
FINAL REPORT

UNESCO EXPERT MEETING ON THE FINANCING OF CULTURE

1. The expert meeting was organized by the Yugoslav National Commission for UNESCO and the Centre for Study of Cultural Development in Belgrade, in cooperation with UNESCO's Division of Cultural Development. The meeting was held from September 12 to 14, 1974, in Herceg Novi, Yugoslavia.

2. Participants from the following countries attended the meeting: Bulgaria, Canada, Denmark, France, Federal Republic of Germany, Hungary, India, Netherlands, Poland, Senegal and Yugoslavia.

3. The meeting was opened by Mr. Budislav Šoškić, President of the Assembly of the Socialist Republic of Montenegro. The verbatim text of his speech is annexed to this report.

4. The meeting elected Mr. Stevan Majstorović (Yugoslavia) chairman, and Mr. André Fortier (Canada), Mr. Gabor Koncz (Hungary) and Mrs. Sita Narasimhan (India) vice-chairmen.

5. At the proposal of the chairman, a working group was elected to draft the report of the meeting. The group was composed of the following members:

Mr. H. Harder Rasmussen (Denmark), chairman

Mr. André Fortier (Canada)

Mr. Gabor Koncz (Hungary)

Dr. Ljubomir Madžar (Yugoslavia)

Mr. Franciszek Mieczko (Poland)

Mr. W. Mohr (Federal Republic of Germany)

Mrs. Sita Narasimhan (India)

Mr. Auguste Vesse (France)

6. In his opening address the chairman of the meeting, Mr. Stevan Majstorović (Yugoslavia), greeted the participants and expressed his con-

viction that in defining its aims with modesty and realism, the meeting could reach valuable results. He called on the participants to forgo any scepticism as to the usefulness of such an international and interdisciplinary meeting by concentrating not on the differences between developing and industrialized countries and between social systems, but on the common elements which do exist. In his opinion, there is a far greater difference, depending on the conditions, in the methods and practice used in attaining global cultural goals than there is in the actual goals themselves. Even with respect to methods, common elements exist wherein the experiences of one country could be used by others. He emphasized that this is a two-way traffic between the developing countries and the industrialized countries whereby the latter might learn from the former to let cultural progress accompany technological progress. The theme of the meeting, the financing of culture, in his opinion is the fundamental postulate and often the crucial factor of any national cultural policy focussing on altering and promoting the existing state of affairs, i. e. focussing on the future. The financing of culture, just as cultural policy itself, is incorporated in the social life of a country. Mr. Majstorović went on by giving a brief exposition of each of the items on the agenda. Finally, he voiced his pleasure in having the organization of the meeting entrusted to Yugoslavia.

7. Mrs. G. de La Rochefoucauld, the representative of UNESCO, then gave a brief statement in which she referred to the work accomplished during the intergovernmental conferences on cultural policy organized by UNESCO, both in Europe and in Asia (in Helsinki, June 19-28, 1972, and in Jakarta, December, 10-19, 1973). She especially recalled the report of the Working Group on instruments for the analysis of cultural development at the Helsinki Conference in 1972, and the recommendations adopted by this conference on the Working Group's proposal.

UNESCO's programme comprises studies and research especially with respect to the economic and financial aspects of cultural life, and it is to be hoped that this meeting will provide suggestions for the elaboration of a programme in this field for the next biennium (1975-1976).

8. Bearing in mind the character and duration of the meeting, the participants wanted to emphasize that one of the important aspects of this meeting was to promote the exchange of experience and points of view among experts in the same field, and also to be able to define joint projects.

For the sake of brevity and clarity, as well as for practical reasons, the report will concentrate on a few questions of principle regarding each separate topic on the agenda and also on concrete suggestions and recommendations concerning future international cooperation in this field.

During the discussions, plenty of valuable information was given which has not found room in the report. The meeting warmly recommends that much of this information be included in a special issue of the journal „Kultura”, published by the Centre for the Study of Cultural Development in Belgrade. This would be of help to the participants to carry on with their work in their own countries.

