



PUBLIC SUPPORT OF CULTURE





1. FINANCIAL SELF SUFFICIENCY OF CULTURAL ORGANIZATION





Financial self-sufficiency

Key factors of self sufficiency

- Financially self sufficient areas
 - Popular culture
- Financially dependent areas
 - Traditional culture



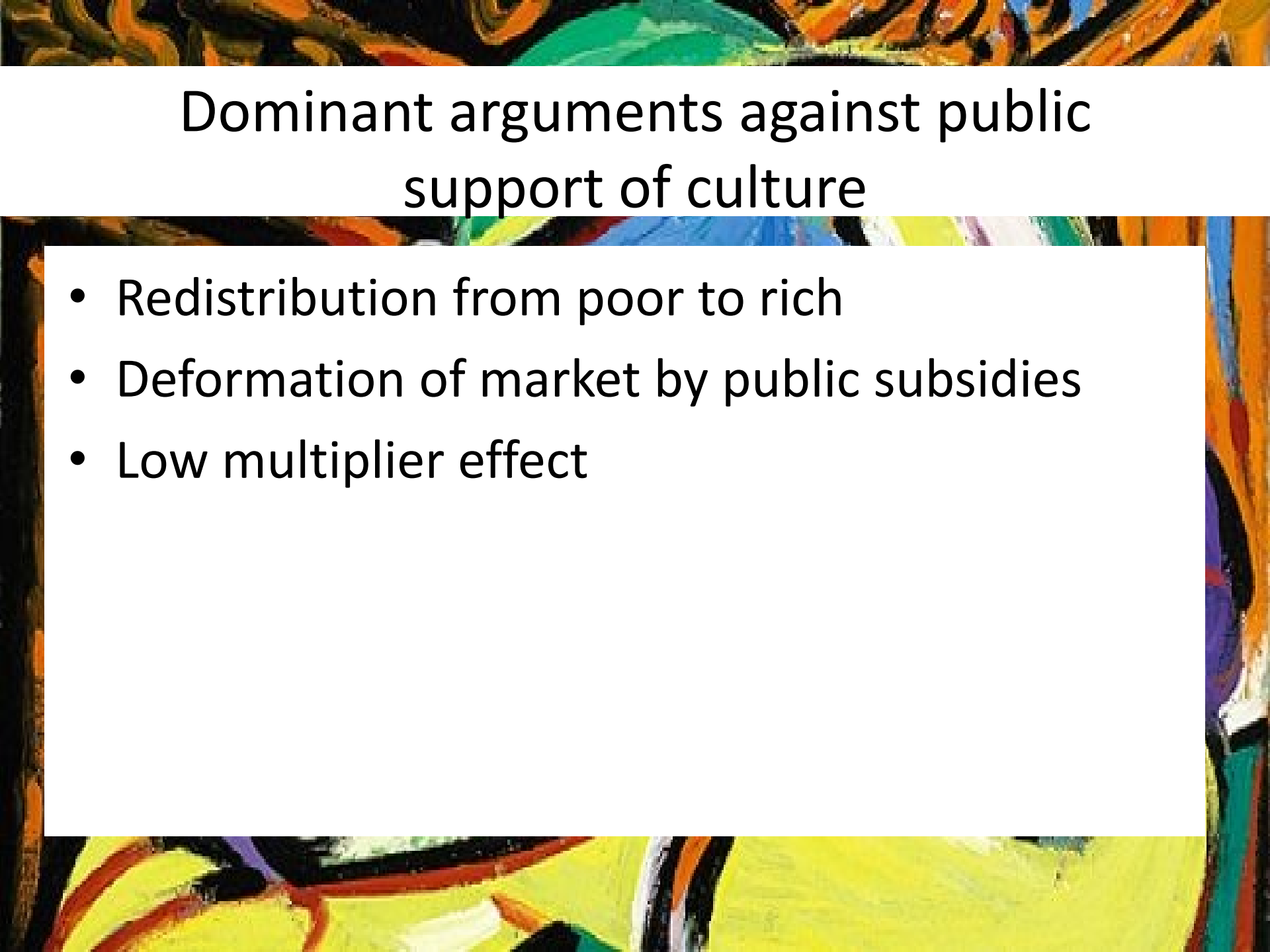
2. ARGUMENTS FOR AND AGAINST PUBLIC SUPPORT OF CULTURE



The background of the slide is an abstract painting with vibrant colors and thick brushstrokes. The colors include shades of green, yellow, orange, red, and blue, creating a dynamic and textured visual effect.

