

# **Creative Artists, Market Developments and State Policies**

**Background paper for  
"Conditions for Creative Artists in Europe"  
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# Introduction

Topics ranging from culture and employment, the culture industries, new technologies to market developments in the music or publishing sectors have been appearing more frequently on EU Presidency agendas in recent years. Together they have been contributing to a broadened understanding of creativity such as the links between culture and economic development. The Swedish Presidency conference focussing on the working conditions for professional creators from the point of view of literary authors, visual artists and composers – is an important reminder to all of us that the ongoing precariousness of artists socio-economic conditions is a topic that policy makers, including the European Commission, need to address if creativity rather than commercialism is to be at the centre of such development. The importance of including artists in this process was re-emphasised in the *Stockholm Action Plan* of the 1998 UNESCO Conference, “The Power of Culture”: Member States are to ensure that artists and their professional organisations are fully involved in the endeavour to make cultural policy a key component in sustainable development.

Despite the numerous calls made over the years – 1999 European Parliament Resolution on the situation and role of artists in the EU and several of its predecessors including the original UNESCO Status of the Artist Recommendation, 1980 or the report of the European Symposium on the Status of the Artist, Helsinki 1992 – there is no comprehensive framework or strategy which takes into consideration all of the particular social, economic or legal needs of artists and their working life. The incredible explosion in the number of creative professionals and professions over the past two decades (in some countries doubling in number), make such frameworks more important than ever.

Cultural policies in the Nordic countries and in the Netherlands have, however, come closer to realising this goal. Their particular integrated approaches or model of support for artists has been largely based on direct aid (artists’ grants, awards and prizes which promote excellence and systems of income guarantees and pension which provide social security) coupled with new sources of income for artists derived from compensation measures via public lending right schemes etc. They are not necessarily allocated in the form of project grants but given to writers, painters and composers for a period of time to do their work. There has been an increase in the role of Foundations in supporting creative work, yet, public intervention remains key: Figures from the Netherlands show that the public sector was responsible for 43% of the art markets<sup>1</sup> – including public purchases of works of art, subsidies and grants through the government to artists.

The collapse of state-centred cultural policies and politics in Eastern Europe also meant the demise of a very extensive support system for artists through their unions and public purchases of work of art by the government (of course, providing they adhered to the official dogma). Today, 10 years after the changes in Eastern and Central European countries, this situation is getting better and new Funds or Endowments are being created in the Baltic States, for example. In these cases project funding is emphasised over work grants. There is, however, a long road ahead for many Eastern and Central European countries to develop lively art markets and culture industries.

The State as sole or main actor responsible for creative artists policies and

support is unfamiliar to countries such as Italy as well as in Germany and other Central European countries. Artists in southern Europe rely more on foundations and city authorities to support and create a receptive environment for their work. For example, in Portugal, the Gulbenkian Foundation has had an important role in supporting artists and their projects. Creative artists in countries such as Poland, on the other hand, are seeking funds from alternative private sources and rely on possibilities from the burgeoning culture industries in the absence of a public support system.

The UK “model” is one which has changed over the past decade and is now directing artists toward entrepreneurship; as small and medium sized enterprises in the “creative industries”. This reorientation is being backed by market incentive policies as well as training for artists in cultural management.

On a supranational and regional level, bodies such as the European Commission or the Nordic Council have had varying degrees of intervention to support individual artists and their work. For example, the European Commission via its culture programmes have never provided support for individuals but rather for networks to promote their mobility. On the other hand, the Nordic Council has provided a myriad of generously funded prizes for artists.

The above approaches describe in brief the degree of direct public intervention in the development of artists policies. It does not include indirect measures such as social security or taxation nor copyright and other schemes which nevertheless effect the working of life of artists. This is mainly a question of national concern but one should not forget it is also addressed on a pan-European level by the Commission through its directives; which candidate countries will have to incorporate into national legislation. An array of some of the more specific or typical characteristics of the landscape of public support measures for artists and markets are spotlighted in Part A of this conference background paper.

As cultural policy models vary from country to country, market conditions vary from sector to sector and as artists’ employment status could vary from day to day, we warn readers not to mistake this as a comparative nor comprehensive study. Let’s take just one example:

*During the last decades, some Governments began to “outsource” their funding schemes and dissemination programmes for artists to “Arts Councils”, “National Endowments” or “Funds”; most of which involve artists and/or their organisations in decision-making. This action began in Britain in 1945 and has since continued even into the 90’s when countries in Central and Eastern Europe (cf. the example of the smaller Baltic republics) created self-administering arms’-length organisations to replace bodies which had been run either directly by the State or by State-sponsored organisations. Despite similarities in “name”, their funding tasks and degree of autonomy from state ministries or departments responsible for culture and the arts differ greatly. Obviously one can not compare national institutions such as the Swedish Konstnärskommittén (Arts Grants Committee) with the Portuguese Gulbenkian Foundation, both considered to be major sources for funding of creative artists work in their respective countries. Or how about the Irish and Finnish Arts Councils?*

On the other hand, the background paper was designed as “food for debate” in Visby; to provide participants with up to date information on national support measures for artists in different countries. 17 country profiles are presented in Part B. They were chosen in co-operation with the conference organisers to reflect the different approaches by governments in the North, South, East and West Europe; countries with varying traditions and levels of support for creative artists. These profiles are, however, not all encompassing documents and do not reflect the official positions of the respective national governments. We encourage participants to provide us with comments or necessary additions either by email: [info@ericarts.org](mailto:info@ericarts.org) or in person during the Visby meeting in order to avoid stealing time and energy away from the conference itself. Misunderstandings resulting from poor translations or from the process of condensing volumes of material in two pages will certainly arise and are normal. We have tried to avoid this situation as much as possible by using credible sources and by consulting national experts and ongoing research and documentation projects carried out for the Council of Europe, a European group of Foundations (AICE) and some governmental reports on the culture industries.<sup>2</sup>

Part C provides the reader with personal views from experts on some of the basic challenges facing creative artists today in the fields of literature, visual arts, and music composition; with concluding remarks on the basis of the three working papers. The issues presented in these papers can be taken up in the workshops dedicated to these individual fields as selected by the conference organisers.

The time provided for this exercise – a little more than two months – did not permit us to take up the challenge of a more systematic research to map out all the actors and elements in creativity funding. Neither could we go into more detail about regional, city or municipal policies – which play a very important role in some countries – or basic and professional arts education; tasks required in the near future.

We are grateful to the Riksbankens Jubileumsfond (Stockholm) for supporting the production of this paper together with the Swedish Ministry of Culture. We would also like to thank those experts who have, on a very short notice, contributed to this effort by preparing the sector challenges papers and updating/preparing the country profiles, they are mentioned at the beginning of each paper. In addition, Margrit Müller provided invaluable support to the ERICarts Secretariat in the editorial process. Several ERICarts members have rendered important information on sources or names of persons to contact; we would like to mention Idalina Conde, Robert Harauer, Dorota Ilczuk, Elka Tchernokosheva, in particular.

As a final note, we would like to underline the aims of the Swedish Ministry of Culture: to create an ongoing, sustainable exchange of experiences between governments and creators on the conditions for professional artists’ working life. This is important not only for national policy makers to inspire each other but also to establish an ongoing dialogue with those to whom their policies are aimed. How the responsibility for implementing change should be distributed between national and regional levels remains an open question as regional and national models are not entirely consistent. What the hotly disputed

“subsidiarity” issue on the European level could or should mean, in this context, including the “horizontal responsibility for policy making” is also one of the items to be debated in Visby.

*ERICarts, Bonn, March 2001*

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<sup>1</sup> Merijn Rengers and Erik Plug. “Private or Public? How Dutch Visual Artists Choose between Working for the Market and for the Government”, in the *Journal of Cultural Economics*, Volume 25, No.1 February 2001, Kluwer Academic Publishers.

<sup>2a)</sup> *Cultural Policies in Europe: a compendium of basic facts and trends*; <sup>b)</sup> *Creative Europe*; <sup>c)</sup> *Culture Industries Reports for NorthRhine-Westphalia and Saxony-Anhalt*.

# Spotlight on Selected Public Measures for Creative Artists

Determining the value of public measures in achieving a sustainable environment for contemporary writers, artists and composers<sup>1</sup> work is one of the main tasks of the Visby debates. In the past 20 years there have been several Europe wide initiatives to document a seemingly fragmented landscape of public support schemes and programmes for creative artists. This paper builds on the structures and aims of these earlier studies<sup>2</sup> and updates the material in a condensed manner. Its purpose is not to serve as a truly comprehensive or comparative catalogue of good and bad practices; examples provided from different countries serve rather to illustrate trends and some critical remarks.

