

MODELS OF FINANCING DEVELOPMENT
IN CULTURAL POLICY AND THE ARTS

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MODELS OF FINANCING DEVELOPMENT IN CULTURAL
POLICY AND THE ARTS -
A COMPARATIVE PILOT-SURVEY

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Models of Financing
Development in Cultural
Policy and the Arts

Summary

of the comparative pilot-survey carried out for UNESCO
by the Centre for Cultural Research
Bonn (Fed. Republic of Germany), 1986

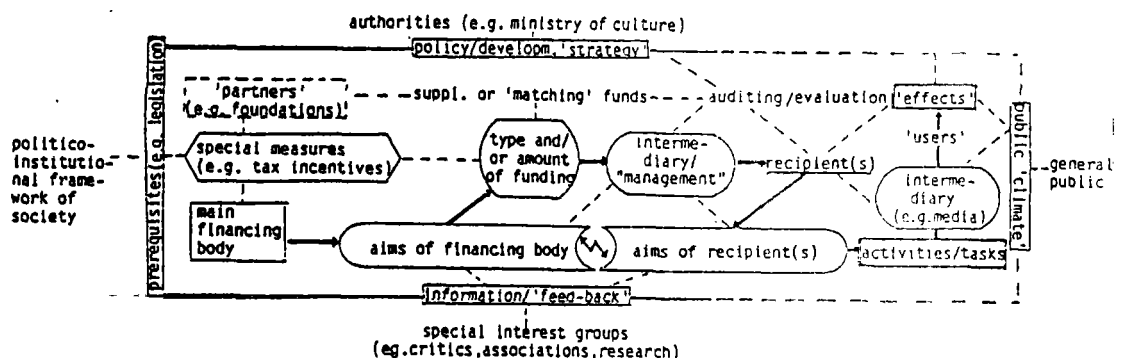
A. BACKGROUND

In many countries existing public or private funds have not been able to meet growing demands in the cultural field. Problems of financing infrastructure and projects for cultural development have therefore been debated widely at international conferences, in reports and studies, among policymakers and administrators, in arts organisations and foundations. Quite often, this debate has led not to answers but rather to additional questions about the aims, legal foundations, methods and results of existing strategies for financing. An up-to-date comparative assessment of measures currently implemented or planned seemed useful, therefore.

To meet that demand, the Centre for Cultural Research(Bonn) agreed to carry out a pilot-survey aiming at a comparative description of some experiences and new models for the financing of cultural development as a whole and of artistic activities in particular in different regions of the world. Special weight was given to measures involving action of some kind or another on the part of public authorities.

The general scope of interest of such a study is shown in this graph:

Figure A : The context of financing development in cultural policy and the arts
('Who gives what to whom with what aims/effects?')



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A. INTRODUCTION

In the resume of a conference held in Stavanger in May 1982 - " Culture and Economic Trends" - Lennart Rosenlund and Jostein Soland stated:

" In times to come the 1970s are going to stand out as the 'golden age' of cultural policy in many parts of the Western world. General prosperity provided society with resources and public concern for cultural matters. Political direction was planned on the basis of well thought out principles. Cultural work was defined and given a place in the public budget and assigned positions in the administration. We expanded the concept of culture to embrace virtually all types of leisure activities..._

The idea of standard of life was emphasized, since the standard of living was optimal...

Well into the 1980s, the reality is quite different. The questions which arrive in connection with the economy, the labour market, and electronics compell politicians and culture workers a new way of thinking which must of necessity cut straight accross the established sectorial boundaries. There is much to indicate that expansion of cultural policy is at a half for the present, at least in this country. The declared policy of the day aims at a mixed economy- as otherwise in our society a greater proportion of funds must be raised through sponsoring agreements with industry...

In other countries, in particular France, the government feels an even greater responsibility with regard precisely to a cultural policy which is expected to benefit the whole society - not the least trade and industry."

This study deals with some questions of policy, evolving from these trends. And it will show exemplarily, that such questions are by no means confined to what above has been called the " Western world". : In all parts of the world cultural workers and political decision-makers are faced with the need both for a re-interpretation of goals and readjustment of resources.

In some areas of the Southern Hemisphere such needs are even felt more deeply than in Europe, not the least due to the influence of the media and other new technology which are rapidly changing the expectations and behaviour of the people. Traditional ways of funding some cultural offers as a matter of course are diminishing and the looking for " alternative" ways of financing is becoming more and more a crucial question.

The fact that training for the regular profession of a " fundraiser" has become now a part of the programmes of some American colleges, is just an indicator for the situation we have approached.

Actually, the political re-orientation had begun much earlier: when introducing the term of " cultural development" to the general public at the beginning of the 1970s, international organizations like UNESCO paved the way for a fresh look what hitherto had been thought of as brazen achievements to be approached in a reverential manner by a considerable part of those responsible of cultural affairs. An even larger public became aware of the actual meaning of this term when, some years later, the protection of the world cultural heritage appeared on all agendas and it became clear that a solution for this task was to be found only if the utmost co-operation was achieved between all parts in a society and also through international efforts.

How many people would, until then, have thought that cultural tradition, practice and the monuments deriving from it should be taken care of not (only) to glorify the past but, rather to enable us, today, to make a decent living, both spiritually and economically ? And how many in Europe would have, for that matter, wasted much time about an equally important heritage in Asia, Africa or Latin America, most of them had not hard of anyway ?

Though eurocentric views have not diminished today, we now listen with greater care when differing views on " culture" are brought up and the need of protecting their survival and development is proposed. This has to do, for one thing, with our own anxieties, how to protect individual, social and regional differences in a media-oriented world from standardization of values, images and languages. But it is also inspired by the failure of many, more or less well-meaning " development projects" in the so-called Third World , where cultural aspects in a large sense had not been taken care of in time.

How far we still have to go, in better understanding prerequisites of any types of development, may be exemplified by two conferences:

- At a symposium on " Culture and Commerce- Cultural Aspects of Trade with far-away Countries" at the Royal Tropical Institute in Amsterdam in November 1984 about 20 different definitions of the notion of culture were given in the discussion. In the proceeding edited by Roel Janssen, we read:

" In his introduction Prince Claus (of the Netherlands) first mentioned ' culture in the sense of civilization: of art and learning'. Next he spoke of ' culture in the wider, anthropological sense of traditional patterns of thinking, feeling and acting which vary from country to country and from region to region'...The chairman of the Association for Japanese Art at the end of the symposium complained about the fact that corporate culture had been discussed in a self-complacent manner, whereas art had not featured at all in the debate."

- At an Afro-Nordic Seminar, on the " Cultural Dimension of Development", organized by the Finnish Commission for UNESCO, April 1985, the cultural implications of development projects, for example in the fields of health or water-supply, were discussed at length. Though their importance was acknowledged by all participants, the implications of a Kenian understanding of culture, presented by Joseph M. Nyasani of the University of Nairobi must have created some " transfer-problems" to Nordic development experts.

In this view, culture would have to be roughly described " as an embodiment of community value conscience that forms the anthological fabric of a mystic relationship between those actually living and the "living"dead. Culture, to us, is not merely something of the nostalgic values of the past, but also something of the actual present stretching out to the future. Moreover, according to this would-be definition, culture ceases to be a mere embracing of the totality of ways built up by a group of human beings over a historic period, but a participatory process involving all those that were and those that are, in a relationship that is invaluablely mystic and sacrosanct...

A meaning for development, in my view, is attainable only after a genuine liberation of personality and culture has been effected. In any case, development as a natural consequence of the inner striving of a person intimately reconciled with himself would be grossly impaired and distorted if effected by a person who has not discovered himself fully, both in terms of eliminating the psychological crisis of what I might call self-hate, and in terms of making a concerted effort to return to the roots of our cultural identity."

(Publications of the Finnish National Commission for UNESCO N° 33/1986)

Dismissing the concept of totally separated worlds of an economic and technical sphere on one and a socio-cultural sphere on the other, there are two main approaches for an integrated view, common today:

- One calls, with a somewhat socio-technical orientation, for the use of traditions and every-day cultural practice in efforts to improve the living and working conditions of the people;
- The other, in the words of Federico Mayor of UNESCO, at an international conference (" Trait d'Union par delà les frontières.") in Bonn 1980, amounts to the following:
" La dimension culturelle du développement ne doit pas être considérée comme une amélioration qualitative de la croissance dans le sens économique mais comme la fin réelle de tout progrès."

Literature studied and experiences gathered on the spot by the author lead to the conclusion, that the arts can play a decisive role to reconcile both approaches. This is due to the fact, that artistic development is inconceivable without man's creativity and will therefore add up to his individual and social self-assertion, the primary source for any type of development in any type of society.

But history, starting from the ancient architects in China, Cambodia, the Nile-valley and the Aztek and Maya cultures over Leonardo da Vinci just to the modern composers of electronic music or the video makers tells us that there has always been an avantgarde in the trial and implementation of modern technology. In judging the economic impact of the arts in many countries nowadays, we might come to the conclusion, in the brutal words of these times, that it is the " software" that will decide the fate of the " hardware".

When taking part in the " African popular theatre workshop" of 1983 in Murewa/Zimbabwe, the author had two interesting experiences, in that respect: visiting a small agricultural cooperative in the region, he found that the care for the spiritual and artistic interests of the members of that the farm were given equal status to the other goals mentioned in their statute. And one performing artist from Mali told him:

" We have no gold mines and no oil to sell to the world. But then, our rich cultural life may be even better to give to the world and to live from, since it cannot be replaced."

This study will deal mainly with different modes of financing cultural development in the narrow sense of that word, concentrating on the improvement and better funding of activities and facilities in the arts and in literature. But what seemed to be a failure in collecting meaningful material with regard to a wider concept of cultural development at first, may well turn out to be more than just a reflex of current lines of discussion and actual measures prepared by policy makers. In other words: what is now the outcome of the fact-finding efforts undertaken by the Centre for Cultural Research when preparing this study could have been a deliberate choice in the first place.

Official institutions, associations and individual experts from more than 100 countries have been approached since early 1985. After several months, and after additional efforts made at some international conferences (the latest was the conference " Cultural Economics" in Avignon/ France in May 1986) it became clear that once again a study in comparative cultural affairs was facing a " disease", wellknown among researchers in that field by now:

The different regions of the world were not equally represented among the material coming in. While, nearly all European countries, East and West, were among the returns coming in response to the direct survey of the Centre for Cultural Research, only two each from Latin America, the Arab world, Asia and only one from Africa could be counted. UNESCO was approached with that disturbing result and given the opportunity to cancel the commission for the study. But the Division of Cultural Development decided, that, with certain adjustments in the scope and in the presentation of the proposed study, it would still be of some value and should be carried on, in a manner, leading to a comparative pilot-survey, identifying certain models and techniques of financing rather than specific experiences on national or regional levels.

The description and classification of models for the financing of cultural development as a whole and of artistic activities in particular in different parts of the world could not, however, be accomplished without reference to the results of several international conferences and the finding or research made elsewhere. Among the conferences and their reports, the following were of particular importance during the process of preparing the report:

- The " International Seminar on the Financing of Culture " which was prepared by the international Fund for the Promotion of culture of UNESCO and took place in Madrid/Spain in March 1982.
- Two research workshops on funding in the cultural field, organized by the Council of Europe, in the fall of 1983 (Munich/ Germany) and 1985 (Rüschtikon/Switzerland) respectively;

- Three international conferences on cultural economics and planning, organized by the Association for Cultural Economics, and national bodies in Maastricht/Netherlands (1982), Akron/United States (1984) and Avignon/France (1986);
- The seminar " Methods for evaluation of National Cultural Policy" organized by the Council in Europe and the Swedish Ministry of Education and Cultural Affairs in Stockholm/Sweden in April 1985, and
- Several of the annual meetings of the C.I.R.C.L.E - Network of research and information centres for cultural development in Europe in Strasbourg/France where national and international research-efforts in the field of cultural financing were discussed.

Most of these and some other conferences have resulted in reports that were particularly useful for the study. Such was the case also with regard to several international comparative studies, resulting in publications dealing with the topic of our survey. Again a few examples:

- When preparing the "World Conference on cultural policies " in Mexico city, August 1982, UNESCO made a survey among its member states. The result came out in Documents ("Situation and Trends in Cultural Policy in Member-States"), providing for data on national cultural policies and in some cases also providing useful " country profiles" with regard to financing.
- In 1981 the Centre for Cultural Research, Bonn/West Germany, published two comparative studies on the finding in the fields of literature and visual arts ("literaturförderung im internationalen Vergleich ", " Kunstförderung im internationalen Vergleich", Dumont publishers, Cologne) on behalf of the Federal Government, followed by the " Handbook of Cultural Affairs in Europe " (Nomos Publishers, 1985), prepared in co-operation with C.I.R.C.L.E, the Council of Europe and the European Cultural Foundation.

- In 1980, Edwin R. Harvey published the comparative study on governmental action in the cultural field " Accion cultural de los boderes publicos " (De Palma Publishers).
- An international comparative study with the title " Supporting the Arts" was prepared by J. Mark Davidson Schuster of the Department of Urban Studies and Planning of Massachussetts Institute of Technology, published in 1985 on behalf of the National Endowment for the Arts/United States.
- Some special bibliographies, published recently, made additional efforts in this study dispensable (e.g. T. Pronk: " Arts and Economics", Boekmanstichting/ Amsterdam 1982; Bibliographies on the same subject by M. Babic and J. Chartron, UNESCO 1981 and 1985; H. Martin/J.Marten: " Bibliograhpie Kulturökonomie " Berlin/GDR 1984; Also national accounts).
- Several international non-governmental organizations, such as the International Association of Art, engage from time to time in comparative surveys, the results of which could be used for the study (but, in general, suffer from the same shortcomings with regard to material from certain regions of the world).
- A few national approaches, especially in the form of general committee reports on cultural policy, were also helpful, since they sometimes go into the details of financing strategies (one example: the " Report of the Federal Cultural Policy Review Committee", published by the Department of Communications of the Canadian Government in 1982).

The usual problem of comparative studies - comparing the uncomparable and thus coming to wrong conclusions - had, certainly, been of concern to the Centre for Cultural Research, when this material and many other facts, taken from its archives, were evaluated in the process of the study. This danger seemed a little less virulent in our case (though) because as a pilot-study, the report could not envisage to compare national cultural

policies and their instruments, in total, it was also decided to avoid misinterpretation by:

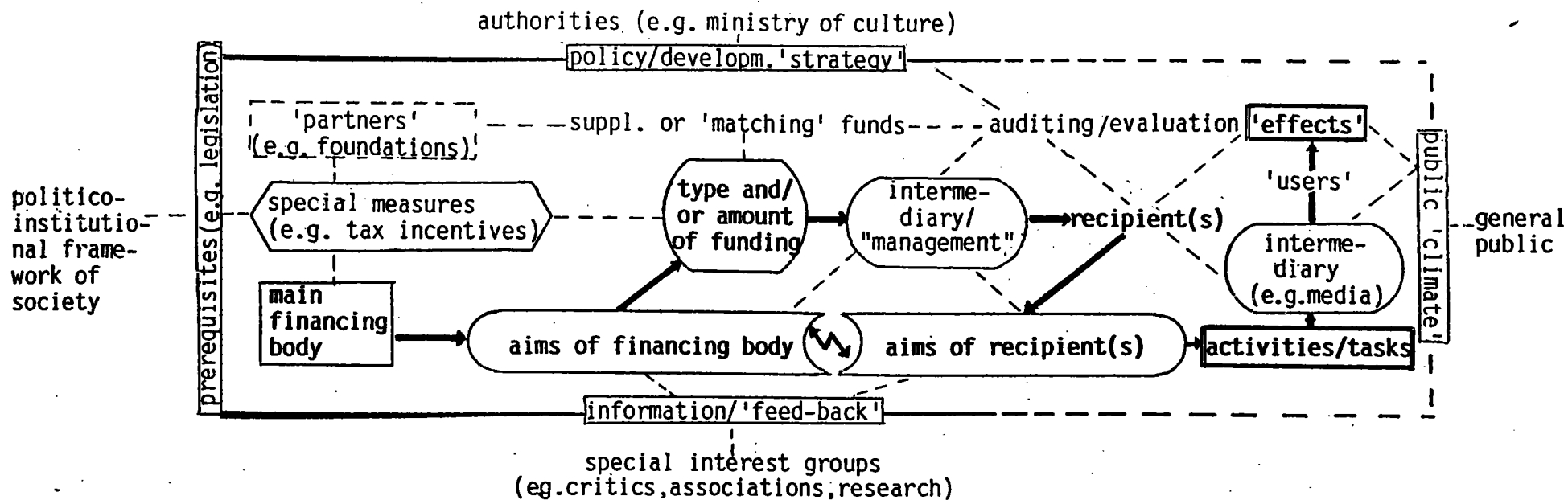
- 1) Presenting some of the material in a more generalizing, synoptic form and;
- 2) Dealing mainly with financing strategies involving public action and carried out along similar lines, in many countries.

We may point out here, however, that presenting different experiences in this report does not in any case imply their practical usefulness or their desirability in terms of political or cultural values at stake in the development process, in a particular country. Conclusions made in the text and judgements given are strictly those of the author, and it should be taken into account that he is himself actively engaged in cultural development matters in his country and on international platforms.

Finally, to provide for some kind of a methodological framework for the study, the following figure A.1 may be helpful. The underlying question asked (" Who gives what to whom with what aims/effects ?") has been drawn up along the lines of a formula developed by the American political scientist, Harold.D.Lasswell, for the field of communication research (" Who says what to whom with what effect ?"). For definition purposes we should add, again, that "pure" forms of private spending and sponsoring in the arts are of lesser concern in this study, since they had been a topic in many other studies lately, and seem to be typical only for very few countries.

That the aims of a financing body and the aims of a recipient may differ once in a while and that the "effects" of any type of donation may sometimes be more dependent on, what could be called, a public " climate" favourable to arts and cultural development, than the amount of money, the forms of funding and the intentions connected with it may be useful to consider not only as far as the results of the study are concerned but also with respect to cultural policy in general.

Figure A : The context of financing development in cultural policy and the arts
 ('Who gives what to whom with what aims/effects?')



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The use of some new funding techniques or the transformation of " cultural administration" into " cultural management" does not represent a qualitative development, as such. The latter, in the cultural field, depends respectively on the creative abilities of man and his chances or his willingness to contribute to the shaping of his society.

