

**A comparative study of
levels of arts expenditure
in selected countries
and regions**



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A comparative study of levels of arts expenditure in selected countries and regions

Prepared for the
Arts Council/An Chomhairle Ealaíon by
The International Arts Bureau

March 2000

Preface

Policy-makers for the arts throughout the world are united in their recognition of the need for reliable comparative information about provision for the arts and culture and frustrated in equal measure by the scarcity of such information.

Some countries - notably Australia, France, Austria, the Netherlands - have given a high priority to the collection of arts data, whether through the household survey or census process, or by means of dedicated arts research institutes. What marks them as invaluable, and provides a model which is the envy of other countries (like Ireland) is the fact that this kind of information is seen as sufficiently important to be collected on a recurring or 'tracking' basis.

In Ireland, aside from the rudimentary data on culture and the arts collected by the Central Statistics Office there is no provision in Ireland currently for the ongoing collection and analysis of data about the arts and cultural sectors on which to build public policy.

In 1993 a consortium of public sector bodies led by Temple Bar Properties, and including the Arts Council, the Department of Arts, Culture and the Gaeltacht, An Bord Tráchtala, Dublin Corporation and FÁS, joined together to commission a once-off survey, which represented the first (and only) attempt to gather and analyse statistical information about the arts and cultural industries nationally. That study, which relied on a mixture of existing survey and primary research data, created a body of information about the scale of artistic and cultural practice in Ireland which has surely contributed, at least in some measure, to the significant level of political recognition which the arts sector has subsequently received, in the form of public policy development at local and national level and increased public expenditure on the arts.

A second outcome of the Temple Bar study was its indirect contribution to the call for better Europe-wide information about cultural trends. At an EU conference on the Economy of the Arts held in Temple Bar in 1996, representatives of Eurostat, the European Bureau of Statistics and Information, heard presentations from a range of European researchers and analysts about the methodological issues and the tentative conclusions which they drew from their work in the field of cultural statistics.

In 1998, Eurostat created a Leadership Group (or LEG) drawn from across the EU to look further into the question of collecting and analysing cultural data. That group (which included the Arts Council/An Chomairle Ealaíon in Ireland) reported in October 1999 to the European Statistical Programme Committee, a body representative of all of the statistical offices of Europe, including our own CSO. Eurostat has committed to further work on the project, building on the four recommendations that mark the conclusions of the first LEG, which were as follows:

- to continue the project within the framework of the European Commission's single financing and programming instrument for cultural co-operation, Culture 2000;
- to encourage Member States to adopt the international classifications proposed in collecting Cultural Statistics (so that national statistics can be reviewed on an increasingly comparative basis), and to continue supporting European work in this area;

- to create a Working Party on Cultural Statistics at Eurostat level to legitimate the work done and to give impetus to further work in collecting and analysing European culture statistics;
- to examine the possibility of adopting a legal basis, which would enable the Commission to allocate the necessary human and financial resources.

Only when the countries of Europe have agreed on what are the important things to measure, and what conclusions may reliably be drawn from these data, will there be any prospect of sound trans-European comparative information illustrating trends in cultural provision. In the meantime, we are reliant on the occasional comparative survey to cast some light on a large and complex field.

Together with Andy Feist, Rod Fisher prepared the precursor to the present study in 1996-1997 for the Arts Council of England. That study presented a comparative analysis of cultural provision in eleven countries, and is referred to as a benchmark for this exercise.

In commissioning a further study along the same lines, the Arts Council was interested to bring into the frame some countries or regions of more comparable scale: hence the inclusion of England, Northern Ireland, Scotland and Quebec for this study.

The limitations of the "snapshot" approach which any study of this kind must adopt are elaborated in the text. No matter how cautious s/he is in drawing comparative evidence from the data, the researcher in this field is bedevilled by diversity - different meanings for "art" and "culture", a variety of modes of provision which include direct subsidy, but also the assignment of levy revenues, and tax-based or fiscal measures to provide support for the practice or promotion of the arts and culture.

If we celebrate diversity in the arts then we must acknowledge that exercises like this one will always be qualified by fairly profound differences of definition and of value.

But if we live in a world which is increasingly driven by transnational or even global market and regulatory trends, then we owe it to ourselves to delineate what diversity means, exactly, and to articulate some of the important indicators by which public money in support of artistic diversity may be quantified and evaluated. It is in that spirit that the Arts Council has commissioned and published this research, and we are most grateful to Rod Fisher and his associates, and to all of the colleagues internationally who contributed to the provision of information.

This study represents only one measure by which the Arts Council is seeking to inform Government better about the needs of the arts - one of the central strategies of the Arts Plan 1999 - 2001. In parallel, we will press for better provision for the collection and analysis of information about cultural trends in Ireland.

Patricia Quinn,
Director,
The Arts Council
March 2000

1 | Introduction

This study was undertaken by The International Arts Bureau, London, in February 1999 at the request of the Arts Council/An Chomhairle Ealaíon, which wanted to compare arts expenditure in the Republic of Ireland with that in a number of other developed countries, building on a similar study commissioned by the Arts Council of England in 1997. Inevitably, the time lag between collection of the data and publication means that there are some small anomalies - names of government departments and agencies have changed, and in some cases (as in Northern Ireland) political or administrative circumstances may also have changed. The information is correct at time of completion (June 1999).

The terms of reference were to:

- Analyse data and trends in levels of central and local government spending on the arts in different countries and regions, identifying revenue and capital spend separately wherever possible;
- Draw attention to sources of 'indirect' funding for the arts in those same countries, supplying indicative data wherever possible;
- Compare this information - subject to the usual caveats associated with comparative surveys - with expenditure on the arts in the Republic of Ireland;
- Produce a report of the findings revealed by this research in support of the preparation by the Arts Council of its strategic planning for the arts in Ireland.

This report is set out as follows:

- **Section 2** indicates the methodology of the study;
- **Section 3** summarises the key messages;
- **Section 4** attempts an analysis of trends;
- **Section 5** draws the data together in a summary table;
- **Section 6** profiles cultural expenditure in selected countries and regions;

I want to acknowledge with grateful thanks Tim Grange, who assisted me with the data analysis, and Sheena Barbour, who typed the report, and the following individuals, busy people all, who responded to my request for information at very short notice, and who were patient in dealing with the queries put to many of them: Sarah Gardiner (Australia Council); Roger Butt (Department of Canadian Heritage); Andy Feist (Arts Council of England/City University); Ritva Mitchell (Arts Council of Finland) and Ilkka Heiskanen (Helsinki University); Maria O'Kane and Brid O'Loan (Arts Council of Northern Ireland); Brian McLaren (Scottish Arts Council); Lotta Janson and Staffan Ros (Statens Kulturråd, Stockholm); Tom Bradshaw (National Endowment for the Arts, Washington); and Richard Guiney (the Arts Council/An Chomhairle Ealaíon) for the data on the Republic itself. Jordi Pasqual i Ruiz (Observatory Interarts, Barcelona) was very generous with his time as we tried to unravel relevant data for Catalonia. It wasn't for want of trying that, ultimately, we had to exclude it. Thanks are also due to Janine Cardona and Paul Tolila (Département des études et de la prospective, Ministry of Culture, Paris), and Frans Hoeve (Statistics Netherlands), who provided data that, in the event, we chose not to use, as it predated by at least two years the base year we adopted for the purpose of this exercise.

Rod Fisher

Director,

The International Arts Bureau

2 | Methodology employed and some caveats on international comparisons: *A note by Rod Fisher*

Making international comparisons in arts data is an exercise fraught with pitfalls for the unwary. The research literature is full of flawed attempts at cultural expenditure comparisons. One of the main contributory factors to research that leads to questionable results is a failure to define accurately the field of investigation. When we refer to cultural expenditure in Australia or Sweden, for example, it is important to understand that both take a much broader view of the scope of culture than is the case in Ireland and, as a consequence, comparisons of data may be distorted unless this is taken into account.

A basic problem - as international analysts have often remarked - is where to draw boundaries. There are three possibilities. First, the boundaries of enquiry can be expanded to permit the inclusion of all possible variations. The problems with this "inclusive" approach are obvious: they result in huge questionnaires that no policymakers will ever complete.

An alternative to this time-consuming and usually unrealistic method is to have "floating" boundaries that correspond to each country's definition of the extent of its intervention. This is a common approach, but it doesn't result in exact comparative research.

The third possibility is for the researcher to impose an "anchored" boundary that broadly fits the research objective and which examines selected aspects of a nation's policies, but without attempting to be comprehensive. This approach has limitations too, but they may be less problematic if the formulation of the boundary for analytical reasons helps our understanding.

This study imposed the third of these options. Nevertheless, care still needs to be taken with the interpretation.

The sustained work undertaken by European Union Member States with EUROSTAT in recent years provides hope that, at long last, a framework for the systematic collection of cultural statistics will be delivered. The EU Leadership Group (LEG) has established four task forces dealing with methodological aspects of cultural statistics; cultural employment data; participation data; cultural expenditure and financing. There is a long way to go, of course, but if this work eventually comes to fruition we can look forward to meaningful comparative studies across the EU, without the current barriers to collection, analysis and interpretation that inhibit such exercises. Meanwhile, we can only endeavour to ensure that ad-hoc studies such as this do not fall into one of the many traps that have bedevilled other research on comparative expenditure.

This research builds on the work already done by the Arts Council of England in a study on *International data on public spending on the arts in eleven countries* (March 1998) which was co-authored by the Director of The International Arts Bureau. One reason for using this study as a starting point was to benchmark trends in public expenditure over the period since that study was undertaken, using the same methodologies.

The data for that study generally relates to the situation four or five years ago and it was the particular wish of the Arts Council/An Chomhairle Ealaíon to have access to more recent statistical information, given recent trends in arts spending, both in Ireland and elsewhere. Consequently the research in this new study has sought to obtain data for 1996/97 or at least 1995/96. In common

with the Arts Council of England study this research uses secondary data, both published and unpublished.