Dominant arguments for public support of culture

- Equality of opportunity
- Positive externalities
- Culture as a public good
- Support of new forms of art
- Culture as a symbol of prestige
- Merit good
- Multiplier effect
- Low productivity of area of culture

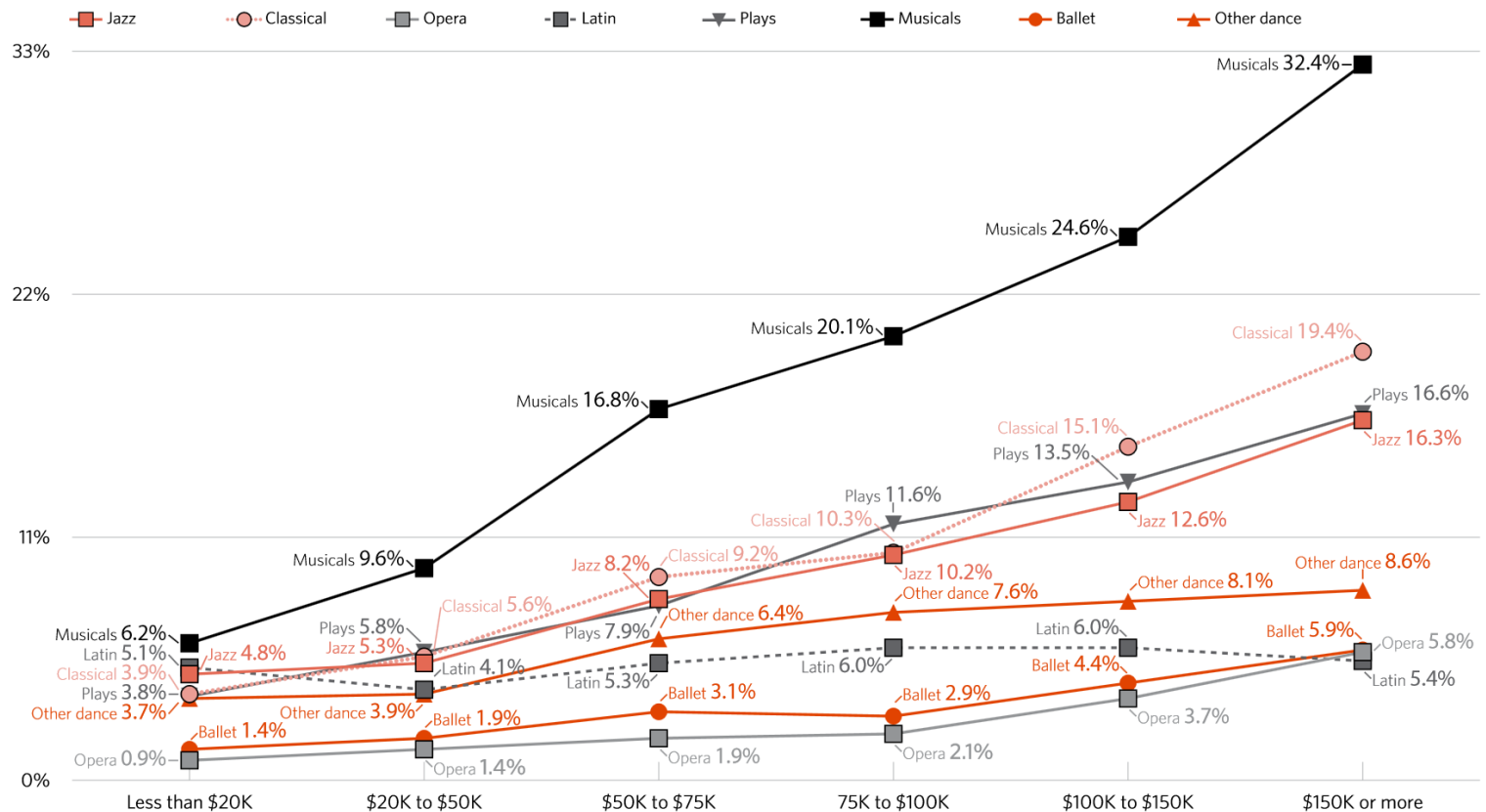
The background of the slide is an abstract painting with vibrant colors and thick brushstrokes. The colors include shades of green, yellow, orange, red, and blue, with black outlines. The style is expressive and somewhat chaotic, with visible texture from the paint.