B. POLITICAL AND STRUCTURAL PREREQUISITES FOR AN IMPROVEMENT OF
THE FINANCING OF CULTURAL DEVELOPMENT.

It is not just by chance that many international conferences during the last years, when debating problems of financing, started with a stock-taking process of a more general nature. Such was the case, for example at the " International Seminar on the Financing of Culture" (Madrid 1982), where - as started in the report -

"It was impossible to talk of the financing of culture without first dealing with the unavoidable conceptual preliminaries."

The aims and structural or political prerequisites of funding were considered to be of major importance and a "mere" technical view of the problem seemed unacceptable to the participants. One of the reasons, as started frankly by the head of the Cultural Section of the Organization of African Unity, Marcel Diouf, could be the following:

" As a rule, financial resources are not devoted to culture but to administration of culture, which, as a result, is operating pointlessly."

Since, today, there seems to exist a far-reaching agreement about the underlying values and the practical benefits of an active cultural life in virtually all development processes - quite along the lines drawn in Madrid and at similar occasions - we need not go into details on that in our paper. It might, however, be useful to recall a general remark, Raymond Chasle, Ambassador of Mauritius to the Commission of the European Communities, made at the above mentioned conference:

" The view a people has of its development is a part of its culture. Culture and development are therefore two complementary aspects of one and the same problem, apprehended as they are through the effects they have one on the other; a cultural equilibrium is beneficial to development and development in turn favours an increase in creative potential, individual self-fulfilment and participation in the process of creation of cultural values."

This view, along anthropological lines, may complement two other beliefs, said to represent a " consensus" among policymakers and specialists by the Chairman of the Administrative Council of the International Fund for the promotion of culture, Felipe Herrera, in his working document for the seminar:

" If the importance of culture is to be gauged exclusively in terms of its economic impact, raising the cultural level of a nation can be seen as contributing to the creation of an environment that is conducive to increasing the productivity of its economic, financial and technological resources. However, if it is acknowledged that the ultimate goal of development is man, then it is more important to demonstrate that, by enhancing the cultural lives of the peoples, it is easier to improve their social and institutional living standards."

Though these aims, certainly, have found many followers all over the world in recent years, another motive for the improvement of financing strategies and instruments still seems, in the view of the author of this study, not only popular but also justified: the right of those individuals, groups and institutions, actively engaged in artistic and literary production or dissemination, to call for fair conditions of support and for a balancing of market forces and, at the same time, the encouragement of a larger public to appreciate these activities and make a better use of them in their everyday life.

Defining a goal in this manner does, by no means, minimize the " economic impact", the arts and cultural industry may have in any society. The Federal Republic of Germany, where around 5% of the G.N.P. can be attributed to that impact, may serve as an example, in this respect, and much is speaking for the assumption that these figures are to be easily surpassed in many other, even smaller or less " developed" states.

When defining the targets of this chapter, some " prerequisites" for an improvement in financing cultural development could be easily left aside, even though they may be of considerable importance: Since the plans for

- an improvement of co-operation between different levels of government (national, regional, local) including, if relevant, the co-sponsoring of certain cultural activities,
- the introduction of national funding agencies or foundations with a high grade of autonomy from authorities (the so-called " quangos", operating under the " arm's length" principle with the help of qualified advisors) and the extension of their activities to the regions or to joint projects with private and non-profit groups,
- increased co-operation with regard to concrete projects for an integrated cultural development also on the bilateral and international levels (and adequate support for international organizations and funds already active in this field),
- the encouragement of variety and quality of production in cultural industries and the media, or
- adequate training (facilities) for cultural administrators and for the "management" of privately run enterprises

have been dealt with at length in conferences and comparative research (or still are being dealt with, separately), their treatment in this context did not deserve highest priority. We may only recall, for example, the expert meeting " Place and Role of Cultural Industries in the Cultural Development of Societies", held in Montreal/Canada under the auspices of UNESCO, June 1980 (Report published in 1982), similar attempts of the Council of Europe during the past years (with the help of expert groups), the interesting comparative study on " The Training of Cultural Administrators" by Pierre Moulinier of the French Ministry of Culture's Research Department (published by UNESCO in 1983) and the expert meeting on " Production and Dissemination of Cultural Goods and Services: Training of Personnel" in Vienna/Austria, March 1986, as a joint venture of UNESCO and MEDIACULT, to prove our case. What should be borne in mind, judging the results of these and other efforts, is the following:

Given the great differences of cultural policy in the states and regions concerned, due to historic, ethnic, social, economic and other reasons, there could (or at least: should) never be such a thing like an " overall model" for the implementation and financing of cultural development. International comparison and subsequent exchange of experiences may enhance domestic discussion and even provide additional political backing, when new measures are to be introduced, but they cannot replace the careful study of aims and resources " on the spot" and they cannot provide " stencils" fitting for all particular situations either. Political decision-making and individual choices of those working creatively are to be considered sacrosanct, especially for researchers (which should, in no way, be an impediment to their critical judgement, but rather a condition for the free expression of it).

What, then, is left for us to tackle within this chapter ?

Three questions seem to offer some challenge:

- 1) Is there an ideal " funding mix" ?
- 2) What path to follow in cultural research and evaluation ?
- 3) Extending the basis for cultural activities - myth or reality ?

1. Is there an ideal " funding mix " ?

In the field of business, strategies for a " marketing mix" have been among the more popular recipes, these days. Managers pride themselves in what they consider an ideal " mix" of commercial activities, leading in both a sound increase in revenues and a good " image" among customers as a basis for future success. There must, for sure, be some other recipes, but they seem to have two things in common : The promise of financial benefits and a strong conviction for public relations (" corporate culture").

There are signs, that this kind of thinking is making its way in the cultural field, too. Proof of this is not merely given by a fast succession of trends and modes, especially when it comes to popular music, but also in the visual arts, backed by aggressive media campaigning. More interesting and, in the longer run, probably more influential seems the introduction of economic theories and methods in cultural affairs as a whole, including the public sector.

When the Centre for Cultural Research carried out a cross-national study on " Successful Library Management at a Time of Zero Growth" on behalf of the Bertelsmann Foundation, 1982-84, it came to the conclusion that it was not so much the improvement of the traditional role of librarians as personal mediators between sources of information and users, that concerned policy-makers, directors of advisors.

Instead, like managers in " normal" field of business, they were asked to and quite often also willing to accept, modern management strategies as a solution for their growing financial difficulties, such as

- defining their goals and objectives more precisely,
- marketing their services more effectively, and
- introducing methods of performance measurement and efficiency evaluation.

Now, there is certainly nothing wrong with such efforts and we should welcome any willingness to cope with budget problems in a competent manner, including the mobilization of resources which had not been thought of before. But why is it so inconceivable to the followers of these approaches, that a better public service may also deserve (and get !) higher appropriations in the budgets ?

It may be, we are just confronted here with a variety of the offer-oriented economics theory, that has made its way, in recent years, also in the public domain, due to political developments. But the reason could also be a long-existing " consciousness of guilt" on the part of many responsables for cultural services - guilt, because they have been told so many times about the alledged " unproductive" character of their work- that is now making them easy targets for the message: It's your fault, if your budget does not keep pace with the tasks, you have to fulfill ! And it could well be a mixture of both...

The study of the Centre for Cultural Research identified several approaches in library management, offered as " pat solutions" to frustrated librarians. Once again, it has to be said that there are some valuable elements in many of these models - and indeed, well-run libraries all over the world are making use of these, if they happen to fit their particular needs.

What has been so disturbing, however, is the belief of the proponents of each of these approaches, their way of looking at things (and, especially, at expenses and revenues) should deserve the monopoly of all means of grace. Here are some of the more common models identified in the study (which, by no means, exclude each other):

1. Library planning based on standardized indicators;
2. "Exchange maximization" strategies, leading to greater "rewards";
3. User-centred library marketing;
4. "Social Librarianship";
5. The library as a community information centre;
6. Cost-effectiveness/Cost-benefit analysis;
7. Internal cost-efficiency models;
8. Need-based management, relying on market research;
9. User satisfaction-based management and "quality control".

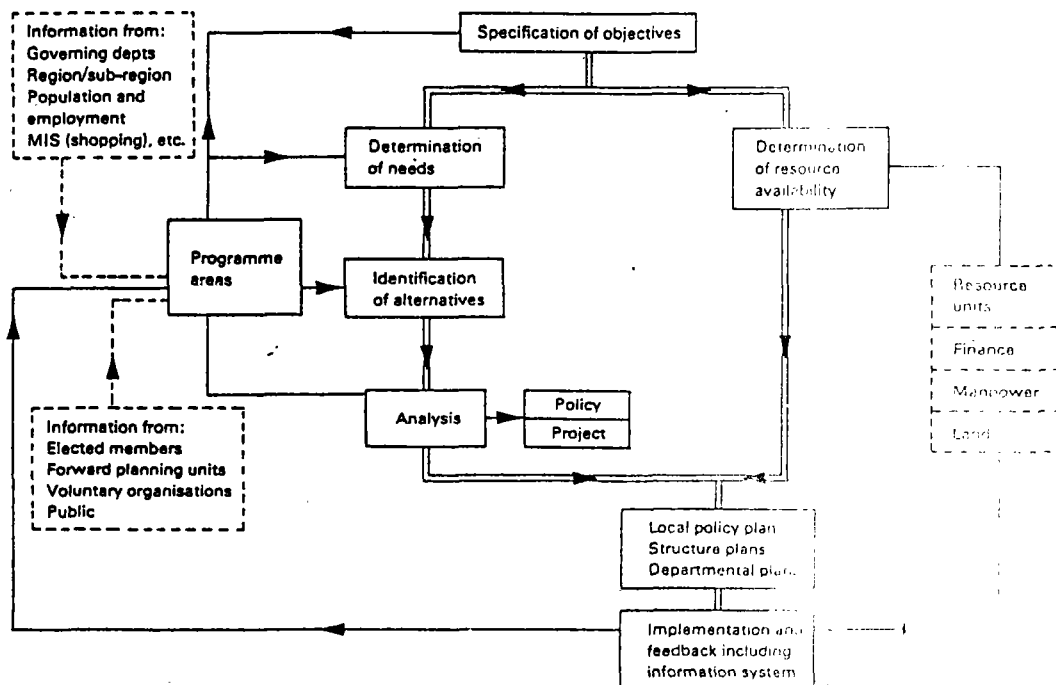
It is doubtless that better planning for libraries and other cultural services is of high importance. But this planning should be both budget- and service-oriented and it should not rely on streamlined yet standardized models and methods, but rather on the specific situation of a given social and cultural environment. The goals set in this process may surpass current levels of provision, but criteria for that must be derived from careful analysis on the spot (e.g. "Community reviews") and not from outside visions and even less so, when increases in revenues are hoped for - see the example of a Canadian review in the Annex.

This view of our study is not new. Actually, a similar conclusion was expressed more than 20 years ago by Herbert J. Gans in a publication of the Massachusetts Institute of Technology ("The public library and the city", MIT Press, 1965) and brought up again by Alexander Wilson in his study " The Planning Approach to Library Management" (Library Association, London 1979):

" Arising from the alternative recommended by Gans, which includes the idea, that each library must take its own priority ranking, we come to the realization that public libraries will become less uniform; their services will differ in, for example, middle class neighbourhoods, low income areas, areas populated largely by older people or by young families, or in business centres. Gans concludes, ' this approach to library planning is based on the idea that existing institutions not only should perform effectively their original functions but also should be adapted to the changing needs of their communities.'"

Though it is useful to investigate our problem in an exemplary manner - here in the field of libraries - it must be borne in mind, that this kind of planning approach is by no means confined to just one area of cultural policy, as can be seen in the following graph:

Figure B.1 The planning framework of the City of Coventry



Source: DSC, *Aspects of public library management*, 1977

In a more general manner, we might conclude for the planning and funding of cultural development in many countries and regions that more responsibility for lower levels of government and the extension of a fair amount of planning autonomy to individual public service or production outlets may become a necessity, if public funds are to be used in a manner as close to the needs of people as possible. National funding agencies, such as Arts Foundations, may contribute to that end either through regionalization efforts (in or outside of the organization) or through grants, aimed specifically to assist regional or community development programmes or institutions and NGO's on these levels.

There has been a gradual but steady change in this direction even in countries with a strong central executive, for example in Sweden and France, but also in some socialist countries and in Latin America. This has not always been the result of deliberate political decision but sometimes also is due to the fact, that initiatives and institutions have come to existence outside the large centres, on their own terms. And it should also be noted that private investors have increasingly found the culture and media field to be an interesting sphere - sometimes private music schools, galleries, music and audiovisual production firms, publishers and books shops, manufacturers of instruments and craftsmen serving the artistic community have been faster in discovering the potentials of "the Province" than public services.

Under certain circumstances, this may indeed lead to what could be called an " ideal funding mix", but not so much with respect to additional funding from private sources for public programmes, as is often hoped by policy makers, also in international organizations. As has been shown in the study of J.M. Schuster ("Supporting the Arts", 1985), the more " expensive" institutions in the arts, such as museums, theatres and orchestra, though they may make much fuss about private sponsoring, receive less than 5% of their income from private donors or corporate gifts in most of the 8 countries investigated;

Even in the United States that figure ranged only between 24 and 32 %, with black outlooks for the future, due to the new tax laws. In other words: especially when it comes to broadly-based cultural development projects, the mixture is to be expected much less within a given institution or programme, than in a complementary function, which different funding or investment sources may have towards each other.

In the future, cultural policy should count less on " interest-free maecenas" (the sponsors of great works of art in Italian Renaissance did not belong to that category either !) and much more on incentives for those individuals and enterprises, trying to contribute to artistic activities, or funding them independently, along their own lines of interest, including commitments to their local social communities. Chapter C and D give some examples how such incentives may be introduced successfully.

Table B.2 on the following page gives, in a condensed manner, an idea about complementary funding and guidance in cultural affairs, bringing together experiences from some 16 countries and using once again the field of libraries to demonstrate concrete examples. It is interesting to see that none of the 9 theoretical possibilities of cooperation and complementation was omitted. The following tables B.3 and B.4. confirm these findings in a more general manner, presenting 4 examples from countries with differing systems of cultural policy.

Again, another aspect of the problem of an adequately differentiated cultural infrastructure including its financing and its guidance, may be touched along the lines of two other comparative studies of the Centre for Cultural Research, dealing with funding models in the fields of literature and the fine arts.

Table B 2: Financial holding and radius of action of cultural institutions/activities
(General typology with examples from the field of libraries)

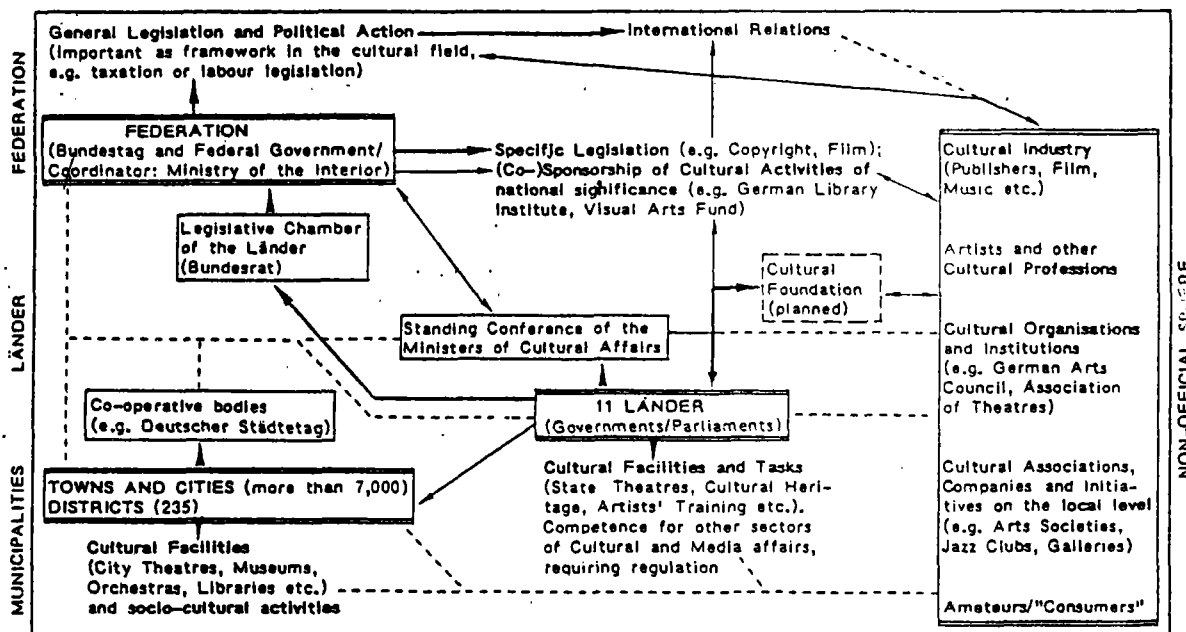
Financial Holding Radius of Action	1. Direct public holding or financing (state and local authorities)	2. Indirect public holding or mixed economy systems	3. Private holding (including charities)
A. Public guidance from state and local authorities (frequently with some latitude in professional details)	State and local institutions, e.g. - National libraries - State archives - Many local public libraries (without independent budgets) - State library boards	(Economic) activities of the state or on public order, e.g. - Purchase and sale agencies for public libraries - Branches of public libraries in privately or independently run installations (cultural centres, hospitals etc.)	Privately run activities in publicly regulated fields of interest, e.g. - Private libraries in countries with formal library laws (e.g. Denmark)
B. Self-governed institutions	(Quasi-)Autonomous institutions with public sponsorship, e.g. - Many public libraries - Research libraries - Colleges for librarians - Some institutes for international cultural relations (e.g. British Council, Goethe Institute)	Autonomous institutions with "shared subsidy"-schemes or joint ventures, e.g. - Some public libraries (in connection with churches, industry etc.) - Joint venture libraries (e.g. City of Gütersloh/Bertelsmann Foundation) - Library associations	Non-profit institutions and associations, e.g. - Librarians unions and associations - Church libraries - Some research and special libraries - "Friends of library" associations
C. Private guidance (including commercial management)	Public financing for private purposes/activities, e.g. - Public lending right - Library research and development, carried out by private institutions - Guarantee purchases of books for libraries (e.g. Norway)	Private activities, supported with public funds, e.g. - Special interest associations (like "Books for the Blind", Authors reading in libraries)	Privately run activities, e.g. - Workplace libraries - Many special libraries - Private lending libraries (including videos and records as in Japan)