I. THE FINANCING OF CULTURAL ACTIVITIES

9. The meeting was opened by Mr. Stevan Majstorović, Director of the Centre for the Study of Cultural Development in Belgrade. In his introductory speech the chairman made a certain number of points on which several speakers agreed later on. He especially recalled the difficulty in defining culture which is essentially the „quality of life”; hence the complexity of any quantitative approach in this field. He insisted on the importance of the historical, economic and social situation of any culture and finally on the difference between the problems facing developing countries, mixed economies and socialist countries.

10. The participant from India suggested that a unified nomenclature for describing these different situations could be devised by analysing societies in terms of technological and pre-technological societies, taking into account „traditional” and „modern” cultures, the degree of urbanization and transportation, state participation in education and culture, the development of mass media, the degree of literacy, the degree of monetarization of a culture and extent of non-monetarized cultural activity. She suggested in the light of the above analysis a budgetary unit system which would facilitate comparisons in the field of international cultural financing.

11. The participant from Senegal agreed in the main with the above points, and drew pointed attention to the fact that there is no necessary correlation between GNP and levels of cultural activity, citing a few examples. He felt strongly that no State cultural policy should interfere with spontaneous and developing

forms of monetarized or non-monetarized cultural creativity.

12. The participant from Canada said the essence of cultural activity was quality and not quantity. To finance for quality as well as for spread, he suggested, a) a distinction between creation, communication, and consumption, pointing out the asymptotic nature of the quality / quantity curve in any culture, b) finding the point at which budgetary intervention would be effective, c) a three-dimensional model incorporating this analysis as well as the three different sectors of spending in a mixed economy, namely, governmental, private and mixed, and sub-headings of areas of cultural spending. The emphasis should be not on influencing culture, but on providing the necessary cultural frames.

13. The participants from Hungary and Bulgaria provided detailed and descriptive facts. They declared that socialist culture comprises the whole of cultural goods, values, works and is a directed activity with a view to creating and acquiring values by the largest number of people. In Hungary intensive research has started on the basis of a long-term plan and the stress in economic research is on the social and historical aspects of cultural planning.

14. The participant from Yugoslavia pointed out the limits and weaknesses of budgetary and market techniques. He argued that the real criterion, regardless of monetary forms, is the „exchange of work”, the self-management agreements and the social consensus. He was in favour of the limited and controlled use of budgetary and market techniques.

II. THE FINANCING OF CULTURAL DEVELOPMENT IN LOCAL COMMUNITIES

15. One question concerned the production and consumption of culture in its various branches at local level. By which means can they be developed through financial support and which new devices are being considered in order to meet the needs arising from a general tendency to decentralise and democratise cultural life. Which is the rôle played by public and private institutions at the local or regional level and finally, what is the rôle played by the State?

16. In order to contribute to answering these questions a number of reports and statements were offered by participants describing schemes of financial aid and encouragement in indivi-

dual countries such as Denmark, Poland, Senegal and Yugoslavia.

All contributions made it evident that there is hardly any difference as to the principal goal: to understand cultural development as being a part of overall social development and to regard financial assistance to cultural activity as a substantial contribution to the quality of community life and to the local economy.

On the other hand, these contributions made it clear that there is no device which could be applied to all countries. The differences as to the cultural backgrounds and present situations with which countries are faced are great, depending on such essential characteristics as the level of economic development, the social system and the constitutional structure, and so the vital interests and political priorities arising from a specific national situation differ between countries.

17. Consequently, the individual countries have to find their own devices. The experience of one country could be of great help in developing the systems in other similar countries. The participants expressed the wish that the exchange of information started during the meeting should be pursued and reinforced within UNESCO's programmes.