Initially, seven of the countries that featured in the 1998 study were selected for analysis in this study too: Australia, Finland, France, Netherlands, Sweden, the USA, and, of course, Ireland itself. At the request of the Arts Council/An Chomhairle Ealaíon data has been provided separately for three of the four countries that make up the UK - England, Northern Ireland and Scotland. In addition, it was thought appropriate to include Catalonia and Québec, two regions of broadly comparable population scale to Ireland. In the event, both France and the Netherlands were unable to provide more recent data than that which appeared in the 1998 study and so they have been excluded from this comparative research (though they are referred to in the analysis for contextual purposes). Catalonia also had to be excluded because it proved impossible to extrapolate relevant data in the time available.

With one exception, we have followed the definition of 'arts' employed in the 1998 study, covering the following disciplines:

- Community arts
- Dance
- Drama
- Festivals and other mixed artforms and venues
- Film production
- Literature support
- Music
- Opera
- Visual arts (including public art) and photography
- Museums and galleries

The one exception is the 'administration of culture'. It proved impossible in several instances to disaggregate the costs of bureaucracy at national or local level and, in the circumstances, we decided it was safer and not unreasonable to include it.

In common with the Arts Council of England study, the following fields have been excluded from the research (unless stated otherwise):

- expenditure on libraries
- expenditure on the built heritage
- expenditure on mainstream arts education in schools or on further education or professional training for artists
- public service broadcasting.

In the main, the Arts Council of England study also excluded capital expenditure. Such expenditure presents problems as it can distort the overall picture on spending in particular years and thus affect the trend analysis. However, at the request of the Arts Council/An Chomhairle Ealaíon, this study has endeavoured to identify such expenditure wherever possible. This has two significant

implications: first the introduction of the National Lottery in the UK has considerably increased capital expenditure there; secondly domestic funding to match European funding, e.g. the Structural Funds, has been incorporated, but not money provided through the European Commission itself, in the form of project awards.

In the country profiles, public sector expenditure has been divided into three tiers:

- Central or federal government
- States (sometimes autonomous) and regions
- Local (including county if relevant).

This seemed more appropriate, especially in federal or quasi-federal countries, than grouping the tier below central government into one.

The data has been derived from statistical and other documentation supplied by respondents in each country surveyed (see Section 6). Respondents were also asked a series of specific questions. In over half of the countries it was necessary to follow this up on more than one occasion with further questions to clarify the data. Although we have endeavoured to present as accurate a picture as possible, the results must be regarded as indicative, rather than definitive.

3 | Some key conclusions

Our analysis reveals mixed messages and a diversity in expenditure pattern trends in the countries surveyed. Although Cutbacks in arts expenditure have been experienced in several countries, the extent of this varies considerably. Moreover, there is also evidence that, where there have been cutbacks, funding is being restored partially if not fully.

Overall then, despite pressures on public sector budgets, most countries surveyed have been able to sustain, to some extent, previous levels of funding. Where there is evidence of a relative decline in support at national level, this has often been compensated for by real increases at local and/or regional levels. An illustration is the USA, where federal government support has been curtailed for many years but State and local support has increased overall. An exception is Scotland, where local authority expenditure was significantly reduced as a result of local government reorganisation. The introduction of the National Lottery in the UK has somewhat distorted the shape of funding in the arts in England, Northern Ireland and Scotland.

Ireland has seen its expenditure on the arts and museums increase in recent years. However, this has not matched the economic growth of the 'Celtic Tiger'. Moreover, the rise has been from a low base and the Republic remains near the bottom of any league of EU countries in terms of per capita spend on the arts, along with Portugal and Greece, which were not surveyed in this study because of the difficulties of gathering comparable data.

Direct public sector spending on the arts in Ireland in 1997 was 0.07% of GDP and, when museums are added, this increases to 0.09%. This represents a modest increase from the 0.07% in 1995 revealed by the Arts Council of England study.

A significant factor in the comparatively low per capita expenditure on the arts in Ireland is the exceptionally low level of local authority expenditure. Local expenditure on the arts and museums is 2.5 times higher in Northern Ireland, for example, even though it has less than half the population of the Republic. The difference between local government expenditure on arts and museums in Ireland and two other small countries, Finland and Scotland, is even more marked - local authorities in the latter countries contributing about 20 times more per annum.

It is interesting to compare the Irish situation with Sweden and Finland, relatively small European countries in population terms and also situated on the periphery of Europe geographically. Expenditure in Sweden in particular has been maintained at a markedly higher level despite its own economic difficulties. In part this is attributable to Sweden's revenue commitments to its arts and museums infrastructure - as is also the case in Finland - but it may also indicate a greater value placed on culture in the hierarchy of government concerns.

4 | Review and trend analysis

The difficulties inherent in comparative surveys of cultural expenditure have already been explained in Section 2. In addition to the problems of definition associated with the term 'culture' and the lack of reliable and recent data in a number of countries, further difficulties arise when it comes to analysing trends unless statistical information is collected in a consistent manner over a sustained period.

Nevertheless, the Arts Council of England study on *International data on public spending on the arts in eleven countries*, published in 1998, provides a useful basis at least for comparison. Unfortunately it was only possible to include five of the 11 countries included in the Arts Council of England study in this most recent investigation (a sixth country, the UK, has been divided into its constituent country parts, with the exception of Wales). The Ministry of Culture in **France** was unable to provide data later than that which appeared for 1993 in the Arts Council of England study. It was working on data for 1996, but that was not on ready in time. However, we know enough about cultural support in France to recognise that it is one of Europe's 'high' spenders. Since 1982 expenditure on culture broadly defined has represented from 0.7% to 1 % of Government expenditure, assisted by major capital investment in *les grands travaux*. According to the Arts Council of England study, the arts and museums component including capital spending at central government level represented 0.26% of GDP and Stg£37.8 per head of population. Similarly, Statistics Netherlands was unable to furnish data more recent than 1994, i.e. the same as used in the 1998 study. But again, we know enough from the Arts Council of England study and the earlier Policy Studies Institute investigation - *Cultural Trends No 5, 1990: Funding the Arts in Seven Western Countries* by Andy Feist and Robert Hutchison - together with our knowledge of arts and museum provision in the **Netherlands**, to understand that it is also one of the higher spenders on culture in Western Europe. The Arts Council of England study suggests that in 1994 its spending on arts and museums represented 1.47% of government final consumption expenditure, and was 0.21% of GDP or Stg£30.3 per capita.

Given the timeframe and the decentralised nature of cultural expenditure in **Germany**, no attempt was made to update the data that appeared in the Arts Council of England study. This had suggested that arts and museums expenditure (capital and revenue) was the second highest of the 11 nations examined, at 0.36% of GDP and Stg£56.50 spending per head in 1993. Although there have been reductions in cultural expenditure at *länder* and municipal level since reunification, the high level of support revealed in the Arts Council of England study would be of no surprise to anyone familiar with the rich arts and museums infrastructure in that country.

We had hoped to obtain recent data on arts and museums expenditure in **Catalonia**, which has a population size similar to Finland and Scotland. Catalonia in general, and Barcelona in particular, are seen as one of Spain's highest spending regions and cities in the field of culture, with considerable investment in the 1990s in capital projects and public art. *Economia i Cultura a Catalunya 1998* indicated expenditure on culture by the regional government of Catalonia and the provincial and municipal councils in 1995 but, unfortunately, despite the best efforts of our partners in Barcelona and ourselves, we were unable to determine what was covered by the term 'culture' in the timeframe. Furthermore, although we were to receive an indication of central government

expenditure on arts and museums in the region, this never materialised.

Although we cannot necessarily compare the data in our study with that in the Arts Council of England research - not least because the latter sought to exclude capital expenditure wherever possible - we can draw some reasonable conclusions about trends in some of the countries surveyed in both investigations. For example, the data for **Australia** in the Arts Council of England report included capital expenditure, so it makes a comparison somewhat more meaningful. What our investigation reveals is a significant growth in total government arts and museum spending from A\$640 million in 1993/94 to A\$949.8 million in 1996/97 and a commensurate increase in per capita spend from Stg£16.40 to Stg£25.25 (IR£25.89). Australia was one of the countries (the other was the USA) where a static or real terms reduction in the central government budget for the arts and museums was compensated by increases in state/regional and/or local government support.

There was a marked increase in overall expenditure on arts and museums in **Sweden** from SEK4.154 million for 1993/94 in the Arts Council of England study to more than SEK5.900 million in 1996. However, this can partly be explained by the inclusion this time of capital expenditure, which, in the Arts Council of England study, was included for museums only. The increase is also a reflection of the turnaround in central and local government arts funding after; in Swedish terms, some difficult years in the first half of the 1990s. The effect of this is most evident in the per capita spending which, at Stg£60.60 (IR£62.14) is the highest in our research (compared with Stg£37.50 in the Arts Council of England report).

Our research shows a surprisingly large fall in total government arts and museum expenditure in Finland from FIM2.397 million in 1994 to FIM 1,450.5 million two years later. Inevitably, this had a marked impact on the arts and museums spending as a percentage of total government expenditure, falling from 2.10% in 1994 to 0.46% in 1996 and the per capita spend from Stg£59.20 to Stg£37.55 (IR£38.51). Some reasons can be established for this. First, overall government final consumption expenditure has grown dramatically, but this has not been matched by spending on the arts and museums. Secondly, the fall in arts and museums spending may reflect the fact that there was significantly less capital expenditure in 1996 compared with 1994 when the figures included an element for the Finnish National Opera House. Third, because of a difficulty extrapolating data, it excludes ministries other than the Ministry of Education. However, these reasons in themselves do not wholly explain the significant decline. One possibility is that the central government transfers to local authorities were double-counted in the Arts Council of England study (although the data was checked at that time with the Arts Council of Finland because of anxieties over this exact point). Despite this somewhat puzzling outcome, the level of per capita expenditure remains comparatively high (e.g. three times that of Ireland).

There were no such questions over the data for the **USA** which, aside from Ireland, was the only other country in our investigation which we can compare with the Arts Council of England study. Our research reveals a per capita spend of Stg£3.63 (IR£3.73) in 1997, almost identical to the figure of Stg£3.80 for 1995 suggested in the earlier study.

