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# FORMS OF DECISION-MAKING ON INVESTMENTS AND THE DISTRIBUTION OF MEANS ALLOCATED FOR CULTURE

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## I — PRELIMINARY REMARKS

Decisions are passed within the frames of one out of two economies in which cultural life evolves: the market and non-market economy or the collective economy. Needless to say, these two types of economy can co-exist within the same country.

An economy is a market economy when the financing of production costs (current costs plus amortization for investments) is effected through the sale of the resulting product.

Cultural activities fall into this category of economy: publishing activity, film showings, radio and television programmes, etc...

An economy is a non-market or collective economy when financing of the production costs is not effected through the sale of the product.

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This kind of economy includes the following cultural activities: the conservation of cultural monuments, public lectures, certain theatre performances, etc.

The division of cultural activities into these two types of economy evolves with time. The two determining factors seem to be: the price paid for use of the cultural product and the intensity of cultural habits, which, in turn, is greatly influenced by changing tastes.

Here, we shall chiefly consider the problem of decision-making in the non-market economy. The non-market economy in principle focuses on the most cultivated part of culture and the aim of State intervention lies in maintaining and developing this part in the country's cultural life.

## II — ELEMENTS OF DECISION-MAKING IN THE NON-MARKET ECONOMY

Decisions in the non-market economy depend on:

- culture's share in overall activity;
- the relative share of various cultural activities;
- the share of various components of expenditure for culture;
- the share of various sources of financing.

## III — CULTURE'S SHARE IN THE COUNTRY'S OVERALL ACTIVITY

The determination of this share implies the solution of three problems:

3.1 The first problem lies in evaluating this share.

This implies the adoption of appropriate concepts.

Various ratios can be used:

- the relationship between the added values created as a result of cultural activities and global additional values (in other words, the relationship between a type of internal gross cultural product and the global internal product);
- the relationship between state spending on culture and the whole of state spending;
- the relationship between household spending on culture and the whole of household spending.

3.2 It is difficult to interpret this measure, and here we come to the second problem.

Thoughts in this field have not advanced sufficiently to be able to assess the meaning of the above-presented relationships.

We have neither criteria for

— assessment:

as, for instance, in the case of the economy: knowing the relationship between added values created by agriculture and the GNP;

— or decision-making.

The only method at our disposal to date has been comparative assessment

— in terms of time, and

— in terms of space (inter-regional comparisons and international comparisons).

3.3 The third problem lies in determining the height of the goals to be attained.

It is difficult to determine the level of major goals such as can be done in the economy (for instance, determining the level of industrialization).

We still do not know how to correlate:

— culture and education

— culture and economic efficiency

— culture and prosperity (measured in value).

In the absence of absolute levels, decision-making can work towards equalization with other levels (or better yet to reduce inequalities):

— on the international plane

— on the internal plane

— the equalization of social classes

— the equalization of geographic zones.

#### IV — THE SHARE OF VARIOUS CULTURAL ACTIVITIES

Once one has determined the share of culture in the country's activities, the next task is to examine the relative importance to be attributed to different activities which comprise cultural life.

4.1 One should foresee numerous cases in which we have to opt for some solution.

For instance:

— If we consider the question of cultural wealth, a distinction should be made between conserving existing cultural wealth and creating new cultural wealth.

— The creation of cultural wealth and its use are activities which obviously complement each other, but which can become co-competitors when it is a question of distributing means.

— One may have to choose between presenting traditional cultural works and socio-cultural animation, which views cultural action from different standpoints and under different aspects.

— Cultural works can be presented in stage form, and audio-visual means, such as television, can be used for this presentation.

The question of orientation towards some solution can be posed, too, in terms of:

— sectors:

literature, music, the plastic arts, theatre, film, radio and television.

— geographic terms:

centralization or decentralization

distribution according to regions

— in terms of schools for esthetic education

— ...

4.2 There are no scientifically, or at least rationally based criteria.

Here there is broad scope for research in the double sphere of theoretical studies and observations of practise.

At present, solutions can only apply to certain cases. Generally speaking, and this holds true for the preceding question as well, we shall work in the first phase on reducing inequalities.