The programmes and concrete measures presented are based on material available from the Council of Europe “National Cultural Policy Review Programme”, the “Compendium of Cultural Policies” of ERICarts and the Council of Europe<sup>3</sup> [www.culturalpolicies.net](http://www.culturalpolicies.net), from other documents and studies.<sup>4</sup> Information was also provided by national experts and professional organisations working in specific sectors within the arts and media fields.<sup>5</sup> The material has subsequently been organised according to 4 main categories:

- I. *‘Individual Support’* schemes for creative artists ranging from awards to grants (project, work, travel), scholarships or compensation packages;
- II. *‘Market Support’* for artistic work such as public purchasing programmes for books or artworks;
- III. *‘Dissemination Support’* for artistic work including target groups;
- IV. *Legal and Social Frameworks In-Brief*<sup>6</sup>

In addition to debating the value of such schemes and measures of support, it is important to ask ourselves whether or not it is “self-evident” that Governments should be engaged in direct funding of artists work. The answer to this question is not as obvious as one might think given the reality that more and more public responsibility for funding creative work is being delegated to foundations (e.g. in Portugal), private sponsors (in some parts of Central and Eastern Europe) or even neglected altogether. The following statement made in the context of the Council of Europe Programme of National Cultural Policy Reviews (Italian expert report), could probably be taken as a general indication of how the situation in many European countries is seen from the point of view of artists or experts:

*“Contemporary artistic concerns are marginalised at the fringes of structures whose design and purpose reflect the heritage of the past rather than the living producers and potential consumers of today”.*<sup>7</sup>

Such statements are supported by the realisation that funding for individual contemporary artists and their work rarely seems to exceed 1/10 of all public expenditure for culture.

Looking back over the last decade, we can distinguish between a few general trends of individual support schemes for creative artists:



- In many countries, indirect measures (e.g. taxation technical aid, new copyright royalties etc.) have begun to partly replace direct monetary contributions to artists which were popular in the 70's/80's;
- Direct contributions are now more frequently based on merit and excellence rather than on social welfare-oriented or membership-based criteria.
- Specific groups in the “artistic workforce” (e.g. immigrants, women) received greater attention during the 90's. This trend has not necessarily been sustained.<sup>8</sup>
- There are new programmes and models involving new technologies<sup>9</sup>.
- Public funding bodies in several countries are being forced to follow overall government priorities of social cohesion, urban regeneration etc in their grant giving procedures.
- The influence of artists organisations in cultural policy processes and on funding bodies varies greatly in Europe; they definitely play a more prominent role in the Nordic countries than in some Southern countries, where political interests have a large role in decision-making. The role of such organisations in countries of Central and Eastern Europe and in the Netherlands remains in transition. In other countries such as in Austria or Germany, expert juries or critics are more influential.
- There is a slow but definite trend towards a “Europeanisation” of programmes in some countries and a “re-nationalisation” of them in others.

## I. Individual Support Schemes for Creative Artists

### 1.1 Specific experiences with cultural awards and competitions

Cultural awards are usually given for outstanding achievements, e.g. a life's work, for a certain piece etc. by public and private bodies or as a result of competitions (particularly in the field of music). In some countries, especially those with a less active central Government, such measures can be among the most important instruments for the promotion of individual artists.

*In Germany there are currently over 2,500 regularly awarded cultural prizes, bursaries and project grants with an overall value of more than €50 million (over 75% of this money comes either directly from the different levels of Government or from public-private partnerships). More than 9,000 annual allotments (prize units) are given by a variety of sponsors and over 2,000 of them with cash awards of over €5,000 given specifically to visual artists, writers and composers<sup>10</sup>*

The immaterial value or “symbolic capital” (P. Bourdieu) connected even with honorary awards should not be under-estimated as they may reach well beyond “material” returns. These awards are based mainly on the prestige of the donors or sponsors, the originality of the objectives of the award as well as the reputation of the jury or previous prize-winners. There are, however, also elements of criticism connected to such measures:

- In several countries, critics fear that “regular” measures of state support may actually suffer from too many prizes and competitions, where money is awarded on the basis of merit and excellence rather than on fixed criteria defining professional or social needs;
- Prize awarding mechanisms and conditions differ greatly and many of them will not lead to true distinction via symbols for outstanding quality, proper PR or relevant financial contributions;
- Quite a few awards have become more prestigious/beneficial for the donor than for the recipients.

While awards and similar funding measures could indeed form part of a more elaborate public system of promoting artists, starting with specific scholarships for the young and ending with achievement-based contributions to the aged, it is difficult to find evidence of such models. Competitions are usually less attractive for established professional artists and more interesting for younger artists with another main profession.

## **1.2 Travel grants and -compensations**

There are several different forms that travel grants can take. The two most common ones are:

- a) Individual, mainly project- or training-related grants, where the artist determines the destination and purpose of the travel, or
- b) Travel grants in the context of larger programmes with set destinations and goals.

There has been a decline in the number of grants in the first group including vacation and recreation bursaries, which is to the detriment of artists. While travel grants for exchange purposes, e.g. in the framework of bilateral agreements (such as the French-German Youth Exchange OFAJ) or connected with cultural exchange programmes e.g. the “Pepinières” for young artists of different sectors, organised in France and based on a network of participating European cities and national correspondents.

A third type are grants given to artists or authors to cover the cost of their participation in touring exhibitions or lectures etc., within the country or abroad; this type of activity is sometimes covered by exhibitors and private publishing houses or bookshops.

It is obvious that travel grants are of high importance in a Europe which is supposed to be moving closer together. Artists from Central and Eastern European countries, in particular, should be offered more opportunities to travel in the “West” and in their own region. Of course, the Soros Foundations in the past years has been of particular importance for their mobility <sup>11</sup> as well as the travel programme of the European Cultural Foundation (APEX programme) and KulturKontakt, Vienna.

### 1.3 Residencies and similar grants

Quite a few residency programmes are offered in connection with grants to travel abroad and work in the growing number of artists' centres (*Künstlerhäuser*, or *maisons des artistes*) owned or financed by the state. Artists are normally given studio space free of charge as well as a monthly allowance. These studios are often located in "inspiring" landscapes – e.g. Visby in Gotland/Sweden – or in large cities, sometimes as a meeting point for artists from different countries – like in the *Cité internationale*, located in university quarters in the south of Paris, the *Ekely* artists residencies near Oslo or the *P.S. 1 studios* in New York.

Residencies or *bourses d'atelier* are also offered in connection with working contracts (e.g. at universities or summer-schools), sometimes they fall under the category of city development measures (offering longer-term studios) like in the case of France:

*Due to the growing number of "artists' squats" in Paris and throughout France, the Ministry is planning to build 1,000 artists studios – new studios and renovation of existing buildings – throughout the country (via the FLACRE programme).*

Relatively new are "city writers" or "city drawers" (*Stadtschreiber*, *Stadtzeichner*) where writers or visual artists are invited for 6 months to one year to a city or town, hoping that their work will reflect some of the experiences they gained on the spot or otherwise add colour to a local cultural scene. While an interesting model, it is sometimes criticised by artists due to the lack of adequate resources or bursaries to cover their expenses "sur place" as well as their regular living costs (e.g. rent) at home which need to be maintained while he/she is at the residency. Public or private support for "self-help initiatives" of artists to set up their own regional artists centres, including places for guests from outside, are sometimes put forward as alternatives or solutions.

### 1.4 Project grants, work-grants, experimental commissions

These measures are among the main components of public funding programmes for individual artists. In some countries they cover all three groups of creative artists as can be demonstrated with an example from the Netherlands:

*The Literature Fund is designed to encourage the production of Dutch-language literature by offering writers and translators scholarships, extra payments above their normal salary, start-up grants and travelling scholarships. The Creative Music Fund provides similar support to musicians and composers. The Fund for Visual Arts, Design and Architecture offers financial assistance to individual artists in 7 different ways: working grants, stipends for starters, specific project grants, travel and study awards, funding for publications or architectural presentations.*

In theory, such schemes should enable an artist to work on a specific project without interruption or financial worries. Such expectations can, of course, only be met by adequately financed grants – the average compensation should, therefore, be a minimum of ca. €15,000 for a period of work calculated for 6 months on average; unfortunately the number of grants which equal such an amount are rare in most countries. Monetary values such as this one are surely ambiguous. For example in Austria, 10-one-year grants given to composers equal a mere ATS 144.000 or €10,465 per year which is surely not enough to sustain a living there.

Exceptions do exist which can be considered as compensation to the lower level cash awards including longer term grants of three or up to five years providing a regular or basic income during which time major works can be tackled as in the case of Sweden and Finland.

There are, of course, various application procedures to receive public support including injections of funding at different stages in the process of creation. For example, individual grants could be given *ex-ante* for the development of ideas or exposés; *ex-interim* e.g. for the development of film or theatre scripts based on a treatment; *ex-post* compensation for a finished product (text, work of art, composition) and should not really be considered as a project grant, but more as an honorarium or fee.

There are interesting models of work grants which encourage collaboration of creators with other arts professionals or colleagues in their own field, e.g. composers or playwrights engaged by theatres or orchestras to work with actors, conductors etc. over a certain period of time to create a new work.