For the three UK countries - **England, Northern Ireland** and **Scotland** - in our study, the introduction of the National Lottery at a time of static or even reduced public expenditure tended to mask fundamental revenue problems facing most arts organisations and museums. For some of the latter it was a time when the principle of free admission had to be jettisoned (something the current

Labour administration is trying to redress). The influx of Lottery monies has served to distort the funding picture as substantial resources became available for capital projects. In our base year, 1996/97, almost all Lottery monies were directed to capital purposes; only in Northern Ireland was there a broadening of uses of Lottery funds, e.g. for commissions (though there was an extension of the uses to which Lottery funds could be put in all the UK countries during 1997-98). Although lottery money is not counted as public expenditure in the UK, the fact that central government determines the broad policy emphasis on how it will be applied, and that it is distributed by quasi-public agencies, makes it tempting to consider what difference it would make to the per capita spending in each country if it is taken into account. As expected the results are quite striking: in England the per capita spending on arts and museums for 1996/97 increases by almost 50% from IR£16.49 to IR£24.23 (or for arts alone from IR£8.72 to IR£14.23). The figures are also significant for Northern Ireland, where per capita expenditure for arts and museums increases from IR£17.32 to IR£21.98 (or from IR£9.86 to IR£14.07 for the arts alone). Scotland's per capita spending goes up for arts and museums for 1996/97 from IR£22.71 to IR£27.84 (and for arts alone from IR£12.21 to IR£17.35).

The reorganisation of local government in Scotland, which reduced a two-tier system to one tier, was a major contributory factor in a fall of 26% in local expenditure on the arts and museums between 1994/95 and 1996/97. Some of the middle tier authorities which were abolished (e.g. Strathclyde) had been important arts providers. England has also undergone local authority reorganisation, though it has ended up with a more complex picture rather than a simplified one. The year for our data, 1996/97, was one in which this process was in its early stages. As there is not a consistent pattern of local authorities, the trends are not as explicit as in Scotland. Nevertheless, it is possible to deduce some underlying trends. These suggest that expenditure in the metropolitan areas has declined. In the case of the London Boroughs (and based on an amalgamation of data from the Arts Council of England, the Chartered Institute of Public Finance & Accountancy surveys and the *London Arts Digest*) the value of net revenue expenditure on the arts declined by 28.25% in real terms between 1990/91 and 1995/96.

Although, as the Arts Council of England study makes clear, there have been real term decreases in total public spending on culture in Canada in the 1990s, so far as we can tell **Québec** has avoided the level of difficulties experienced elsewhere in Canada. Indeed, Québec emerges as one of the highest per capita spenders, at IR£35.52 for arts and museums in 1996/97 and IR£26.76 for the arts alone. Given a political context in which culture and language are a major component of Québécois identity and the concurrent powers of Federal and State Governments, it is hardly surprising that the Québec Government matches the Canadian Government in the amount of funding provided for arts and museums. Nevertheless, there was a discernible, albeit gradual, decline in Québec Government support for 'culture' as a whole in the period 1992/93 to 1996/97.

What should be apparent by now is that our survey has revealed mixed messages. Although economic difficulties and political change have had an impact on the arts and museums expenditure in all the countries mentioned so far, the extent of this varies considerably. Thus in Australia, Central Government reductions appear so far to be no more than a 'blip' as, overall, the per capita spend has increased. Similarly in Sweden, the relative difficulties of the early 1990s seem to have been turned around. We are also advised this is the situation in Finland, although for whatever reason, our data

suggests a significant per capita fall from that in the Arts Council of England study. Of course, what our survey doesn't reveal is that a lot of the higher spending countries on arts and museums are also high spenders in other areas of culture outside the parameters of our study, such as libraries (e.g. Finland, Sweden and Québec). If we dare hazard an over-riding impression it is that, with the exception of the USA, the worst difficulties may be behind and, broadly, total levels of support have been maintained in most countries, even if there has been evident erosion of support in particular tiers of government. However, we would need more recent trend data to prove the validity of such an assumption.

So far we have not referred to the situation in **Ireland**. The impression has been given that the Republic in the 1990s has gone against the general trend elsewhere and actually increased its support for the arts in real terms. Certainly, there is evidence of greater investment by the Irish Government in the arts and museums in recent years. Nevertheless, however one views the data, it is evident that Ireland has a low per capita expenditure on the arts and museums (IR£12.36) and on the arts alone (IR£10.48). Only the USA in our survey spent less per capita on the arts and museums (IR£3.73), but the environment for public expenditure on culture has never been as secure across the Atlantic as it has been in other Western countries. Moreover, American economists would argue that the low public spend in the US gives an incomplete picture, as the arts benefit from a tax environment that encourages donations from individuals, foundations and businesses to an extent not to be found elsewhere.

The issue of taxes foregone as an instrument of public policy is an important consideration in any comparative analysis. If we take into account the special tax treatment of artists in Ireland as well as the tax relief for investment in films (jointly worth IR£24.4 million), public sector expenditure on the arts and museums, both as a percentage of total government spend and as a percentage of GDP rises significantly (from 0.37% to 0.57% of public expenditure and from 0.09% to 0.14% of GDP). The per capita spend for arts and museums also increases from IR£12.36 to IR£19.22, and for arts alone from IR£10.48 to IR£17.33. However, the problem in taking this into consideration is that some other countries, e.g. Finland, also offer tax free grants for artists but it has not been possible to quantify the extent of this. To include it in the case of Ireland but not others would therefore distort the comparative survey.

Of course a significant factor in the comparatively low per capita expenditure in Ireland is the extremely low level of local government support. If we compare the situation in Scotland and Finland, which have very similar population sizes of just over 5.1 million and extensive rural areas, we find that the amount of local authority expenditure on arts and museums is 20 times higher! Obviously, the far more extensive arts and museums infrastructure, especially in Finland, would account in part for such a considerable disparity. Arguably, the local authorities in both of these countries have also taken more seriously the permissive powers they have on cultural provision. There is also a marked difference between expenditure by local authorities in Northern Ireland and the Republic. At IR£10.4 million, local authority spending on arts and museums in Northern Ireland was more than 2.5 times that in the Republic, even though it has less than half the population.

Notwithstanding the lack of recent comparable data, it is possible to conclude that the level of per capita expenditure on arts and museums in Ireland (if taxes foregone are excluded) would put it near the bottom of the EU countries, probably with Portugal, which has also increased its

expenditure on culture in the 1990s, but from a low base, and Greece, which, historically, has focused its cultural expenditure principally on the built heritage for fairly obvious reasons. Of course this exercise is not about establishing league tables. Moreover, why the evident economic growth of the 'Celtic Tiger' in the 1990s has not been matched by a comparative growth in arts and museums expenditure, is a question for others to answer.

What follows in Section 5 is a summary table showing estimated public expenditure (revenue and capital) on the arts and museums in the countries featured in our study.

5 | Summary table of estimated public expenditure on the arts and museums (capital and revenue) (N/A denotes figures not available)

	AUSTRALIA	ENGLAND	FINLAND	IRELAND	N IRELAND
Main Year of Data	1996/97	1996/97	1996	1997	1996/97/98
Population	17,935,800	48,903,000	5,125,000	3,560,000	1,649,000
Government Final Consumption Expenditure	A\$176,672m	Stg£190,721m	FIM311,200m	IR£11,810m	Stg£8,593m
Gross Domestic Product	A\$499,361.2m	Stg£546.2m	FIM519,322m	IR£48,244m	Stg£14,470m
Central/Federal Government Expenditure Arts & Museums	A\$302,800,000	Stg£421,000,000	FIM882,572,000	IR£39,695,500	Stg£17,670,000
State/Region Expenditure Arts & Museums	A\$487,600,000	N/A	N/A	N/A	N/A
Local Government Expenditure Arts & Museums	A\$159,400,000	£365,930,000	FIM568,000,000	IR£3,829,000	Stg£10,198,834
Total Arts & Museums Spending	A\$949,800,000	Stg£786,930,000	FIM1,450,572,000	IR£44,014,500	Stg£27,868,834
Total in Irish £	IR£464,359,000	IR£806,839,329	IR£197,370,161	IR£44,014,500	IR£28,573,915
Total Arts Expenditure Only	A\$733,000,000	£416,130,000	N/A	IR£37,315,000	Stg£15,858,567
Total in Arts Expenditure Irish £	IR£358,365,112	IR£426,658,080	N/A	IR£37,315,000	IR£16,259,788
Arts & Museums Expenditure as % of Total Government Expenditure	0.53%	0.41%	0.46%	0.37%	0.32%
Arts Expenditure only as % of Total Government Expenditure	0.41%	0.21%	N/A	0.31%	0.18%
Arts & Museums Expenditure as % of GDP	0.19%	0.14%	0.27%	0.09%	0.19%
Arts Expenditure only as % of GDP	0.14%	0.076%	N/A	0.07%	0.109%
Arts & Museums Expenditure per Head of Population in Irish £	IR£25.89	IR£16.49 (IR£24.23 inc Lottery)	IR£38.51	IR£12.36	IR£17.32 (IR£21.98 inc Lottery)
Arts Expenditure only per Head of Population in Irish £	IR£19.98	IR£8.72 (IR£14.23 inc Lottery)	N/A	IR£10.48	IR£9.86 (IR£14.07 inc Lottery)

(N/A denotes figures not available)

