
THE PRESENT SYSTEM OF FINANCING OF CULTURAL ACTIVITIES IN FINLAND

1. State contribution

The majority of State aid to culture is allocated as grants for supporting the arts, the so-called State grants for the arts. These grants are allocated by the Ministry of Education and a number of administrative bodies subordinate to it such as the Central Arts Committee, State Arts Committees, Provincial Arts Committees and other expert organs. According to their origin, the State grants for the arts are divided into the following three categories:

1) *Grants included in the regular State budget* (the expenditure clauses proper) such as artist-professorships and State grants for artists, expenditure on State administration of the arts and expenditure provided for by legislation on the Sibelius Academy and the University of Industrial Arts.

2) *Funds obtained from the profits of State lottery* or the State share in the net proceeds of lottery arrangements (70 per cent) are distributed by the Ministry of Education for purposes promoting arts and science.

In the capacity of the lottery licence holders, the Finnish National Opera receives 17 per cent and the Finnish National Theatre 13 per cent of the profits. 47 per cent of the abovementioned

share of 70%, which will be distributed by the Ministry of Education, was set aside in the 1974 State budget for purposes promoting the arts.

3) *The net proceeds received by Oy Veikkaus Ab* from football pool betting profits are distributed by the Ministry of Education to support sports, youth education, as well as arts and science. In the 1974 State budget, 31 per cent of the mentioned net proceeds were set aside for purposes promoting the arts. A part of the expenditure provided for by legislation on the arts, such as State aid to music institutes, is covered by these funds.

State expenditure on the arts rose during the 1968—1973 period from approximately 22,6 million Fmks to about 51.1 million Fmks. 59.4 million Fmks were set aside in the 1974 State budget for purposes promoting the arts. Percentually, the growth has been rapid. Investigation of the financial sources reveals that the rapid growth of grants is mostly due to the increase in the net proceeds received by Oy Veikkaus Ab while the profit of the State lottery grew rather slowly during the period under review. Slightly less than 10 million Fmks of the net proceeds received by Oy Veikkaus Ab was used to support the arts in 1968 whereas in the 1974 State budget the sum for this purpose was 37.5 million Fmks.

Increase in State expenditure on the arts has been steady in proportion to the increase in the total State expenditure or in the expenditure on the administrative sector covered by the Ministry of Education. The following table illustrates the development during the 1968—1973 period:

	Expenditure on the arts 1000 Fmks	Proportion of total State expenditure (%)	Proportion of the total expenditure of the Mi- nistry of Edu- cation (%)
1968	23 600	0,24%	1,84%
1969	26 300	0,26%	1,69%
1970	29 500	0,27%	1,72%
1971	36 400	0,30%	1,80%
1972	46 300	0,33%	1,94%
1973	52 500	0,35%	2,02%

The proportion of expenditure on the arts of the total expenditure in the administrative sector covered by the Ministry of Education grew from 1.84 per cent to about 2 per cent, i. e. relatively little. In comparison with the growth of the total State expenditure, the expenditure on the arts has grown more rapidly.

State support for the arts, illustrated by the table on page 50, is characterized by i. a. the following features:

— The share of the cultural institutions in the expenditure on the arts is remarkable; about 70 per cent of all expenditure;

— As a result of the great share of institutional activities, a considerable part of the support is directed to professional artistic performance which in most cases takes place within existing cultural institutions. In addition to this, about one fifth of the grants for the arts are allocated to individual producers who are active in professional arts and professional arts organizations;

— The share granted directly to the amateur arts and organizations representing amateur artists is relatively modest; about 3 per cent of the total;

— As a result of the grants' tendency to lean towards cultural institutions and professional artists. State support goes to the largest urban centres, to Southern Finland in particular, where the biggest and most important cultural institutions are located and where the majority of professional artists and art organizations are active.

In addition to direct State support for the arts, the State abundantly supports culture through other channels as well; e. g. through State allocations for libraries (23.5 million Fmks in 1973), State aid to adult education (62.2 million Fmks in 1973), State support for youth education, and expenditure on international cultural exchange.