## V — THE SHARE OF VARIOUS MEANS

(components of spending on culture and sources of financing)

5.1 What type of State intervention should there be?

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Direct or indirect intervention?

5.11 Intervention is direct when the State itself creates cultural wealth or cultural flux.

In connection with this creative activity, the State can work as an administrative leader, or through the mediation of state enterprises.

5.111 Intervention is of an administrative nature when cultural activity is based on the notion of public service.

A cultural product resulting from this activity is considered as a product of fundamental importance for the nation's life, be it a question of conserving cultural wealth, diffusion of written works or the education of cadres. The financing of these products along the principle of the market economy is non-existent or insignificant.

State administration which creates cultural products can be of local or national importance.

5.112 State intervention via State enterprises exists when cultural activity is based on the notion of public service, but a public service which functions under conditions similar to those of an enterprise. The cultural product resulting from this activity is considered as a product of first-rate importance for cultural life. Such products are, for example, radio and television broadcasts, classic lyrical works or stage dramas... Here, however, financing along the principles of the market economy, even if it is not complete or primary, can be relatively significant.

State enterprises which create such products can be of local importance or of national importance.

5.12 Intervention is indirect when the State does not itself create cultural wealth or flux in culture, but when it can help in the creation of such wealth or such flux.

This assistance can be considerable, but can also be of merely a complementary nature.

5.12.1 Assistance is considerable when it secures the financial means for a major part of production as in the following cases:

- when financial means derive from private sources, but are insufficient;
- when cultural creativity, to which major importance is not attributed, represents the result of activities considered to be important,

or activities which correspond with new pre-occupations, such as: the decentralization of culture, the new role and new dimensions attributed to culture, etc.

— when more elastic forms are needed for management than those applied in managing traditional cultural activities.

This is the case with Houses of Culture, with theatre troupes which contribute to decentralization in theatre life.

Assistance can then be offered by central or local administrative institutions.

5.1.22 Assistance is of a complementary nature when it finances only a smaller portion of cultural creativity, as in the following cases:

— when financial means derive from private sources, but are insufficient, although they do cover over half of the costs;

— when cultural creativity is the result of activities assessed as important and deserving of support, although they are not of major importance.

This is the case with private enterprises for cultural presentations, and especially all amateurism.

Assistance can then be offered by central or local administrative institutions.

5.2 Here again many cases must be foreseen in which one has to opt for a solution.

For instance:

5.2.1 One has to decide between functional spending and spending on facilities. This is the case, for example, with assistance given for socio-cultural animation. Is it better to finance animation which uses such facilities as Houses of Culture, youth centres and youth cultural centres, or is it better to use animation which does not use such facilities and evolves in quarters which have more numerous facilities?

This problem is linked to a more general problem, that of the supply and demand of cultural products. Does a new cultural project create new demands or satisfy merely limited potential demand?

5.2.2 One must also decide between various types of spending for cultural product facilities.

This, for instance, is the case with selecting facilities for socio-cultural animation.

Are heavy facilities necessary (such as Houses of Culture) or lighter and more numerous facilities preferable?

Observation shows that heavy facilities have a saturation point wherein lighter facilities could remedy the situation by adapting to the diversity of needs.

Should premises be equipped for several cultural activities or do we need premises equipped in a specific way?

5.2.3 Finally one has to decide between subvention and loans.

This is the case with assistance to film, for example.

In the course of the past ten years one has been able to observe a drop in cinema ticket receipts.

State assistance to film is effected along the lines of compensation: the tax on all performances enables assistance to be given to the production of certain films which are assessed as good, and, which, consequently, represent a contribution to the entire country's cultural life. In the majority of cases, this assistance is given in the form of subvention, and in other cases in the form of loans.

The question of types of assistance can also be raised: subvention or loans?

Generally speaking, loans are not greatly used in the field of culture. We encounter them only in publishing activity and in film production. We might ask ourselves whether it would not be desirable to develop this form. Their two main advantages, it would seem, would be that they could be of larger scope than in the case of subvention and that they would give the producer greater freedom.