Table B.3 : The structure of cultural funding - Two examples from countries with low or high degree of centralization

a. Federal Republic of Germany

(from: "Handbook Cultural Affairs in Europe", Nomos 1985)

CULTURAL CO-OPERATION AND COMPETENCE WITHIN THE FEDERAL REPUBLIC OF GERMANY
(The system of "checks and balances" between the Federation, the States, the Municipalities and non-official bodies)



Legend: ——— Institutional links/Competence
 ——— Influence(s)/Co-operation/Financing
 - - - - - Contacts/Support for projects and institutions

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b. Hungary

(from: G. Koncz: "Financial support for the Creative Arts in Hungary", UNESCO, Documentary dossier 'Cultural Development' No. 11-12/1977)

Organizational scheme of the financing of the arts

Sources	Intermediaries, maintainers	Direct cultural fields and institutions	Artists
From the State budget:	Councils	Theatres	Artists
direct state support through individual institutions	Trade Unions	Musical institutions	Performing artists
maintenance and support of various foundations	Ministry of Culture	Art centres, clubs	
		Libraries	
Local sources:	Ministries	Scientific/professional libraries	Amateur artistic movement
support of local authorities for cultural establishments	National authorities under the supervision of the Council of Ministers	Museums, galleries, archives	
welfare and cultural foundations of companies and co-operatives		Association of Popular Education	
cultural establishments and investment maintained by companies and co-operatives	Social organs, organizations	Artistic Foundation	
		Authors Copyright Protection Office	
Various membership fees		Publishers	
Income of cultural establishments		Cultural institutes	
Cultural expenditure of the population		Cultural service companies	
		Hungarian Radio and Television	
		Cultural foreign and home trade	

Table B.4: Sources and figures in a cultural "funding mix" - two examples

a. Italy (C. Bodo in J. Myerscough, Ed.: "Funding the Arts in Europe", 1984)

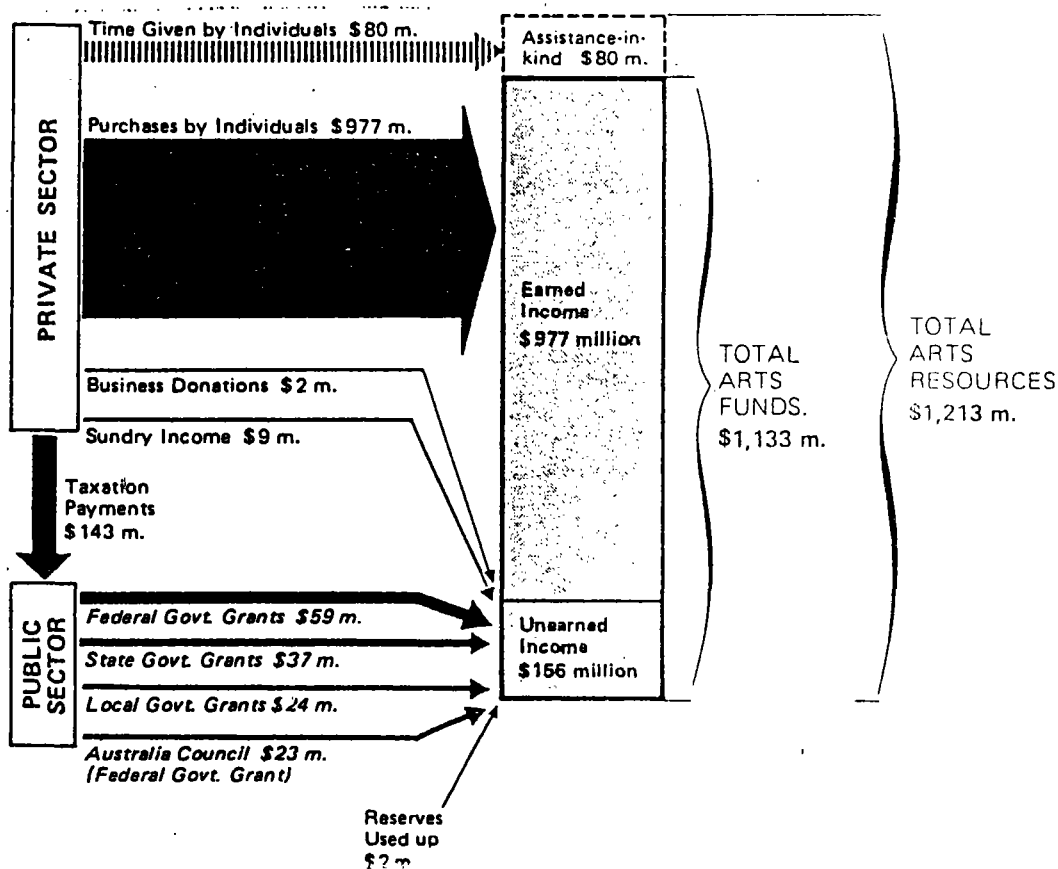
Public and private spending on the arts in Italy 1981

'000 million lire

Activity	Central government expenditure		Private expenditure				Total	%
	expenditure	%	Household expenditure	Advertising	Total	%		
'Traditional' arts								
Cultural heritage (museums, monuments and excavations, libraries, archives)								
	518	98.7	7	-	7	1.3	525	100
Performing arts (music and theatre)	198	62.7	118	-	118	37.3	316	100
Foreign relations	81				81		81	
Sub-total	797	86.4	125	-	125	14.6	922	100
'Arts industries'								
Press, publishing, information	105	19.1	3,565	880	4,445	80.9	4,550	100
Radio and television	111	0.8	7181	5752	1,293	99.2	1,304	100
Cinema	23	4.6	449	25	474	95.4	497	100
Audio-visual equipment and other cultural and entertainment goods	-	-	7,950	-	7,950	-	7,950	-
Sub-total	139	1.0	12,682	1,480	14,162	99.0	14,301	100
Other forms of entertainment and recreation activities (sports, juke boxes, events)								
	-	-	607	-	607	100	607	100
Total	936	5.9	13,414	1,480	14,894	94.1	15,830	100

Notes: 1 In order to avoid double counting, funds for the RAI (which take the form of the Ministry of Finance transferring most of the revenue from radio and television licences to the RAI) have been considered here as private expenditure only. Funds for the RAI shown under the heading 'government departments' come from the Office of the Council of Ministers.
2 250 thousand million lire of which went to the RAI and 325 to private television companies.

b. Australia (from: "Building Private Sector Support for the Arts", The Myer Foundation, 1977)



These studies, published in 1981 (See A.) aggregated material from more than 1.500 different experiences or institutional sources in 25 countries. With regard to " promotion policies" in these fields, four main areas of concern could be generated, receiving, not unexpectedly, differing grades of attention in the countries concerned:

- 1) Promotion of artists/authors
(Including grants, sabbatical and research years, work commissions, training offers, international exchanges, pension funds, etc...)
- 2) Promotion of the Arts/Literature market
(Including assistance for non-commercial galleries, publishing houses, bookshops and agencies, but also for their commercial, where, for example, commissions; purchases, reduction of taxes and postal fees are frequently in use; " art banks" and art-in-public-places-programmes are also common, leading already to the next category)
- 3) Dissemination of Art/literature
(Including all kinds of arts and literature education, sometimes also actively brought forward by museums and libraries, the extension of such programmes to special groups in the population, for example workers or the handicapped etc...)
- 4) Balancing legal and social measures
(Special social and tax provisions for artists and writers, copyright, including new measures like public lending right and resale royalties etc...)

Could we speak on an " ideal funding mix", if activities were carried on with equal emphasis in all these areas ? The study suggest, again, a different interpretation: Since conditions for the arts and for the arts and literature market vary to a great extent from country to country, depending, for example, on the influence of international market forces or on the existence of a broad infrastructure of libraries, galleries, audio-visual production facilities and many other factors, there cannot be a uniform solution in promotion policy.

One should also not forget that funding in money is by no means the main condition for public climate, favorable to the development of the arts and of culture as a whole. Arts services are merit services, both in the eyes of the artists and their public. Thus, a promotion policy will not be successful, if it intends to standardize the results of creative work or if it gives the impression, by introducing market economy and marketing criteria to a great extent into its funding design, that these results are exchangeable and just a matter of the price one is willing or able to pay for them. One should also never forget: Freedom of expression for artists and cultural workers may not automatically lead to an inspiring and meaningful cultural life, if not backed by positive promotion measures, but if it is absent, the best " funding mix" will serve no purpose.

2. What path to follow in cultural research and evaluation ?

It cannot be overlooked that provisions for cultural research and evaluation have been greatly improved during the last decades, in many countries. While in former times, only very few institutions were active in that field, at least as far as empiric research and advice in concrete policy matters are concerned, and much of the work done was a side-effect of the regular national administration for cultural affairs or the fruit of international co-operation in organizations such as UNESCO or the Council of Europe, the picture now has changed in many countries. All types of efforts and institutional set-ups are to be found:

- Special departments at national statistics offices
- Institutions within or in close relationship to national ministries for Culture (as soon as they had been created)
- Research and information departments at national arts councils and foundations;
- Research-groups in universities and other public scientific institutions;
- Independent research bodies, in connection with associations or working on a non-profit basis;
- Independent run groups or enterprises working on a commercial basis.

All of these work, in addition to individual advisors and to international organizations, with the aim of keeping both the public at large and the policymakers in particular better informed on structure and development of cultural affairs as a whole or of certain sectors in that field. There are also, often, active when it comes to reviewing or evaluating the performance of institutions or the results of particular programmes, introduced to a cultural development.

The example of France, where, among others, the Service des Etudes et Recherches of the French Ministry for Cultural Affairs has contributed over years to a better knowledge of the needs and the results of cultural work of this country, may clearly demonstrate how cultural research can actually influence certain programmes and policies at large. The drastic increase in finding arts and cultural development, achieved since 1982, was not the least due to the information given by cultural researchers, showing both weaknesses and assets in French cultural life.

There have been, on the other hand, also examples for the consequences of introducing so-called empiric evidence into the policy-making processes in cultural affairs and the arts funding in particular, without taking advantage of the work of experts in these fields. Such had been the case, among others, in Great Britain, where a bill (the "Local Government's Planning and Land Bill") was introduced in Parliament in 1980, calling for new statistics which were supposed to supply information on the expenditure by local authorities and the use made of it. The effects of that policy in just one sector, were described by John Allred, reader in librarianship at Leeds Polytechnic, in an article at the Library Association Record, November 1980:

" For public libraries, there is one measure only, issues per thousand population served. In addition, every service is to be costed in terms of pounds spent per thousand population served...If these two measures describe the public library service, then the way to run an efficient and productive library service is clear: Remove the costly and non-issue producing operations such as local history libraries, reference services and even some mobile libraries, and concentrate on the book lending system, running as an automated self-service operation under the care of a very small number of clerks or caretakers payed minimum wages. We should go for the most ' profitable' markets, those people who read a lot, younger women, old people and children, and stop worrying about the rest of the population's need for literature and information."

What we can learn from this example is: For the different culture services, specific information is needed, taking into account particular tasks and prerequisites, while standardized indicators of a more general nature should be rejected, especially when it comes to financial questions. But even if reliable and sufficiently specific data material exists, experts' advice is needed, to give it a fair interpretation.

The reasons for that are becoming perfectly clear, if one refers to international comparative research and evaluation efforts. It is interesting to see that officials seem to be more reluctant to accept procedures and results of that kind of activity than they would be inclined to do in their own country (even if the sources and the shortcomings of data supplied are not different from those sometimes used in international comparison). Still it is true, especially when it comes to comparing statistics, that the difficulties inherent to the use of facts and figures in the cultural field show a tendency to multiply. Efforts must be made, therefore, not to only improve the comparability of statistics but also to introduce other methodological approaches, combining both an in-depth view into structures and motives of action with the "convincing example" and a careful discussion about future tasks. It is in this concept we have to judge research done so far and efforts to reach common "cultural indicators".

Two examples from a study made by Everett Helm for the Office of Statistics of UNESCO in 1980, may clarify the point. This study was dealing with participation in music activities worldwide and led to different commentaries by those asked to reply. From that it became clear that presentation forms, audience habits and consequently also the remuneration to be expected from such activities are so different throughout the world, that it would be much overstraining this type of research, if one would draw conclusions as to "ideal" solutions for the organization and funding in this field.

Here is one of the comments received with regard to the questionnaire used:

The Indian National Commission for Cooperation with UNESCO replied:

" Most of the artists in India generally perform in the open, under Shamianas, in temple premises and varied make-shift platforms in smaller urban centres. Indian halls of the kind available in the west for live performances are not many, except in a few bigger cosmopolitan centres such as Delhi, Calcutta, Bombay, Madras. Our better known artists perform among rural and urban audiences of various sizes, in a variety of sittings; statistics in regard to audiences are neither available nor compiled."

By quoting this reply, we do not rule out, that - under certain cultural traditions - there are also some countries in the Southern hemisphere, where an unexpected vivid concert life in a more formal sense is to be found. This is demonstrated by the example of Madagascar which accounts for less than 2% of the population of India (about 10 million inhabitants) but whose musical life seems to be not only very lively but also highly organized. According to the Ministère de la Culture et de l'Art Révolutionnaire, the following figures apply to that country:

- Number of halls : 120
- Number of performing ensembles: 589
- Number of entries (visitors) : 13.696.250

We are not in a position, here, to compare statistics from India with those of Madagascar or, for that matter, with any other country. The point to be made is, however, that it would not, apart from definition problems, make much sense to just put figures of this kind into " comparative" tables and then try to judge the " quality" of the cultural life in a particular area.

In a country as large and with so many cultural differences as India, it might not be useful to draw up the expected figures at all, while in other countries and also in regions with a more homogeneous cultural background this can surely be asked for. It is in this light that we might accept the Office of Statistics' efforts during the last years to come to better "cultural indicators" by working for a "Framework of Cultural Statistics" (FCS), since these efforts were largely concentrated on the European region. And when it comes to the activities of "cultural industries", where economic information sometimes has to be supplied (e.g. collection of royalties), it also seems possible to fall back on statistical data in a more standardized form. But we should never consider this type of information fitting for general development plans towards more "cultural democracy" or similar objectives. If we, therefore, reject the following statement made by the former director of the Office of Statistics of UNESCO, Serge Fanchette, in his report "Cultural Indicators: Theory and Practice" (Published in September 1979), this is by no means to be taken as a rejection of cultural statistics as a whole.

"An indicator of cultural development should better be interpreted as 'indicating' the measure of the means placed at the disposal of the people at large or of certain groups of people to have access to and participate in cultural activities. The 'indicator of cultural development' thus conceived would be the tool of the cultural planner, since cultural policies, if translated into cultural plans, would seek, among their objectives, to broaden access and participation for the people. The right to culture has a respectable place among human rights, and many countries, where cultural means as understood above are insufficient, have policies aimed at the "democratization" of culture through creating more of these means and broadening access to them."

As much as we do like to subscribe to the political aims of that statement, as little we find the indicators presently used or debated acceptable for qualitative definitions of these ends outside countries or regions with a fairly homogenous cultural background. It goes almost without saying that this judgement refers not only to " indicators of participation " of the population in specific cultural activities, but also to some occupational data and certainly to statistics on the actual amount of finances going into the cultural sector. We may even go further in saying that a very high public funding budget in culture could well refer to a situation, where authorities do the best they can to fight limited access of the people to cultural resources or to a country, where " cultural participation" would have to be considered at a low standard since it is confined to certain more or less official institutions, designed for that purpose.

Statistics referring to the time budgets of the population and the careful interpretation of these data with regard to certain national or regional specialities may receive a different appraisal however. But here and in many other fields of cultural statistics there is still a lot of methodological work to do before we reach indicators truly capable of surpassing the boundaries mentioned before.

What type of empirical research is to be advocated then, at present ? As far as international efforts are concerned, co-operation should in our opinion, concentrate on the so-called tertiary data. This could be defined as referential information leading to a better knowledge of historical, functional and structural prerequisites with regard to cultural affairs in different countries. The best way to achieve progress in this field would be, and not only in the opinion of the author, to establish networks between communicating centres and individuals in the different countries concerned, at the expense of "centralized-unit" solutions, frequently debated within the context of the " European Cultural Data Bank" programme, suggested at the Conference on Security and Cooperation in Europe, Helsinki 1975 in chapter 3 of the Final Act.

At the last meeting of the Coordinating Committee for that plan, 1982 in Namur/Belgium, it was recommended that - apart from the statistical activities in the narrow sense which should be entrusted to UNESCO - the concept of the Data Bank should be reinterpreted mainly " in terms of a network of corresponding centres" in contact with similar ventures already existing. One network of institutions for cultural research and information, the C.I.R.C.L.E., has existed already for 6 years with support from the Council of Europe and other institutions (see details in the Annex). And one might also refer to similar efforts in other regions of the world, especially in Latin America, where, for example, in 1985 the second International Seminar on the Financing of Culture took place, sponsored by the Fondo Nacional de las Artes in Buenos Aires/Argentina.

Here we touch already upon the individual side of international cooperation in this field, to be experienced also in the work of the Association for Cultural Economics, which, in 1986, carried out its 4th International Meeting on Cultural Economics and Planning. But while the scope of this association is somewhat more limited in its methodological approaches, there are other efforts currently undertaken which deserve equal attention. One is the suggestion made at the " Cultural Forum" in Budapest, 1985, to set up an International Association for Cultural Research (individual membership is possible - see resolution in the Annex).

An interesting position, combining both national and international efforts, has been made at a special conference on " Methods for Evaluation of National Cultural Policies" in Stockholm/Sweden, organized jointly by the Council of Europe, the Swedish Ministry of Education and Cultural Affairs, the Swedish National Council of Cultural Affairs and the Swedish Institute (April 1985).

At this conference, proposals for "country reviews" on cultural policies, similar to those conducted by the OECD in the field of educational policies, were debated at length and finally accepted. An outline on the methodology of this type of research, given by Ernst Erik Ehnmark of the Swedish Ministry for Education and Cultural Affairs, is given in the Annex to this study. In order to allow for a first tentative judgement of evaluation or reviewing procedures, the author has tried to condense some evidence gathered from experiences made mainly in countries of the European region and Australia. The results are included in the table B.4 on the following page. There are indications that methods of the kind that has been called "ex-ante-synthesis" in the Table, could also be applicable to a certain extent in areas of the "Third World", where cultural research has not been frequently used, so far. This, however, would have to be, in the opinion of the author, complemented by other forms of evaluation in a more project oriented manner (such as "action research").

