another problem in charting the extent and growth of commercial sponsorship is that no definitive figures are available, and so the figures for any year or field of sponsorship are at best estimates and at worst guesses. There is a certain agreement about estimates of growth since the 1970s, but there has been no consistency in the definition or a precision of methodology in understanding the growth or extent of sponsorship. Figures are also variable; Wragg (1994, pp. 9–10) estimated that in 1994 UK sponsorship was around £500 million, whereas MAPS estimated that UK sponsorship in the same year amounted to £400 million, of which 60 per cent went to sports and 18 per cent to the arts (MAPS 1995). According to MAPS (1995), worldwide expenditure on sponsorship had been growing at around 10 per cent per annum, rising from \$50 million in 1974 to \$7.3 billion in 1994. According to global figures from the European Sponsorship Association, the amount spent on sponsorship in 2004 was \$28 billion, of which \$11 billion was in North America and \$7.8 billion in Europe (European Sponsorship Association).

In the United Kingdom, sponsorship grew steadily from 1980 (in the period of the Thatcher government), rising from £35 million in 1980 to £852

million in 2002 (Sources: ESA, Ispos, Sportcan, Arts and Business, Mintel, Carat). The growth in sport was followed by a similar growth in the arts and other areas:

	Sport	Arts	Broadcast	Other	Total
1980	30	3		2	35
1986	145	26		19	190
1992	239	58	35	21	353
1997	322	96	111	105	634
2002	429	111	220	92	852

While the percentage of sponsorship going to sport dropped from 86 per cent to 50 per cent between 1980 and 2002, it was the new opportunity to sponsor programmes outside BBC television that enabled broadcasting to increase its market share dramatically to 26 per cent, with arts and other areas suffering a reduction in their marketing share. Arts sponsorship in 1984 was £15 million, and by 1993–94, this had risen to £69.5 million (MAPS 1995). In 1993–94, the £69.5 million of arts sponsorship was distributed as follows:

Sector	Per cent	Amount
Music	20	13.90
Opera	13	9.03
Museums	12	8.34
Arts festivals	11	7.64
Theatre	10	6.95
Other	34	23.6

(source: MAPS 1995)

These figures demonstrate that there is an ideological purpose to this economic activity; as state support was withdrawn from activities that had once been funded by the public purse, so commercial sponsors came in to fill the gaps. But those contributions did not come without strings, and the benefits to the sponsor were considerable. There is a neat circuit between economic input, image management and profit for sponsors, and it was one that was promoted and encouraged by the Conservative governments of Thatcher and Major, by

'business-friendly' New Labour and is championed enthusiastically by the Conservative-led coalition.

There are few public voices raising concerns about the process in which sponsors may have no philanthropic or aesthetic interest in the events that they sponsor, but are motivated primarily by maximum publicity and accrued good will. Bourdieu and Haake, McGuigan, Monbiot, Klein and Shaw are notable as consistent critics who have raised their voices and expressed their concerns at the Trojan horse of commercial sponsorship. Each at different moments has pointed to the dangers and compromises that sponsorship involves. Matthew McAllister in his 1995 critique of *The Commercialization of American Culture* has also suggested that commercial interests can serve to devalue a sponsored event, in harnessing it to branding and promotion:

While elevating the corporate, sponsorship simultaneously devalues what it sponsors . . . The sporting event, the play, the concert and the public television program become subordinate to promotion because, in the sponsor's mind and in the symbolism of the event, they exist to promote . . . Every time the commercial intrudes on the cultural, the integrity of the public sphere is weakened because of the obvious encroachment of corporate promotion. (McAllister quoted in Klein 1999, p. 31)

Sponsorship undermines the public sphere in other ways; it also masks the use of taxation for the public good, in foregrounding the sponsor's contribution. The understanding that sponsorship is integral to funding is often overstated, in part because sponsors are determined to get 'top billing' (Shaw 1993, p. 15). For a relatively small investment, corporations receive goodwill, considerable publicity which is estimated by many companies to be worth more than their initial outlay (see Allen 1990, Montoya and Vandehey 2009). In practice, sponsorship often provides only a small proportion of the costs of an event, which are met by a much larger public subsidy. Commercial sponsorship foregrounds the apparent munificent benevolence of corporate capitalism, while masking the major contribution of public finance and the necessity of continuity in funding. If an event or organization no longer fits with the public image that a company wishes to promote, then its support will cease. Haake also makes the point that corporations are financially rewarded for sponsorship, in that they receive generous tax deductions for sponsorship (themselves subsidized by taxpayers):

It is in fact, the taxpayers who cover what corporations save through tax deductions on their 'generous contributions'. In the end, we are the ones who wind up subsidizing the corporate propaganda. Seduction expenses not only serve

the marketing of products . . . It is actually more important for the sponsors to create a favorable political climate for their interest, particularly when it comes to matters like taxes, labor and health regulations, ecological constraints, export rules, etc. (Bourdieu and Haake 1995, p. 18)

It is no coincidence that the companies earliest associated with sponsorship were those in need of burnishing their brand images on ecological and labour issues; oil companies, large supermarkets and cigarette manufacturers were all members of the board of ABSA and keen to create a 'favorable political climate' for their commercial interests.