III. FORMS OF FINANCIAL ASSISTANCE FOR CREATIVITY

18. Statements by the participants from Finland, Yugoslavia and the Netherlands provided the conference with a detailed outline of various forms of financial support, direct and indirect, which could be made available to individual artists, e.g. direct grants or bursaries to artists for various periods of time, project costs grants, grants to studios, to associations, purchase of works of art, etc. Each country could add to this list. The statement by the participant from Yugoslavia related to a decentralized system leaving the decisions to the persons and bodies concerned.

19. Referring to the discussions, it was possible to draw two important conclusions:

1. countries interested in a system of direct grants to artists have not been able to develop criteria for determining how many artists should be granted such assistance;

2. a decentralized system might be more conducive to the development of creativity than

a centralized system. At present, however, data and measurements are lacking in this field. It would be useful to take advantage of the fact that Yugoslavia intends to undertake work in that respect.

IV. FINANCING OF CULTURE AND CULTURAL POLICY

20. The problem is to arrive at a set of rational and efficient policies of financing different types of cultural activities. This is important for the cultural development of a society. It is a consequence of the fact that objectives which can be described only in qualitative terms have to be implemented by means which are precisely defined and exactly quantified.

21. It is evident that several different institutional mechanisms have to co-exist in order to ensure an efficient allocation of resources in the field of culture. In many countries the State takes a main responsibility for cultural development. The State provides financial resources for the activities, usually in a long-run development perspective for such activities. On the other hand, the market is a powerful and flexible mechanism which ensures a rather close correspondence between the consumer preferences and the structure of cultural production. The market also serves as an objective standard for determining the prices of different cultural goods and services and, finally, it represents a significant source of finance fostering the cultural development of any society. Other mechanisms, such as social funds and private foundations, also fit into this complex and highly heterogeneous institutional set-up for financing cultural activities. The new device of cultural communities that are now in the process of formation in Yugoslavia represent a promising form of financing culture which is neither market nor budget financing.

22. The mechanism for financing culture has to meet two requirements. Firstly, it has to be efficient by satisfying given ends with minimum resources and by assuring maximum effects out of given resources. This presupposes both an efficient allocation of resources to different types of cultural activities and a redistribution of the financial burden on different economic activities. Secondly, the mechanism has to be democratic, so that the consumers and the producers of goods and services have an ever-growing influence on the structure of cultural production.

V. METHODS OF DECISION-MAKING IN THE FIELD OF CULTURAL FINANCING

23. This point was discussed in a statement by the participant from France in the following way. The notion of investment in the sphere of culture was examined. There are two aspects of investments: the formation of material capital and the constitution of spiritual heritage. It is effected through the conservation of existing heritage and the creation of new heritage. This constitutes the primary condition for the creation of cultural flows, which are: the presentation and representation of cultural products, socio-cultural animation and training of the agents of cultural life.

The formation of material capital is an element in constituting the spiritual heritage and its utilization in the forms indicated above.

The problem of decision-making must be viewed within the framework of two types of economies which make up cultural life: the market economy and the economy of collective decision-making. Only the latter is dealt with in this statement.

24. The „public“ decision-maker is confronted with three categories of problems:

- what weight should be given to the various activities constituting cultural life?
- what relative weight should be given to the various activities constituting cultural life?
- what relative weight should be given to the various means of intervention at disposal?

No rational methods exist for determining these weights and the choices they imply. The weight given to cultural life in its entirety can be gauged by ratios such as: relation of cultural national product to national product, relation of public expenditure on culture to total public expenditure, relation of household cultural expenditure to total household expenditure.

But these relationships can hardly serve as interpreters as to their cultural significance and their utilisation in determining goals of action. They merely indicate the inequalities which exist between countries, between regions, between socio-professional groups, etc. It is the reduction of these inequalities which can constitute the objectives for action.

The relative importance of the activities which constitute cultural life faces the decision-maker

with many questions of arbitration: in particular between the conservation of the existing heritage and the creation of new heritage, between the creation of heritage and the production of cultural flows, between various flows of production in cultural life, etc. Here again the ratios which can be deduced have only an essentially indicative interest, and progress in this field would consist in making them operational.