While sectorial cultural reviewing efforts are quite common in many countries with a more or less centralized structure in cultural affairs and some, like France, Denmark, Finland, the GDR and Poland, are also publishing cultural statistics (sometimes every year), it is also interesting that countries with a federal structure or a highly decentralized cultural policy are by no means inactive in this respect. The need for such research may sometimes even be felt more deeply and has quite often resulted in major political changes, aiming at an improvement of the provision and funding of cultural offers to a larger public or creating a counter-weight to complicated decision-making procedures.

Table B.5 Differences in cultural policy research methods
(Preliminary observations, with regard to evaluation and/or
reviewing "national"/cultural policies)

	A. Programme Evaluation in countries with a central authority in cultural affairs	B. Reviewing cultural affairs in countries with decentralized structure	C. International comparative assessment (of expenses) in cultural affairs
1. Background	Existing set of aims (goals) for national cultural policy; National authorities responsible for cultural affairs	No (uncontested) "national" goals for cultural policy; Division of power and variety of funding sources	Some general aims and recommendations of international organizations; Differing national backgrounds and interests
2. Task	Control of the implementation of (general) aims in specific sectors or in a system of cultural affairs, connected with a re assessment of plans and resources("ex post-analysis")	Stock-taking of varying interests, activities and resources, connected with recommendations for action, e.g. a re-allocation of funds, on different levels ("ex ante-synthesis")	Similar to B., but less specific
3. Empirical prerequisites/Indicators	National cultural statistics (or power to produce them); Indicators often connected with performance and financing of public institutions	Numerous data sources (and difficulties to homogenize them, sometimes overcome by original empirical research); Indicators often connected with situation of artists and private market forces	Numerous data and information sources which, as a rule, cannot be homogenized in a strict sense (with the exception of some data relating to specific institutions and to "cultural industries")
4. Responsible institution	National Ministry (sometimes through policy commissions); National Arts Councils; specialized (public) institutions	No national bodies with overall responsibility, but specialized (semi-public) institutes and associations, also academic researchers and business sponsored activities	International organisations, often assisted by NGO's, national bodies, independent experts
5. Main methodological problems	Validity of instruments (does the area tested really correspond to the goals set in the instruments etc.)	Reliability of data (sources) and differences in standards, but also problems of an adequate "generation" of new aims for cultural policy	See A. and B., also credibility of information (from "diplomatic" sources), original languages etc.
6. Results	Suggestions for the improvement of functional systems (institutions); establishment of new ways of disseminating and financing culture etc., sometimes suggestions for changes in goals (new areas for cultural policy)	Inventories of cultural life, suggestions for political goals, catalogues of pragmatic reforms on different levels of power, encouragement of private sponsors and associations, activation of a larger public	Structural descriptions, synoptical contrasts, case studies, sometimes suggestions for action on the international levels
7. Implementation	Responsible institutions or groups adjust policies or instruments (or reject propositions)	Nationwide (or regional) discussion on results in the public and "lobbying" may lead to changes in policy	(International) conferences discuss findings which are sometimes taken up in national decision-making procedures

To name just a few examples:

- In Australia, the semi-autonomous Arts Council was not the only body to produce interesting research and papers evaluating certain aspects of national cultural policy. Here he find also private groups active in this field. A review of the economics of the arts in Australia with recommendations relating to private sector support was published in 1977 under the title " Building Private Sector Support for the Arts". A special study group, convened by the Myer Foundation, prepared that enquiry and made numerous suggestions as to different sectors of cultural affairs and to special issues such as taxation.

- In Austria, the Federal Government is traditionally more influential in cultural affairs. This has to do with some large cultural institutions like national theatres and museums, existing since the time of the Austrian empire and accounting for a large part of the cultural budget in Austria even today. During the last 20 years there has also been a gradual development of an arts promotion policy administered by the Federal Ministry for Education and the Arts (though, in principle, it is still the Länder which are responsible for cultural affairs within their boundaries).

The Federal Ministry for Education and the Arts has sponsored several investigations, among them also studies on the participation of Austrians in cultural affairs.

There also have been a few efforts to get a broader idea of existing promotional measures and to make recommendations for further action of the Federal Government. For the visual arts sector a manual on the state support was published in 1979 ("Die unbekannte Sammlung").

An enquiry into the situation of authors, artists and composers was published at the end of 1984 ("Künstler in Österreich", Ed. Landeskulturreferentenkonferenz).

In Austria, some of the university departments are quite active in cultural research and also participate in evaluating and training efforts. International research, mainly stock-taking, has also been dealt with by the institute MEDIACULT (Supported by UNESCO).

In Canada, continuous efforts as to a comprehensive provision of cultural statistics have been made by the responsible Government agency (Statistics Canada). Here, as in other Commonwealth countries, we also find a tradition of "independent reports", commissioned both by the Government or by parliamentary action. The latest example is the " Report of the Federal Cultural Policy Review Committee" of 1982, the so-called " Applebaum/Hébert-Report".

International comparison, especially related to French-speaking regions has also been among the main activities of the regional Government of Quebec.

- The Federal Republic of Germany is, in cultural affairs, one of the most decentralized states of the world, the Länder being attributed a leading role in this respect. This had not, with few exceptions, resulted in a great variety of cultural research efforts. So far, however, Federal authorities were in most cases those asking for, or commissioning, research activities of importance, starting with the Authors' Enquiry in 1972 ("Der Autorenreport"), the Artists Enquiry in 1975 ("Der Künstler-Report") and leading to a manifold series of national and comparative sectorial or development oriented reports, all carried out by the Centre for Cultural Research/Bonn.

Cultural statistics are, apart from that, little developed, with few moves of the Länder and the communal authorities in this direction. Empirical research on the university level has also fallen back behind achievements of the 1920s, but interest in questions of cultural economy and cultural theory has been growing in academic circles lately.

- In Switzerland, cultural research on a large scale, started in 1975 with the publication of the so-called " Clottu-Report" into cultural policy both on national and regional levels (" Eléments pour une politique culturelle en Suisse"). This stock-taking effort greatly influenced the development of cultural policy in the following years, leading also to additional sectorial studies and, in 1983, to the first extensive statistical report on cultural funding (" Dépenses publiques en faveur de la culture").

The latter is one of the few examples worldwide, where elements of UNESCO's " Framework of Cultural Statistics" had been put on a trial. Lately, large research programmes, dealing among other topics with the " cultural identity" of this strictly federalized, four-language country, have been introduced.

- In the United States of America, it is the National Endowment for the Arts, Research Division, which produces or commissions some relevant cultural research, sometimes assisted by large foundations active in the cultural field. The latter support also their own studies or publish them in special series. A example for the type of study produced by the National Endowment, in this case conducted with the help of a special " Theatre Research Project Advisory Group", is the enquiry " Conditions and Needs of the Professional American Theater", published in 1981. Evaluation in a stricter sense of the word is also carried out by the National Endowment for its own programmes (an expressive example: the "Five-year Planning Document 1986-1990" published in February 1984.

International comparison in arts policy and funding has been a topic of (growing) interest especially on the academic level, with particular emphasis on methods and theories of " cultural economy " (The international " Association for Cultural Economics" has its seat at the University of Akron/Ohio).

- In the Federal Republic of Yugoslavia, cultural research is done mainly in two institutes: the "Centre for Studies in Cultural Development" in Belgrade and a similar institution in Zagreb/Croatia. The Centre for Studies in Cultural Development is quite active in different sectors of cultural affairs, including a constant reviewing of official cultural policy in certain sectors and international contacts (participation in joint studies etc..).

So far, we have dealt mainly with three types of research, concerning:

- 1) Cultural policy in general
- 2) Cultural economics
- 3) Cultural statistics.

Though these methodological approaches are most common, at present, they are by no means to be considered the only ones existing in our field. Table B.5 on the following page shows five additional " disciplines" which all have their merits and problems, the latter being more a matter of " perspective" (i.e. theoretical bias) than of methodology relating to the use of empirical material. The "Alternative", a multi-disciplinary approach, is to be ruled out in many cases, due to its rather complicated, " individualistic" research design and expenses.

3. Extending the basis for cultural activities - Myth or reality ?

If the far-reaching benefits the arts have been said to render to society and its development are to be taken seriously, it should not make much sense to confine its support to singular public " arts departments", specialized agencies or similar funding sources. Certainly, we do not undervalue specialization in the arts, differences between the professions involved, and also the sometimes complicated " language-systems" of avantgarde artists, their reflection on the primary and secondary natures of things and behavioural patterns. But does this really exclude them from the kind of attention, society and its institutions direct, for example, towards scientific basic or applied research ? But then why is it so inconceivable to some critics that one should - like the French Government tried to encourage in recent years - find (1) goals for the implementation of arts policies also outside the " arts world" and (2) consequently look also for funding strategies relying partly or totally on " non-cultural" sources ?

Steps are taken in these directions in many countries and on international levels these days, and it is more than a faint hope to expect this tendency of extension of cultural policy over traditional borders to become an even more important factor in the future - probably more important, for that matter, than many of the fashionable ideas about private sponsors.

This pilot-study is not the proper place for an in-depth analysis of extension strategies and practice in cultural development.

The following examples may however be recalled:

- The place of artistic and general creativity training in all fields of education, in and outside of schools, is becoming one of the favourite subjects of policymakers, both from educational and other departments, but some examples (like the music and arts festivals and campaigns in Brazil) also rely much on private or church initiative.

- The practice of "artists in residence" programmes and the encouragement of students' cultural activities at universities and training centres is not any more limited to countries like the United States, Great Britain, Canada or Australia, due to the values attributed to them in terms of an overall development of human capacities and its importance, also for the successfulness of business careers;

- Artists organizations, sometimes with their own dissemination facilities (like the Cultural Workers' Centres in Sweden or similar bodies both in East and West Germany and other countries), or fine arts and literature associations (in Europe, the Arab Countries, Japan and South-East Asia) are often, by their own definitions, aiming to bring art out into the community as a whole;

- National reports and also a joint study on "Culture and Working life", conducted within the framework of UNESCO collaboration (published 1979/80) indicated a greater concern for culture in work environments among trade unions, company managements, the press and also the staff concerned (in the People Republic of China there is for example, a long tradition with arts and literary units at railways, coal mines and in the army).

- Cultural "animation" techniques, the introduction of "cultural campaigns" for a larger public, the construction of multidisciplinary culture and "communication-centres" and comparative efforts towards a broader concept of cultural dissemination have found many supporters, especially among those in charge for social and youth affairs;

- The fostering of "community arts" programmes has been introduced into the funding schemes of arts councils and agencies;

- Interesting models, aiming at the experimental use of "high tech" facilities by artists, sometimes already in their regular training, are being tried out in Austria, the Federal Republic of Germany, the Netherlands, Japan, Canada, the United States and other countries (quite often funded both by authorities for economic development and private companies);

- Special arts programmes with regard to " disadvantaged" groups are to be found in many areas of the world, but receiving particular interest in the Nordic States and, with regard to a large campaign for " arts and the handicapped", from the Arts Council of Great Britain;

- The role of the artist in environmental policy and (public) construction projects is even upgraded by law in some countries(seeC.2.), and

- City planners as well as businessmen have, supported by research, learned much about the direct and indirect " economic impacts" a vivid artistic and cultural life and a supporting infrastructure may mean for their communities and markets.

While these examples, which could be complemented by many other experiences (e.g. in the media field and with regard to design as a factor in economic development) had to be taken mainly from the European context, we should like to support our remarks, finally, with evidence coming from a different region:

Both from their aims and from their organizational and funding concept, the activities of " popular theatre" groups (including many different professions) in Africa deserve a special mention in our context. This became particularly clear, in recent years, not only through the work of many university-based theatre groups, but also through several panaffrican workshops on " theatre for development", conducted, among others, in Swaziland, Zimbabwe and Cameroon, during the 1980s.

Theatre for development is based on the potentials of the performing arts as a tool for adult education and community development. It tries to combine the "entertainment" of theatre, music and dance with their capacity to "highlight" certain issues of public concern by way of dramatization and emotional involvement of the participating population in a particular area (mostly rural districts). It had been said that this type of "theatre" may be considered as a catalyst, since it encourages people - when they are asked to "play" their own situation - to find solutions for actual or latent problems, hard to be achieved through verbal reasoning or, even less, through prescriptions from authorities and "development experts".

To give a little more details on this concept and its realization, some excerpts from a report on the "Workshop on theatre for integrated rural development" in Kumba/Cameroon, that took place in December 1984, are included in the annex. This project is also interesting, because it shows part of the organizational and funding "mix" necessary and sometimes even desirable for cultural extension activities, crossing traditional boundaries. In his report, the coordinator of the project, H. Ndumbe Eyoh, summarized the results, as follows:

" Like Murewa (Zimbabwe) Kumba succeeded in more than one way. It provided training for development cadre; it initiated villagers in the concept of t.h.i.r.d. and actually led them through a process of conscientization, consultation and mobilization for action; it provided yet another forum for resource person to expand their experiences and experiments with methodologies...

Introducing the concept of theatre for development in the Kumba area within two weeks is certainly a herculian task, but the realization of this from the very start, contributed to the work achieved. Gone were the ideological quarrels of Murewa and people concentrated more on exploiting the methodology. The dichotomy between collective improvisations and prepared scenarios was resolved by working in the field and allowing the methodology to evolve as the work progressed...

The theatre presents a two-way method of communication, presenting situations and inciting discussions around these. It is thus capable of transforming perceptions as was seen in the case of the Kumba workshop. Used as a developmental tool, it helps motivate action, but its sphere of influence need not be limited only to economic, but should involve biological, structural, philosophic as well as aesthetic considerations. According to Harouana Ouedrago " we need not reduce development only to the economic domain, though this is an important aspect, since every one who can eat his fill, who can drink to his satisfaction, and who can be properly dressed is not necessarily a happy man"...

The objective is to have a people's theatre; that is a theatre by the people, about the people, for the people. This is the process of democratizing culture with the intention to effect a positive change in the lives of rural and marginalized populations. The theatrical medium is effective but its impact is rather ambiguous. It does not necessarily have to be used as a medium of protest, but rather, it should be exploited for its effectiveness in consciousness-raising..."

Table B.6 Main Types of Cultural Research in the European Region

Type/Discipline	Main field of application	Examples/Forms of results	Main problems
1. Aesthetic judgement and theories	Sectorial Planning Preparation of events Individual choice	E.g. funding decisions in juries; museum or theatre planning; criticism	Little or no concern about "political" development targets
2. Cultural statistics	Tool for 3. - 7.	Statistical reports and yearbooks; "development indicators" in politics	Quality cannot be "measured" (!); unprecise or unreliable indicators
3. Cultural economics (research)	Analysis of "performance" (sectorial) Planning for allocation of resources	E.g. input-output analysis; investment planning; trend analysis in economic terms	Materialism; little concern for artistic choice; "theory bias", when judging empiric evidence
4. Administrative auditing	(In-service) evaluation of funding; auditing of accounts	Auditing reports (institutions and programmes); parliamentary procedures	Little or no concern about artistic values and general development targets
5. Cultural policy research	Programme analysis and synthesis (sectorial, institutional, general); political theory	Policy reports, planning documents, (comparative) programme reviews	Institutional approach is common; sometimes little concern for genuine artistic values and for market forces
6. Cultural anthropology	Study and comparison of values, behaviour patterns and historic developments	Cross-cultural research reports; ethnic group studies; reflexion in spiritual and material cultures	Little homogeneity in methods, some relativism or exotism
7. Multi-disciplinary approaches	Complex in-depth analysis and synthesis (global or sectorial)	E.g. "Commission reports" on cultural development; sectorial planning	Difficult to stage (experts from various disciplines!) methods to be individually developed; expensive
8. "Action research"	In-process evaluation (mostly singular development projects)	Reports (e.g. workshops, experiments, group behaviour, self-planning)	Danger of "sympathy bias" and little chances of transfer to other projects (dep. on researcher!)

C SUPPLEMENTARY FINANCIAL SUPPORT TO CULTURAL INSTITUTIONS
AND ACTIVITIES - CHALLENGES TO PUBLIC POLICY

The direct "ownership" of cultural institutions by public authorities or their regular and full allocation of operating costs and investments in national, regional or local public budgets are by no means the prevailing form of cultural funding in the world.

In actual fact, this type of full coverage of all costs is practised to a larger extent only in the European socialist countries in Scandinavia and, to a lesser degree, in the German speaking and some of the Mediterranean countries. In most other areas we find this simple "method" of financing cultural activities confined to, if any, very few and large institutions of highest national significance, such as national libraries and archives, national museums and sometimes also theatres, orchestras and radio/television systems.

But even in those cases it is by no means excluded (and in the face of great financial problems in many cases even desired) to supplement the "regular" funding: here and with regard to all other activities it is increasingly widely acknowledged that additional sources of income should be developed and brought to use especially in cases where new programmes are to be introduced or large sums of money have to be produced. Sometimes, these supplementary funding strategies are based mainly on new or existing national foundations or funding agencies (see chapter B.1), sometimes those in charge for cultural affairs also seek an increased role for private sponsorship in its different forms (see chapter D).

However, in all systems we also find, at the same time, a challenge to public authorities to introduce special measures to complement existing budgets or to introduce new funding schemes, mainly through appropriate legal action. An even closer look into the cultural policies followed in many countries suggests:

- Where cultural life has traditionally been dependent on the financing by (central) public authorities, there is a tendency to look for additional public or private sources of funding and to encourage a "marketing approach" even within the framework of state-owned cultural facilities.

- Where traditionally cultural funding had been mainly the responsibility of individual or corporate engagement, there now is a tendency to introduce supplementary public assistance, in order to meet basic needs or to encourage projects of public interest.

With these converging tendencies still going on at the time being, there is no such thing as an accepted "repertoire" for supplementary funding in cultural development and the arts. But what is discussed on international conferences - such as the International Seminar on the Financing of Culture, Madrid 1982 - or on the national levels, makes it possible at any rate to introduce a selection of measures or programmes, now being discussed or implemented in many countries.

Table C.1 on the next page is introducing and explaining a selection of some major types of supplementary financial existence to cultural activities and institutions, involving action from public authorities.