Dominant arguments against public support of culture

- Redistribution from poor to rich
- Deformation of market by public subsidies
- Low multiplier effect

Dominant arguments against public support of culture

Chart 1-2. Percentage of U.S. adults who attended a performing arts event, by art form and family income level: 2012





3. ALTERNATIVE MODELS OF PUBLIC SUPPORT OF CULTURE





Alternative models of public support of culture

Hillman-Chartrand model of relationship:

- Role of government as:
 - Facilitator
 - Patron
 - Architect
 - Engineer



Alternative models of public support of culture

FACILITATOR

- Government doesn't intervene in the process of production
- The position of artists is mostly dependent on income from production (ability to attract audiences)
- Important role of donators
- Homogenization of culture
 - little space for artistic experiments
- E.g. USA



Alternative models of public support of culture

PATRON

- Creation of Arts Councils
- Support of high culture production
- Distance between state and art
- The role of state is to decide about the volume of support
 - The concrete distribution of support is managed by councils
- Focus on self-sufficiency
- E.g. VB



Alternative models of public support of culture

ARCHITECT

- Support of art through state institutions (ministries)
- Artists are often employees of cultural institutions
- High dependence on support from public funds (mainly subsidies)
- Risk of artistic stagnation, moral hazard
- E.g. France

Alternative models of public support of culture

ENGINEER

- The aim may not be an artistic experience, but a political goal
- The government owns all funds for support of culture
- The government form a resolution about
 - Size of support
 - Supported activities, institutions and artist
- Artist are absolutely depended on state support
- Membership in artists' unions - enforceable, censorship
- E.g. the Czech Republic before 89, totalitarian regimes (North Korea, SSSR...)