Commercial sponsorship has been offered by over three decades of government policy as an unproblematic means of making up the shortfalls in public spending and continues to be promoted as a mutually beneficial arrangement between public event and sponsor in which the culture as a whole is enhanced. It is presented as a benign method of staging events and supporting activities which, it is often suggested, would not have taken place without sponsorship. The implications of that policy are becoming starkly and increasingly apparent. Commercial sponsorship is not disinterested; it has particular motivations, and those motives are quite clearly those of public relations and advertising. The companies involved in commercial sponsorship derive good will which depends on organizations and institutions that were born out of the public sphere, and which belong to the public. As the financial tentacles of commercial sponsorship have grown beyond the fields of sports, the arts and culture, so the lessons that have been learnt in those arenas need to be heard in relation to the encroachment of private interests into essential public services.

The road to neoliberalism

During the last quarter of the twentieth century, the political system underwent a profound cultural shift. The dominant paradigm of public conversation shifted from state intervention and the pursuit of public goods to a view of the world best summed up in Margaret Thatcher's notorious statement made in a speech to the Conservative Party conference in October 1987: 'there is no such thing as society, there are only individual men and women, and there are families . . .'. (www.margaretthatcher.org). Thatcher's rhetoric and government represented a major departure from the post-war consensus that the state had a responsibility to abolish the 'Five Giant Evils' enshrined in the mission of the welfare state: squalor, idleness, disease, ignorance and want.

Thatcher made it clear that her Britain would be one of self, rather than government, help: 'I came to office with one deliberate intent: to change Britain from a dependent to a self-reliant society – from a give it to me to a do-it-yourself nation' (speech to Small Business Bureau conference, 1984, www.margareththatcher.org). In Tony Judt's assessment, 'Government was no longer the solution – it was the problem' (Judt 2010, pp. 96–7); under the Conservative governments of Thatcher and Major: 'the welfare state was steadily unwound to the advantage of a handful of entrepreneurs and shareholders' (Judt 2010, p. 114). The process continued under Blair's New Labour government, and, while George Osborne, the current Conservative coalition chancellor, reassures the public that the Conservatives are the fiscally responsible party – the transfer of public assets to the private sector has only gathered pace. The areas of the public sector that Thatcher drew back from privatizing, the police, the National Health Service, education and the army, are now being opened up to corporate bidders. And, as Judt argues, 'the only reason that private investors are willing to purchase apparently inefficient public goods is because the state eliminates their exposure to risk' (Judt 2010, pp. 110–11).

These are issues that go beyond questions of economy and welfare provision, they go to the heart of our understanding of social democracy and the state. As Judt warns, the evacuation of government from welfare and the public good and with the subjugation of the communitarian to the rhetoric of individual choice, the outlook is bleak:

By eviscerating public services and reducing them to a network of farmed- out private providers, we have begun to dismantle the fabric of the state. As for the dust and powder of individuality: it resembles nothing so much as Hobbes's war of all against all, in which life for many people has once again become solitary, poor and more than little nasty. (Judt 2010, p. 119)

Notes

- 1 See also discussion of this theme in the work of Raymond Williams (1961), *The Long Revolution* and E. P. Thompson (1963), *The Making of the English Working Class*.
- 2 Examples of such provision are:
 1835 Municipal Corporations Act: enabled the establishment of public parks.
 1845 Museums Act: enabled local authorities to levy a rate to establish museums and art galleries).

1846 Baths and Washhouses Act: enabled councils to build baths and swimming pools.

1847 Ten Hours Act: reduction in working hours.

1848 Public Health Act: councils given responsibility for water supply and drainage; local health boards established. (Where the death rate exceeded 23 in every 1000, a local board of health could be imposed by the Central Board of Health).

1850 Museums Act: extended council powers to the provision of public libraries.

- 3 Saltaire and similar developments were undoubtedly influenced by the earlier development of New Lanark. New Lanark was originally founded in 1786, and subsequently, in the early part of the nineteenth century, moulded by Robert Owen into a model community influenced by concepts of utopian socialism.
- 4 Henry Tate donated about 65 paintings to establish the Tate Gallery. For more on Tate, see also Povey, Kenneth (1957), *Sir Henry Tate as a Benefactor of Libraries*, Presidential Address to the North Western Branch of the Library Association, read at the Annual General Meeting, held at the University of Liverpool.
Watson, J. A. (1985), *Talk of Many Things: Random Notes Concerning Henry Tate and Love Lane*. Liverpool: Tate and Lyle Refineries.
- 5 These were the Rockefeller Foundation; the General Education Board; the Rockefeller Institute for Medical Research (now Rockefeller University); and the Laura Spelman Rockefeller Memorial, established in 1918 and incorporated into the Rockefeller Foundation in 1929.
- 6 Lipton later became a baronet in 1902 and was subsequently awarded a KCVO.
- 7 According to MacKay, the Lipton Cup, to be competed for in matches between Argentina and Uruguay . . . 'stimulated the rivalry between the two and undoubtedly played a part in the emergence of tiny Uruguay as the leading soccer country in the interwar period' (MacKay 1998, p. 217).
- 8 Lipton intended that teams of national status should compete but, as a result of indifference and bureaucracy in English football, Great Britain was eventually represented by a local team of coal miners from West Auckland, County Durham. In 1910, against all the odds, they won the trophy, beating Juventus 2–0 in the final (Mackay 1998, p. 217).
- 9 For more on Lipton, see Bateman 1901, Crampsey 1995, Hickey 1934, Waugh 1951.