*Between 20-25 composers are commissioned each year to work with colleagues as well as with engineers and scientists at the Institute for Music Research attached to the Centre Georges-Pompidou, IRCAM in France on productions involving new technologies.*

While such models are inspiring, only a few artists can benefit from them.

## **1.5 Artists – and authors ‘salaries’ and honorary pensions**

As the title suggests, artists or authors’ *salaries* are monthly honorariums or payments given to selected artists to ensure that they have a minimum yearly income – the level of which is determined by the state – which would allow them to concentrate fully on their artistic or creative work. The guaranteed minimum income schemes can either be for a defined period in an artists career (for example at the beginning or near the end) or for life.

Artists or author’s salaries are measures found mostly in the Nordic countries as well as in the Netherlands and used to be popular in some East and Central European countries. The Dutch, in fact, had the first and most far reaching artist salary programme in the visual arts, the so-called BKR – *Beeldende Kunstenaars Regeling*. The programme was started in Amsterdam on the initiative of the Dutch Artists Union in 1947. It became law in 1956 for the whole country. Almost ten years later over 350 visual artists received the BKR

salary. This regulation came under criticism in the 70s and early 80s. At this time much more money was spent on, for example, buying art works for local purposes than on the BKR which was eventually dissolved in 1987. Today there is a new approach, concentrating on the first years of an artists career:

*The Income Provisions for Artists Act (Wet op de Inkomensvoorziening voor Kunstenaars, WIK) provides young artists with the possibility to receive a basic income (70% of welfare benefit) to build up his/her professional life in the arts. Payment of WIK benefits stops once the artist begins to make a profit from his/her work or after the maximum 4 year period which need not be consecutive.*

*There are also several hundred basic stipends given every year to those artists who are not earning enough money to continue their professional work (a maximum of NLG 60,000 or € 27,200 for a two year period). The Stipend may be adapted by the artist to his or her own income and requirements, for example, during a period when they are not selling very well or after he/she received a well-paid commission.*

*Another example is found in Sweden where the state guarantees a minimum income to visual artists, writers and composers. This measure is based on the artistic merit of the author's work and following nominations from 3 sector specific funds. In 2001, an average of ca. €12,700 will be given to 150 artists each.*

While normally supported by the art scene and unions, there has often been some criticism of such schemes because they are considered counterproductive to creativity and production.<sup>12</sup>

Concerns expressed in some other European countries are based on another form of regular "income" mainly the old-age funds called: "artists rewards, "honorary stipends" or "Ehrensold". Pension schemes in countries such as Finland currently serve as many as 1,000 artists.

*In Hungary, for example, the pension paid for holders of the titles "Artist of Excellence" or "Poet Laureate" in 2000 was HUF 50,000 or ca. € 187 per month); for the "lower" title of "Artist of Merit" it was 60%.*

Despite such prestigious-sounding titles and taking into account their low value, there is an assumption that these are often merely disguised social emergency measures and should, in fact, be replaced by a proper social insurance system for artists. Once a comprehensive system is in place, it will minimise individual measures (as can be seen in the case of the German *Künstlerhilfe* whose funds are constantly decreasing).

## **1.6 Loans and support via practical project aid (e.g. equipment)**

At the conference of Ministers of Culture of the Council of Europe in Athens, 1978, speakers from different countries e.g. France, Greece and the Nordic States, expressed their position that cultural policy should increasingly be seen as a means to balance the “negative effects of commercialisation” (then and even today one of the cornerstones of Swedish cultural policy). Counteracting these effects, caused mainly by multinational companies or national monopolies dominating the market, meant empowering individual authors, artists, composers and their projects by bringing them into a position to compete against mainstream products of “big business” with their original content. Such considerations remain valuable, despite the different language used nowadays; in the UK, for example, all activities of public and private arts enterprises as well as those of self-employed creators are put under the heading of “the creative industries”.<sup>13</sup>

Among the first problems to be solved by individual artists, in this context, is his or her chronic shortage of funds or problems encountered when trying to get loans from local banks without “proper security”. Therefore, some countries have put different measures in place, including:

- start-up programmes (credit schemes etc.)
- cash or in-kind assistance to finance material or equipment (especially in capital intensive projects using new technologies)
- loans at fair interest rates or interest-free.

Such measures, if judged against regular grant or award schemes, have as an additional advantage low administration costs and can even lead to a “back flow” of money to the awarding fund or administration. This is the case, for example in France with the Institut pour le financement du cinéma et des industries culturelles (IFCIC) (see part II – “market support”).

## **1.7 Measures to improve communication between artists (e.g. ‘networking’ inside a country and beyond)**

Some national measures are aimed at improving communication between artists through the activities of national artists unions/associations or of artists/writer’s houses which receive support from the state in many countries. National policies have in some cases led to the creation of artist networks in order to reflect public goals: as an example we might mention the Poetry Ireland Network created in 1978 by the Arts Council for poetry readings etc throughout the country.

On a European platform, there have been several organised movements including the European Writer’s Congress, the International Association of Art or the International PEN. In recent years, many artists or rather their associations have collaborated in the European Council of Artists or in the newly created European Visual Artists Network. These and other organisations have received recognition by international bodies such as the Council of Europe or UNESCO and some, such as the ECA, were even funded by the European

Parliament and the European Commission. Their activities are supposed to improve collaboration among artists and inspire further transnational co-operation via common projects, for example.

These above aims are not only to be fulfilled within the context of artists organisations, however. Larger projects of individual artists/teams are themselves good examples of transborder networking which they adhere to almost instinctively. In addition, contact with artist colleagues or with – sometimes very specialised – professional bodies, is fostered by workshops, symposiums and some larger festivals or events which have developed into traditional meeting-points (e.g. the *Steirischer Herbst* in Graz, Austria, the annual retreats of *media artists in Souillac*, France, the *Donauessinger Musiktage* for contemporary composers, the Congress of Science Fiction Literature in Poland or the *Baltic Sea Writer's Centre* in Visby).

Given the particular, mostly unfavourable, working conditions of women in the arts and media, similar events and activities have been developed: the “City of Women” Festival in Ljubljana, Slovenia or the international “Donne in Musica” symposium and concerts held for female composers each year in Fiuggi, Italy. This kind of “dedicated transnational project networking”, focussing on the artistic work itself, will probably have a bright future, especially since publicity and sponsorship money is easier to come by.

### **1.8 Support for “newcomers” and start-ups; re-training opportunities**

In line with new policy orientations to support small and medium sized enterprises, there have been specific programmes developed in recent years to help young or “new” artists to “start-up” their careers (usually the most difficult phase) via schemes to guarantee a certain level of income as well as courses to teach them to become “entrepreneurs”. Traditional awards, prizes and scholarships also contribute to the funding landscape for this group of artists.

More institutionalised training or study programmes for e.g., creative writers are rarely found with exceptions in Austria or formerly in several East European countries. There are also plans for similar opportunities in Germany, but it will clearly take more time to see whether or not this will lead to training programmes such as those currently existing for visual artists or composers. Therefore, re-training and further education opportunities, especially in the use of new technologies, are a probable and a practical alternative. Two examples provided in the country profiles:

*The Dutch “Starter Stipend” is a contribution to the income of an artist at the beginning of his or her career. It is awarded for a period of no more than 12 months and may be applied for within two and a half years after an applicant has left an advanced educational institution for the fine arts, design or architecture, or a technical university. This grant contributes to the income of professionally active artists. In 1999, the amount given was NLG 35,000 (€ 15,900) per artist.*

*“The Year of the Artist” in the UK: launched in June 2000 by the Arts Council and running until May 2001 (total budget of ca. £3.5 million or € 5.5 million). It is administered by the Regional Arts Boards and aims at the development and training of professional artists at different points in their “creative careers”. 1,000 artists have been placed in 1,000 residencies throughout the UK.*

Similar possibilities, which are normally not financed by cultural budgets, are offered in many if not most of the countries surveyed, e.g. in Austria with its federal “newstart” programme and its start-up aid to new entrepreneurs offered by the Austrian Labour Service. Management oriented programmes are growing in number, yet are not undisputed as can be seen in the UK “Year of the Artist” exercise which has been relabelled by some critics from the arts community as the “Year of the Arts Administrator”.

## **II. Market Support for Artists’ Work**

### **2.1 Aid for artist-run or controlled production and distribution facilities**

As mentioned above (cf. 1.6), possibilities to balance the effects of “commercialisation” or dominating market forces have been a continuous topic in cultural policy making in the West which began in the late sixties.<sup>14</sup> One of the means to achieve this balance has been introduced by the artists themselves through self-managed or owned facilities for the production and distribution of their work. Many of these facilities have sprung up throughout Europe including everything from printing workshops, galleries, concert agencies, trade fairs, playwright agencies<sup>15</sup>, community bookshops, non-commercial book-clubs and the like. They play an important role in the development of a climate of “diversity”, however not all of them have been sustainable and have had to close their doors.