25. The relative weight of the means to be put into effect depends on the aims which have been set and on the fact that cultural objectives are linked to production characterized by: a heritage to be conserved, a new heritage to be created; a feasible or unfeasible equilibrium between supply and demand, significant or weak private financing, etc. The decision-maker will then have to choose between direct intervention through the intermediary of either the administration or public enterprises, or indirect intervention by means of subsidies, be they significant or complementary, increased operational expenditure or the building up of equipment, specific or integrated equipment, gifts or loans, etc.

26. The participant from Yugoslavia, speaking about different mechanisms for financing culture, stressed particularly the great importance of the social and democratic responsibility of those who take the decisions. It is essential to know which are the organs who make these decisions and how they interpret the cultural needs of the society and, finally, what is the direct influence of the society at different levels (central, regional, local... various social groups such as workers, cultural workers and others) on the decision-making.

VI. CONCRETE SUGGESTIONS AND PROPOSALS FOR A LONG-TERM STUDY ON THE FINANCING OF CULTURE AS PROVIDED FOR IN 18 C/5 (PARA. 3272—3273 IN ACCORDANCE WITH RESOLUTION 3.321 ADOPTED BY THE GENERAL CONFERENCE AT ITS 16th SESSION).

Recommendation №. 1: Exchange of information

Noting the lack of regular organised exchange of information relating to the national cultural policies, this meeting suggests that UNESCO publish at regular intervals an Information Bulletin or Newsletter giving factual information received from Member States on concrete aspects of current interest of the national cultural policies, on the results of research and studies, on the success or failure of experiments, on plans for development in specific fields and other information of interest.

The meeting further suggests that UNESCO provide for:

- a) a regular exchange of factual information and experience about any devices applied in Member States to encourage and financially assist local cultural initiative and activity (including general systems and mechanisms for the distribution of the financial burden between communities and between communities and the State);
- b) an exchange of factual information on new devices under consideration in various countries, e. g. cultural structure and development plans as might be set up by governments, by regional authorities and by non-governmental organisations and institutions, and in the form of status reports, if possible followed by progress reports;
- c) an exchange of information on research work preceding the introduction of such new devices (including statistical information);
- d) information on criteria applied in Member States for the distribution of direct grants to individual artists.

Recommendation № 2: Statistics

The meeting suggests that the quantity of statistical data concerning the financing of culture be increased. Time series will have to be constructed for rather long periods and the international comparability of the data would have to be, at least partially, secured by adopting common definitions and nomenclatures. UNESCO should collect, process and publish statistics on financial resources devoted to culture, by sources of origin (State, regional and local authorities etc), by types of use and by different activities.

Recommendation № 3: Promotion of studies

The meeting suggests to UNESCO that

- a) on the basis of the statistical data referred to in Recommendation № 2 an empirical analysis of the trends of the various economic indicators relating to cultural activities be undertaken. A close examination of the connection between economic growth and cultural development indicators is specially important. The research under the auspices of UNESCO should encompass countries at different levels of development, so that the tendencies revealed in the developed countries could give some valuable insights into what may be expected in the future in the developing countries;

- b) the impact of inflation on cultural expenditure be systematically studied;
- c) detailed research be undertaken on factors relevant to the financing of culture, e. g.:
 1. the degree of urbanization and technology, mass media developments, the degree of monetarization and of State financing of cultural activities;
 2. a comparative sociological study on the effects of decentralization on creativity to inquire into the nature of the relationship between the quality of cultural creation and financial sources.

Recommendation № 4: Comparative studies

The meeting suggests that

- a) a comparative study be organised on the methods employed by countries in choosing among various measures to be taken in the sphere of cultural policy. This study would consist first of all of an inventory of measures adopted and of decision-making institutions in the countries, and second of a consideration of this inventory with the aim of establishing a theory of action;
- b) a comparative study be undertaken on cultural attitudes which would enrich the survey organised in 1966—67 on time budgets.