These measures are focusing on four categories:

- 1) Extension of existing budgets, including revenue oriented marketing activities of public cultural institutions;
- 2) Special levies, including modes for a re-distribution of copyright royalties;
- 3) Loans et publicly guaranteed credit programmes;
- 4) "Matching grants" in other forms of shared funding policies (in contrast to fully covered projects grants, prizes/awards or the usual type of institutional subvention).

Here are some more details and examples with regard the aforementioned categories:

1. Extension of budgets

The question of how to increase existing budgets of cultural institutions and organisations is touching one of the most crucial points in today's cultural policy: On the one hand, many of the existing offers, even when they are publicly subsidized, are in need of additional income in order to carry out their services to the best of their capabilities. On the other hand, the right or even the duty of guaranteeing the widest possible access and participation in cultural activities of a larger public is also at stake. How then can these two tasks be reconciled ?

The most simple answer would seem, in the first place, to increase entrance fees or other forms of compensation. And indeed: there are some signs, that the public is willing to pay even a very high price when " special events" and " big names" are presented. Commercial shows, mainly in the field of international pop music, can be very successfull even though admission tickets may cost \$ 25 and more. A recipe for museums, libraries, local theatre and music groups etc..

Table C.1: Supplementary financial assistance to cultural activities/institutions

(Selection of some major types involving action from public authorities - the different forms of private patronage/sponsorship have been excluded)

Categories/Types	Forms of funding (examples)	Political role of public authorities	General aims in cultural policy	Effects for the receiving side (first assessment)	
1. Extension of budgets	1a. Increasing earned revenue	-Fees -Publications -Commercial subsidiaries	Definition of tasks/ political backing (for public institutions)	Strengthening autonomy and/or market orientation	Self-reliance can be increased and a better knowledge of demands gained (but steady public support may be lost at the same time)
	1b. "Passive funding" (through revenues/budget rules)	-Waiving earned revenue of public institutions -Extending budget periods (3 - 5 years)	Legal framework with special rules (public institutions)	Strengthening autonomy and cost-revenue consciousness	Spending can be adjusted to changing conditions and more independence of funding bodies can be gained (if really desired)
2. Special levies	2a. "Culture levies"	-(Arts) Lotteries/ Gambling levies -Levies on commercial operations (e.g. film) -Special "cultural taxes"	Special legal action/ distribution through agencies)	Balancing market forces/programme investments/social benefits	A variety of effects (sometimes resulting in products)/programmes to meet advisors' expectations
	2b. "Stratification of royalties"	-Minimum royalty schemes -Royalty funds (projects)	Copyright legislation/ rules for collecting societies and funds	Balancing market forces	Improvement of market conditions for individuals/groups and fastidious offers (but contradiction to "purist" copyright theory)
	2c. % of construction costs (visual arts)	Percentage (usually 1-2%) of construction costs of public buildings set aside for artistic purposes	Legal definition and control of implementation	Decoration of public buildings/ decentralized funding of artists	Enlargement of working chances for artists (if implemented), but sometimes also tendency to sterility or standardization
3. Loans/advances	3a. Credit programmes	-Loan guarantees -Advances against receipts -"Cultural development banks"	Development of special agencies/support of existing structures	Strengthening funding diversity and self-reliance	"Arm's length" principle with regard to public authorities, but danger of (personal) liability and dependency from financial sources (market)
	3b. Operational guarantees	-Guarantees against loss -Risk capital programmes	Definition of scope and targets for funding	Encouragement of diversity in programmes	See 3a. (sometimes difficult management and clearing procedures)
4. Shared funding	4a. "Matching grants"	(Public) Funds with matching grants schemes)	Definition of scope and aims (passive role/ advisory boards)	Devolution (related to contents)	See 2a. (generally uncomplicated handling and clearing of contributions)
	4b. "Shared subsidy"-schemes	Typical funding method in many countries (usually public share for artists' salaries)	Definition of political and financial priorities (active or passive role)	Decentralization (support of infrastructure and manpower)	Usually a sound and enduring funding model (with few incentives to thriftiness and new approaches, however)
	4c. "Incentive development grants"	Gradually decreasing public funding (percentage)	Definition of funding policy (active role)	Devolution (related to financing)	Valuable as a financing source to newly created (or private) initiatives, but expectations about self-reliance may be ill-founded
	4d. "Challenge grants"	Project grants (with cost sharing or contribution-in-kind)	Definition of development targets (active role)	Decentralization (with decisive role for central bodies)	Valuable for "newcomers" and institutions with a capacity for flexible programming, but danger of "day-fly models"

One in a while, there may indeed be possibilities to charge or raise entrance fees in non-commercial cultural facilities, for example on the occasion of large exhibitions or in connection with international festivals. But this seems to be no choice for the common offers and one should also not forget that in the cases mentioned above, very often the additional income is eaten up by the extra expenses connected with such special activities.

Library studies in several countries have shown that attendance, especially as far as the young are concerned, may diminish decisively (around 25 to 40%), if new fees are introduced. There are, however, successful strategies to avoid such losses and still increase "earned revenue" through fees: In the Dutch city of Maastricht, the public library had been forced to raise its own income, due to cuts in public expenditure; but losses in attendance could be avoided by raising the price for dunning procedures and first inscriptions of new readers.

A sound "price policy" is of particular importance in the performing arts. Economic research made in this field, has suggested that admission prices for the attendance in theatres and concerts can hardly cope with rising costs - due to the fact that in this area the growth of productivity seems to be very limited, economically speaking (the so-called "Baumol's disease", named after an American economist who studied these questions during the last two decades). This type of judgement, however, should not be left unquestioned, since the "value" of cultural production is by no means to be equalized with the definition of value and progress of productivity in formulas of economists. For our topic, it may be interesting to study strategies of "price discrimination", which have become more and more common in the performing arts.

For some managers, this obviously seems to be a remedy against the stagnation of earned revenue. Two forms of discriminative practices can be observed:

- Very common is now the widening of the gap between lower and higher admission prices, thus making use of some people's interest and ability to show themselves "in front of the herd", that is: on the first rows in a theatre or concert hall. In many European and American theatres we find a range of admission prices, where the cheapest ticket account for a mere 10% of the highest. While the more expensive tickets are raised steadily, there is a strategy of freezing the low-cost tickets at the same time.
- The same type of discrimination is, interestingly enough, followed when it comes to sponsorship: here we find many different "classes" of contributors, ranging from the "super donor" whose name may be reproduced in marble tables in the entrance halls down to smallest contributors who do not even appear on printed lists.

When judging the strategy of "discrimination", one should bear in mind the contradictions it presents to a free and undiscriminatory access to culture: A theatre, a museum or other cultural facilities are, in that belief, not created to raise the highest amount of money possible from visitors but rather to serve as a tool of learning, enjoyment and creative expression for everyone in society. Against this opinion, it is brought forward from researchers in the economy of the arts (as for example Bruce A. Seaman in V.L. Owen/W.S. Hendon: "Managerial economics for the arts", University of Akron/USA, 1985), that even when there is no regulation of admission prices at all, and people are free to contribute whatever they may afford, the "discrimination" takes place all the same - as shown by the example of some American museums, where the visitor has to pay an admission, but its amount is left to his own discretion, resulting in great differences of payments.

One may go further and find a certain coincidence with this type " auto-discriminatory" practices and the financing of cultural events in many Asian or African countries, where musicians, actors or dancers very often perform in the open air, in village surroundings or in other places prepared for the showing right on the spot. If not sponsored publicly or privately, these performances will create a certain pressure on the individual to contribute to his abilities which may or may not result in a variety of donations.

Though we may be inclined to find the system of voluntary contributions politically more acceptable than anticipated discriminatory admission fees, there exists so far no sound analysis as to the outcome of these different approaches in financial terms. That does not come as a surprise however, since we are confronted with such grave differences in cultural activities and their infrastructure, their traditions and conditions, that we are certainly not able to count on similar denominators when preparing such an analysis. There may be a justification to follow different paths, depending on the service rendered, not only in any single cultural institution.

If, for example, the proceedings of the General Assemblies of the International Council of Museums ICOM show a tendency to exclude a direct financial remuneration on the part of certain groups of visitors (such a children or the handicapped) this does not imply that the individual museums should raise their prices, when " special events" are shown, for which high preparation investments are necessary.

This type of decision needs, however, a certain flexibility on the part of the management of cultural institutions, whose prerequisites were debated earlier in this study.

As far as public institutions are concerned, a certain willingness of the responsible authorities must be mentioned again, to grant as much liberty to the steering as possible and to even encourage all moves towards self-reliance on the part of the management. As long as such moves are not "punished" by subsequently lowering the public commitment towards these institutions, additional funds for the budgets may even be attended by significant moves towards an infrastructure which is more attractive to visitors.

There seems indeed to be a connection between income from visitors on the one hand, and the range of additional services offered at cultural facilities on the other. Cafés and book shops in museums, bars and restaurants in theatres, shops and transportation offers connected with parks of historic sites are among the services to be found quite often nowadays. If prepared in an adequate manner, not revealing financial aspirations at first sight, they may contribute to an atmosphere, when the visitor feels well received and comfortable.

Economic studies have revealed that they can add to the earned income of medium-sized cultural facilities whose programmes or collections themselves are not to be considered the most important reason for a visit by tourists. William S. Hendon in his study on "Admission Income and Historic Houses" (in W.S. Hendon et al.: Economics and Historic Preservation, Association for Cultural Economics, 1983) found, for example, "that restaurants, gardens and shops are significantly related to income" of the 108 sites studied by him in the United Kingdom, surpassed in their importance only by the collections offered. The reason: "Restaurants and gardens attract people and both, restaurants and shops, encourage them to spend (more) money once they are at the house". The promotional and financial impact of such offers seem, according to Hendon, much higher than any type of advertising, however aggressive it may be.

Still, again such finding may not be transferred to all types of facilities and we also must bear in mind the dangers of deference from original cultural missions - a tendency produced by some recipes offered from cultural economists in recent years? If everybody is procuring the same strategy, "attraction" to the visitors may diminish soon. And especially those responsible for cultural policy should bear in mind the disadvantages of some cultural facilities, if they are left on their own to increase their earned revenue under all circumstances. This concerns, for example, facilities with special tasks (allowing any additional services), little space or simply no chances to raise the funds for the necessary investments, not to speak of the personal breaking strain. The latter may soon play its role when facilities working in the public interest are confronted with management problems, clearing procedures or tax burdens they would not have been encountering otherwise.

The following conclusions of André Thomazo at the conference "Cultural Economics" in Avignon in May, 1986, may therefore be justified only if applied to the situation in industrialized countries or some of the larger metropolies elsewhere:

"The increasingly constricting contradiction appearing between rocketing production costs and the impossibility of raising ticket prices without running the risk of crossing a threshold that is unacceptable to the public (part of which has already been lost) has torn apart all the old myths about production...A clearer definition of management criteria would probably reveal that life entertainment is even sicker than it seems."

One important element in any management strategy is related to information and publication. Different forms with a growing economic involvement may be considered here:

- General improvements in internal and external information (See also B.2)
- Publications, photographs (e.g. slides), films, radio and T.V. broadcasts in cooperation with independent companies
- Self-production of catalogues, books, magazines and other media that are easy to distribute
- Cooperative ventures with mass-media producers (e.g. TV series)
- Organization of subsidiaries aiming at a complete exploitation of services or rights connected with or produced by the institution.
- Independent ("Commercial") firms, serving public cultural purposes.

While the latter types may certainly also cover commercial undertakings of any kind - such as the above-mentioned restaurants, shops or transportation facilities - their implications for a full coverage of media activities seem to become increasingly important. Some opera houses and orchestras in Britain, West-Germany, Austria and Italy have shown the direction when establishing independent production firms to commercialized their performing rights in recent years. The success of home video recording seems to be a good occasion for some managers to build up their own production and distribution firms, thus taking into account the growing demand of " software" on the part of the media networks. But once again this solution may not be followed by all of the existing theatres and orchestras, which call for a established place in the audio-visual and musical markets.

But there are also some broadcasters working in the public interest who run their own commercial subsidiaries for production or distribution purposes, such as the Canadian Broadcasting Corporation (programmes sales), the Public Broadcasting System in the United States (who launched a big success with the marketing of series like "Sesame Street"), the British Broadcasting Corporation (with its publication and education activities) or some of the public networks in West-Germany (with large production firms like Bavaria/Munich).

The numerous other examples of private media production and distribution activities connected with public institutions to be found all over the world - here we might also add the University Presses - correspond with the activities of the creative professions themselves: One should not forget that directors, actors, musicians, journalists and many other professionals working in the cultural and media field tend to make use of the potentials of the media and information market, at any rate if they are allowed to do so. This "media mobility", analyzed in the two large enquiries on authors and artists in the Federal Republic of Germany in the seventies to be among the main characteristics of artistic and literary work today (see K. Fohrbeck/A.J. Wiesand "The social status of the artist in the Federal Republic", Inter Naciones 1980) is not only aiming at an "extension of (individual) budgets", but quite often also serves professional and artistic intentions. Which leads to a question: should a practice which is common or even desirable among the creative professions not be just as common and desirable among public cultural institutions? It is not difficult to give a positive answer, if those responsible for the definition of tasks and activities make sure at the same time that profits derived from such activities will, at the end, not become the main purpose of the "economic game" but rather one of the solutions to solve the "cost disease" mentioned earlier, with special reference to the performing arts.

There are competent observers, like the Austrian musicologist Kurt Blaukopf (" Musik im Wandel der Gesellschaft", Munich 1982) claiming with direct reference to Baumol's theories that the recline of the performing arts to the technical media may be the best move against the growing of costs in live productions now and even more so in the future. Blaukopf concludes:

" If that possibility is not taken advantage of, the mere existence of the performing arts are endangered whose survival is of highest interest also to the technical media themselves, since an important part of their programmes are nourished by them."

Here, the role of the public authorities becomes crucial. The least they are asked to do, is to give corresponding activities of cultural institutions a political and/or legal backing, and this can best be achieved by creating a legal framework in which the commercial and media activities of these institutions have their legitimate place. This means, at the same time, that authorities have to give up the idea that activities of public cultural institutions are a direct reflexion of a state policy and rather move towards the direction of the "arm's length" principle. And it also implies certain budgetary reforms at the same time, resulting in a high degree of self-management on the part of the institutions concerned.

Another question should not be underestimated either. Are those in charge for museums, theatres and similar institutions, or those working in public administration per se also best qualified for the organization of the kind of activities, mentioned above ? Experience from many countries suggests the necessity for a careful staff selection.

This is of particular importance, where commercial operations are carried out by independent, but publicly owned companies whose income or profit serves cultural purposes:

- In several countries we find public enterprises acting directly as producers and/or distributors of cultural goods and services. Once created, they often have to rely on their own income, derived from sales and fees. As examples the National Editing and Films Societies in Sri Lanka, Government or Trade-Union Publishing Companies in Israel, the Production Combinat " Balkanton" in Bulgaria, which produces records and musicassettes or the Empresa Brasileira de Filmes S.A. " Embrafilme" which, as a joint-stock company under private law, working in the public interest, is not only financing and commercializing films but also taking care of festivals, educational activities and research (similar societies exist for different purposes in most countries of Latin America - see E.R. Harvey: " Accion cultural de los Poderes publicos" 1980). As an example, the activities of the " Literature Bureau" in Zimbabwe are demonstrated in the Annex.

- In some socialist countries such as the Soviet Union or Hungary there are artists' funds which are financed at least partially through the profits by cooperating companies dealing with the production or execution and sale of works of fine and industrial art, publications, etc..Since these companies are tax-exempt, such returns are likely to occur.

- A quite advanced form of " joint venture" between public and private forces in the field of cultural development, directed mainly at the improvement of culturally oriented media operations, is represented by the " Procultura" Corporation of Bogota/Colombia - see also the Annex for details.

When an adequate management of such companies cannot be secured - and this is a concern both for the leadership and the staff (or its training) - failures are likely to occur, resulting also in financial failure where, originally, additional revenue may have been expected. The examples of some cultural enterprises in Nepal, presented in the annex (out of a frankly written text of S. Amatya in a publication for UNESCO), could be an indication in this direction.

In his lecture at the workshop "Financing of Cultural Policy", sponsored by the Council of Europe and held in Munich, November 1983, Peter Nestler, Director for Cultural Affairs of Cologne/Germany, summarized the prevailing budget difficulties and gave, from his own experience, some hints how to solve them:

"Existing budgetary practices have not helped. Cultural policy has tended to concentrate on increasing assets, whilst budgetary management has centred on the full exploitation of all appropriations by maintaining the previous volume of spending. Cultural policy in the sense of implementing carefully formulated measures and objectives has scarcely existed and was largely confined to allocating the 5 per cent or at most the 10 per cent of "free" resources. Even in this marginal area, spontaneity turned into habit and projects became fixed preserves.

The concept of 'cultural economy' requires a range of relevant arts policy instruments, and that implies budgetary independence for arts administrations. This is presently being tried out with the theatre companies in Cologne, and here it has suddenly become possible to set priorities and take the relevant decisions, on the basis of a flexible budgetary policy. The theatre management now decides whether its general allocation should go into equipment or improving dramatic performance, and retains all the proceeds from ticket sales, marketing and touring performances. I am aware of the potential danger that too many concessions might be made to the audience, but I reason that a half-empty house is no more reliable an indication of quality than a sellout. The only sure guarantee of the theatre's standard is that of the artistic director, who is free to plan an outline programme with anything from Edward Bond to Berthold Brecht and to divide his funds between risky innovation and projects which are sure to attract an audience."

What is advocated here probably will seem new or even strange only in those countries, where a policy of direct state responsibility and intervention has been the usual way of funding so far. In other, namely the Anglophone and many Latin American countries, this "Cologne Model" will seem less unfamiliar. Here, not only institutions of minor importance are encouraged to add as much as possible to their budgets through independent sources of income, but at the same time also such decisive bodies as national arts foundations and cultural funding agencies which, under certain limitations, are free to operate their budgets and gain additional funds mainly through private sources. Though there seems to be a tendency towards this type of "passive funding", common especially among the "Quangos", one should not overlook a certain reluctance on the part of some institutions confronted with such policy options.

The fear of losing "secure" funds and especially their steady increase which was normally to be expected every year, may, however, sooner or later result in bad awakenings: The pressure on public budgets is increasing in so many countries that the hope of steady budget improvements could diminish sooner than expected.

