

Inter-country Comparisons of Government Arts Expenditure

The following *Ask IFACCA* question has been submitted to the IFACCA web site.

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Question

Quite often we are asked for international comparative data on government support for the arts on a total dollar or per capita basis. We have had difficulties ensuring that data are comparable - ie that we are comparing 'apples with apples'. Has someone cracked this nut and can they share the data with us?

IFACCA's Instant Response

This is an issue that arises regularly. The short answer to the query is 'no': no-one has yet 'cracked' the problems inherent in trying to make inter-country comparisons of government support for the arts.

Detail and discussion

A number of high-quality research reports on this issue have been released recently:

- Arts Council of England (1998)
- National Endowment for the Arts (2000)
- Arts Council of Ireland (2000)

These reports are very similar in nature, in some places utilising the same data. The Arts Council of Ireland (2000) report is a good place to start investigating this issue, as it is the most recent and contains an excellent summary and analysis of the issues.

The reports contain tables comparing government expenditure in various countries, although all express warnings about the ability to draw meaningful conclusions from the data presented. Some of the caveats are serious indeed, and make it probable that differences in data are due more to differences in measurement than to underlying differences in government support for the arts. For example, different countries have different definitions of arts or culture and different mixes of policy instruments and tools.

The most obvious problem is in accounting for indirect forms of government support to the arts. In the Arts Council of Ireland analysis, taxes foregone were unable to be valued for any country other than Ireland, so estimates for this policy instrument were left out of the data. Few comparisons of government arts expenditures are able to account for these types of indirect forms of arts support, mainly because the data are simply unavailable: 'governments have still so few data relating to the precise cost of various tax concessions to the arts' (O'Hagan 2003; 453).

The inability to account for indirect expenditures leads to serious flaws in comparisons of government support for the arts, as indirect expenditures are at least as large as –

and in many cases are considerably larger than - direct expenditures. Arts Council of Ireland (2000; 10) estimates that including tax foregone would increase by *50 percent* the measure of Irish government per capita arts expenditure (from 12.36 to 19.22 Irish Pounds). Schuster (2004) suggests that estimates from the USA indicate that direct government expenditure on the arts is 'dwarfed' by indirect government expenditure. O'Hagan (2003; 455) finds that the Value Added Tax (VAT) concession for the arts in Europe is not just the major tax concession in Europe, but that it *alone* is 'large...both in absolute terms and in relation to direct funding to [arts] insitutions.'

Overlaying these measurement issues is also the need to adopt an appropriate exchange rate to express figures in a common currency. A simple market exchange rate may fail to account for fundamental differences in real costs between countries.

The IFACCA secretariat warns that measurement issues such as these mean that comparisons cannot yet be made with any degree of confidence (a similar result was found for arts participation statistics in D'Art report number 2: www.ifacca.org/files/participationv2.pdf).

Some of the problems identified above can be overcome by looking at trend data, as long as institutional and policy changes can be accounted for (Australia Council, 2004). Both Arts Council of Ireland (2000) and National Endowment for the Arts (2000) report trend data, and reveal interesting trends in arts support, such as differences between countries in the ratio of national to local government support for the arts over time.

The future

The need and desire for developing more rigorous and internationally standardised cultural statistics has been expressed in a variety of forums. UNESCO has undertaken work on this since the '80s, when it developed its framework for cultural statistics. More recently, UNESCO has been focusing on the development of 'cultural indicators' (UNESCO 1986; 1998; and 2000), and recently co-hosted the International Symposium on Culture Statistics (www.colloque2002symposium.gouv.qc.ca/h4v_page_accueil_an.htm).

In Europe, a Eurostat Leadership Group has been working toward standardising European cultural statistics. A description of the group's work can be found in Arts Council Ireland (2000; 2).

Suggested reading and selected resources

Allin, P, 2000, 'The Development of Comparable European Cultural Statistics', *Cultural Trends*, vol.10, no. 37. Abstract at: www.culturaltrends.org.uk/journal/Abstracts/37_allin.htm.

Arts Council of England, 1998, *International Data on Public Spending on the Arts in Eleven Countries*, Research Report No. 13.

Arts Council of Ireland, 2000, *A Comparative Study of levels of arts expenditure in selected countries and regions*, prepared by The International Arts Bureau (now International Intelligence on Culture) www.artscouncil.ie/library/download_pdf.asp?id=259.

Australia Council, 2004, 'Making Cross-country Comparisons of Cultural Statistics: Problems and Solutions', *International Comparisons of Cultural Sectors: An Exploratory Investigation Working Paper 1*, Australia Council, Sydney.

Feist, A. and Hutchinson, R., 1990, 'Funding the Arts in Seven Western Countries', *Cultural Trends*, no. 5(March).

Feist, A., Fisher, R., Gordon, C., Morgan, C. and O'Brien, J., 1998, *International Data on Public Spending on the Arts in Eleven Countries*, Arts Council of England Research Report No. 13.

Kelland and Selwood, 2002, 'Literature Review', *Arts Research Digest*, 25, summer; 4-7.

National Endowment for the Arts, 2000, *International Data on Government Spending on the Arts*, www.nea.gov/pub/Notes/74.pdf.

O'Hagan, John, 1998, *The State and the Arts: An Analysis of Key Economic Policy Issues in Europe and the United States*, Edward Elgar, Cheltenham.

O'Hagan, J., 2003, 'Tax Concessions', in R. Towse, ed., *A Handbook of Cultural Economics*, Edward Elgar, Cheltenham, <https://ep.eur.nl/handle/1765/803>.

Schuster, J. M., 1987, 'Making Compromises to Make Comparisons in Cross-National Arts Policy Research,' *Journal of Cultural Economics*, Vol. 11, No. 2, December 1987. (Also published in French as 'Comparaisons internationales et choix methodologiques: approche critique des etudes internationales de politique culturelle,' in Augustin Girard (ed.), *Economic et Culture: Culture en devenir et volonte publique*, Volume 2 (Paris, France: La Documentation Francaise, 1988).

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UNESCO, 1986, 'Final report of the Fourth Meeting of the Working Group on the UNESCO Framework for Cultural Statistics, Paris 22-25 April 1986', *Current Surveys and Research in Statistics (CSR)*, no. C-63, UNESCO Office of Statistics, Paris.

UNESCO, 1998, *World Culture Report: Creativity and Markets*, UNESCO, Paris.

UNESCO, 2000, *World Culture Report: Cultural Diversity, Conflict and Pluralism*, UNESCO, Paris.

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The report may be used freely with acknowledgement. Suggested reference: International Federation of Arts Councils and Culture Agencies, 2003, *Inter-country Comparisons of*

Government Arts Expenditure, Sydney,

http://www.ifacca.org/ifacca2/en/organisation/page09_BrowseDart.asp

IFACCA is interested in hearing from anyone who cites this report.

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