	QUÉBEC	SCOTLAND	SWEDEN	USA
Main Year of Data	1996/97	1996/97	1996	1997
Population	7,400,000	5,137,000	8,844,499	265,000,000
Government Final Consumption Expenditure	N/A	Stg£24,748m	SEK443,064m	US\$1,227m
Gross Domestic Product	C\$185.400m	Stg£54,141m	SEK1688,453.9m	US\$8,110.9m
Central/Federal Government Expenditure	C\$262,309,000	Stg£48,070,997	SEK2,947,392,000	US\$561,300,000
State/Region Expenditure Arts & Museums	C\$264,567,000	N/A	N/A	US\$271,900,000
Local Government Expenditure Arts & Museums	C\$46,855,000	Stg£65,721,711	SEK2,953,000,000	US\$750,000,000
Total Arts & Museums				
Spending	C\$573,731,000	Stg£113,792,708	SEK5,900,392,000	US\$1,583,200,000
Total in Irish £	IR£262,877,892	IR£116,671,663	IR£549,650,855	IR£989,067,283
Total Arts Expenditure Only	C\$432.240,000	Stg£61,222,600	N/A	N/A
Total in Arts Expenditure Irish £	IR£198,048,110	IR£62,771,531	N/A	N/A
Arts & Museums Expenditure as % of Total Government Expenditure	N/A	0.50%	1.33%	0.12%
Arts Expenditure only as % of Total Government Expenditure	N/A	0.24%	N/A	N/A
Arts & Museums Expenditure as % of GDP	0.30%	0.21%	0.35%	0.019%
Arts Expenditure only as % of GDP	0.23%	0.11%	N/A	N/A
Arts & Museums Expenditure per Head of Population in Irish £	IR£35.52	IR£22.71 (IR£27.84 inc Lottery)	IR£62.14	IRE3.73
Arts Expenditure only per Head of Population in Irish £	IR£26.76	IR£12.21 (IR£17.35 inc Lottery)	N/A	N/A

6 | Structural profiles of nine countries and regions

- Australia
- England
- Finland
- Ireland
- Northern Ireland
- Québec
- Scotland
- Sweden
- USA

Australia

6.1.1 Geo-political profile

Population	17,935,800 (1994 estimate)
Territory	7,682,300 sq. km
Population density	2.33 people/sq. km
Most populous cities	Sydney 3,738,500 (1994) Melbourne 3,198,200 (1994) Brisbane 1,454,800 (1994) Perth 1,239,400 (1994) Adelaide 1,076,400 (1994)
GDP	AS\$ 499,361,200,000 (1996)
GDP per head	AS\$ 27,306 (1996)

Federal government consisting of the Queen (represented by the Governor-General), a Senate (76 members) and a House of Representatives (147 members)

6.1.2 Central/federal government framework for arts/museums support

Federal (Commonwealth) government responsibility for culture is the remit of the **Department of Communications and the Arts**, which funds the arts directly and also channels support to several arm's length agencies, the main one being the **Australia Council**. The present Council was finally given the role of advisory agency to Government in 1976. Its scope broadly equates with that of the Arts Council/An Chomhairle Ealaíon except that it also has responsibility for the production and funding of Australian arts internationally.

Federal government funding for culture (revenue and capital) in 1996/97 amounted to A\$2,288.2 million or 37.4% of total funding for culture in Australia. Applying our more limited definition of the arts and museums we can establish that A\$248,300,000 (IR£121,394,340) went on the arts and A\$54,500,000 (IR£26,645,154) went to museums. This gives a total of A\$302,800,000 (IR£148,039,494).

6.1.3 State/regional government framework for arts/museums support

There are two distinct tiers of administration below central government: for arts purposes the most important are the six **States** and two **Territories** which have considerable delegated powers.

Revenue and capital funding for culture at State and Territory level in 1996/97 totalled A\$1,368.5 million (39.7% of total cultural expenditure). We can extrapolate from this that A\$487,600,000 (IR£238,388,570) equates with our limited definition - A\$336,300,000 (IR£64,417,710) for arts and A\$151,300,000 (IR£73,970,861) for museums.

Australia

6.1.4 Local government framework for arts/museums support

There are 914 local authorities. Arts and museums support is uneven with, as can be expected, major cities contributing the most.

Local government support for culture (revenue and capital) in 1996/97 totalled A\$790.7 million (22.9% of the total cultural spend). The arts component of this was A\$148,400,000¹ while museums accounted for A\$11,000,000 (IR£5,377,921).

6.1.5 Indirect support

The total value of business sponsorship in 1996 was A\$65 million (IR£31,778,625). This represents an increase in real terms of 6% since 1993. An increasing number of businesses support the arts, but they represent a diminishing share of overall corporate support.

It is known that at least one of the States (Western Australia) runs a lottery, and 2% of the proceeds are channelled to the arts by the State Department for the Arts.

6.1.6 Public sector expenditure on the arts and museums as a percentage of total government spending

Overall public funding on 'culture' in 1996/97 represented 2% of total government expenditure of A\$176,672,000,000. The arts and museums component of this was A\$949,800,000 (IR£464,359,000) representing 0.53% in 1996/97. The arts element alone represented 0.41% of total government outlay

6.1.7 Public sector expenditure on the arts and museums as percentage of GDP

In 1996/97 expenditure on arts and museums represented 0.19% of GDP (This compares with 0.14% of GDP for 1993/94 as recorded in the Arts Council of England study on *International data on public spending on the arts in eleven countries.*)² The arts component alone represented 0.14% of GDP

6.1.8 Recent trends

Total public spending on 'culture' increased from A\$3,051.5 million in 1994/95 to A\$3,447.5 million in 1996/97, a percentage increase of 12.97%. Although central government expenditure decreased, it was balanced by increased support from the State and Territory governments and local government, leading to an aggregate increase in funding. It is not possible to disaggregate the percentage change for our more limited definition of arts and museums.

6.1.9 Notes on the data

Data was obtained from *Cultural Funding in Australia: Three Tiers of Government 1996/97*, prepared by the National Centre for Culture and Recreation Statistics of the Australia Bureau of Statistics, and published in November 1998. Other data was obtained directly from the Australia Council and from the Australian Bureau of Statistics report on *Performing Arts Industries 1996-97* published in October 1998. The Australia Council publication, *Corporate Support for the Arts 1996*, yielded sponsorship data.

Australian dollars have been converted into IR£ at the rate of AS2.0454 to the IR£, based on the mean for 1996. *The arts sum includes a figure of A\$23.3 million for 'Administration of Culture' and A\$12.B million for 'Community Cultural Activities' which is impossible to break down. However, a sum of -458.5 million for 'Other culture' has been excluded.*

²*The 1998 study employs a slightly more restricted definition of the arts and museums than used in this study.*

England

6.2.1 Geo-political profile

Population	48,903,000 (1995 estimate)
Territory	130,423 sq. km
Population density	355.63 people/sq. km (1991)
Most populous cities	Greater London 6,800,000 (1993) Greater Manchester 2,600,000 (1993) Birmingham 1,000,000 (1993) Leeds 680,722 (1991) Liverpool 452,450 (1991)
GDP	£546,200,000,000(1996)
GDP per head	£11,126(1996)
Constitutional monarchy (for Great Britain and Northern Ireland); Upper House (House of Lords): 1,198 (but typically 380); Lower House (House of Commons): 651	

6.2.2 Central government framework for arts/museums support

The 1990s have been characterised by considerable structural change in England. In 1992 the Government established the UK's first Ministry of Culture - the **Department of National Heritage**, which brought together responsibility for arts, museums and galleries, film, broadcasting, press, heritage, tourism and sport. In 1997 it was renamed by the new Government as the **Department of Culture, Media and Sport**.

Arm's length agencies allocate central funds for culture - the **Arts Council of England** (formerly of Great Britain), **British Screen**, the **British Film Institute**, the **Museums & Galleries Commission** and the **Crafts Council** among them. All of these bodies are undergoing further structural change currently and/or in 2000.

There are also ten Regional Arts Boards In England and seven Area Museums Councils which receive their funds primarily from the Arts Council and Museums & Galleries Commission respectively.

Central government support for the arts and museums in 1996/97 was £421 million³. £211 million (IR£216,338,300) of this was for the arts and £210 million (IR£215,313,000) for museums.

The introduction of a National Lottery has had significant financial impact. Although in the UK lottery expenditures are not regarded as public expenditure for accounting purposes, to be consistent with those countries where lottery derived revenues are treated as contributions to government support, we include it here, but classify it separately. The Arts Council of England National Lottery income for arts, film and crafts in 1996/97 was £262,800,000 (IR£269,448,840) and for museums was £106,400,000 (IR£109,091,920). The presumption is that practically all of this was for capital costs (buildings and equipment) as this was the focus of the National Lottery in its initial years.

³ *This includes the Business Sponsorship Initiative Scheme, but excludes the National Film & TV School, and relatively small sums of expenditure such as the Government Art Collection and the Theatre Restoration Fund.*

England

No account has been taken of expenditure by the British Council that benefits the English arts and museums sector as the Council does not apportion 'real costs' across England, Scotland, Wales and Northern Ireland.

6.2.3 Local/regional government framework for arts/museums support

As a result of reorganisation, local government in England is a patchwork of different structures. In 1998 there were single tier authorities (36 Metropolitan Authorities, 47 English Shire Unitary Authorities, 32 London Boroughs and the City of London); and two-tier authorities (34 County Councils and 238 District Councils). The year of our research was a time of transition in this reorganisation, when there were six metropolitan counties, 36 non-metropolitan counties and 296 district councils, with 14 of the new Unitary Authorities in force at the beginning of the 1996/97 financial year, plus the 32 London Boroughs and the City of London.

Local authority revenue and capital expenditure on the arts totalled £205,130,000 (IR£210,319,780) in 1996/97 and for museums totalled £160,800,000 (IR£164,868,240)⁴. We can separate the capital and revenue costs to arrive at £194,150,000 (IR£198,600,610) revenue for the arts and £10,980,000 (IR£11,257,794) capital. The figures for museums are £133,600,000 (IR£136,980,080) for revenue and £27,200,000 (IR£27,888,160) for capital.

6.2.4 Indirect support

According to London Economics, the tax foregone through applying zero rating on books in the **UK** could be as high as £250 million a year.

Business sponsorship of the arts in the **UK** in 1996/97 was estimated by ABSA to be in the order of £95.6 million and is increasing after a static period earlier in the 1990s. If we extract from this £6,283,092 for Scotland and £635,069 for Northern Ireland, sponsorship in England and Wales would be of the order of £88.6 million⁵.