2. Contributions by cities and urban municipalities

The main source of financing municipal cultural activities is municipal tax revenue. Other financial sources are State allocations and income from admission tickets and the like. Part of municipal institutions such as libraries and adult education institutes receive State aid which is provided for by legislation, whereas theatres, orchestras and art museums, for example, receive State aid upon application. For the time being, the municipalities receive rather scant and occasional State aid for non-institutional cultural activities primarily through the provincial arts committees. The cultural institutions' own income varies to a great extent. The most signi-

State expenditure on the arts during the period 1968-1972 and its classification according to various activities

	Cultural institutions		Professional artists and their organizations		Amateur artists		Administrative and similar expenditure		Total	
	Fmks	%	Fmks	%	Fmks	%	Fmks	%	Fmks	%
1968	16,7 million	70,8	3,9 million	16,5	0,6 million	2,5	2,4 mill.	10,2	23,6 mill.	100,0
1969	19,3 "	73,4	4,9 "	28,6	0,8 "	3,0	1,3 "	5,0	26,3 "	100,0
1970	29,5 "	71,2	6,7 "	22,7	0,8 "	2,7	1,0 "	3,4	29,5 "	100,0
1971	36,4 "	72,5	7,3 "	20,1	0,9 "	2,4	1,7 "	5,0	36,4 "	100,0
1972	46,3 "	70,0	9,9 "	21,4	1,4 "	3,0	2,6 "	5,6	46,3 "	100,0

ficant income received by theatres derives from the sale of admission tickets whereas library services, for example, are free-of-charge.

The contribution of cities and urban districts to the financing of cultural activities in Finland is considerable. In 1973 the cities and urban municipalities spent about 35.3 million Fmks on the arts whereas State expenditure for the same purpose was about 36.4 million Fmks. The municipal net expenditure on the arts increased by 11 million Fmks in 1968—1971; i. e. by about 46 per cent in four years.

In the cities and urban districts State aid covers one third of the approved expenditure on libraries and 70 per cent of their approved expenditure on adult education institutions. These legal provisions have not been extended to cover expenditure on the arts and museums.

The increase in municipal expenditure on the arts has been slow in proportion to their total expenditure and is now less than one per cent. The share of expenditure on arts of the total cultural and educational expenditure has also grown slowly and now approaches 5 per cent of the net expenditure.

A considerable share of total municipal expenditure on cultural activities is covered by the biggest cities and urban districts. This is a consequence of the fact that the large and medium-size cities maintain cultural institutions, such as theatres, orchestras, and music institutes. The total per capita expenditure of cities and urban districts was slightly over 2000 Fmks in 1971, of which the share of expenditure on education was 314 Fmks, on culture about 30 Fmks (net) and on the arts slightly less than 15 Fmk (net).

The share received by cultural institutions of the cities' and urban districts' expenditure on the arts is considerable because municipal cultural activities have traditionally concentrated on the support of cultural institutions which provide various kinds of cultural services, i. e. theatres, orchestras and art museums. The proportion received by artists and artists' organizations is rather insignificant and mainly limited to prizes awarded to artists, the commissioning and purchase of artists' works, and minor allocations to local art associations. The proportion received by amateur artists goes primarily to the adult education institutions and music institutes. Some support is also granted to local amateur organizations, such as amateur drama companies, choruses, bands and film clubs.

*The proposals submitted by the Governmental
Committee on Cultural Activities for improved
financing of cultural activities*

1. State contribution

1) *Financial sources.* The majority of State grants for cultural activities and particularly the grants for supporting arts are taken from the so-called net proceeds received by Oy Veikkaus Ab from betting and football pool profits or funds obtained from the profits of the State lottery. Expenditure on those cultural activities provided for by legislation, such as regular State allowances to music institutes, have recently been included in the grants paid out from the net proceeds received by Oy Veikkaus Ab. The Committee feels that this development trend should not continue; instead cultural activities should be financed directly from the regular State budget. All expenditure on cultural activities provided for by legislation should be included in the regular State budget.