4. WHAT DOES INDIRECT AND DIRECT STATE SUPPORT MEAN?



Government intervention in market of cultural goods and services

Government intervention
in the market of cultural
goods and services

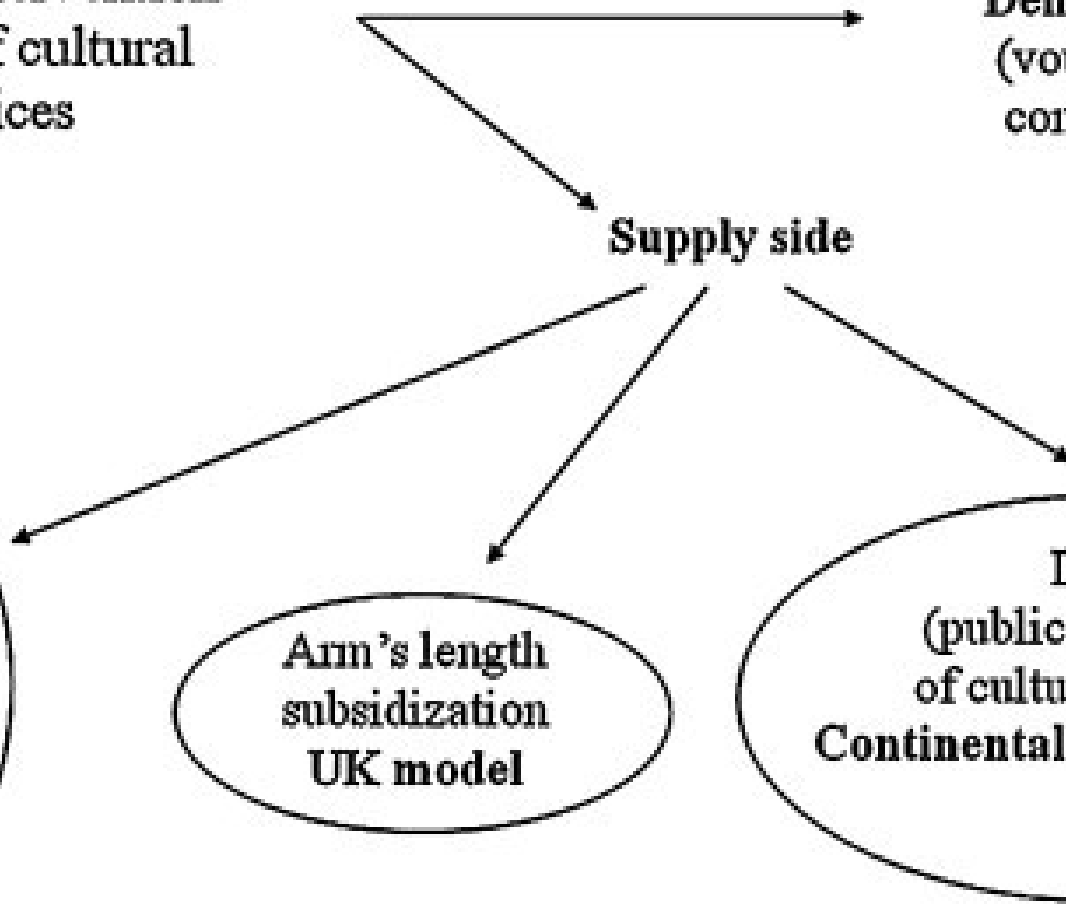
Demand side
(vouchers to
consumers)

Supply side

Indirect
(tax exemptions
to donors
and producers)
US model

Arm's length
subsidization
UK model

Direct
(public production
of cultural services)
Continental Europe's model





Indirect support

-Indirect support is represented by activities which support those who are supporting directly some culture activity

-main characteristic is that the support doesn't directed to concrete culture organization

- Tax reduces for donators
- Social contributions



Direct support

- Money from sales revenues
- Foundations and foundations funds
- Other funds (e.g. state fund for Czech cinematography)
- Communal obligations to support local organizations
- Donations and sponsorship
- Lottery and bets
- Public collections