6.2.5 Public sector expenditure on arts and museums as a percentage of total government spending

The UK Treasury estimates expenditure to constituent parts of the UK where it can be identified as having been incurred for the benefit of the relevant population. On this basis the overall public sector spend in England is £190,721,000,000. However a key limitation to this approach is that there is also expenditure by Central Government which cannot be distinguished by country and so is not taken into consideration. The percentage of arts and museums expenditure as a percentage of 'total' government spending for England (and indeed for Scotland and Northern Ireland) is probably higher than it would otherwise be. For England the percentage is 0.41% (or 0.21% for arts alone).

⁴ *Revenue figures for the arts for 1996/97 are not available. The figures provided represent an average of 1995/96 (£194.6 million) and 1997/98 (193.7 million), i.e. £194.15 million.*

⁵ *Not all of this would necessarily relate specifically to our definition of arts and museums.*

6.2.6 Public sector expenditure on arts and museums as percentage of GDP

Arts and museums expenditure of £786,930,000 (IR£806,839,329) in 1996/97 represents 0.14% of GDP (excluding lottery). If Lottery monies are added (even though technically this is not counted as public finance), arts and museums expenditure rises to £1,156,130,000 (IR£1,185,380,089) or 0.21%.

6.2.7 Recent trends

1996/97 saw a small decrease in central government expenditure on arts and museums from 1995/96 and a more appreciable one for the arts from 1992/93 and 1993/94. Overall local authority revenue expenditure on the arts and museums reveals a modest year on year increase in the first half of the 1990s followed by no growth in the arts between 1995/96 and 1997/98.

Capital expenditure on museums at local level does not reveal any marked fluctuation during the four years from 1993/94 to 1996/97. On the other hand, data on capital expenditure on the arts suggests that spending in 1995/96 of £23.89 million fell dramatically to £10.98 million the following year and climbed back up to £25.76 million in 1997/98.

6.2.8 Notes to the data

The principal source of the statistical information was derived from Arts Council of England research to be published as ARTSTAT 3 in 2000. The Annual Reports of the Arts Council of England for 1996/97 and the National Heritage Lottery Board also yielded data. ABSA furnished business support data.

No attempt has been made to ascertain arts and museums expenditure by central government departments other than the Department of National Heritage (now the Department of Culture, Media & Sport). This means, for example, that, in common with the analysis of Northern Ireland and Scotland, arts expenditure by the British Council has been excluded.

Stg£ has been converted to IR£ at the rate of IR£1.0253 to £1 sterling, based on the mean for 1996.

Finland

6.3.1 Geo-political profile

Population	5,125,000 (1995)
Territory	304,595 sq. km
Population density	16.7 people/sq. km
Most populous cities	Helsinki 515,765 (1995) Espoo 186,507 (1995) Tampere 179,251 (1995) Vantaa 164,379 (1995) Turku 162,370 (1995)
GDP	FIM519,322,000,000 (1996)
GDP per head	FIM121,753 (1996)
Parliamentary democracy combined with strong presidential powers	

6.3.2 Central government framework for arts/museums support

Culture falls within the jurisdiction of the **Ministry of Education (Opetusministeriö)**, which is divided into two departments: one for education and science and the other for cultural policy. There is a Cabinet Minister for each of these departments. The Department for Cultural Policy is further divided. The Culture Division is responsible for cultural industries, copyright issues and cultural institutions, including libraries. The Arts Division is responsible for the promotion of the arts, arts organisations and museums.

A system of arts councils was introduced in 1968. The arts councils distribute money at arm's length to professional artists (not institutions) and advise the Ministry on formulating and implementing policies for the arts. There are national arts councils in nine fields (architecture, cinema, crafts and design, dance, literature, music, photography, theatre, and the visual arts). The chairmen of these councils form a central **Arts Council (Taiteen keskutoimikunta)** which acts as a 'joint body'. There are 13 regional arts councils funded by the Ministry of Education.

Other key quangos are the **Finnish Film Foundation (Suomen elokovasäätiö)**, which promotes film production and distribution; the **Book Foundation of Finland (Suomen kirjasaatio)**, responsible for promoting and supporting Finnish literature and awarding grants and prizes; and the **National Board of Antiquities (Museovirasto)**, responsible for heritage sites and museums.

Central government expenditure on culture in 1996 was FIM1.53 billion. If we extrapolate our narrower definitions of arts and museums we arrive at a figure of FIM882,572,000 (IR£120,085,992). We can further break this down into arts expenditure of FIM717,512,000 (IR£97,627,321) and museums expenditure of FIM165,060,000 (IR£22,458,670)⁷. It is impossible to separate capital and revenue costs, but an estimate puts average annual capital expenditure at 150 million FIM (IR£20,409,551).

7 This excludes contributions from other central government ministries. In 1994 these were estimated to be FIM300 million and some of this would have fallen within the narrower definition of arts and museums used in this study.

Some 56% of the central government spending on culture in 1996 was derived from the profits of Keikkans Oy (the State-owned company operating the national lottery and football pools).

6.3.3 Local/regional government framework for arts/museum support

Finland is divided into five provinces (plus the autonomous area of Åland), 19 regions and 452 municipal authorities. The provinces are administrative extensions of the State and their role in culture is small. The regional councils and, especially, municipalities have a far more important role in promoting, assisting and organising arts activities and supporting (sometimes conjointly) theatres, orchestras and museums etc. Local/regional expenditure on culture in 1996 was FIM1.42 billion⁸. Again it is impossible to separate revenue and capital costs. However, this includes expenditure on adult education, music schools and public libraries. Although it has not been possible to identify exactly how much, we can arrive at a reasonable estimate by reference to the years 1992-94 when those elements constituted 60% (1992), 60.1% (1993) and 60.3% (1994) of the total expenditure. We shall presume the figure in 1996 was 60%, producing a figure of approximately FIM568,000,000 (IR£77,284,168) for arts and museums⁹.

6.3.4 Indirect support

Corporate support is modest, though growing, after a serious blip on the period 1988-93 due to the recession. No accurate recent figures are available. Broadly speaking, sponsorship favours music and the visual arts, especially the acquisition of works of art. The new Museum of Modern Art and Helsinki 2000, European City of Culture, have been particularly successful in generating funds from this source. Although it has not been possible to obtain data on taxes foregone in relation to tax-free stipends for artists, expenditure on payments for writers (public lending right) and for visual artists are included in the central government expenditure.

6.3.5 Public sector expenditure on culture as a percentage of total government spending

Total spending (revenue and capital) on culture in 1996 was FIM2.950 million out of total government expenditure of FIM311,200 million, representing 0.77%. If we extrapolate the arts and museums component of this, we arrive at a figure of FIM1,450,572,000 (IR£197,370,161) representing 0.46%.

6.3.6 Public sector expenditure on arts and museums as percentage of GDP

'Cultural' expenditure represented 0.57% of GDP in 1996. Based on arts and museums expenditure alone this percentage would be reduced to 0.27%.

6.3.7 Recent trends

Finland has an extensive network of cultural institutions and has invested heavily in the cultural infrastructure - its library system remains one of the finest in the world and it has one of the highest ratios of museums to inhabitants. A cultural building boom in the 1980s led to a legacy of cultural complexes in every town and the burden of continuing revenue commitments. As a consequence its spend on the arts has been consistently high. In the 1990s the focus of capital projects switched to national level (a new Opera House, new Museum of Modern Art, refurbished National Museum and Museum of Cultures etc.).

⁸ *Central government transfers are excluded to avoid double counting.*

⁹ *This excludes municipal subsidies to festivals and similar events, but this would apparently not make an appreciable difference to the total.*

Finland

Between 1992 and 1996, retrenchment led to a steady decline in total public sector spending on the arts and culture (from FIM3.49 million to FIM2.95 million), and a sharper fall in the percentage of State cultural spending as a percentage of total State expenditure (from 1% to 0.77%) - though this is partly attributable to the fast growth in overall government spending as a result of higher welfare costs and the aftermath of the banking crisis. During this period an increasing percentage of the revenues from the national lottery and football pools was used to finance statutory subsidies to municipal cultural institutions rather than to aid discretionary subsidies as previously

The latest indications (1997 and 1998) are that public financing of the arts/culture is slowly returning to 'normality'. However, public budgets are likely, at best, to cover the maintenance of the infrastructure, and existing arts activities and cultural services; funds for new initiatives will remain scarce.

6.3.8 Notes to the data

Collecting data in Finland has been complicated by the absence of comprehensive statistics on financing of culture at municipal level since 1994 (annual surveys have not been conducted at the instruction of Parliament).

The data has been largely drawn from a *Compendium of basic facts and trends on cultural policy: Finland*, compiled by the Arts Council of Finland for a CIRCLE/Council of Europe study and not yet published. This in turn drew on various sources and therefore, the data should be regarded as illustrative rather than necessarily exact. The Arts Council of Finland also responded to detailed questions about the data.

It is interesting to compare the significant difference between the expenditure on arts and museums revealed in this study for 1996 and that for 1994 indicated in the Arts Council of England study (op. cit.). The Arts Council of England study suggests a notably higher spend in 1994. This may be due to particularly high capital expenditure falling that year (e.g. for the Opera House in Helsinki). This in turn would have affected the arts and museums spend as a percentage of government final consumption expenditure. However, there are other factors at work here. There was a diminishing amount of public expenditure on the arts/museums (which has begun to pick up again especially in 1998). However, a more important factor has been the considerable increase in overall public expenditure (see 6.3.7 above), which has not been matched by public resources for arts and museums. Nevertheless, given the data unearthed for this new research, the possibility of 'double-counting' in the Arts Council of England study of national grants to local authorities, which were then incorporated into local expenditure on the arts and museums, cannot be ruled out.

