

# Title: The state and the visual arts in Ireland

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## Abstract

A fundamental result of economic theory is that an economy characterized by perfectly competitive markets will produce results that are optimal in terms of efficiency and welfare in society and this would suggest that government intervention is unnecessary. In reality, it is argued, markets fail and this is seen as justification for intervention in many sectors of the economy. The 'arts' is one such area. There is a history of government intervention in the promotion of the arts especially in Western Europe. Economic literature in the area of arts and culture has put forward many arguments, for example efficiency and equity arguments, to justify this intervention both with respect to the arts in general and specific art forms. In this paper, under the assumption that Governments seek to maximize the well-being of society the instruments of government intervention will be examined. The study will confine itself to intervention in the visual arts in Ireland.

Why Ireland? Irish State intervention in the visual arts marries a tradition of direct support with a growing reliance on regulation and tax concessions. Direct support and regulation are the predominant forms of intervention in Europe while taxation measures are a significant feature of intervention in the United States. Analysis of Irish State intervention therefore, may have implications for evaluating visual art policy in an international context.

This paper will give an overall view of intervention in the visual arts. This paper updates a previous study<sup>1</sup> by extending the data period to 2001. It will provide statistical information on both direct and indirect intervention. In terms of direct intervention this will include the level of funding to this art form by the various State agencies involved, the distribution of funding within this sector i.e. to individuals, galleries, resource organizations, education, 'per cent for art scheme', government purchases etc. With respect to indirect intervention statistical information will be provided on visual art related tax expenditures.

The question then arises how do we evaluate intervention. One possibility is evaluation in terms of the objectives of government policy. In Ireland many of these objectives are ill defined. Nevertheless given that support to the individual artist is central, particularly to Arts Council policy, this paper will investigate the impact of intervention on artistic output and artist formation.

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<sup>1</sup> Doyle, D. (1996). *The Economics of State Intervention in the Visual Arts – A Case Study of Ireland*