During certain phases of artistic development or when something new was coming up (not yet appropriated by traditional hierarchies or gatekeepers) such artist led initiatives and their financial support have been particularly important and are often the only way for them to obtain public recognition. For reasons of space we can only refer to one sector, namely the media arts.

A recent study by Mediacult, Vienna, undertaken on behalf of the Council of Europe, *“Digital Culture in Europe”*, lists over 50 “centres of innovation in the arts and new technologies”. Many if not most of these centres are run by the artists themselves: from the *E-LAB* in Riga to *l’Angelot* in Barcelona and from the *Atelier Nord* in Oslo to the *Werkleitz Gesellschaft* in Tornitz. It is clear, however, that such centres would not be able to survive without some form of public intervention via investments in infrastructure or space, public access, educational services or for larger events and international co-operation. In fact, more than 50% of the funds for these centres are derived from public sources. Mediacult re-emphasises this point.



*“There is a need for strong and continuous public support (i.e. through a combination of a broad-scale long-term structural funding by public subsidies and small-scale short-term project funding)... new funding models and tools are needed (i.e. public/private sponsorships, translation support, technical support, financial support for equipment upgrading, support of software exchange and exchange of creative professionals, etc.) to improve the public acceptance of digital culture as a relevant field of cultural activity.”<sup>16</sup>*

On a cautionary note, one can not overlook the fact that not all of the artist led initiatives can survive. Scarce public money should be invested in these enterprises to fight market distortions in favour of diversity rather than institutionalising them. For example, during the 70s and 80s several specialised publishing houses sprang up in Germany to introduce long neglected works of women authors into the market. Since this literature has increasingly found its way into regular publishing houses – (or female visual artists into private galleries) – the avant-garde women run enterprises will only be sustainable in those areas where actual innovation still takes place.

## **2.2 General subsidies or guarantees for publications, exhibitions, concerts**

In principle, some sectors of contemporary artistic, literary or musical production have traditionally been taken care of by private enterprises, particularly in the visual arts via galleries, art fairs, art magazines, etc. and in literature via publishers, book fairs, literary magazines. Even the composers do not fall strictly under state regimes as they used to in Eastern Europe; they now have a possibility to choose between music publishers, a limited amount of sound recording and distribution companies, music studios etc.

In reality it is clear, however, that this private infrastructure can not guarantee a true diversity of styles or genres, and is therefore not satisfactory to creators nor to their congenial public. Especially in smaller language countries – like in those around the Baltic Sea with the exception of Germany – “creative diversity” needs to be sustained via public intervention and specific methods encouraging indigenous production and distribution in order to overcome market constraints.

For those markets which are still in development, some of the main problems include lack of buying power and infrastructure. Full fledged or partly commercial firms may not exist and former state facilities are not really functioning either.

Measures which could be considered in the best interest of authors, visual artists and composers include:

- project-related grants, sales guarantees to reduce the entrepreneurial risk of publishers, managers, galleries etc., when no adequate demand studies exist in the market;
- project support as a means of market control or steering, e.g. import

- restrictions, price guarantees, quality control;
- regulations or propositions to spend a certain share of public building costs on art works;
- purchase of works of “national” literature, music scores and art, particularly for public libraries, national museums, artothèques or conservatories. This scheme exists in many of the countries surveyed.

The remarkable example of the French *Institut pour le financement du cinéma et des industries culturelles* (IFCIC) shows us how the state can intervene in the domain of the culture industries and in smaller artists run enterprises without actually investing serious money:

*IFCIC was created in the 1980s as a credit guarantor and investment promoter in different sectors of film and other audiovisual media, music production and book editing, special activities by concert agencies, even experimental design and fashion. Under the auspices of the French state, the IFCIC is nevertheless independent and works mainly with private banks. The fund was created with a capital of 2.5 million FF and has generated loans worth billions of FF at a cost of only 1-2%. The loans are decided on a professional basis and are usually repaid.*

*As far as multimedia activities are concerned there is a special sub-fund in the IFCIC called the National fund for press and multimedia. Since the 80s, over 250 projects have been supported by this sub-fund with a total of ca. 335 millions FF. In 1999, 16 projects received a total of 11,329 millions de FF (15 millions were planned for 2000, but not fully used).*

### **2.3 (Media) Content regulations and production support**

Despite all expectations, content regulations, criteria for licenses and specific production or dissemination incentives have not disappeared from the landscape, especially in the field of the audiovisual media. On the contrary, international comparative research carried out for the 3<sup>rd</sup> Culture Industries Report<sup>17</sup> revealed an increase in their use if compared to the situation 15-20 years ago. Obviously, concerns over securing one’s national “cultural identity” in the face of globalisation and integration trends have resulted in new measures, whether effective or not. However, the study also showed that there has been a significant move away from purely “prohibitive quotas” in favour of more proactive measures favouring indigenous content production and distribution. These measures could, as well, be noticed in the new democracies of Central and Eastern Europe, despite privatisation tendencies:

*In the absence of a comprehensive system of public support for creative artists in Poland, they have been seeking funds from alternative, private sources such as foundations, individuals (patrons) or private companies. Thanks to the culture industries, artists which are producing popular or commercial cultural goods are able to generate an income. However, due to an increasingly saturated market of mass productions from the USA, income*

*generated by domestic artists and producers on the Polish market remains limited. Production quotas of 30% domestic works have been adopted via the radio and television broadcasting act. Today there are a few dozen Polish independent producers.*

Quotas and media incentives, often in the form of levies generated from the advertising revenues of private companies, do not serve all creative professions equally: they are of particular relevance to composers and to authors of film and television works which can benefit from such measures in almost all national broadcasting companies, especially in France. Some of the regulations include very detailed descriptions of how much cultural content should be broadcast every month, e.g in the Netherlands, France and other countries.

The existence of such regulations have been always controversial for advocates of free trade and freedom of editorial choice; arguments of “quality” and of safeguarding the media sphere against state intervention must also be considered. On the other side of the coin there is the belief and to a certain extent, the experience, that only incentives will compensate for the limited size of the markets in European countries, especially since not all of the cultural production of one country is attractive or transferable to audiences across the variety of markets in Europe. In this context, regulations are actually seen as a means to restore competitiveness with products from larger foreign markets such as the USA which has a much greater chance to regain their production investments in their own domestic markets.

Other measures introduced by some governments include import regulations on e.g. books, language laws, subventions for the press, for multimedia productions or for book publishers which are not necessarily connected with audiovisual regulations. For example, Austria spent millions of ATS in the form of publishing subventions in 1998 to “prevent authors from having their works published outside the country” as is reported in the Austrian country profile.

#### **2.4 Programmes to counteract market inequalities of specific groups of artists**

As mentioned above, public intervention has been and continues to be required to ensure and support diversity including art exhibitions of women’s work, community arts programmes, publications in languages of national minorities etc. These activities are, however, in danger of being lumped under one umbrella in the context “mainstreaming” policies which are popularised by the European Union. This is the case in the UK and in the Netherlands whereby gender equality for women working in arts and media professions have become integrated into the larger “cultural diversity politic” replacing much needed specialised programmes to achieve or sustain equality even on commercial markets.<sup>18</sup>

## **2.5 Arts promotion in foreign countries (e.g. via art fairs, translations etc.)**

The promotion of one's national culture abroad usually falls under the responsibility of the foreign office and is considered to be prestigious. Hundreds of millions of EURO are spent in this domain in countries such as the UK, France, Germany, Italy and Spain. Smaller countries have programmes such as in the case of Switzerland via the *Pro Helvetia* Foundation (not a diplomatic agency) which is also in charge of domestic arts funding programmes.

Some countries in Europe manage special funds to promote the mobility of their domestic artists as well as inviting those of other countries to contribute to the diversity within their own country, e.g. the *Visiting Arts Programme* of the British Council. In France, as in many other countries, the government manages a translation fund for French books to be translated into foreign languages. The condition is that a foreign publisher collaborates. In Austria, private galleries receive special subventions for the representation of Austrian artists in international art fairs. In many other countries there are a number of information centres which specialise in promoting their visual artists, composers and writers, such as in Sweden and in Finland: Literature Information Centre, Music Information Centre, Frame for Visual Artists. These centres also give grants for translations, exhibitions, fairs etc. which are extremely important to help circulate the work of artists.

For some promoters of art, music and literature, this type of support has become a regular part of their budget lines and marketing efforts.

On the European level, there exist support schemes for the translation of literary work of minority languages or small languages in order to facilitate their dissemination.

## **2.6 Support of market-transparency (e.g. handbooks, research etc.)**

The best choice of market support would probably be measures which do not try to regulate or even dominate the work of creative artists but empower them to help themselves. Markets in the information society have become more and more complicated and despite the Internet and other new technologies it remains difficult, if not impossible, to profit from all the opportunities offered by them.

This has led to interesting efforts aimed at increasing transparency and encouraging the self-management of artists in different countries and on the European level via databases, directories, handbooks, newsgroups, websites etc. Seminars, colloquia etc. for artists about trends in the culture industries or specialised information centres such as the Music Information Centres should also be mentioned.