Finnish marks have been converted into IR£ at the rate of FIM7.3495 to the IR£1, based on the mean

Ireland

6.4.1 Geo-political profile

Population	3,560,000 (1993)
Territory	70,283 sq. km
Population density	50.7 people/sq. km
Most populous cities	Dublin 916,000 (1993) Cork 174,000 (1993) Limerick 75,000 (1993)
GDP	IR£48,244,000,000 (1997)
GDP per head	IR£13,177
Independent democratic republic; House of Representatives (Dáil): 166 members; Senate: 60 members	

6.4.2 Central government framework for arts/museums support (including museums but also the natural heritage - waterways, sites of natural beauty etc)

The main responsibility for cultural affairs rests with the **Department of Arts, Heritage, Gaeltacht and the Islands**. The Department's remit covers arts and culture; heritage; broadcasting and film; and the preservation of the Irish language heritage. The arm's length **Arts Council/An Chomhairle Ealaíon** is the main channel for government support for the performing arts, visual arts and architecture, literature, film, arts festivals, arts centres and community arts. Other intermediary agencies include **Bord Scannán na hÉireann** (Irish Film Board), the **Heritage Council** and **Bord na Gaeilge** (Irish Language Board).

The Department of Arts, Heritage, Gaeltacht and the Islands contributed the vast majority of 1997 spending on the arts and culture, totalling IR£37,980,000. However, to correspond more exactly with our definition, we need to exclude from this IR£774,000 set aside for the National Library and adjust the sum for the Chester Beatty Library as only part of its operations (the museum aspect) qualify¹⁰. It is also necessary to discount heritage projects from the 'cultural projects' budget line, reducing it from IR£5,282,000 to IR£4,510,000. This brings the relevant expenditure to IR£36,196,500.

At the same time we need to take account of additional funds made available by the Department of the Environment, which contributed IR£702,000 to the Temple Bar project, the Office of Public Works which provided IR£2,797,000 for capital costs for the National Museum and National Gallery and £490,000 to the Cultural Relations Committee (CRC) from the Department of Foreign Affairs.¹¹ Thus we arrive at a total of IR£40,185,500.¹²

¹⁰ We will take into consideration 50%, i.e. IR£238,000 of the IR£476,000 grant.

¹¹ Part of the proceeds of the National Lottery is redistributed by government in its support for the arts. National Lottery money via the Department of Education and Science to the Royal Irish Academy of Music and Youth Organisations of IR£1,257,000 has not been included. Capital costs of IR£1,889,000 for the National Library have also been excluded.

¹² Although some specific information exists as to whether the funds were for revenue or capital expenditure, there is insufficient data to provide a global percentage of revenue/capital spend.

6.4.3 Local/regional government framework for arts/museums support

There are two tiers of local government administration in the Republic: 29 county councils and 5 county boroughs on the one hand, and 5 borough corporations, 49 urban districts and 26 boards of town commissioners on the other. In practice the distinction between the two tiers is not marked. Local authority support for the arts is increasing, but remains modest.

Local authority expenditure on the arts and museums totalled IR£3,829,000 for 1997. No data is available to show a revenue/capital ratio.

6.4.4 Indirect support

The Finance Act of 1969 provides exemption for artists from income tax and surtax for earnings from original and creative work. The 'special' tax position of artists was extended with the creation of Aosdána, a 'collective' of artists, through which up to 200 artists can receive tax-free stipends from the Arts Council for up to five years. Government also provides fiscal inducements for investment in film production. The value of these taxes foregone by Government is significant. In 1997 it represented: 1. IR£16,312,000 tax relief for investment in films 2. IR£8,100,000 Income Tax Exemption for certain artists in relation to their artistic earnings from creative works of art.

Business support for the arts totalled IR£10,200,000. Thus total indirect support for the arts and museums totalled IR£34,612,000, of which IR£24,412,000 was public money.

6.4.5 Public sector expenditure on arts and museums as a percentage of total government spending

In 1997 total government spending in Ireland was IR£11,810 million. Public sector expenditure specifically on the arts and museums at central and local level amounted to IR£44,014,500 which, expressed as a percentage of total government spending, was 0.37% (excluding tax relief). If tax relief (see 6.4.4 above) is taken into consideration, this percentage increases to 0.579%.

6.4.6 Public sector expenditure on arts/museums as percentage of GDP

Total public revenue and capital expenditure on the arts and museums of IR£44,014,500 in 1997 was either 0.091% of GDP (excluding tax breaks) or 0.141% (if taxes foregone of IR£24,412,000 is added). If we extrapolate the arts spend only we see that, in 1997, this represented either 0.077% of GDP (excluding tax relief) or 0.127% (including tax relief).¹³

6.4.7 Recent trends

Central government expenditure on the arts and museums has grown in the 1990s, but from a low base. Local government expenditure has also increased, but also from a low level and it remains, both in real terms and as a proportion of total public sector expenditure, among the lowest in Europe. Although an exact fit with the data in the Arts Council of England study of eleven countries cannot be guaranteed, it is interesting to note that arts and museums spending has decreased as a percentage of total government consumption expenditure compared with 1995 data (0.37% c/w 0.43%, but has increased as a percentage of GDP (0.09% c/w 0.07%).

6.4.8 Notes to the data

Data was supplied by the Arts Council/An Chomhairle Ealaíon.

The Arts Council's grant represented 47.33% of public expenditure (revenue and capital) on arts and museums in 1996/97, or 55.83% of public expenditure (revenue and capital) on the arts only

¹³ *In the absence of an exact breakdown of CRC support of IR£490,000 a notional sum of IR£400,000 has been counted as 'arts' expenditures and IR£90,000 as museums.*

Northern Ireland

6.5.1. Geo-political profile

Population	1,649,000 (1995 estimate)
Territory	14,144 sq. km
Population density	111 people/sq. km (1991)
Most populous cities	Belfast 298,000 (1998) Derry 105,200 (1998)
GDP	£14,470,000,000 (1996)
GDP per head	£8,434 (1996)

Northern Ireland is part of the United Kingdom. Currently the UK Parliament approves all laws for Northern Ireland and government departments in the province are under the control of the UK Government Secretary of State for Northern Ireland. At the time of writing a Northern Ireland Assembly has been established with some devolved powers. Cross-border bodies are also being established for certain functions including tourism and waterways, but not including the arts.

6.5.2 Central government framework for arts/museums support

The **Department of Education** has the responsibility for arts and museums in Northern Ireland. The main arm's length agency for distributing funds is the **Arts Council of Northern Ireland**. Its scope is commensurate with other UK Arts Councils. Other quangos are the **Northern Ireland Film Commission** and the **Northern Ireland Museums Council**. Total central government (UK) spending on the arts and museums in Northern Ireland, through the Department of Education in Northern Ireland, totalled £17,670,000 (IR£18,117,051) for the year 1996/97 (no central government funding benefited the NI Film Commission for that year). £8,213,000 (IR£8,420,788) of this related to the arts and £9,457,000 (IR£9,696,262) to museums,

National Lottery grants for the arts for 1996/97 totalled £6,787,977 (IR£6,957,676). Much of this was for arts capital projects, but £346,084 was provided for a range of activities from public art commissions to new drama and music work. Lottery money available for museums amounted to £500,000.

No account has been taken of expenditure by the British Council that benefits the Northern Ireland arts and museums sector as the Council does not apportion 'real costs' across England, Scotland, Wales and Northern Ireland.

Northern Ireland

6.5.3 Local/regional government framework for arts/museums support

There are 26 district councils in Northern Ireland. Total local government expenditure statistics for arts and museums are not available for 1996/97, but data is available for the 1997/98 financial year. This indicates spending at local level (district councils) of £10,399,443 (IR£10,662,550). £7,645,567 (IR£7,838,999) of this was classified as arts expenditure, £2,553,267 (IR£2,617,864) as museums expenditure and £200,609 as 'cultural expenditure'. As it is not possible to identify whether this last category meets our criteria it will be excluded for the purposes of this exercise, giving a total of £10,198,834 (IR£10,456,864).

6.5.4 Indirect support

Direct business sponsorship of the arts was estimated at £635,069 (IR£651,136) in 1996/97 or £781,000 (IR£800,759) if capital assistance and support-in-kind is included. In 1997/98 the inclusive figure fell to £646,000 (IR£662,343).

6.5.5 Public sector expenditure on arts and museums as a percentage of total government spending

Total government spending in Northern Ireland amounted to £8,593 million in 1996/97. Total public sector spending on the arts and museums of £27,868,834 (IR£28,573,915) excluding Lottery funds equates to 0.32% of this. If Lottery funds of £6,787,977 (IR£6,957,676) are added it increases to 0.40%.

6.5.6 Public sector expenditure on arts/museums as percentage of GDP

Central government spending on the arts and museums (excluding Lottery contributions) in 1996/97 and local government spending for 1997/98 represented 0.19% of GDP (1996). If Lottery funding is added (notwithstanding the fact that it is not classified as public funds) the percentage increases to 0.24%.

6.5.7 Recent trends

The introduction of National Lottery funding has tended to mask reductions in exchequer funding for arts and museums. The Arts Council of Northern Ireland grant, for example, increased from £6.3 million in 1992/93 to £7.3 million in 1997/98, then dipped to an estimated £6.9 million in 1998/99. However, support in 1996/97 only increased as the result of a significant increase in capital programme support of £142 million (up from £29 million the previous year). Museums expenditure peaked at £10.2 million in 1994/95 and declined year on year to £9.2 million in 1997/98 (though the decline appears to have been arrested in 1998/99).

6.5.8 Notes to the data

Sources drawn on were the Department of Education of Northern Ireland; *Arts Council of Northern Ireland Annual Report 1996-97* and the ACNI staff; *Regional Trends 1998* published by the Office of National Statistics; the 1996-1997 Annual Report of the National Lottery Fund, and from the Association for Business Sponsorship for the Arts.

£ Sterling has been converted to IR£ at the rate of IR£1.0253 to £1 sterling, based on the mean for 1996.

6.6.1 Geo-political profile

Population	7,400,000 (estimated)
Territory	1,667,926 sq. km
Population density	4.36 people/sq. km
Most populous cities	Québec 700,200 (estimated) Greater Montreal 3.4 million (estimated)
GDP	C\$185,400,000,000 (1997)
GDP per head	C\$24,982

Québec is one of the ten provinces of Canada. It shares powers with the Federal Government of Canada, and has its own legislative assembly.