5. HOW DOES STATE LOTTERY WORKS?



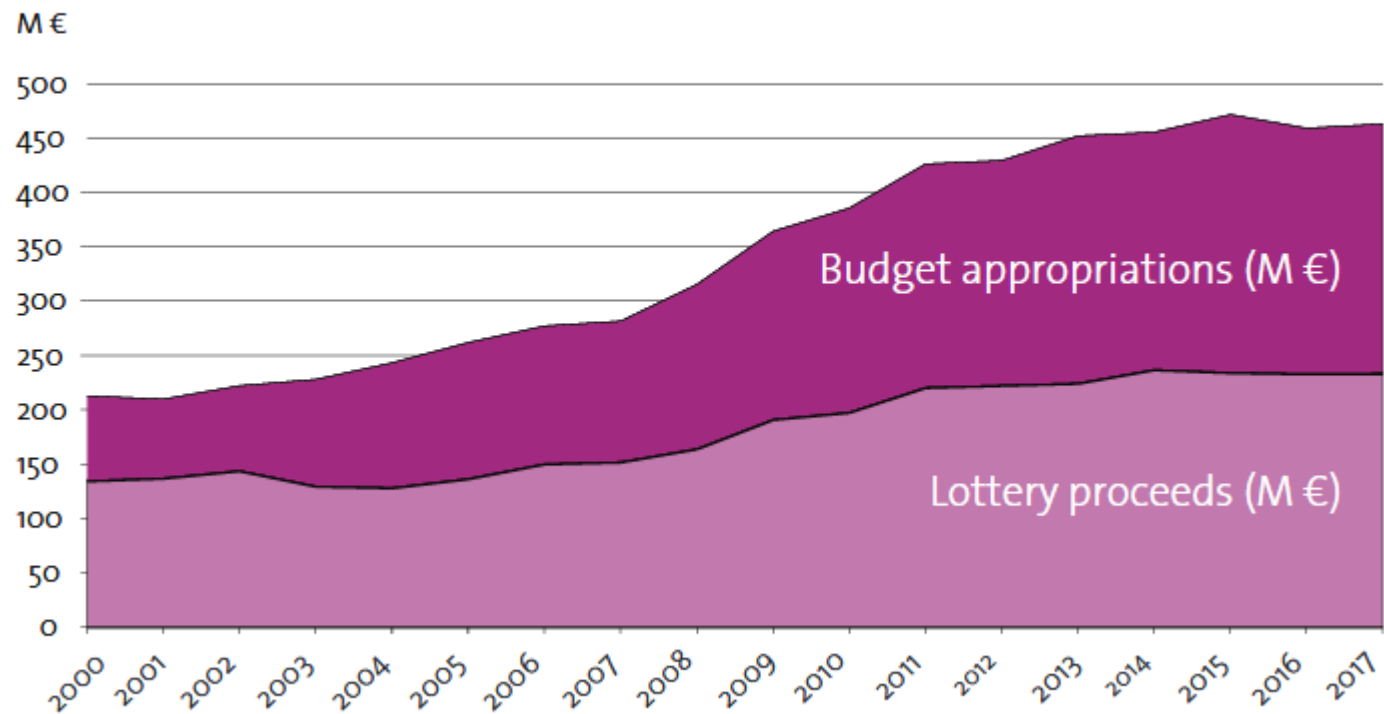


State lottery

- Long tradition several countries
 - UK
 - 20% of profit come into culture
 - Finland
 - Profit is divided in sport and cultural activities