The Arts Council of England has been particularly active in this field by enabling the production of European directories some of which include an overview of artist network structures<sup>19</sup> or touring guidelines for artists in different European countries<sup>20</sup>. The Zentrum für Kulturforschung in Bonn has produced the authoritative "Handbook for Cultural Affairs in Europe" together with the CIRCLE network and other specialists (1985, 1995, 2000) as well as the German "Handbuch der Kulturpreise". In other countries such as France,

Austria, the Netherlands and Italy, there exist similar publications indicating available funds, awards, investment opportunities or directories of relevant organisations, some of which are already available on the Internet. Research needed for such stock-taking often comes from specialised institutes or documentation centres, such as the Département des études and de la prospective or the Research and Publications Unit of the Arts Council of Finland, most of which are listed in the CULTURELINK database, located in Zagreb, Croatia.<sup>21</sup>

The impetus for collecting and comparing European information came originally from the desire for interaction between artists and arts/cultural organisations of Western Europe with their counterparts in Eastern and Central Europe, especially following the upheavals of 1989. Such information has contributed to a greater awareness of cultural environments necessary for exchange and co-operation despite real restrictions to their physical mobility. It is interesting that, for example, the landscape for cultural awards, bursaries and competitions remains in many countries surprisingly ignorant of European co-operation despite the movement of artists and journalists across national borders for decades. If true mobility of actors and information is to be achieved in these sectors, greater transparency.

### **III. Dissemination Support for Artistic Work (work with target groups etc.)**

#### **3.1 General programmes to improve audience reception of contemporary art, music and literature**

Public policies and programmes on participation in cultural life and improving access of citizens to culture has been a major priority of governments for many years (especially in Scandinavia, the UK, France and in the Netherlands). The activities generated from this type of policy priority include, for example, reading promotion programmes in schools whereby the state works with authors, bookshops or special institutions such as foundations (e.g. *Stiftung Lesen*). The most important aspect about such types of programmes is the presence of a “real-life” author or artist as “motivator” working with the public in schools (e.g. art classes) or as special guides/lecturers in museums or galleries. These programmes not only help to bridge the societal gap between the artists and the public but also act as a public educational tool. In the field of contemporary music and its dissemination, there have been specific efforts made in the Nordic countries as well as in Italy to acquaint more people with different genres:

*The Ministry of Cultural Affairs in Norway set up a nation-wide programme called NorConcert (formerly the “Norwegian State Foundation for the Nation wide Promotion of Music”). Its mission is to create concert environments far away from the capital or other big towns. Schools or day care centres have been among the targets of the activities of NorConcert. Composers and performers are then able to present their modern works to a*

*wider audience*<sup>22</sup>. In Italy, concert series on contemporary music have been organised in the capital and surrounding areas by the *Donne in Musica Foundation*, which also commissions compositions of modern works from both men and women for this purpose.

Other types of activities resulting from a policy strategy to develop “cultural citizens” are those concentrating on *access*; making it either easier for those who want to participate in the cultural activities of a community but are physically or financially restricted from participating. The will or curiosity of the citizen to take advantage of such public places or opportunities is essential. Programmes include: “artothèques”, “art-banks” or “art-leasing”: in Ireland, schools, hospitals, public galleries, state-sponsored bodies etc., can take out loans from the Arts Council’s Art Collection. Other schemes make it easier for the average citizen to visit exhibition halls, public galleries, such as the case in the Netherlands:

*“Reduction cards” such as the Museum Pass (reduced entrance fee for museums) and Cultural Youth Passport (reduced fees for theatre and cinema tickets). The Museum Pass is given for free when you buy a rebate card for the national railway; the Cultural Youth Passport is also given for free without such conditions.*

### **3.2 Broad-scale artistic, musical, literary events and ‘alternative’ forms of presenting art, music and literature in the public space**

Another technique to develop audiences for artists’ work and to motivate their participation, has been large scale events and alternative or spectacular means of presenting creative works. Recent strategies themselves can be considered multi-dimensional including encouraging state cultural institutions to re-examine their capacities to provide adequate *services* which their visitors *deserve*. The great variety of new public and private actors or media which are now “competing” for the leisure time and “wallets” of potential visitors are forcing public cultural institutions to adopt new approaches which include marketing activities.

In addition to generating cultural tourism, large scale events, all night arts festivals (e.g. in Helsinki), thematic days (e.g. international book day) or biennial type international exhibitions, provide professional artists with the possibility of having a larger spotlight placed on their work than is normally the case. For example:

*Jack Lang was among the initiators of the “Fête de la musique” which has developed into a world wide event attended by millions of people each summer. The festival involves musical institutions or services, orchestras, music schools, conservatories, radio stations. It is normally held on the streets which gives younger and contemporary artists the possibility to have an audience which they may not otherwise generate due to lack of access to mainstream clubs, radio stations or record labels.*

The value and success of such events is highly dependent on the organisers to provide a well developed and diversified programme (e.g. also including modern music, artists from a variety of backgrounds and ages). Whether or not there is an opportunity for a discourse among the professional artists themselves and with the public can also be a factor in the success of large scale events: “visitor schools” for the public to learn more about a particular genre (e.g. at the *documenta* in Kassel) or symposiums attached to large-scale festivals, can help in achieving this goal.

There is, of course, a possible danger of “festival inflation” (in France there are over 2,000 festivals each year<sup>23</sup>) which would distort a more sustainable and regular involvement of the public in the cultural life of their community. National efforts have been made to evaluate public participation in festivals and cultural life in general. A comprehensive Europe-wide study would, however, be needed to evaluate the “real” benefits to creative artists and the effects of such large-scale events in the development of the different fields themselves. This aspect is often forgotten in the economic impact studies carried out on festivals.

There are several avant-garde festivals which have turned into meeting places for artists such as the DEAF (Dutch Electronic Art Festival) held every two years in Rotterdam and includes symposiums, exhibitions and possibilities for artists to interact with the public.

There is also an emergence of virtual and “real time” events taking place over the Internet. The obvious desire among younger creative artists to use the Net as a tool to communicate with potential audiences and colleagues, can also lead to new interactive art forms which are also being developed, as well, in the field of literature, including poetry. Much of this may be mostly theory now, but is undergoing rapid development.

### **3.3 Public call on artists to assist in civic tasks**

The constant participation of artists as “Ambassadors” for international organisations such as UNICEF, as “natural donors” to good causes, in poster campaigns for the election of the European Parliament, in TV talk shows and the like underlines their “attractiveness” for political and media managers in advancing certain goals. Artists are popular as “identification figures”, sometimes considered almost as symbols for freedom and cosmopolitanism or, on the contrary, national identity. Aside from these high profile roles, a good number of artists also:

- work as art, music or literature teachers or advisers in schools, academies and training institutions,<sup>24</sup>
- sometimes set up specialised music schools or private art academies etc. on their own risk,
- bring artistic expertise into educational processes in other ways, e.g. through drama groups, artists-in-schools programmes<sup>25</sup>, creative writing workshops in libraries, participation in new media development projects for arts education<sup>26</sup> etc.,
- use their professional expertise as advisers for ministries or local

- authorities;
- act as “godfathers/mothers of literature”, music or art in local or regional programmes,
- facilitate contacts between the arts world and young people e.g. via educational broadcasts or
- open their workshops, their ateliers for the public, discussing or explaining their work.

Some countries employ artists as regional animators, networkers and developers using their own artistic discipline as a platform.

*In order to stimulate contacts and creativity between artists in various fields and in local communities, three-year grants for regional artists are shared between the National Council for Cultural Affairs and the regional boards or institutions that employ one or several artists. So far about twenty artists have been employed making a constructive network within the regions and also between themselves.*

While some artists are as politically active as other citizens, their personal involvement can be stronger in cases where their own work or expertise is concerned. This can lead, for example, to interesting artistic exchanges in border regions, some of which work together as “Euregios”.<sup>27</sup>

Of high political significance are developments taking place in Eastern and Central Europe and, particularly, in the Balkans: Artists and writers were actually the first to question and break down some of the cultural barriers that were erected under nationalist banners or as a result of armed conflict and oppression.<sup>28</sup> There is much which still remains to be done in these regions and, obviously, it is the artists themselves which must contribute to such changes, as is pointed out by the Romanian photographer and art critic Mihai Oroveanu:

*“...the orientation of the artists in these countries [of South-East Europe] towards the West... is conceived in terms of prestige rather than in terms of commercial success. On this score, I feel we have made a loss rather than a gain over the last few years, or at least a gain mixed with a loss: for years contacts existed between these countries, at times of a rather formal nature and often subject to political interference, but at least they were continuous; these contacts have been broken...”<sup>29</sup>*

### **3.4 Other forms of ‘dissemination’ support for target groups in social and working life**

“*Culture in the working life*” was a famous exercise of the Swedish National Commission for UNESCO with its partner organisations in several European countries conducted during the second half of the 70s. This joint study, published in 1980, collected facts and experiences as well as many projects in which artists were involved. The analysis concluded that, if organised in close co-



operation with the workers and their representations, such activities had their place in the world of industry and commerce and produced interesting results for increased cultural participation as well as work motivation. Some 20 years later, one might ask where such enthusiasm has gone, since little is known about new programmes which resemble the old models: Is it that most artists or recreation managers do not believe in such ideas any more? Are there other possibilities from the media and leisure industries which have replaced such targeted efforts? Is there another set of values guiding the factory managers or administrations, which puts efficiency and the “shareholder value” over non-binding activities or expenditures?