On the other hand, alternative and less dangerous budget measures are also used in this respect. Especially in the Netherlands where experiences have been undertaken with an extension of budget period over the usual 12 months. This does, in fact not necessarily imply neither more nor less money on the part of the funding authorities, but may help to support positive management efforts of any kind on the part of the receiving institution. The direct links between budgeting periods (and rules, to that effect) of public authorities and cultural institutions have proven to be one of the obstacles to any efforts on the part of the latter to spend the money according to the cultural aims it was intended for.

More often than not, at the end of the year, there are many institutions in need of a good " spending purpose", in order to maintain their budgets at least at the same level as in the previous year and therefore produce a justification for similar allocations in the next. When the budgeting period is extended over three or even five years, this type of sometimes useless spending can be avoided and other sources of income may be planned and allocated more carefully.

At least one may expect from such procedures a more pertinent way of handling public funds. In many cases also some of the "overheads" may be brought to a more appropriate use. And thus the term " passive funding" used in table C.1 in the beginning of this chapter seems justified for all measures on the part of public authorities, leading to better budgeting procedures. Without additional funding, there are sound chances to increase funds at the disposal of cultural institutions if their particular needs are taken into account and their role towards their specific public and the general public is reflected in corresponding legal or political decisions.

2. Special levies

The notion of a special levy for cultural purposes has been brought up under different names since the French revolution, sometimes as a " culture tax" for everybody, but more often as a levy raised on certain operations, mainly in the commercial field. Today we find the latter being frequently used in different forms, while the idea of a general tax has remained in the state of political reasoning.

As far as funds involving public intervention are concerned - and only those are dealt with in this chapter - they may be characterized as " earmarked revenues". Funds from a specified source, private or public, are to be explicitly dedicated to a specified use in the field of arts and the media.

Three main forms are to be distinguished:

- "Culture levies" not connected with copyright
- "Stratification of royalties" and other measures, involving a departure from regular distribution schemes of copyright earnings;
- Levies on construction costs for the aid of visual arts.

In considering these and similar levies and their use one should, at first, point out the differences from the traditional principle of public finance. In general, the raising of money and the spending of it are kept separate here, so the competent authority may be free to decide what expenditures are to be made from the pooled resources.

In contrast to that, the earmarked revenues seem to offer some special advantages for the funding of cultural projects. The "Federal Cultural Policy Review Committee" in Canada had to deal with many such proposals and came, in its report of November 1982, to the following conclusions:

" The attractions of earmarked revenues to those proposing them are readily appreciated. Above all, they may seem to offer greater security of revenues by eliminating the uncertainties involved in dependence on annual parliamentary appropriations and the lapsing of unspent balances at the end of each fiscal year.

In addition, because the activities to which the funds are dedicated will be exempted from much of the governmental and parliamentary scrutiny associated with the appropriation and expenditure control process, earmarked revenues may be viewed as strengthening the autonomy of those operations...

There may be implicit in these proposals an anxiety about the strength or reliability of the government's awareness of, or sympathy to, the needs of the cultural sector for public resources - the feel that, in the competition for annual appropriations, their claims may be shouldered aside by other.

Even from the view point of a government, earmarked levies may be attractive in special circumstances. It may be easier to exploit a previously untapped source of potential revenue by dedicating a new levy to a specified use of sufficient popular appeal to outway the resistance to the levy itself...

In Canada, however, no minister of finance or provincial treasurer can ever be persuaded that particular sources of revenue authorized by the legislator are somehow beyond the range of the government's fiscal and expenditure policies. The consequence is that any independence and security of revenue sources that an earmarked levy may seem to confer on the activities to which it is dedicated, is more apparent than real...

In the opinion of this committee, a good case can be made for earmarked revenues only in special circumstances. One such exception occurs when a specific problem can be addressed by the application of funds raised by a levy on activities that can be identified as the cause of the problem. An example of this can be found in our suggestion that the problems created by hometaking for Canadian record production (and for all the creative artists, performers and others involved in the production and distribution of sound and video recordings), being met by a surcharge on blank tapes, proceeds of which can be used to subsidize the purchase of such Canadian recordings...

An exception of wider applicability may be encountered when those who paid the levy are identical with those who benefit from its earmarked use...This was also the justification for the financing of the Canadian Broadcasting Corporation from licence revenues during its first two decades when it was the only source of network broadcasting throughout Canada. It was, in fact, a form of 'user pay' appropriate to a situation in which payment for use could not be obtained through the mechanisms of the market."

To the problems connected with levies on commercial operations one might also add, that the revenue from this may vary just as much as could be the case with normal appropriation procedures - a market is not a pillow to rest on and it will sometimes even be harder to get the necessary funds for ongoing operations, if the levy fails to produce the expected results.

On the other hand, we find that many of the schemes seem to work quite satisfactorily, some of them indeed perform their ascribed role as "market regulators" at the same time.

There are, for example, the revenues from lotteries and gambling which in some countries form a considerable asset, when it comes to financing cultural projects (they are, as a rule, less important in institutional funding).

Some of these are especially created for that purpose (like in several regions of the United States and in Canada), others - like in the Federal State of Baden-Württemberg in Germany - are derived from the regular profits made by casinos and income of state-controlled lotteries. Artists associations, art holiday programmes, but mainly the collections in the public museums and some touring and festival programmes are on the receiving side.

An interesting solution is, again, to be found in Canada, where the federal province of Ontario has created the so-called "half-back programme" in the form of a cultural lottery. The Federal Commission, mentioned above, describes the results and preferences of the scheme for cultural policy:

" Under Halfback, lottery tickets which failed to win prizes received a cash value of half their purchase price when applied toward the purchase of a Canadian book or recording, a ticket to a movie, play or concert, or subscription to magazines or performance series. The scheme provided, in effect, a means of injecting resources into cultural products, but left the direction of those resources in the hands of consumers.

At the same time, it preserved in the hands of the Government a crucial steering function, through the power to define - or tag - those products and activities for which the vouchers could be used."

In many countries we also find some levies connected with profits from media operations: Usually with the aim of improving productive efforts at home, such levies are most common in connection with film and television, but in some countries also with other types of cultural production and representation. Three main types are to be found:

- Film funding agencies in France, Denmark, Italy, Germany, Austria and other countries base their income mainly on additional levies on cinema-tickets. Sometimes this is complemented, nowadays, by additional levies from other exploiters of film works (such as the video industry). After collection, these agencies encourage the production of new films, their distribution and sometimes also additional measures (such advertising, marketing for export, etc.).
- Radio/Television-levies exist in a wide variety of forms, sometimes connected with so-called " quotas" to regulate a foreign programme's content. But while normal quotas just try to set up a limit for imported products, " production levies" are derived from profits or expenditure figures and directed - generally through special funds - towards new production of feature films, special television and radio genres, musical production etc. Interesting examples of this are to be found, among other countries, in Canada, France, (where all types of quota regulations exist), Australia and even in Switzerland, where the newly introduced Pay-TV has to give a small slice of its profit for new film productions (see details on these and many other schemes in a study by A.J. Wiesand, in: Media Perspektiven N° 3/ 1985).

- There are, finally, in some countries funds both for cultural and social purposes gaining at least part of their income from special levies, raised on entrance tickets in theatres, concerts, museums and exhibitions, sales of works of art both in public or private premises, admissions at dancing halls and public balls or at similar occasions. From this type of revenue, sometimes general cultural funds are financed (like in the German Democratic Republic or in Poland), sometimes (like in Italy, the Federal Republic of Germany or Switzerland) these finances are also used for supplementary pension funds both for visual or performing artists.

Virtually all of these schemes need specific governmental action, generally in the form of laws. When it comes to distributing the money raised, we frequently - with the exception of social or pension funds - find advisory boards with experts or representatives from artists' organizations.

Another field of action is more or less directly connected with copyright legislation. In contrast to the normal procedures of copyright distribution, where the revenue derived from users of exploited works and subsequently distributed to the individual authors responsible for them, there are some areas, where this type of direct remuneration creates either too many administrative difficulties or seems inappropriate because of other reasons (be it that authors cannot be traced at all or be it that grave social inequalities would be the result of direct compensation). Even within the provisions of the international legal framework for copyright (such as the Berne Convention) which are in general based on the principle of direct compensation, we find small loopholes allowing for the set up of special funds for cultural or social purposes of members of these agencies - usually in the range of 10% of all receipts.

There has also been a growing tendency during the last decades to introduce, especially as far as newly developed fields of copyright collecting are concerned (such as the public lending right or income deriving from the use of new technologies), minimum royalty schemes and sometimes also special funds with regard to social benefits for the creative workers. In some countries, this is done within the organizational framework of copyright collecting societies, in others, namely the Scandinavian countries, we also find special funds the finances of which are a matter of bargaining between artists' or writers' organizations and the State. Such funds usually give project and travelling grants, finance publications or try to improve market conditions in other ways. A sometimes heated debate is taking place in copyright organizations, whether this type of activity should be tolerated or not. But since new technology complicates the possibilities of giving an author a "fair share" from the use of his work, such measures may still find followers in the future.

In the meantime, copyright collecting societies are quite often also experimenting with minimum royalty schemes, attributing to each right holder at least a basic sum on which additional income according to the actual use of his work is added. In doing this, market forces can be balanced to a certain extent.

The problem of distribution within or outside of the copyright system is becoming, from time to time, virulent when the problem of the so-called " domaine public payant" is brought up in cultural policy. While in most parts of the world the copyright protection ends 50 years after the death of an author, there have always been strong feelings towards a somewhat lesser but ongoing compensation also after that date. So far only a few countries (like Italy, France or Poland) have supplemented their copyright laws in this respect. But the French example, where the Centre National des Lettres is partially financed through such a levy, shows the considerable potential for similar regulations in other countries.

The domaine public payant is, again, not necessarily connected with copyright laws. As early as 1948 Norway introduced a law, whereby 3% of every sale of works of art, regardless of their age, are levied and collected into a fund for Norwegian artists.

Far-reaching laws with regard to the use of funds for cultural purposes, coming from works in "public domain", have existed also for years in some Latin American states, such as Uruguay, Chile and Brazil, the latter having created a fund, administered by the National Council on Authors' Rights which is supposed to use the money collected for:

- 1) Stimulating the creation of intellectual works, by means of awards and scholarships.
- 2) To support the social funds and associations of authors performers and producers;
- 3) To publish works of newcomers in cooperation with public institutions or private editors;
- 4) To assist the work of the National Council of Authors' Rights and;
- 5) Also secure the functioning of the museum set up by this Council.

One might be inclined to go even further back in history when looking for another type of levy, connecting the construction of (public) buildings with the commission or purchase of work of art. In former times, the aesthetic form of buildings and quite often also the cooperation of architects and artists (if they were not identical in the first place) received considerable interest on the part of the builders, and not only the nobility, for that matter. As much as this responsibility seemed to disappear, as much claims from artists have been heard to compensate for the loss of such patronage through special programmes. There are now quite common in many countries under headings such as "Art for Public Places" or similar denominations.

The first regular programmes of that kind were carried out during the "new deal" in the United States with the help of such organizations as "Public Works of Art Projects" (PWAP) and "Federal Art Project" (FAP). Within half a year the former employed around 3,750 visual artists, more than 15,000 works of art were subsidized (1933). The FAP-project, carried out by the Works Progress Administration, went even further and not only commissioned more than 100,000 paintings, among them 2,500 murals, but also 18,000 monuments and sculptures, and took care of programmes of art education or restoration projects as well.

This programme ended in the forties and is still today one of the very few examples of combined national efforts to improve the working situation of artists on a large scale. Similarities might, however, be seen in some of the arts programmes of the Soviet Union in the twenties and a more recent tendency to revitalize great mural traditions in Mexico and other Latin Marican countries.

More formal procedures in the relation between public construction and the arts have been reached since the forties and fifties of this century in many countries with a proportion of 1 or 2%, occasionally even 3 to 5% of the construction costs reserved for works of art. Italy started with such a regulation in 1942 (2%), most other European countries followed and today we find " art in building" programmes also in Africa(e.g. the People's Republic of Kongo), the Arab States (e.g. Irak), Asia (e.g. Iran, Japan and Thailand) and in other parts of the world. There are, however, a few problems connected with such regulations:

- First consideration of artists is always directed to the factual application of such schemes, which are, quite often, only recommendations without binding force.
- Other problems concern the definition of construction projects (sometimes, the cost of underground buildings is not considered).

- Problems may also occur with regard to competition rules, to the scope of works accepted in the schemes or to the right of the artists to participate as early as possible in the planning stage (the International Association of Art and the International Union of Architects have set up a charter which tries to resolve some of these problems with regard to the cooperation of painters, sculptors and architects).

Problems of this type may be among the reasons for the implementation of different, generally more global programmes in some countries and cities. In Sweden we find, for example, a general allocation where about 1% of the construction costs of public buildings are reserved for artists' commissions, distributed through the National Council of the Arts. Together with additional commissions on the regional and local levels, this amount to about 50 million crowns per year.

A similar model, separating the actual construction from the work of the artists, is followed by the "Arts in Public Space" programme of the city of Bremen/Germany. The money derived in a kind of " indirect levy" goes into a budgetary fund, from which not only sculptures but also large murals, educational programmes with artists and experiments with certain social groups (e.g. artists and prisoners) are financed. The choice of projects is made by advisory boards and local residents of the area, in which the application of the programme is planned.

Thus, not only is the artistic output to be improved, but also those difficulties resolved, which often arise when artists and architects or engineers are to cooperate in the planning stage of a particular building which, if made to serve public purposes, should also give some justice to those using it.

3. Loans/Advances

When listening to national and international debates on cultural policy, one frequently gets the impression, that mainly problems connected with the performance of large (disseminating or education) institutions are at stake, with the social situation of artists being another focus of interest for decision makers. This traditional leaning to all institutional and social approaches is, however, not justified. In a wider concept of cultural affairs, not only must all the manifold connections between the arts and other spheres of society be taken into account (see B.3.), but also the fact that cultural life depends to a large extent, in some countries even to the greatest part, on market activities. One may argue, that this is a special market which is not to be mistaken for the usual economic forces driving for highest financial returns and quantitative outputs. But one should never forget that most artists and writers, perhaps with the exception of some socialist countries, have to carry out their work more or less independent from public institutions. The same goes for production and distribution in the " cultural industry" and it has to be considered also that in many countries the performing arts and their troupes are not publicly run.

In a study on the musical market in the Federal Republic of Germany, the Centre for Cultural Research found in 1985, that only about one fifth of the total turnover in this field was realized by public or semi-public institutions.

It goes without saying, that freelance artists and private or semi-public enterprises have specific financial needs that can hardly ever be met by only public funding bodies. Truly, those who have made their way and successfully achieved an independent status within the arts market, may also have reached a satisfying " financing mix" relying as much as possible on earned income. But is this to be generalized ?

Let us consider, for example, the case of a visual artist, wherever he may execute his profession. There are many situations, where he will hardly succeed in getting the necessary funds because of the frequent occurrence of critical situations such as:

- When his training is completed and he tries to enter a market quite "obscure" to him at first,
- When, over longer periods, he is confronted with low earnings, for example if he engages with long-term projects, or
- When he is working not just with pencil and paper but with expensive materials or when he tries to prepare a larger exhibition of his works.

Here and certainly also in the case of private companies working in the cultural field, the need for credit programmes is obvious, when public or private grants are not available. When studying the possibilities for such financial backing, we find, however, in most countries a situation quite unfavourable to artists and small cultural enterprises. Their " securities" are, in most cases, not considered valid by traditional banking institutions. Thus, the problems of our visual artists and, for that matter, many other fund-seekers in the culture and media field, are at least threefold:

- 1) To get loans at all,
- 2) To get them at reasonable rates of interest, and
- 3) To secure the re-payment of debts, even if the loan fails to produce the expected financial results.

When it comes to starting a new career or to set up a new business, it is especially important to stress the necessity of an adequate advisory service, providing for adequate information on fiscal problems, the existence of special funding institutions as well as the steps to be taken when administering and clearing the finances received.

In the meantime, some interesting examples of credit and investment assistance and other measures of economic promotion for artists and cultural projects have been created, ranging from start-up assistance to investment incentives and guarantees, sometimes also involving public indemnity bonds. The significance of cultural activities, especially in regions or city districts that are somewhat infra-structurally deprived, actually make such promotion measures look like a specific form of "development aid" which, at the same time, may prove to be of value also to overloaded public budgets. From the point of the receiving side, the strengthening of self-reliance may come along with a greater independence as to the aims and contents of the projected activities. But one should, at the same time, not forget the fact that loans are not grants and therefore may endanger the personal liability, when credits are not adequately secured.

Among the many different forms of assistance in this respect, the following examples may be of interest:

- In some countries, such as Spain or the CSSR, the State or other public authorities may perform the role of a creditor themselves if interesting cultural projects are brought up. But these funds are, almost as a rule, less accessible to individual artists and directed more to associations or cultural institutions.

- A more indirect role of public authorities may be observed, when special-purpose funds are set up, aimed at covering more expensive production costs (e.g. costly metals used by visual artists, film production and book publication). In many countries throughout the world, film production is heavily dependent on agencies providing either credits or advances on eventual receipts at the box office. A similar role is performed, for example, by the Stichting Materiaal Fonds Beeldende Kunst in the Netherlands, which grants artists interest-free loans and re-imburement facilities for the purchase of costly metals. A similar type of " bronze credit" is provided by the Arts Council of Great Britain, where the loan has to be paid back only after a work has been sold.

The same is true for a fund of the Norwegian Cultural Council, who, at the same time, is also providing for cheaper materials to be bought at an artists' cooperative (such cooperative companies, serving artists, are also well-known in socialist countries).

- In a more general way and not connected to specific techniques of production, we find advances against receipts and other credit programmes also among the regular services of large cultural foundations. Two examples: The Arts Foundation in Hungary, a social organization under the supervision of the Minister of Culture, renders advance payments for creative work in form of interest-free loans. Usually, 30% of the expected income from a work of art to be produced in the future, can be covered. In a similar manner, the Arts Council of Ireland provides interest-free loans for all artists.

- Sometimes, arts foundations are developed into virtual "banks of culture". Such is the case, for example, with the National Fund for the Arts in Argentina, established in 1958 as an autonomous body within the area of decentralized public administration. This institution carries out a wide range of operations through credits and loans, aimed at the financing of specific projects. Such assistance "is granted after study of its feasibility from the artistic, cultural, economic, financial and legal points of view. Prerequisite for any financing scheme is that responsibility for it should be shared by the applicant and other genuine sources of finance so that they would actually be jointly and severally liable for the 'cultural risk'." (E.R. Harvey at the International Seminar on the Financing of Culture, Madrid 1982).