6.6.2 Central/Federal government framework for arts/museums support

Overall responsibility for culture rests with the **Department of Canadian Heritage** and the long-established **Canada Council** provides arts support as an arm's length agency.

In 1996/97 federal (national) spending on culture in Québec totalled C\$841,062,000. Arts and museums specifically appears to be C\$262,309,000 (IR£120,187,400). Unfortunately there is no indication of the proportion of revenue to capital expenditure. However, we can subdivide this into C\$203,683,000 (IR£93,325,544) for arts and C\$58,626,000 (IR£26,861,855) for museums.

6.6.3 State/regional government framework for arts/museums support

A **Ministère de la Culture et des Communications** has provincial government responsibility for the arts and museums. An arm's length **Conseil des Arts et des Lettres** acts as an advisory and funding body. Loans to cultural industries are provided through the **Société Générale des Industries Culturelles**.

Québec Government spending on culture in 1996/97 amounted to C\$583,195,000. If we extrapolate from this spending on the arts and museums specifically, we have a figure of C\$264,567,000 (IR£121,220,619) - C\$182,117,000 (IR£83,444,215) for arts and C\$82,450,000 (IR£37,777,777) for museums.¹⁴

6.6.4 Local government framework for arts/museums support

There are 117 municipalities in the province which provide support for the arts and museums to complement federal and provincial action.

In 1996 municipalities spent C\$241,417,000 on culture. Applying our more narrow definition we calculate that C\$46,855,000 (IR£21,468,500) was spent on arts and museums (C\$46,440,000 on arts (IR£21,278,350) and C\$415,000 (IR£190,148) on museums).¹⁵

Municipal spend in 1996 can be broken down as follows: 24.5% is capital expenditure and 75.5% of this is revenue costs.

¹⁴ *The arts component includes elements for aid to 'multiculturalism' and sound recordings.*

¹⁵ *Municipal arts expenditure includes a very large category for 'other', which it is impossible to break down.*

Québec

6.6.5 Indirect support

No recent data was available on indirect support levels for the arts and museums.

6.6.6 Public sector expenditure on arts and museums as a percentage of total government spending

Although it has been possible to obtain provincial expenditure and federal government transfers for 1997, it has not been possible to obtain total municipal expenditure.

Consequently, no attempt has been made to express arts and museums expenditure as a percentage of the two tiers of government expenditure as this would be artificially high.

6.6.7 Public sector expenditure on culture/arts as percentage of GDP

Public sector arts and museums expenditure in Québec, derived from federal, provincial and municipal sources as a percentage of Québec's GDP is 0.30%.

6.6.8 Recent trends

In the 1990s the provincial government strengthened the role and mandate of its Ministry of Culture, and established an arts council. This was in the context of widespread cutbacks at federal and provincial level generally in Canada. Provincial government spending on culture as a whole represents 1.4% of Québec government expenditure. Nevertheless, expenditure has declined gradually from C\$730,000,000 in 1992/93 to C\$651,000,000 in 1996/97.

6.6.9 Notes to the data

The prime sources of data were the Strategic Research and Analysis Division of the Department of Canadian Heritage and Statistics Canada and the Conseil des Trésors. Information was also obtained from the Québec Government representation in London.

Expressing public sector expenditure on the arts and museums in Québec as a percentage of government spending is meaningless unless federal inputs are added to those of the provincial government and local authorities. At the same time, it would be equally perverse if the spend on arts and museums in Québec were expressed as a percentage of total government expenditure in Canada as a whole. Consequently, we have chosen to express expenditure benefiting Québec as a percentage of expenditure in the province and as a percentage of Québec's GDP

Canadian dollars have been converted into IR£ at the rate of Canadian \$2.1825 to the IR£, based on the mean for 1996.

Scotland

6.7.1 Geo-political profile

Population	5,137,000 (1995 estimate)
Territory	77,167 sq. km
Population density	65 people/sq. km (1991)
Most populous cities	Glasgow 611,660 (1998) Edinburgh 450,000 (1998)
GDP	£54,141,000,000(1996)
GDP per head	£10,558 (1996)
In 1999 Scotland established its own devolved Parliament within the United Kingdom, which is a constitutional monarchy with an UK Parliament.	

6.7.2 Central government framework for arts and museums support

Most Government support for the arts is the responsibility of the **Scottish Office Education Department**, though this will change with the establishment of the Scottish Parliament. There is already a campaign in the key cultural funding agencies and Convention of Scottish Local Authorities for the creation of a ministry of cultural affairs in Scotland.

Until 1994, the **Scottish Arts Council** was technically part of the former Arts Council of Great Britain, though it enjoyed a considerable degree of operational independence. It is now entirely independent and is Scotland's major arts quango. Other cultural funding agencies are the **Scottish Museums Council**, Scottish Screen, which is responsible for film and TV, and **Historic Scotland** which oversees Scotland's built heritage.

Total national government expenditure on the arts and museums in 1996/97, including the lottery, was £73,806,997 (IR£75,674,314), or £48,070,997 (IR£49,287,193) without. We can unpick this. The grant to the Scottish Arts Council was £25,811,000 (IR£26,464,018); the grant for the National Museums of Scotland and for the Scottish Museums Council totalled £22,259,997 (IR£22,823,175). The Scottish Arts Council received £25,736,000 (IR£26,387,121) from the National Lottery Fund in 1996/97. All awards were made under the Capital scheme, though it included aid for film production and for Art in Public Places.

No account has been taken of expenditure by the British Council that benefits the Scottish arts and museums sector as the Council does not apportion 'real costs' across England, Scotland, Wales and Northern Ireland.

6.7.3 Local government framework for arts/museums support

1996/97 was the first year of 29 single-tier or unitary councils which replaced the previous two-tier of 9 regions and 53 districts. Local authorities are important contributors to arts expenditure.

Scotland

Total local government revenue expenditure on arts and museums in 1996/97 was £65,721,711 (IR£67,384,470) representing £35,411,600 (IR£36,307,513) on arts and £29,936,925 (IR£30,694,329) on museums. Local authority capital expenditure amounted to £9,777,494 (IR£10,024,865), representing £4,478,473 (IR£4,591,778) for arts and £5,299,021 (IR£5,433,086) for museums.

6.7.4 Indirect support

The Association of Business Sponsorship for the Arts survey of corporate sponsorship found that the 'arts' in Scotland received £6,283,092 (IR£6,442,054) in 1996/97.

6.7.5 Public sector expenditure on the arts and museums as a percentage of total government spending

Total government spending for 1996/97 in Scotland was £24,748,000,000 (IR£25,374,000,000) and expenditure of £113,792,708 (IR£116,671,663) for arts and museums represented 0.5% of this. Although Lottery funding is not, strictly speaking, public expenditure, were it to be included, the percentage would rise to 0.6%.

6.7.6 Public sector expenditure on the arts and museums as a percentage of GDP

The Gross Domestic Product for Scotland for 1996 was £54,141 million (IR£55,510 million). Of this, arts expenditure accounted for 0.21% and, if lottery funding is included, this rises to 0.26%.

6.7.7 Recent trends

Central government expenditure on the arts has levelled off in recent years, but there was a significant drop of 26% in local authority expenditure on the arts between 1994/95 and 1996/97, largely attributable to the loss of a tier of local government as a result of reorganisation.

The creation of the National Lottery has led to an influx of new money, which has distorted the funding picture.

6.7.8 Notes on the data

The Scottish Arts Council was the source of much of this data. Information on local authority expenditure was obtained from the *SAC/COSLA Survey on Local Authority Expenditure on Arts, Libraries and Museums 1996/97* (not yet published).

The £ Sterling was converted into IR£ at the rate of IR£1.0253 to Stg£1, based on the mean for 1996.

Sweden

6.8.1 Geo-political profile

Population	8,844,499(1996)
Territory	449,964 sq. km
Population density	19 people/sq. km
Most populous cities	Stockholm 684,576 (Greater Stockholm 1.7 million) Gothenberg 433,811 Malmo 236,684
GDP	SEK1,688,453,900,000 (1996)
GDP per head	SEK190,904 (1996)
Constitutional monarchy with Parliament (Riksdag) with 349 members	

6.8.2 Central government framework for arts/museums support

A **Ministry of Culture (Kulturdepartementet)** is responsible for policymaking and financial allocations - implementation is assigned to other agencies (see below). Within the Ministry, the arts are dealt with by a Department of Cultural Affairs.

Founded in 1974, the **National Council for Cultural Affairs (Statens kulturråd)** is a quasi-independent organisation through which the Government and parliament effect cultural policies. Its national responsibilities include supporting the performing arts; literature, public libraries and cultural journals; and the visual arts, museums and exhibitions. It allocates national government funds within these areas, but only to groups and institutions and not to individuals. It shares some similarities with the Arts Council/An Chomhairle Ealaíon model, but there are important differences, e.g. it executes policy within a framework of priorities and guidelines established by government.

Other intermediary agencies include the **Arts Grants Committee (Konstnärsnämnden)** which awards grants to individuals in all the arts **except** literature (the responsibility of a separate **Swedish Authors' Fund/Sveriges författarfond**); the **Swedish Film Institute (Svenska filminstitutet)**; and the **Central Board of National Antiquities (Rikantikvariebetet)**, responsible for the built heritage.

Central government expenditure on culture in 1996 was Swedish Krona SEK6,525,768,000 (IR£607,907,739).¹⁶ Extrapolating those areas which fall into our definition of the arts we estimate that SEK2,947,392,000 (IR£274,564,221) was spent on the arts and museums; we can further break this down into SEK2,178,613,000 (IR£202,948,634) for the arts and SEK768,779,000 (IR£71,615,587) for museums.¹⁷

¹⁶ *It has not been possible to separate capital from revenue expenditure for Swedish data.*

¹⁷ *The arts component includes an allocation of SEK 51,848,000 for Riksutstallinger (Sweden's Travelling Exhibitions circuit) extrapolated from 'Museums & Exhibitions'.*

Sweden

6.8.3 Local government framework for arts/museum support

Sweden is divided into 24 Landstings (county councils), which provide support for regional theatres, orchestras and museums, and 286 Kommuner (municipal authorities), which support the performing arts, galleries, libraries, music schools etc.

