Yoko Ono show at Guggenheim shines light on pioneering conceptual artist

Bilbao exhibition of installations, music and films demonstrates avant-gardiste's true talents, her reach and influence

'The ladder John had to climb up was very high," recalls Yoko Ono as we chat about one of her most famous works. It is called Ceiling Painting or Yes Painting, and it is one of the classics of conceptual art that fill her retrospective at the Guggenheim Museum in Bilbao. It consists of a stepladder leading up to a steel-framed panel and a dangling magnifying glass.

When John Lennon climbed up Ono's ladder at the swinging London gallery Indica in 1966, there were more steps, but the word written above his head was the same as in this version: a "yes" so tiny you need the magnifying glass to read it.

The smallness of the yes and the difficulty of reaching it reflected her pain at the time, Ono says. A relationship had just come to an end and she had a vision of a journey into the
 heights, "like a cathedral", to be rewarded by some kind of hope, some affirmation "on high".

As it happened, her hopeful artwork was to change her life. The most serious Beatle heard about the amazing artist who had shown up in London, went along for a private viewing and climbed that ladder to read the tiny word. The author of I Am The Walrus and Strawberry Fields recognised a kindred spirit.

So the work is best known nowadays among readers of Beatles biographies for its part in one of the great love stories of modern times. Yet Yoko Ono is much more than her fame.

She has lived in the most lurid and cruel of pop culture spotlights, reviled as the black-clad avant-gardiste who "broke up the Beatles", mocked along with Lennon for supposedly naive peace-mongering, and brutally widowed by gun violence.

Now her time has come. The Yes Painting is not here as a piece of Lennonabilia but as one of a hugely impressive array of installations, performance documents, "instructions", music and films that leave no doubt of a true original's influence on the art of this century.

Is there any contemporary art style she did not pioneer? At times this feels like a retrospective of Turner Prize winners: here's a film of a fly crawling on a woman's naked thigh that might be misattributed to Douglas Gordon or Damien Hirst; a cinematic celebration of bottoms Martin Creed might be proud of, a chair wrapped in desiccated fabric that is as poetic as any sculpture by Rachel Whiteread – all made by Ono more than 40 years ago.

White Chess Set, 1966/2013. Photograph: David Hornback

In person, she's charming, authoritative and mysterious. She wears dark glasses and a hat indoors – but any first impression of hauteur is undercut by the way she keeps humorously lowering her shades on her nose as she enthusiastically expounds her philosophy. Nor does she seem aware of my orders to stay clear of her personal life in this exclusive interview – which is just as well as it would be nonsensical. Art and life are the same thing for Ono. Her work is acutely, often shockingly personal. Conceptual art, she tells
me, is "more expressive" than painting: a striking claim that her art proves true – at least when she's providing the concepts.

In 1964 a young woman knelt down before an audience in Tokyo and placed a pair of scissors on the ground in front of her. Members of the audience were invited to come forward, one by one, and cut off pieces of her clothing. In films and photographs of Cut Piece, as it is called, Ono maintains a passive deferential pose and expression as women and, more disturbingly, men cut off more and more of her clothing until she's kneeling in her underwear.

It is surely one of the most powerful of all feminist artworks. But did she think of it, I want to know, as a feminist statement back in 1964? Ono's intelligence flashes. "All powerful art has many layers of drama," she explains. "I was originally thinking of the Buddha and how he gave everything up." That ascetic surrender, she thought then, is what life is like for women, and she conceived Cut Piece as an "acceptance" of that reality. So it's not angry? "No, it's not angry."

Yet violence and pain streak through her art, for all its Buddhist acceptance. When her relationship with her boyfriend Tony Cox was breaking up in London in the late 1960s, she woke up one morning to find he had vanished from their all-white flat.

She responded by bisecting a roomful of their stuff – a chair, a framed painting, a case, a shelf unit, a kettle, a teapot, even shoes. It was not just spite: it was art. Her installation Half-a-Room is one of the most powerful moments in the retrospective. It's like a haunting relic of a tragicomic play, a set for a Samuel Beckett monologue or an image from a sad song.

When it was shown at the Lisson Gallery in 1967, it looked to a Britain highly sceptical about conceptual art (to put it mildly) like ultra-hippie craziness. Today it is another Ono creation that seems like the prototype for about a hundred recent works of art.

She called that Lisson Gallery show the Half-a-Wind show, and her retrospective is named after it. What did it mean? Like the half-destroyed room at its heart, the title spoke of loss,
absence, incompleteness. "We are all just half a person", she says. In fact, at that moment she was in the process of finding her other half: Lennon helped with the exhibition.

You can't really get away from him at the Guggenheim, because their love was founded on artistic collaboration and he was her as she was him, artistically, in the late 60s and 70s.

Their relationship did not start with physical passion, she explains. Instead it began as artistic collaboration: when Cynthia Lennon finally caught them together, they had been up all night making art. Lennon's face hovers in grainy colour in their film Smile, one of the shared endeavours that sealed their love. There's a little work of art called Box of Smile: you look inside to see your reflection (you provide the smile). In an uncomfortable vintage David Frost interview, the art lovers present Frost with a version of this piece as they try to explain conceptual art to a television studio audience that looks like its average age is 100.

For all the bile unleashed on Ono in 1960s Britain, she got away with one stunt no recent artist has rivalled. "Amazing, isn't it?" she says happily, remembering how in 1967 the police let her wrap one of the lions in Trafalgar Square in a huge piece of cloth. Photographs of the happening look far more subversive, somehow, than today's routinised and respectable artworks on the square's fourth plinth.

The word "revolution" comes as readily to her lips today as it did when she and Lennon put up a poster in Times Square saying War Is Over (If You Want It). The counterculture she did so much to shape, and that she sees today in the internet, "is a revolution but there is no bloodshed; art quietly changed the world."

With such a sense of mission, she never worried about pleasing the public. Back then, "most people didn't want to know and I wasn't about to explain about it. My art was different from what was considered as art. My idea was that maybe one day 50 years later or 100 years later people might discover it."

At 81, she has lived to see that day. Her interactive feminist conceptual art, her films and installations, now look like beacons of what art is now and will be in years to come.

To visit this moving and beautiful show is to see what Lennon saw in her – a visionary he looked up to, an artist whose imagination and intelligence, he insisted, set him free and showed him a better life. He was right and the cynics who satirised her were wrong.