2) *Increase in State grants for cultural activities.* State grants for cultural activities should definitely be increased. The Committee believes this to be well-motivated because cultural activities are of great significance to society, and the changes that take place in society increase the demand for and emphasize the importance of cultural activities.

State support for cultural activities is lagging behind support for other social sectors. This is due to a lack of overall planning, restricted administrative organization as well as to the poor overall organization of cultural activities in the country.

3) *Direction of grants to the various forms of cultural activities.* The cultural institutions' share in the State grants for culture is predominant. In 1968—1972 the share paid to cultural institutions from the sum total of State support to the arts was about 70 per cent. Professional artists and their organizations received approximately 20 per cent and amateur artists only 2—3 per cent of the State grants.

Financial support to cultural activities should be directed to non-institutional cultural activities and particularly to the improvement of preconditions for individual, voluntary artistic creation and amateur arts because individuals and amateur artists have few opportunities of attending to their interests. The objective goal for the 1970's should be to develop non-institutional cultural activities by more rapidly increasing grants for these activities in proportion to grants for other cultural activities.

4) *Increasing regional equality in the financing of cultural activities.* A considerable proportion of the State grants for cultural activities was allocated to large urban centres in Southern Finland where the largest cultural institutions are located, the majority of the country's professional artists are residing and the majority of cultural organizations are operating. The Committee is of the opinion that this inequality between regions should be levelled out. This can be done by directing financial resources to regional cultural institutions and regional art education institutions, by increasing the grants for provincial arts committees, by applying the division of municipalities into categories according to their financial status and to the process of defining the amount of State grants for municipal cultural activities, and by increasing State support for the amateur arts and individual artistic creation.

5) *Direction of State grants for priority groups and fields and the optimum utilization of State support.* The financing of cultural activities has been characterized by a certain static condition. The Committee suggests that funds should be directed to priority fields where rapid promotion is of greatest importance for the overall development of cultural policy. This implies a more flexible system of distributing the financial resources than the current one, and planning of the financing of cultural activities. Among priority groups and fields one might mention, for instance, those population groups for which the existing cultural services are not sufficiently available, new art forms and experimental forms of activity as well as study and research on the arts.

On the other hand, in the financing of cultural activity efforts should be made to make the most appropriate use of the available resources. One of the criteria to be observed is to estimate the size of the population group that will profit from the financed activity. The same grant may have a diverse influence if allocated for different purposes. Funds granted for the dissemination of culture and promotion of amateur activities, e. g. for the establishment of a music library or the recruitment of an animateur, often directly avail a greater number of people than, for example, support for cultural production or increase in the grants for cultural institutions. The financing of cultural activities should not, however, be based on quantitative factors only, but rather attention should also be paid to the contents and intensity of the supplied services.

6) *Coordination of administrative structures and cultural activities.* Decisions on the financing

of cultural activities should, in the first place, be made at the same level where the activity is going to take place, where the decisions will be of influence and where the actual significance of the financed activity is known. This would also facilitate control over the use of the grants. Support for local activities should be granted at the municipal level; support for regional activities at the provincial level, while the Ministry of Education would be in charge of granting direct support for national projects and organizations.

2. Municipal contribution

The Governmental Committee on Cultural Activities proposes that an act on cultural activities be issued. If implemented, the act would considerably improve the municipalities' opportunities for granting extensive and multifold support to cultural activities in their respective territories. State support provided for by legislation would include, among other things, such neglected activities as recruitment of animateurs, organization of art events, assistance to various organizations' cultural activities and expenditure on cultural premises. The Committee is convinced that the opportunity of having State aid will notably increase the municipalities' willingness to direct their own resources for these purposes, too. In according State aid to the municipality, the division of municipalities into ten different classes according to their financial status would guarantee the ability of even the most indigent municipalities to increase their contribution to the support of cultural activities.



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