In 1996 the county councils spent SEK1.145 million on 'culture' or SEK142 per inhabitant. It would seem that SEK617 million (IR£57,476,618)¹⁸ of this falls within our definition of the arts and museums (SEK434 million for the arts and SEK183 million for museums).¹⁹ In the same year municipal expenditure on 'culture' was c. SEK6.600 million or SEK674 per inhabitant. 35% or SEK2.336 million (IR£217,610,016) of this was categorised as 'General Cultural Activities' (which covers grants to music institutions, theatres, museums and cultural associations) but it is impossible to break this down further to establish that it is an exact match with our definition. Added together, the county and municipal spend on the arts and museums for 1996 was of the order of SEK2,953,000,000 (IR£275,086,634).

6.8.4 Indirect support

The Government coffers for film are enhanced by a levy on the box office income of cinemas and a levy on videotape rentals, which goes to the Swedish Film Institute. Swedish TV is also required to contribute to the Institute. The Swedish Parliament has also recently agreed to impose a levy on imported blank recording CDs, audio and videocassettes, which will be redirected to artists collecting societies.

A 1% for art rule was introduced in the 1930s for the artistic embellishment of public buildings. Public lending rights apply to authors and composers.

Business sponsorship is modest, though growing. An estimated SEK240 million (IR£22,357,193) was raised in 1997 for 'culture', up from C.SEK200 million in 1995.

6.8.5 Public sector expenditure on the arts as a percentage of total government spending

Total general government final consumption expenditure for 1996 was SEK443.064 million (central government SEK136,478 million and local government SEK306.586 million).

Central and local/regional expenditure on 'culture' comprised a high SEK14.271 million.

Taking our narrower definition of the arts and museums the total spend was approximately SEK5,900,392,000 (IR£549,650,855), representing 1.33%.

6.8.6 Public sector expenditure on the arts and museums as a percentage of GDP

The Swedish Gross Domestic Product in 1996 was SEK1,678,111 million (IR£156,324,384.296). Thus expenditure on arts and museums using our definition represented 0.35% of GDP

¹⁸ *The expenditure for county councils excludes support for literature, as it was not possible to separate this from support for libraries, whose inclusion would have distorted the figures.*

¹⁹ *The expenditure for county councils for museums includes an element for exhibitions, but it was not possible to ascertain whether any of these were exhibitions that could be classified as visual or contemporary arts.*

6.8.7 Recent trends

Expenditure levels on culture in Sweden are high by any standard. However, in the first half of the 1990s, central government expenditure on culture dipped because of the difficult economic situation, though this will not be fully evident in the data for 1996/97. A major parliamentary review of cultural policy and Government commitments to 'revised' cultural goals may have contributed to the turn around.

Municipal and county expenditure on culture also diminished in the first half of the decade, but has recovered considerably in recent years.

6.8.8 Notes on the data

Central governmental expenditure for 1996 has been calculated by isolating relevant data from statistics covering an 18-month period.

The data was drawn largely from *Samhällets Kulturutgifter 1996* (Society expenditures for culture 1996) and detailed questions to Statens Kulturråd. Data beyond 1996 was not available until autumn 1999.

Swedish Krona have been converted into IR£ at the rate of SEK10.7348 to IR£1, based on the mean for 1996.

USA

6.9.1 Geo-political profile

Population	265,000,000 (1997 estimate)
Territory	9,372,614 sq. km
Population density	27.4 per sq. km
Most populous cities	New York 7,300,000 Los Angeles 3,500,000 Chicago 2,800,000
GDP	US\$8,110,900,000,000
GDP per head	US\$30,607
Federal republic: Senate: 100 members; House of Representatives: 435 members.	

6.9.2 Central/Federal government framework for arts/museums support

No large scale and continuous tradition of direct Federal (national) support for the arts exist in the USA. The main arm's length agency, the **National Endowment for the Arts**, was not created until 1965 and its existence at various times, especially in the mid 1990s, has been precarious. Its importance lies more in the seal of approval its grants give and thus help to attract other money. As an illustration, NEA funding for theatres averages 1.5% of total income. However, such theatres generally receive aid from State arts agencies (which are part financed by the NEA), averaging 5.8%.²⁰

Total central government expenditure on the arts for 1997 is calculated at US\$539.3 million (IR£337 million) plus US\$22 million (IR£13.7 million) for the **Institute of Museum Services**.²¹

6.9.3 State/regional government framework for arts/museum support

The US has 51 States, which have a considerable degree of autonomy, including their own legislation. Many have State arts agencies.

In 1997 State arts agencies were responsible for direct public expenditure on the arts of US\$271.9 million (IR£169.8 million).

6.9.4 Local government framework for arts/museums support

The chief unit of local government is the county, of which there are 2,994 with functions and a number without.

No detailed survey of local arts agency expenditure is regularly undertaken. However, estimates put local government support for the arts through local arts agencies in the region of US\$ 650 million (IR£406 million) in 1996 and US\$750 million (IR£468 million) in 1997. It is not possible to break this expenditure down to confirm whether or not it meets exactly the definition we have set for arts and museums spending.

²⁰ *Theatre Communications Group annual survey 1997, published November 1998.*

²¹ *Includes data for Kennedy Centre for the Performing Arts estimated at US\$7.5 million.*

6.9.5 Indirect support

Although public sector expenditure on the arts and museums is comparatively low per capita in the USA, any accurate picture needs to take account of the funding mix and the extent to which taxes foregone are an important, albeit indirect, mechanism of government policy. Detailed analysis of this is beyond the scope of this small study and, besides, others, such as Mark Schuster at the Massachusetts Institute of Technology, have written extensively on it. Nevertheless, we can make a few general observations.

Contrary to what is sometimes imagined, the key donor to the arts in the USA is not business or foundations, but the individual. Under the federal tax code, taxpayers who 'itemise' their deductions are allowed to include as a deduction from their taxable income the amount of their financial contributions to non-profit arts institutions up to a set limit.

This indirect aid through tax foregone far exceeds the amount of direct support for the arts. *Giving USA* estimated total donations for the non-profit sector in 1994 at \$129.3 billion (IR£80.8 billion) - 80% of this came from individuals, 7% from bequests, 8% from foundations and 5% from corporations. Not all of this went to the arts, of course, but an estimated 7.5% did, equivalent to \$9.7 billion (IR£6.1 billion) in 1994. The latest information - for 1997 - suggests that this percentage declined to 6.8%.

Foundations have an important role. Their support is predominantly locally organised and is often relatively conservative in its focus. Only a limited number of foundations offer grants to individuals and, in the case of the visual arts, this is principally channelled via museums and galleries. There is also a concentration of funds on just a few of the 51 states - New York, California, Texas and Pennsylvania in particular.

In the period 1983-89 the amount of foundation grants to the arts more than doubled from \$237 million to \$503 million (IR£314 million). The effect of this growth was an expansion of arts activity. In 1993, foundation support for the arts, culture and humanities was \$834 million (IR£521 million), and less than \$50 million (IR£31 million) of this represented the humanities component.

Surveys conducted by the Business Committee for the Arts indicate that corporations involved in grant giving allocate some 11% or 12% of their support to the arts. Differences are discernible between corporate support through specific foundations they have established for this purpose, and that via sponsorship. Corporate foundations are far more likely to provide capital and operational support to arts institutions or to assist smaller organisations than are sponsorship programmes. They also provide a greater number of grants. On the other hand, sponsorship support is more likely to involve far larger amounts of money per project.

Exemptions by local authorities of property tax on building-based arts and cultural organisations and also on foundations are a significant illustration of taxes foregone. However, not all local fiscal regimes are uniform, and some cities favour longer-established institutions such as theatres, opera houses and museums over newer ones.

6.9.6 Public sector expenditure on arts and museums as a percentage of total government spending

Total government consumption expenditure in 1997 was US\$1,227,000,000,000 (IR£766,500,000,000). Estimated total public sector spending on the arts and museums in 1997 was US\$1,583,400,000 (IR£989,190,000), which was equivalent to 0.129% of public expenditure.

USA

6.9.7 Public sector expenditure on arts and museums as percentage of GDP

Estimated total public sector expenditure on arts and museums in 1997 represented 0.019% of GDP

6.9.8 Recent trends

Political controversy has made the position of the National Endowment for the Arts increasingly fraught, and as a result, funding was cut back some 40% in 1996. However, there have been continuous reductions in the real value of spending through the NEA since 1975.

Central government expenditure on the arts and museums is decreasing, e.g. support for the arts in 1995 was US\$614.7 million, falling to US\$539.3 million (IR£336.9 million) in 1997, and for museums services, fell from US\$28.7 million (IR£17.9 million) for the same year to US\$22 million (IR£13.7 million) in 1997.

Changes in tax policies in the 1980s and 1990s are having an impact on the arts. Strategies to simplify and lower tax rates and reductions in the maximum marginal tax rate have begun to erode the incentives for private giving, whether by wealthy taxpayers or foundations. Local, state and national tax codes are being reviewed and tightened, thus decreasing a range of tax benefits.

6.9.9 Notes to the data

The prime data source was the Research Division of the National Endowment for the Arts. Statistics on donations to the arts came from *Giving USA* 1998 published by the AAFRC Trust for Philanthropy. Sundry other data came from the 1998 *Statistical Abstract of the US* and the US Embassy in London. Data on theatre came from the Theatre Communications Group annual survey of non-profit theatres for 1997.

US dollars have been converted into IR£ at US\$1.6007 to the IR£1.

The Arts Council is committed to developing its understanding of the development of the arts by research and dialogue. Research outcomes will be disseminated by various means, including this publication series, to help develop debate and to promote wider public recognition of the arts.

It is a strategic priority of the Arts Council to keep national and local government well informed about arts policy needs. This report has been commissioned to provide relevant benchmark data to Government on international levels of public expenditure on the arts..

Other Publications in the Series:

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