What is also interesting about this model, is its financing largely through the institute of copyright-related payment for the use of "works in the public domain".

- While start-up assistance programmes are maintained by many arts councils, especially in the Scandinavian countries, they sometimes are also offered from the authorities with a wider scope of activities. Such is the case with the "Industrial Development Authority" in Ireland, which covers up to 40% of the installment of craftsmen if they choose to establish their studios in the capital and up to 60% if they are willing to settle outside of Dublin. Here we come close to general economic development programmes, common in many countries which to integrate the sphere of the arts as a factor of economic and social improvement.

- In several countries in Latin America and the Caribbean we also find normal banking institutions active in the field of cultural development. Such is, for example, the case in Brazil, the Dominican Republic, Peru and Uruguay, where long-term loans for the publication of books by the private sector are offered or the care for the cultural heritage is promoted in different ways. In the Federal Republic of Germany, the private "Dresdner Bank", after introducing a special credit scheme for the purchase of musical instruments for young performers, made observations running quite contrary to common beliefs about the willingness and ability of artists to pay back their debts: During the five years, through which this programme has been offered now, none of the clients failed to pay his installments.

The crucial question of adequate advice in financial matters has lead many of the institutions mentioned above to include in their programmes provisions for a thorough information on the market situation, the handling of loans and also general management techniques, which are useful or sometimes necessary in order to carry out projects successfully.

Sometimes, the expertise is given in the form of books or leaflets sometimes we also find personal advice and management courses. In north America, Great Britain and Austria we also now have an established tradition of special courses offered at colleges and other training institutions.

A departure from the more common forms of individual loans and advances is seen when it comes to operational guarantees which are also common in many countries. Though there may be partial overlaps in some of the programmes mentioned above, the operation guarantees in general ask for either a greater flow of cash or for investments of a particularly high risk. In most cases, such programmes are connected with investments in the field of the cultural industry (hardware and software). Another type, quite common in many countries, deals with guarantees against loss especially for performing arts companies, both public and private.

While the latter poses no particular problem, since the government or local authorities tend to step in directly and cover for those costs that are not to be recovered from ticket sales or other sources, thus encouraging more diversity and unconventional programming, the former may be illustrated by three examples:

- The city of Vienna in Austria has maintained, since 1977, a programme under the title " New Viennese literature in Viennese publishing houses". Three to four books may receive a guarantee sum for the authors'royalties up to 25,000 shillings each. In return the city expects a greater willingness on the part of the publisher to promote the book and thus make its success more likely (also with a view, that eventually the guarantee will not have to be paid at all). A jury in which artists and writers are represented make a choice among the manuscripts received.

- Particularly inspiring among the models involving little public money and producing large effects in the cultural and media sphere, is the set-up of the IFCIC-Fund in France in October 1983 (Institut de Financement des Cinémas et des Industries Culturelles). Inspired by the Minister of Culture, ten banking institutions have set up an independent guarantee fund which covers up to 75% of the loans directed especially to small and medium-sized business in all fields of the cultural industries. During the first 9 months of their existence, not only did these guarantees help to finance more than 60 films with production costs of about 250 million francs, at the same time it gave 30 million francs of guarantees which resulted in about 50 million francs in credits to aid the creation of 70 new firms, in the expansion of 38 other companies and also helped to save a couple of other firms from financial collapse - meanwhile raising the total turnover of these companies from about 400 to nearly 530 million francs, while also creating 240 new jobs in the business.

The success of this initiative of the French Ministry of Cultural Affairs shows that market forces may, if sufficiently backed by the authorities, indeed contribute to a growth of the cultural market, especially when it comes to introducing new technologies and investments into production capacity, hitherto inaccessible to smaller firms. Details on the programme are given in the Annex.

- Similarities exist with certain types of risk capital programmes in other countries (such as Great Britain, the United States, Japan), sometimes known as " venture capital funds". These are, normally, not backed up in the same manner by public authorities but welcomed as a source of financing especially for the set-up of new " technology parks" which sometimes also include cultural aims (in the United States this is done, for example, in design centres or in research facilities connected to colleges, such as the MIT).

All types of investors may be grouped in venture capital firms, traditional banks, public development corporations, investment funds or other private and public bodies. One should add, however, that the conditions for loans and other credit programmes, offered by these firms, normally do not differ much from those to be acquired from regular banks, sometimes even surpassing traditional rates.

Cooperative financing efforts in the cultural field, aiming at the development of markets or at investments in modernization of facilities, may well deserve greater attention in future times.

4. Shared funding

As has already been mentioned in Chapter B.1, the sharing of responsibility and of financial support is one of the most common features in cultural policy nowadays. This general form of subsidy is almost a necessity, when the cultural infrastructure has reached a certain stage of development, departing from just a few main central institutions that can be taken care of by a single national authority. As soon as libraries, museums, theatres, multi-functional centres and other institutions are spreading all over the country, not to speak of the private or cooperative initiatives, seeking support from public sources, the question how to best take care of their needs becomes crucial. This is by no means only a matter of the existing resources at the national level. When it comes to making distinctions within a larger group of applicants, when decisions about the distribution of funds have to be taken and especially when issues in far-off places are at stake, the task for central authorities and their advisory bodies of making such choices becomes increasingly difficult. A departure from central planning and the encouragement of autonomous, at least more locally based ways of planning and decision-making has therefore been a matter of necessity in many countries during the last decade.

In addition, administrative reforms leading to a regionalization and also to more autonomy for local governments, have been introduced also in those states, not initially organized on federal lines. This has, certainly, had its effects on the funding policies in the cultural field too, and we now find a greater willingness of regional and local forces, to even engage in cultural development planning, taking into account their specific needs. In many cases, there exist now formal legal procedures, which try to define the responsibilities at the national, regional and local levels of government.

In other countries, federal and non-federal, such division of power also with regard to cultural policy, has been a matter of tradition for a long time, as can be seen, for example, in Canada and the Soviet Union, in Brazil and the Netherlands or in Poland and Pakistan. J. Mark Davidson Schuster of the Massachusetts Institute of Technology has, in his comparative study " Supporting the Arts" (1985), described such developments as " a mixture of devolution and decentralization strategies":

" While devolution is normally used to refer to the relegation of government initiatives to the private sector, within arts policy, it can also serve useful analytical function to discuss the allocation of programmes across levels of government. Decentralization, on the other hand, refers to a governmental initiative where policy making and the allocation of financial resources are decisions that are kept at a higher level of government, while a lower level of government is given the responsibility for implementing and administering the programme."

For him the system in the Netherlands is a good example for "a form of cooperative devolution" where the different levels of government are somehow forced to work in common, in order to keep the budgets of cultural institutions balanced:

" In the Netherlands there has been a strong tradition of matching subsidies (Coppel subsidizing) for the performing arts which the central government insists as a condition for its support, either informally in the case of orchestras or formally in the case of theatres, lower levels of government participate in providing subsidy...
For orchestras central government typically subsidizes 50% of the salaries and benefits of the members of the orchestra. On average, this amounts to 35% of the total costs of the orchestra. The municipalities and provinces together finance 55 % of the total costs. For theatres the central government subsidizes a specified percentage of the working deficits, usually 40%."

Similarities to this type of funding can be found, for example, in the Federal Republic of Germany, where some of the 11 states account also for about 40 % of the running expenses of theatres. But there are also countries, where this type of financing is being used mainly to foster development projects such as the set-up of museums and libraries or the restoration of historic monuments. Such is, for example, the case in Yugoslavia of which the mechanism of financing has been described by Stevan Majstorovic ("Cultural Policy in Yugoslavia - Self management and Culture", UNESCO, 1980):

" Communes have a statutory right to utilize funds deriving from taxes (those which are levied on luxury goods, alcoholic beverages etc.). This has also pushed decentralization further and encouraged local initiatives in matters of culture and other areas. The pooling of resources of work organizations has had the same effect. When a commune wishes to

build a cultural centre, a library or execute some other cultural project, and is ready to mobilize local resources to this end (through voluntary contributions and contributions of work organizations) the relevant Republic or provincial community for culture helps in the realization thereof by providing 10-40% of the total amount of investment needed. This policy has been termed ' the Leaven Strategy' as the Republic or province supplies often only a symbolic part of the money (10% of the total) to serve as an incentive in mobilizing local resources."

In Serbia, the country's largest province, these strategies - which are actually not so much a matter of decentralization but rather of devolution - have lead the sharing of financing cultural expenses of about one third for the Republic and two thirds at the local levels, assisted by work organizations, record companies, radio and television organizations and the cultural institutions themselves. That devolution may take place even on the local level, is demonstrated by the author with the example of the Yugoslavian capital of Belgrade. Here we find not only shared subsidy schemes, but also the introduction, already in the end of the 1960s, of a system of " matching grants", when the city gave one Dinar for every Dinar allocated for example by a production work organization for the cultural needs of workers.

" A little later, in 1974, the Self-Management Community for Culture of the city began to provide more, i.e. 1,5 Dinars for every Dinar invested in promoting the culture of work and 2 Dinars for every Dinar invested in increasing the interest in classical music. In this manner, 69 production organizations pooled their labour and resources with 19 institutions in 1971, while in 1975 these figures reached 170 and 75, respectively."

Since a more decisive role for central authorities is felt necessary among many policy makers, in order to reach a more balanced infrastructure or an improvement in the quality offered, the instrument of national funds or arts foundations has become more and more popular during the last decades. Such bodies, usually operating under the "arm's length" principle and with the help of advisory boards, are also a tool for attracting private donations. The measures introduced by such bodies with the help of central government funds include "incentive" or "challenge" grants.

In some cases, the "share" of the receiving side may be the mere functioning of a service for a certain time or also the contribution-in-kind made by cultural workers in performing their services. These initiatives are of particular value, when it comes to encouraging new forms of production or dissemination, for example the use of new technology by artists and in cultural industry or in the progress of decentralization efforts, when a population outside of the capital is to be served.

In recent years also governments (e.g. in France) or private funding organizations (as the Culture Association of the German Federation of Industry or the Foundation ARTS in Australia) have been implementing this kind of method. One of the aims is, in many cases, that a funded institution or service may, after a while, be able to generate his own income to a large or even full extent. At the International Seminar on the Financing of Culture in Madrid, 1982, Basile Cossou and Pape Alioune N'Diaye of the African Cultural Institute pointed out, along which lines this types of support should be conducted:

" Institutionalized government intervention can only work if it refrains from interfering in ongoing initiatives, creative activities and culture. State action should not stand as an obstacle to concertation, public participation in

cultural life, to the sharing of responsibilities in the cultural field or to the democratization of culture...

It cannot be doubted that there is a need for some centralization and concentration in order to ensure effectiveness and to preserve cultural democracy. The institutions that are set up in the service of cultural action, above all, avoid becoming ends in themselves instead of remaining the support for action that should necessarily originate elsewhere...

Through their support and backing, the governmental authorities will be able to encourage the opening/setting-up of institutions which should then swiftly be capable of ensuring their own financing because of their relatively profitable activities (theatres, cinemas, exhibitions and sales, fares, handicraft centres etc.)."

one example for this kind of activity can be seen in the opening " cultural houses" in rural areas of Zimbabwe, where the government is furnishing or financing the infrastructure (buildings etc.) and the local peoples, with their resources and talents, are to transform this into an asset both for cultural and economic development. Similar efforts have been made in India, Indonesia and also some Latin American countries, but are also common in the United States, Canada, Great Britain, and, only recently, in Scandinavia. That the different types of " shared funding" are by no means to be considered a replacement for a sound cultural policy and also for its effective management, is the conclusion of the study of J. Mark Davidson Schuster, whose findings about the structure and instruments for cultural policy in Canada, the Federal Republic of Germany, France, Italy, Great Britain, the Netherlands, Sweden and the United States are summarized in the three tables on the following pages:

" These experiences suggest that as long as the goals' uniformity of coverage in the provision of the arts and culture and encouragement of variety in artistic activities are both strongly held, neither devolution nor decentralization will prove to be entirely satisfactory as a solution. Governments will find it desirable to intervene, taking on increased power of one sort or another before embarking on a new programme of allocation of responsibilities. The challenge is in finding a support structure that will be able and will choose to pursue both goals simultaneously."

That this does not necessarily lead to more financial contributions from the part of the central state authorities must be, however, emphasized. Recent examples in the United States, Great Britain and elsewhere show that the arts community and even the large public funding agencies have to fight hard to retain at least the funds they had achieved to generate so far and are even more inclined to use as many different funding sources as they can find. And since, at the same time, the idea of a necessity for " cultural development" in a larger sense is felt very deeply also in many industrialized countries, there may, in the future, be even more efforts to look for links between cultural activities and social or economic forces, thus combining financial and political aspirations. The " World Decade for Cultural Development", called for at the twenty-third session of the General Conference of UNESCO, may be among those platforms where policy questions of this kind could be discussed in depth and, at the same time, steps be taken to implement measures which have furnished proof of their compatibility with the processes leading to greater cultural productivity.

Table 2: PUBLIC SUPPORT FOR THE ARTS AND CULTURE ORGANIZATIONAL STRUCTURE

Country	Primary National Funding Agencies	Regional Funding Agencies	Local Funding Agencies	Programs for Devolution/Decentralization	Use of "Arm's Length" Principle	Types of Funding
Canada	<p>Department of Communications Minister of Communications (de facto Minister of Culture) -plays a loose coordinating role -support to arts organizations for "non-artistic" expenditures (e.g., deficit reduction, management, facilities, etc.) -major support to cultural industries</p> <p>The Cultural Agencies (autonomous):</p> <p>Canada Council -most important source of support to the professional creative arts. -use of Advisory Arts Panel and outside juries</p> <p>National Museums of Canada -ongoing support to national museums -grant programs for all museums</p> <p>National Arts Centre</p> <p>National Film Board (plus others)</p>	<p>All provinces have departments or ministries for arts + culture. Often combined with: -recreation -preservation -youth programs -citizenship (multiculturalism)</p> <p>4 provinces have autonomous arts councils similar to Canada Council.</p> <p>Provinces operate their own lotteries that often provide money to the arts.</p>	<p>Many cities (in Ontario especially) have arts department.</p> <p>Federation of Canadian Municipalities, Task Force on Culture and Historic Heritage</p>	<p>System reflects the fact that the government has a federal structure. Therefore, provincial governments are important sources of support.</p> <p>All provinces providing support without incentives from national government.</p>	<p>Yes: Canada Council plus the other Cultural Agencies</p> <p>Arts Councils at provincial level.</p>	<p>Operating support</p> <p>Grants -projects -equipment -capital</p> <p>Matching grants (use of challenge grants)</p> <p>Performing Arts Venture Capital Fund</p> <p>Prizes</p> <p>Loans</p> <p>Art Bank (purchase of contemporary Canadian art)</p> <p>Variety of subsidies to cultural industries</p> <p>Z for Art</p>
Federal Republic of Germany	<p>Federal involvement is very small. No central arts agency.</p> <p>Limited activities in a number of ministries.</p> <p>Proposal for a National Cultural Foundation with federal and Lander participation. -purchase of important works of art -funding of supra-regional activities</p>	<p>Lander are the focus of gov't arts support. (8 Lander and 3 city-states)</p> <p>Each has a minister (or equivalent) of cultural affairs. Often combined with: -science -education -sports</p> <p>Standing Conference of Cultural Ministers is coordinating body.</p> <p>Some Lander have state lotteries/ state gambling with Z going to arts</p> <p>Constitutional authority for culture vested with Lander.</p>	<p>Towns, cities and districts have offices in charge of municipal facilities and other activities</p>	<p>System reflects the fact that the government has a very strict federal structure.</p> <p>Arts funding and policy is primarily at the Lander level.</p>	<p>Limited use in special funds that artistic fields control themselves: Current -Literature -Visual Arts -Music New -Socio-cultural projects -Drama</p> <p>Evolving use of expert advisory committees when decisions concerning quality are involved.</p> <p>Embodied in proposal for National Cultural Foundation ("NEA model")</p>	<p>Three basic types of subsidy: -fixed percentage of costs -variable percentage -lump sum</p> <p>Most common is variable percentage used to cover budgeted deficit.</p> <p>Subsidy generally in form of fixed direct detailed budget allocation.</p> <p>Project grants</p> <p>Loans (may be conditionally reimbursable)</p> <p>Various subsidies to cultural industries</p> <p>ZX for Art</p> <p>Public Lending Right</p>

Table B.2 Public Support for the Arts and Culture - Organisational Structure (M.D. Schuster, 1985)