Finland state lottery

Appropriations for arts and culture in 2010–2017





6. MISSION OF MINISTRY OF CULTURE



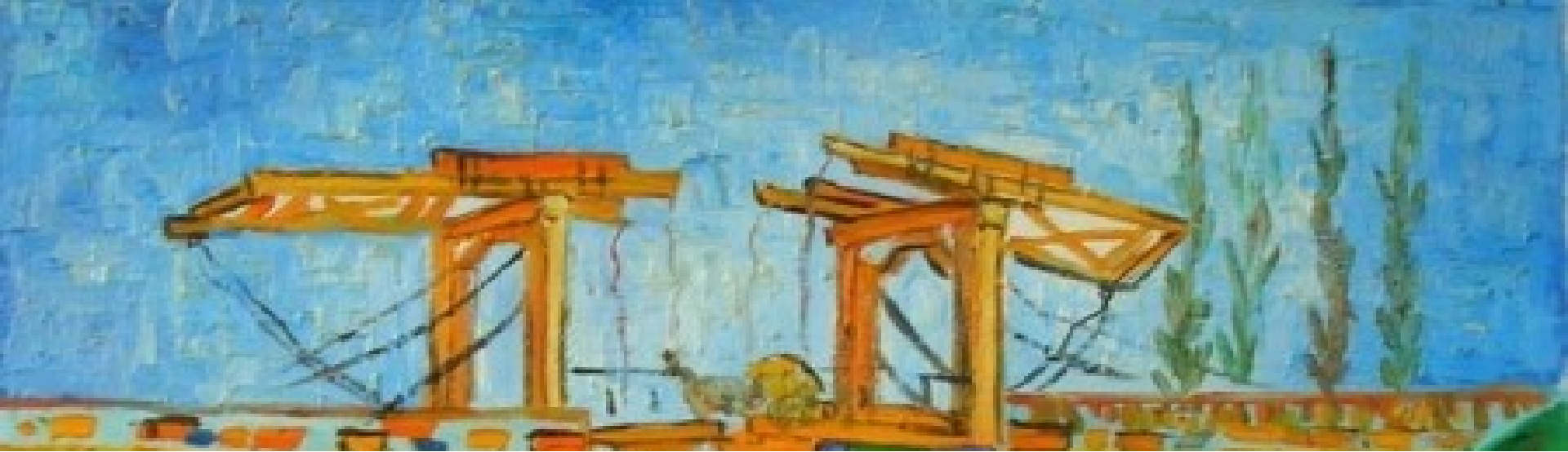
Ministry of culture

Competence of the Ministry

- State administrative body for
 - the arts;
 - cultural and educational activities;
 - cultural monuments;
 - matters relating to churches and religious societies;
 - matters relating to the press, including publication of the non-periodical press and other information means;
 - the preparation of draft laws and other legal regulations in the area of radio and television broadcasting;
 - implementation of the Copyright Act;
 - production and trade in the area of culture

Ministry of culture

- Expenditures of ministry
- 448 mil euros
- 1 % of state expenditures



7. FINANCING OF RELIGIONS



Country	<u>Sources of revenue</u>		
USA	<u>50% collections</u>		<u>50% fundraising, property income, indirect government support</u>
France	<u>75% collections and donations</u>		<u>25% designated collections for the maintenance of the parish clergy - voluntary contribution to the cult</u>
Netherlands	<u>70% contribution to the church</u>	<u>20% Sunday collections and donations</u>	<u>10% property income and state subsidies to church education</u>
Austria	<u>85% church contributions</u>		<u>10% property income</u> <u>5% collections, donations, state support in the form of annuities for unreturned confiscated property</u>
<u>Sweden</u>	<u>church tax system - 1.25% of taxable income</u>		
<u>Switzerland</u>	<u>church taxes - similar system to Germany</u>		
Germany	<u>80% church tax</u>	<u>10% state subsidies</u>	<u>5% property revenues and state compensation for secularization of church property in past centuries</u> <u>5% collections and donations</u>
<u>Spain</u>	<u>system of tax assignments - 0.5239% of income tax</u>		
Italy	<u>tax rebate system - 0.8% of income tax</u>		
Czech Republic 1997-2012	<u>44 % public revenue</u>	<u>45% own revenue</u>	<u>11 % other</u>

Financing of religions

Options of relation between state and religions

- Religions are independent Cultural services
 - USA
 - Czech republic (since 2012)
- Religions are part of public sector
 - Germany-tax for religions
 - Czech Republic (before 2012)
- Religions are semi independent
 - Italy – tax assignation (0,8 % of personal revenue tax)
 - Spain – tax assignation (0,52 % of personal revenue tax)

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CONCLUSION



Conclusion

- Culture can be financing by market, private support, public support
- Most of culture segment are not self-sufficient
 - They are dependent on the support
- State support has two forms
 - Direct (sponsorship, lotteries, communal obligations, funds and foundations funds...)
 - Indirect (tax reduction, social contribution)
- Government spend 1 % of total expenditures for culture

Usefull links

- (1)
- <http://web.ccsu.edu/faculty/harmonj/atlas/definitions.html>
- <http://www.yourdictionary.com/high-culture>
- <https://dictionary.cambridge.org/dictionary/english/pop-culture>
- (5)
- <http://minedu.fi/documents/1410845/4150031/The+State+supports+arts+and+culture/bb45a827-60ba-4c16-8cda-3882fc74fe97>
- (6) [http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Mean household cultural expenditure by expenditure purpose, 2010.png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Mean_household_cultural_expenditure_by_expenditure_purpose,_2010.png)
- (7) [https://ec.europa.eu/eurostat/statistics-explained/images/8/8f/Total general government expenditure on recreation%2C culture and religion%2C 2016 %28%25 of GDP %25 of total expenditure%29.png](https://ec.europa.eu/eurostat/statistics-explained/images/8/8f/Total_general_government_expenditure_on_recreation%2C_culture_and_religion%2C_2016_%28%25_of_GDP_%25_of_total_expenditure%29.png)