Maybe it is a mixture of all of them. Despite this, a “change of management paradigm” continues to connect artists and well-known architects or designers, to business activities in a functional manner and for more decorative purposes. Today, many large companies have cultural programmes or even “cultural departments”, which organise events or have contact with local or international arts scenes and sometimes engage in general “arts sponsoring” activities. In Italy, for example, many of the exhibitions of contemporary art are either organised or sponsored by banks or their foundations; in the UK much of the musical and theatre activities could not exist without such support. Companies are increasingly sponsoring their “own shows”, e.g. music tours, prizes or exhibitions organised in line with their marketing goals (Philip Morris or the Volkswagen Group could serve as a reference, in this respect). This does not rule out more “serious” – and well received – direct co-operation of companies with the artists. In few (rare) cases, companies are even confronting their employees with co-produced avantgarde or “net art” (e.g. in the “*Siemens Kulturprogramm*”).

Changes have also been taking place over the past decades in cultural policy programmes aimed at immigrants or other cultural minorities. What roles should each of the communities, artists or even the state play? For reasons of space we cannot go into more detail, but encourage such discussion during the Visby conference.

From a somewhat broader perspective, there is the question of *art and artists in the development of cities and city quarters*. During the 90’s this has been the subject of a larger study and development project launched by the Council of Europe,<sup>30</sup> which included somewhat surprising reflections about the “powerful factor” artists could represent in the neighbourhoods:

*“In spite of the relevance of their role in stimulating neighbourhood cultural life, artists are a weak category that must be supported in order to smooth their integration into the neighbourhood. If they are left alone, artists can be swallowed up by the marketplace and pushed into a survival niche.”*

To make use and, at the same time, take care of these supposedly “weak” artistic factors in community development, city and state governments as well as professional bodies in different countries have launched special programmes and schemes, of which we can mention some examples from Ireland (but also exist in many other countries such as the UK, Sweden, Finland, etc.):

- Artists or writers-in-prisons, administered by Department of Justice;
- Artists or writers in the community, organised by such bodies as the Irish Writers' Centre;
- Artists in youth-work;
- Arts and health initiatives or disability projects;
- Artists as "attractions" in cultural tourism projects etc.

Another related example from Ireland is the *FÁS Community Employment Scheme*, a training/employment scheme, which is widely used by artists, giving them the possibility to work in e.g. community arts projects for ca. 20 hours per week while having access to training opportunities (e.g. in digital technology)<sup>31</sup>.

These and similar programmes have been met with criticism from the part of artists and experts in cultural policy. In addition to inadequate payment and social protection, the disturbances caused by some of these programmes have been addressed. Stella Coffey<sup>32</sup> sums up:

*Within Ireland this dilemma is reflected in artists' concerns about what has been described as the increasing "use of artists as social workers" on the one hand while on the other hand few can continue to do their own creative work and simultaneously survive financially...The problematic issues for many artists involved include: low pay levels and other exploitative conditions; their lack of appropriate skills; poor or negligible provision for appropriate skills development; inadequate understanding on the part of many project organisers of artists' processes. While many artists welcome work opportunities that are art related there is a need to ensure that policy developers and other decision makers do not achieve their objectives on the back of exploited artists.*

## IV. Legal and Social Frameworks

### 4.1 Overview of issues in "copyright" protection

The last thirty years have been recognised as decades of great expansion in the field of authors' rights and neighbouring rights. Many European countries have amended their copyright laws trying to deal with new and traditional forms in the use of authors' work by introducing such measures as public lending rights, compensation for reproductions or blank tape levies. Generally, there may be a basic or relatively clear understanding of these measures, however national solutions, definitions, assessments of the value of the use of author's work, concepts and schemes for the distribution of revenues, etc., vary greatly from country to country.

For example, in the French inspired *continental tradition*, the precise level of remuneration of an individual author or subsequent owners of all or most of his/her rights is supposedly based on the actual use of the work, e.g. representing its market success. In many cases, the real value of the intellectual property is

only known after the death of a composer, an author or an artist. It has become quite common for international publishing firms and other users of authors' work to create portfolios (depots) with the most attractive or profitable rights while the average or less profitable contracts are terminated a few years after they have been concluded<sup>33</sup>. In addition to being dependent on market success, the exact amount of compensation an author receives for his/her rights is far from being guaranteed as demonstrated by the existing lump sum compensation schemes or levies raised on technical devices, e.g. copies.

In other traditions, e.g. in the Nordic countries, the distribution of copyright royalties is more integrated into the general cultural policy frameworks and is oriented towards measures in favour of living creators (a special feature in these countries). In the *Anglo-Saxon tradition* of copyright, the integrity of the author in their work (moral rights) is less considered while coming closer to meeting the needs of producers.

On the European level, the EC, via its directives, has been trying to harmonise basic elements of a nearly 150 year old set of rules and principles, such as the duration of protection etc. Questions of further improving "copyright" legislation form part of nearly every public debate held with artists over the past decade. Recent moves of the European Commission and the European Parliament to create basic "points of departure" for author's contracts will probably lead to further discussions in Visby.<sup>34</sup> In the field of visual arts, aspects of copyright which are currently being debated on national and European levels include exhibition royalties or resale rights (*droit de suite*). Contributions in Part C address such issues in greater detail with a specific viewpoint from each of the three professional fields of the conference. Overviews of the different legal systems existing in Europe are available through many publications.<sup>35</sup>

The organisation of copyright protection and the distribution of royalties in the different European countries do not function according to similar standards. This is not only the case in the new democracies in Central and Eastern Europe but in some of the Western countries where not all professionals appear to be covered with similar efficiency. One example is from the Irish country profile:

*There is no comprehensive system of collecting societies for artists in Ireland, however the following two do exist: Irish Music Rights Organisation for composers, song writers, lyricists etc and the Irish Copyright Licensing Agency. The absence of other collecting societies has disadvantages for Irish artists internationally.*

In recent years there have been innovative debates on the fundamental principles and general concept of copyright regimes. Artist led discussions as well as high level political considerations have dealt with issues arising from the emergence of new digital technologies which have the potential not only of enhancing communication, marketing and reproduction but even of "cloning" works which was totally unknown to previous generations. It has also been claimed that the traditional concept of individual "authorship" may not survive the ongoing changes inside and outside of the digital world. For example, most digital or multi-media works are no longer the exclusive creation of one artist or

author. Today, working practices, even of freelances, demonstrate that singular “authors” are often part of networks or project teams (several at one time) comprised of sound engineers, visual artists, computer programmers etc., who are collectively producing or are associated with a final product. In this context, it becomes more and more difficult to determine one “original” author – the basic assumption of existing “copyright” regimes. Actually, similar problems arose in the “pre-digital age”, e.g. in the field of film rights, and have led to specific legislative concepts and distribution rules for royalties to a larger group of recipients including producers. On the other hand, new digital techniques and the increasing power of PCs allow for more and more individuals to create elaborate multimedia works on their own which was considered impossible in the old days. Possibilities for design, or generating music scores etc. are just two examples in this respect.

Several options or ideas have been brought up on the theme of copyright in the “digital age” with regard to the protection of individual creative efforts and giving creators a better place in marketing the results of their work on the one hand, and serving the needs of a public which is more and more dependent on access to information in as many forms or platforms as possible, on the other. Some of these options include:

- the development of technical devices such as embedded “identifiers” (e.g. in the form of watermarks or other encryption mechanisms to be placed within digital artworks or sound recordings coupled with legislation prohibiting their removal;
- alternative royalty mechanisms such as taxing Internet use for all users, rather than individual licensing fees for users of copyrighted images or publications;
- improved international registration systems to facilitate copyright (author’s rights) clearance and strengthen artists’ rights collecting societies. For example, the EU has been working towards developing a code of conduct through which an author can register the type of use allowed of the work and where the works and its rights holders can be automatically identified. (already found in the form of on-line licensing and through companies such as ArtWeb or media factory Inc);
- License Art Libre which grants the user the right to freely copy, distribute and transform the artwork according to the wishes of the creator/author. The goal of the license is to promote and protect traditional artistic practices of appropriation while freeing them from rules of the market economy.

Clearly more research needs to be done to explore the merits, relevance or feasibility of such ideas and systems as well as their value from the artist’s point of view. the role of existing licensing bodies also needs to be studied.