Table 2: PUBLIC SUPPORT FOR THE ARTS AND CULTURE (continued)
ORGANIZATIONAL STRUCTURE

Country	Primary National Funding Agencies	Regional Funding Agencies	Local Funding Agencies	Programs for Devolution/Decentralization	Use of "Arm's Length" Principle	Types of Funding
France	<p>Ministry of Culture</p> <p>22 other ministries make contributions to cultural or socio-cultural activities but 5 account for 90% of this additional expenditure.</p>	<p>22 Regional Gov'ts. newly created, becoming heavily involved in culture under devolution plan.</p> <p>95 Departements</p>	<p>Municipalities</p> <p>Now an important source of arts support.</p> <p>20% capital expenditure</p> <p>80% current expenditure</p> <p>80% of current goes to operating costs of facilities under direct management of municipality</p>	<p>Policy and decision-making traditionally highly centralized.</p> <p>Some cultural expenditures are being gradually devolved as part of overall decentralization plan of government to regions through Special Cultural Transfer Payments and contractual agreements.</p>	<p>No</p> <p>Development of some special funds that do insulate a portion of grantmaking decisions.</p>	<p>Direct budget for ongoing operating expenses.</p> <p>Gov't takes direct responsibility for salaries.</p> <p>Grants</p> <p>Loan guarantees</p> <p>Guarantees against loss</p> <p>Advance against receipts</p> <p>Purchase of art</p> <p>Aid to cultural industries</p> <p>Earmarked transfers to other levels of gov't</p> <p>X for Art</p> <p>"Grands Projets"</p>
Great Britain	<p>Office of Arts and Libraries' (newly independent from Department of Education and Science)</p> <p>-Minister for the Arts (junior minister)</p> <p>-National Museums receive budget directly from OAL</p> <p>-Arts Council of Great Britain</p> <p>Under OAL but highly autonomous</p>	<p>Regional Arts Associations (non-governmental autonomous organizations)</p> <p>12 in England</p> <p>3 in Wales</p>	<p>Upper Tier:</p> <p>Greater London Council</p> <p>6 Metropolitan County Councils</p> <p>Lower Tier:</p> <p>433 Local Authorities</p> <p>Current gov't moving toward abolition of GLC and MCCs with some reallocation of their arts funding to OAL and ACCB.</p>	<p>Arts Council's proposed policy is one of devolution to the Regional Arts Associations.</p> <p>Gov't encouraging local governments to provide more funding, but at the same time the central gov't is putting a cap on property taxes, an important source of local revenue.</p>	<p>Yes:</p> <p>Arts Council of Great Britain</p> <p>Regional Arts Associations</p>	<p>Direct budget, operating support to national museums.</p> <p>ACCB:</p> <p>Revenue clients - ongoing operating support</p> <p>Project clients - one-time projects</p> <p>Guarantees against loss</p> <p>Proposal for "limited franchise" clients</p> <p>Public Lending Right</p>
Italy	<p>Responsibility shared between two ministries:</p> <p>Ministry for Cultural Property and Environment (historic preservation, national museums, libraries, archives, promotion of fine arts)</p> <p>Ministry for Tourism and Performing Arts (including promotion and support of music, theater, and cinema)</p> <p>There has been a strong traditional separation between the cultural heritage and the performing arts.</p>	<p>Regions' Involvement in the arts is recent development.</p> <p>Interregional Commission for Coordination of Culture</p>	<p>Municipalities</p>	<p>Arts support strictly controlled by national legislation.</p> <p>1972-regions given responsibility for museums and local libraries; since then regions have expanded their role</p> <p>1983-reforms for the heritage, music, theater and cinema redefining roles:</p>	<p>Not extensive, but both ministries now using advisory boards.</p>	<p>Direct budget for ongoing operating expenses</p> <p>Grants</p> <p>Treasury bonds to consolidate deficits of major performing arts</p>

central gov't: general principles and coordination
regions: promotion and planning
municipalities: management

Table 2: PUBLIC SUPPORT FOR THE ARTS AND CULTURE (continued)
ORGANIZATIONAL STRUCTURE

Country	Primary National Funding Agencies	Regional Funding Agencies	Local Funding Agencies	Programs for Devolution/Decentralization	Use of "Arm's Length" Principle	Types of Funding
Netherlands	<p>Ministry of Welfare, Health and Cultural Affairs</p> <p>-Directorate General for Cultural Affairs</p> <p>-Fine Arts Division</p> <p>-Museums, Monuments and Archives Division</p> <p>-International Relations Division</p> <p>-Radio, Television and Press Division</p> <p>-"Raad voor de Kunst" is an independent Arts Council advising the Minister on policy and grants made through this Directorate.</p>	<p>Provinces have cultural administrations with advisory cultural councils</p>	<p>Municipalities</p> <p>Local cultural agencies with advisory councils</p> <p>Strong division of responsibility with other levels of gov't for performing arts. Local gov't owns and operates most cultural facilities.</p>	<p>"Exchange of Subsidy" Program in performing arts: higher national subsidy of national institutions and experimental, higher local subsidy of others.</p> <p>Museums going in opposite direction. Shared subsidy.</p> <p>Central gov't has policy of overall decentralization, but debate as to whether arts should be included.</p>	<p>Yes:</p> <p>Arts Council advising Minister on policy and grants.</p> <p>Advisory councils also common at lower levels of gov't.</p>	<p>Direct ongoing support</p> <p>90% of salaries of orchestras</p> <p>deficit financing for theaters</p> <p>Tradition of shared subsidy between levels of government.</p> <p>Shift to 3 yr. budget financing</p> <p>Some project grants</p> <p>Subsidy for cultural industries</p> <p>2/14% for Art</p> <p>Visual Artists Scheme (income guarantee)</p> <p>Public Lending Right</p> <p>Interest-free loans for purchase of art works.</p>
Sweden	<p>Ministry of Education and Cultural Affairs</p> <p>-Department of Cultural Affairs</p> <p>-Department of Mass Media Policy</p> <p>National Council for Cultural Affairs ("Statens kulturråd")</p> <p>-quasi-autonomous organization within Ministry but operating with substantial input from laypersons, charged with:</p> <p>-development of cultural policy</p> <p>-assessment of budget proposals of grantees in wide variety of areas</p> <p>-responsible for actual grants in some artistic areas</p> <p>-overall grantmaking discretion limited by detailed budget allocations passed by Parliament after consultation with National Council</p>	<p>23 County Councils with cultural committees</p> <p>(about 0.3% of county budgets spent on all cultural activity)</p>	<p>284 Municipalities with cultural committees.</p> <p>(About 4% of local budget is spent on cultural activity, particularly libraries, municipal theaters, municipal orchestras)</p>	<p>Policy formulation is centralized via legislation</p> <p>Implementation increasingly decentralized.</p> <p>Funding decentralized.</p> <p>(System of "centralized decentralization")</p> <p>Demilitarized the military bands to form regional orchestras.</p>	<p>Yes:</p> <p>National Council for Cultural Affairs</p> <p>Separate funds for support of individuals</p> <p>-Swedish Authors' Fund</p> <p>-Arts Grants Committee</p> <p>Heavy use of intermediary, voluntary organizations from the "popular movements"</p>	<p>Direct detailed budget allocations to major institutions and national authorities</p> <p>Grants for "free" groups</p> <p>Aid to cultural industries distributed in a variety of ways.</p> <p>Guaranteed income for selected artists</p> <p>2% for Art</p> <p>Public Lending Right</p> <p>Public Exhibition Right</p>
United States	<p>National Endowment for the Arts</p> <p>-primary funding source for the arts</p> <p>Institute of Museum Services</p> <p>-operating and grant support to museums</p>	<p>50 State Arts Agencies</p> <p>6 Special Jurisdiction Arts Councils</p> <p>8 Regional Arts Agencies (private nonprofit organizations)</p> <p>Some institutions get direct appropriations from state legislatures in 20 states.</p> <p>Arts lottery plus local lottery councils in Massachusetts.</p>	<p>1,500-2,000 Local Arts Agencies</p> <p>Some gov't, some private non-profit.</p> <p>Some institutions get direct appropriations from city government.</p>	<p>System reflects the fact that the government has a federal structure.</p> <p>Partnership Office of NEA provides Basic Support Grants as matching grants to states.</p> <p>New NEA Locals Test Program.</p>	<p>Yes:</p> <p>National Endowment for the Arts</p> <p>State Arts Agencies</p> <p>Many Local Arts Agencies</p>	<p>Project Grants (Cost sharing is main mode of support)</p> <p>Challenge Grants</p> <p>Matching Grants</p> <p>Ongoing support for operations through Institute of Museum Services</p> <p>Direct budget to some national and D.C. area institutions</p> <p>2% for Art</p>

Source: J. Mark Davidson Schuster: "Supporting the Arts" National Endowment for the Arts/USA, 1985

D. MOBILIZATION OF PRIVATE FUNDS IN THE CULTURAL FIELD

At the International Seminar on the Financing of Culture in Madrid, 1982, the " need for cooperation and consensus" apparently was one of the main points unquestioned by all participants. The "ideal" funding model seemed to be "one where public and private sectors worked in close cooperation". The report on that meeting even went so far as to say that it "would be naive to expect additional resources specially intended for culture" from government authorities. While this judgement may somewhat be biased due to a tendency to generalize budgetary problems in certain countries, notwithstanding considerable increases in public spending for the cultural sector in others, it is, without doubt, useful to consider also the possibilities of extending the range of cultural development programmes within " non cultural" spheres of society and policymaking in financial terms (see B.1, B.3 and annex). To mobilize people and social organizations with the aim of fostering, what has been termed, " cultural dynamics" in (regional) development, may well produce additional spiritual, personal and also financial resources which never would have been generated through official government planning and funding procedures alone.

A shift in orientation among public officials is however required to achieve that end. The prevailing covetousness towards an allegedly interest-free contribution of private money into (central) public programmes ought to be replaced by a perception which takes into account people's willingness to engage activities - and also spend money for their realization ! - corresponding as closely as possible to their particular needs.

Let us, once again, consider some of the forms this engagement might take, without going into details. Private resources may be resulting, among others, from encouraging:

- 1) The cultural activities of non-profit associations, trade-unions, artists organizations, church-based groups, arts-, literature- and film-clubs, " friends of..." organizations, etc.
- 2) The cultural variety and minority-offers in programmes of private or semi-public media and companies of the " culture industry" (books, films, sound and video recordings, etc)
- 3) The introduction of arts, crafts, monuments and other cultural potentials into programmes for economic and social development on the regional levels (e.g. fostering on cultural tourism")
- 4) Private cultural foundations
- 5) The cultural funding and sponsorship on the part of individuals and private business
- 6) The set up of " business committee for the arts" and similar models
- 7) Special funds and credit programmes of private banking institutions, directed to the arts and small-scale cultural industry
- 8) Individual consumption of works of art and literature or of certain offers from the cultural industry, theatre and concert audience associations, etc.

9) Self-reliance and successful professional work of freelance artists and authors

10) Cooperation on the arts community with international institutions, (e.g. NGO's) and the featuring of cultural offers at international events and festivities (e.g. sports events).

In addition to some of the models mentioned in chapter C., these and other forms of private engagement are producing far more " cultural dollars" than public subventions or investments could ever hope to generate, in most of the countries studied. Even in heavily subsidized fields, such as public theatres in Austria, the Federal Republic of Germany or Switzerland, theatre audience organizations account for about 25% of the ticket sale. But a recent study on the "employees committees" in 200 French business companies also revealed exemplarily, that there can be an even greater impact in fields normally not as well covered by traditional cultural funding policies. Out of the more than 400 million Francs spent by these committees in 1983, 42% went into culture, tourism and sports (Ch. Dufour/M.F. Mouriaux in a study of I.R.E.S. for the French Gouvernement, 1986).

Many more examples could be given, surpassing by far the context of a pilot-study (see, among others, the publications on the international conferences of the Association for Cultural Economics 1982, 1984 and 1986, for more details). What should be borne in mind, however, are also the "non-material" benefits resulting from these activities. Most important, in this respect:

- 1) Decentralization or devolution effects
- 2) Less bureaucratic procedures and
- 3) Sometimes also a " democratization " of audiences or users of arts services and products.

The problems and potential dangers, connected with some forms of private sponsorship in the arts should not be left unmentioned. Such dangers are often seen in corporate communication policies, seeking not so much artistic values as rather the highest publicity possible, or, as the Financial Times put it, on January 9, 1986: "More bang for their buck" (see annex).

Since many artists and, for that matter, also public officials are by no means free from similar desires, an orientation towards publicity and echoes in the media are not, however, to be considered as the main problem. What could prove much more dangerous, in the longer run, is a tendency of transforming existing public responsibilities into voluntary private contributions, thus neglecting basic cultural services or work and training chances for the lessknown artist and writer. These contributions, as much as they may contribute to variety in cultural life and also raise additional funds for it, are, in general, not "made to stay", especially when it comes to supporting the work of institutions with a large permanent staff or decentralized offers according to public needs (e.g. theatres or public library systems). Development strategies along artistic lines, aiming not so much at spectacular events, but rather at a steady provision of quality and, even more so, at experiments and new horizons outside of "mainstream" values, might, hardly ever be based mainly on private funds. The same is, naturally, to be expected, when it comes to services with specific social aims, trying to counter balance dominating commercial strategies (e.g. adult education in the media).

In this respect, cultural funding models in some countries, based to a larger extent on private initiative are much less convincing when looked at more closely. The main example, the United States, may - with newly introduced tax laws, dramatically reducing possibilities for deduction on the part of corporations and individuals - soon lose its fascination for some foreign observers.

One should also not forget a member of Supreme Court rulings in recent years, which have diminished chances even for market based variety in cultural supply (e.g. a 1979 decision, declining the right for book publishers to devalue their stocks for tax purposes until they are actually sold which may lead to a further increase of the cost of books, coming out in small printings and remaining on low levels of sales over longer periods of time, as e.g. certain offers of fine literature).

This type of policy, together with the reluctance of the Federal Government, to keep public support at least on the level reached at the beginning of the 1980s, led Bette Ann Stead of the University of Houston to ask a few critical questions, while taking into account the much greater public concern for the arts in some European countries, namely:

" What turns us so far away from supporting the arts ? Our youthful naivete ? Lack of cultural development due to our pioneer growth and values ? Was our country so large and our growth so fast that we lost our cultural heritage and appreciation along the way ? "

Her article ("Corporate Giving: A Look at the Arts" in: Journal of Business Ethics 4/1985) concludes with several examples for private support programs, indicating not only pragmatic but also "idealistic reasons for needing the arts".

Doubtlessly, the U.S. and some other countries have supplied interesting examples on how to push private support for the arts, both with governmental (see chapter C.) and non-governmental incentives. Among the most successful strategies was the establishment of " Business committees for the arts " which now exist in many countries all over the world.

Backed usually by hundreds of large and smaller firms, such committees:

- 1) Organize meetings at all levels to establish contacts between artistic and financial organizations;
- 2) Publish specially prepared information brochures for corporations and firms (in some countries, as e.g. France, also for private cultural facilities)
- 3) Organize national information campaigns through the mass-media;
- 4) Provide advice for both trading companies and artistic bodies as well as cultural associations seeking the support of patrons;
- 5) Stimulate in general the contacts between public and private sectors.

Recently, there has, however, been a tendency among large contributors, to develop support also along their own particular lines of interest, or even include funding for the arts in the normal public relations strategies ("lifestyle" and " corporate culture" concepts). Effects of this possible shift in private sponsorship still remain to be evaluated, especially as far as their impact on the contents or artistic production are concerned.

There are many other examples of activities carried out independently by, or on behalf of, private donors to the arts or to cultural development in general. Some of these show similarities with the strategies employed by public authorities, mentioned in chapter C. On the other hand, it is also the government, which is able to (and sometimes should) play its part to make private initiatives more attractive or succesful.

These incentives includes legal measures to encourage the establishment of cultural foundations and their (unbureaucratic) functioning, professional advice and training facilities also for certain sectors of " cultural management", a willingness to accept democratic procedures in independent associations (both for artists and arts enthusiasts) as well as the "opening " of public cultural facilities also for private performances and other cultural activities.

But most important and common, it seems, are still the public policies related to tax reliefs. The study of M.D.Schuster, mentioned earlier, is showing evidence for this in some European and American countries (annex), and the present study comes to similar conclusions. Table D.1 on following page shows tax reliefs and incentives in some 14 states aiming at the encouragement of :

- Private donors and collectors
- Commercial sponsorship and corporate donors
- The " cultural industry" or the production and trade of works of art
- Cultural institutions, foundations and presentations or
- The creative individual himself and his chances in the arts markets.

There seems, indeed, to be a chance to enhance both cultural productivity and the awareness of individuals or of the commercial sphere for the benefits the arts may produce by introducing tax measures of the kind mentioned in this table. As long as this does not diminish public responsibility and conviction for the arts and cultural development at large, such strategies need more attention, indeed so as far as their results for the cultural community are concerned.

Table D.1: Tax relief/incentives in the field of culture - Examples from 14 countries

NOTE: Selection of measures/incentives in countries not dealt with in M.D.Schuster: "Supporting the Arts", 1985 (see Annex for details on Canada, France, F.R. of Germany, Italy, the Netherlands, U.K., and USA)

	1. Private donors/ Collectors	2. Corporate donors/ Commercial "spon- sorship"	3. Products of "Cultural indus- try"/Works of art	4. Cultural insti- tutions, founda- tions and pre- sentations	5. Artists and authors/Indi- vidual artistic activities
Australia	IT/VAT: Deduction of gifts and donations to cult. institutions and organizations	IT/VAT: see 1.	SRI: Private investments in film production may be written off over 2 (instead of 25) years	IT/VAT: Exemption (books)	
Austria	IT: Deduction of donations to public museums/ Pictures for coffee-houses may be written off with 5% p. year	IT: See 1, in addition general deduction, if donations are made to obtain commercial benefits (sponsorship)			
Argentina				GRI: A number of institutions (e.g. Nat. Academies) are tax-exempt	
Belgium	IT/VAT: Deduction of min. 1000Bfrs, max. 10% of total net revenue or 1 million Bfrs		VAT: Reduced rate for printed matter		VAT: Some reliefs for artists
Colombia	SRI: Special incentives		VAT: Books exempt, special rates to encourage film industry	GRI: Public performances tax-exempt	
Denmark	IT/VAT: Covenants and donations may be deducted within certain limits		PT: Paintings, sculptures, books etc. in priv. collections exempt	GRI: Exemptions	VAT: Exemption for artists and authors PT: Exemption for artists own works
Finland		VAT: Deduction when sponsoring aims at profits for the firm			VAT: Exemption for artists and authors
German Democratic Republic			SRI: Special conditions	GRI: Exemptions	SRI: Here and in other Socialist countries no VAT and special reductions in IT-rates
Ireland			VAT: reduced rate (printed matter, works of art)	SRI: Reductions and exemptions	IT: Exemption for free artists (under certain conditions, e.g. residence in IRL) VAT: Reduction
Japan	IT: Done institut up to 2'	VAT: similar to 1. (for scope of application see 4.)	VAT: Exemption (printed matter)	GRI: Foundations, associations, museums, cult. sites	IT: Exemption for awards, stipends VAT: Exemption
Norway			VAT: Exemption (printed matter)		IT: Exemption of awards, stipends VAT: Exemption
Portugal	GRI: Donations, the conservation of national heritage and similar activities result in tax benefits; bequests for charitable bodies exempt from success duty		SRI: No import duties and capital transfer-tax for cult. goods		
Sweden	PT: Works of art exempt		VAT: Exemption	VAT: Zero-rate for admission revenue (perf. arts, cinema, museums); exempt from local PT	VAT: Exemption for free artists and authors
Yugoslavia		SRI: Special incentives for industrial activities	"Yellow press"-tax finances reliefs for cultural goods	SRI: Some forms of cultural and artistic works or activities are exempted from taxation; reduced IT for authors; tax on copyrights goes into social fund for auth.	

Abbreviations: GRI: General tax reliefs or incentives; SRI: Special tax reliefs or incentives; IT: Income tax; PT: Property tax; VAT: Value added tax/Turnover tax or similar duty

Sources: Information of the countries listed; UNESCO publications; archives of ZFKF (ARcult)