#### **4.2 Some tax measures for artists (in different tax regimes)**

There are a wide variety of tax measures for different artistic professions in Europe. These range from VAT levels, types of exemptions and the way in which taxes are collected.

For example, the difference in the VAT rates across countries in Europe as well as professional fields is indeed quite difficult to understand and there is no evidence to suggest that this kind of disharmony makes sense. For example, according to surveys made a few years ago, VAT rates on books vary from 0% in some countries to 25% in others; VAT on audio and video recordings range from 15 and 25% in most countries (exception in Switzerland with a rate of 6.5%). Self-employed authors and artists are VAT exempt in some of the Nordic countries and in Switzerland. In France VAT payment is optional and in the UK it is 17.5% on earnings from creative work, however with large non-taxable allowances. These unstable conditions are a great obstacle to the mobility of authors, publishers, artists, etc., and their ability to act independently across European borders.

#### Comparison of VAT-rates in the Arts and Media – Selected European Countries (in %)

Field Country	Regular VAT rate	Books	Press*	Sound Recordings **	Video**	Film Receipts*	Freelance Authors	Visual Artists
A	20	10	10	20	20	10 <sup>1</sup>	10	10
D	16	7	7	15	15	7 <sup>1/3</sup>	7 <sup>8</sup>	7 <sup>8</sup>
F	20,6	5,5	2,1	20,6	20,6	5,5 <sup>3</sup>	Option <sup>5</sup>	Option <sup>5</sup>
I	19	4	0/4 <sup>2</sup>	16	16	10 <sup>3</sup>	n.a.	n.a.
IRL	21	0	0/21 <sup>2</sup>	21	21	12,5	21 <sup>7</sup>	21 <sup>7</sup>
NL	19	6	6	19	19	19 <sup>3</sup>	n.a.	6
P	17	5	0/17	17	17	5	n.a.	n.a.
PL	22	0 <sup>10</sup>	0 <sup>10</sup>	22	22	n.a.	n.a.	n.a.
S	25	25	0	25	25	free <sup>1</sup>	free <sup>9</sup>	12 <sup>12</sup>
SF	22	8	0/22 <sup>11</sup>	22	22	8 <sup>4</sup>	free <sup>6</sup>	free <sup>6</sup>
UK	17,5	0	0	17,5	17,5	17,5	17,5 <sup>7</sup>	17,5 <sup>7</sup>

Legend: \* periodical press; \*\* 1996;

<sup>1)</sup> + levies mainly for film production funds;

<sup>2)</sup> Political magazines are free;

<sup>3)</sup> on NET revenues;

<sup>4)</sup> on GROSS revenues;

<sup>5)</sup> Option for exemption;

<sup>6)</sup> Does not fall under the system of VAT;

<sup>7)</sup> Generous allowances for all freelances (in IRL including authors contracts with publishers inside the EU);

<sup>8)</sup> Regarding authors rights contracts, otherwise regular rates;

<sup>9)</sup> According to the Swedish Author's Fund, the rate is 6% in 2001;

<sup>10)</sup> Since 2001, the printing of books and most types of press are under the regular VAT rate thus increasing the price;

<sup>11)</sup> Press sold in kiosks have a VAT rate of 22% and those which are delivered are VAT exempt.

An interesting feature in Finland is that 80-90% of newspapers are delivered;

<sup>12)</sup> VAT is optional up to a sales level of SEK 300,000 p.a. The VAT rate is 12%.

Sources: Excerpts from *Arbeitsgemeinschaft Kulturwirtschaft: 3. Culture Industries Report NRW 1998*, partly based on F. Rouet: , *VAT and Book Policy Impacts*, Council of Europe 1998 and Archiv für Kulturpolitik (ZfKf/Bonn). Some, but not all of the figures have been updated for 2001.

There are several measures related specifically to income tax. The Irish tax exemption for visual artists, writers and composers who qualify for residency in the country, is surely the most “famous” one. Even in this latter case, however, it is said that only a few Irish artists really do benefit from this exemption since their earnings are below the minimum level required to pay taxes.

Several of the countries surveyed give authors or artists the possibility of spreading their income on certain works over a specified period of time – usually between two and four years. Such regulations are important especially for literary authors and composers who work over longer periods of time on an individual work and are paid larger sums once their work has been produced.

There is also a wide variety of ways artists can present their annual income tax statements. Sensible measures take into account the specific working conditions and the mobility of many artists. Regulations like in Bulgaria, Poland and Slovenia, where creative artists can deduct 40-50% on earnings generated from their artistic work without documenting or specifying their expenses, appear to be advantageous (as long as a larger % can be considered upon presentation of proper documentation). Similar approaches have been mostly abolished in Western countries due to the recent moves towards lowering the general income tax rates which were “paid” for by a decreasing number of exemptions.

While it is hard to conceive of EU harmonisation in the area of income tax since they are often connected with other regimes, e.g. social security, the harmonisation of certain “fringe” measures, such as the ones suggested above, could in fact be quite useful for the artistic community.

#### **4.3 Overview of social security measures for artists**

The position of artists regarding social security is first defined by their status in labour and social insurance law (sometimes even in tax law). This status is quite insecure since artists particular work patterns would cause them to be treated differently from one law to the next e.g. artists may be part-time employees or freelance workers at the same time. In this paper, we have concentrated on old age pension schemes as well as health provisions for self-employed artists whose access to benefits depends greatly on their “employment” status or relationship.<sup>36</sup> Another main determinant to their social status is, of course, the level and flow of income: the great fluctuation of income often leads to unsatisfactory levels of pension or sick-leave-compensation. Therefore, additional mechanisms specifically designed to the needs of artists have been introduced in some countries. They exist either inside or outside the general public social security programmes some of which even deal with unemployment assistance, disability coverage, maternity leave etc. (which we have had to omit in our summary because of lack of space).

The overview on the following page provides a first impression of the general situation found in the countries surveyed, based on official reports, on the Review Programme of National Cultural Policies of the Council of Europe or similar sources. We distinguish between:

- Provisions for minimum social security protection for all citizens which seems to exist in the majority of countries, however, on very different levels of material support;
- Special measures for self-employed artists within the general social security system which are less frequent and are based on different legal platforms, some of which are more related to cultural policy administration (e.g. in Austria and Lithuania) than others such as in Germany.
- Separate state measures for self-employed artists outside the general system which are more frequent and can be considered as additional benefits in the case of sickness or as a supplement to the regular old-age pension. They are mostly given to artists who have achieved a certain standing or recognition in their country and are by no means universal.
- The last category provides an overview of those countries which have measures organised by artists' unions, associations and other bodies (mostly in the form of smaller pension supplements).

More specific details on these systems are provided in the individual country profiles (Part B).

### Preliminary View of Social Security Structures for Creative Artists in Europe, 2001

	Minimum Social Security Protection for all Citizens	Special Measures for Self-employed Artists within the General Social Security System	Separate State Measures for Self-employed Artists Outside the General System*	Measures Provided by Artists' Unions, Associations and other Bodies (e.g. Pension Supplements)*
<b>Austria</b>		X	X	X
<b>Finland</b>	X	X <sup>37</sup> (1)	X	
<b>France</b>	X	X <sup>38</sup>	X	
<b>Germany</b>		X	X	X
<b>Ireland</b>	(2)		X(3)	
<b>Italy</b>	(4)			(5)
<b>Netherlands</b>	X		X	
<b>Portugal</b>	X	(1)		
<b>Sweden</b>	X	(1)	X(6)	X
<b>UK</b>	(7)			
<b>Bulgaria</b>		(1)		X
<b>Estonia</b>	X			X (8)
<b>Hungary</b>	X		X	
<b>Latvia</b>	X			X(9)
<b>Lithuania</b>	X	X(10)	X <sup>39</sup>	
<b>Poland</b>	X			
<b>Slovenia</b>	X	(11)	X	

- \* These are usually given to “outstanding” self-employed artists.
- (1) Reviews have been or are being undertaken in Finland, Sweden and Portugal via special interdepartmental committees on extended social security measures for artists. The Swedish government has announced a survey on this topic in 2001. Bulgaria is also reviewing its entire system of support.
- (2) There is a universal system which is completely underdeveloped.
- (3) Via the Arts Council administered group of Aosdána, yet is limited to a group of ca. 200 artists recognised for their outstanding contribution to Irish Arts and Culture.
- (4) Everyone has free access to the National Health Service; no universal or comprehensive social security package which would include old-age pension or unemployment coverage.
- (5) While there are no comprehensive frameworks for the creative artists, the National Institute of Social Security for the Performing Arts (ENPALS) exists for all persons working in the performing arts.
- (6) The Arts Grants Committee and the Swedish Author’s Fund nominate a group of 157 artists recognised for their outstanding contribution to Swedish arts and culture to receive lifelong income guarantees (max. SEK 180,000 p.a.).
- (7) Everyone has free access to the National Health Service; no universal or comprehensive social security package which would include old-age pension or unemployment coverage.
- (8) Health insurance programmes for members of the Union of Composers and Musicologists
- (9) Only for members of the Writer’s Union
- (10) State pensions granted to outstanding citizens of 1st and 2nd degrees which also include artists and cultural workers.
- (11) One of the main issues being discussed in Slovenia is to extend the universal social security system to all freelance artists.

## V. ENDNOTES

- <sup>1</sup> If we speak of “artists” or “artistic” this is meant, in the following text, as a general term encompassing writers, composers and other creative professionals in the cultural field and their work. It is important to keep in mind that each of the professional fields addressed in the Visby conference are in themselves quite complex and have particular needs. On a micro level, there are certainly more creative professions which make up these fields than are often noticed in public support schemes. For example, translators are treated similar to authors with regard to grants, residencies or training, but not included in library compensation programmes.
- <sup>2</sup> Starting with two reports for the Federal Government in Germany, A. J. Wiesand: *Literaturförderung im internationalen Vergleich*, Cologne 1980 and K. Fohrbeck: *Kunstförderung im internationalen Vergleich*, Cologne 1981.
- <sup>3</sup> Council of Europe/ERICarts (eds). *Cultural Policies in Europe: a compendium of basic facts and trends*, Bonn 2000.
- <sup>4</sup> For example, A. J. Wiesand/Zentrum für Kulturforschung (ed.). *Handbook of Cultural Affairs in Europe, 3rd edition*, Baden-Baden, 2000.
- <sup>5</sup> For example, Karlijn Ernst: *Variations on a Theme – From cultural policy to subsidy for visual artists*, Erasmus Center for Art and Culture, Rotterdam 1999. A. Keseman (co-ord) *Profession Artist: Report on the Social and Fiscal Status of Artists (parts 1,2,3)*. European Commission, DG XXII, 1998. As well as replies of Member States to UNESCO for the second World Congress on the Status of the Artist, Paris 1997 or of artists organisations to their International and European umbrellas, e.g. European Council of Artists: *Overview on the Position of the Artists in ECA Member Countries*, 1999/2000 as well as similar efforts by the organisations of writers, music professions, actors etc. An earlier conference held under the auspices of the Finnish National Commission for UNESCO also addressed these topics, cf. European Symposium on the Status of the Artist, Helsinki



1992.

- <sup>6</sup> Well known and documented issues such as copyright, taxation and social security schemes, are not addressed from a legal or technical point of view; the paper rather provides an overview of such measures. More specific information about EU directives, for example, is presented in the sector papers outlining some of the main legal and social challenges for today's visual artists, writers/translators and composers. These papers also include a more detailed discussion about the relationship between artistic work and new technologies – powered by “information society” programmes of national governments and the EU – than could be presented here. Cf. For example. “*A Working Culture*”, EU Conference, London 1998 also Council of Europe conference in Prague, 1996, “*New Ideas in Science and Art*”.
- <sup>7</sup> “*Cultural Policy in Italy*”. European Programme of National Cultural Policy Reviews, Expert Report prepared by Christopher Gordon, Council of Europe, Strasbourg, 1995, page 113.
- <sup>8</sup> Cf. D. Cliche / R. Mitchell / A. J. Wiesand (eds.): *Pyramid or pillars? Unveiling the Status of Women in Arts and Media Professions in Europe*, Bonn 2000.
- <sup>9</sup> Cf. ERICarts Survey for the Council of Europe on Information Society Policies Promoting Creativity and Diversity in Europe, forthcoming April 2001.
- <sup>10</sup> cf. *Handbuch der Kulturpreise 4*, Bonn 2001.
- <sup>11</sup> The impact of Soros on the mobility of creative artists in East and Central Europe should be studied in greater detail.
- <sup>12</sup> “Because of the system of grants, artists (in the Netherlands) do not have to be production driven. Consequently, as an artist, it is easy to lose contact with the real world.” Otto Berchem, quoted in Kariljn Ernst, *op.cit.*, p. 30.
- <sup>13</sup> Department of Culture Media and Sport: *Creative Industries Mapping Document*, London 1998.
- <sup>14</sup> At the time in Eastern Europe, most of these facilities were run by state-controlled organisations and can hardly be compared, in this context. For reasons of space we cannot address these facilities here (some of which still exist today, working in most cases under difficult conditions). Generally speaking, state-run artistic production and distribution facilities have little chances to survive in market scenarios if diversity can be guaranteed in other ways – regardless of market demands – even running the risk of political changes with subsequent budget-cuts. As can be seen above, artist run or third sector activities may be preferred.
- <sup>15</sup> E.g. the influential *Verlag der Autoren* in Germany.
- <sup>16</sup> Part II of the Mediacult study, “*Digital Culture in Europe*”, Vienna, 1999.
- <sup>17</sup> Arbeitsgemeinschaft Kulturwirtschaft: *Kultureller Arbeitsmarkt und Verflechtungen*, Report for the Ministry of the Economy of the State of North-Rhine Westphalia, Düsseldorf, 1998.
- <sup>18</sup> Cliche, D. / Mitchell, R. / Wiesand A. “*Pyramid or Pillars: unveiling the status of women working in arts and media professions in Europe*”, Bonn, 2000.
- <sup>19</sup> Vial Montero, N / Fisher, R. *Arts Networking in Europe*, Arts Council of England, London, 1997.

- <sup>20</sup> Aldridge, R. / Fisher, R. / Gallagher, F. / Cliche, D. *On the road: the start-up guide to touring the arts in Europe*, Arts Council of England, London, 1996. Other directories include one on travel grants available for artists.
- <sup>21</sup> Cf. *Directory of Institutions and Databases in the Field of Cultural Development*, IMO, Zagreb, 1995.
- <sup>22</sup> Another example of this type of programme is the Riksställningar (Swedish Travelling Exhibitions). Such programmes go back as far as the 60s and 70s and had already then produced interesting changes in the rate of cultural participation among its citizens. Cf. Nylöf, G. Arnell, U, Hammer, I. "Going to Exhibitions", Stockholm 1976. A general stock-taking and evaluation of trends in Europe took place in a CIRCLE Roundtable in Moscow, 1991, "*Participation à la vie culturelle en Europe: tendances, stratégies et défis*", Paris, 1994. An update of this type of exercise is urgent.
- <sup>23</sup> According to a study produced by the French Ministry of Culture. See also Deschartre, Philippe. *Événement culturelles et développement locales*, Lettres d'information no. 33, 1998, Ministère de la Culture et de la Communication.
- <sup>24</sup> Such engagement can also be fostered in the context of arts promotion programmes, as in the case of *art professorship* positions granted via the Finnish Arts Council to outstanding artists. For a general assessment of the importance of artistic education from well known artists, such as Yehudi Menuhin, cf. "*Art and Society*", UNESCO, 1999.
- <sup>25</sup> E.g. the *Writers in Schools* scheme, administered by *Poetry Ireland*.
- <sup>26</sup> E.g. in projects funded under the new German programme Arts Education in the Media Age (cf. [www.kubim.de](http://www.kubim.de)).
- <sup>27</sup> Cf. different examples in Leerssen, Th.: *Borders and territories*, Amsterdam 1993, or Ayren, A.: *Literatur der Region* in: *Kulturhandbuch Bodensee-Hochrhein*, Freiburg 1992.
- <sup>28</sup> For example, with literary exchanges on the Frankfurt Book Fair 1999 and 2000 or during the Sarajevo Conference: *Reconstructing Cultural Productivity in the Balkans*, organised by ERICarts and FIN-Ekvit with the support of the Governments of Austria, Finland and Germany (cf. [www.balkankult.org](http://www.balkankult.org)).
- <sup>29</sup> Conference *art exchanges in south-east europe*, Thessaloniki Oct. 2000, initiated by the Greek Ministry of Culture.
- <sup>30</sup> *Culture and Neighbourhoods*, 4 vol., Council of Europe/Strasbourg 1998.
- <sup>31</sup> Pay is relative to the social welfare benefits. Recent changes in this scheme have excluded those under 25 (e.g. young graduates) and other new policy measures could even further diminish its significance in the future.
- <sup>32</sup> In her contribution for . A. Keseman (co-ord): *op.cit.*
- <sup>33</sup> A practice which may change with the emerging possibilities of "publishing on demand".
- <sup>34</sup> For more details, see [www.eu.int](http://www.eu.int), Document 597PC0628 (Directive on the harmonisation of certain aspects of copyright and related rights).
- <sup>35</sup> One example: *Copyright and Neighbouring Rights in Europe* – 4 loose leaf volumes and database published by the European Institute for Copyright and the European Centre for Research and Information on Film, Television

and Multimedia, Brussels.

- <sup>36</sup> To complicate it even further, some labour laws, e.g. in Germany, foresee “mixed categories” of workers, the so-called “Arbeitnehmerähnliche Personen”, which can best be described as self-employed “quasi-employees”. They have the right to negotiate collective agreements with “employers”, which is not possible in many other countries where all groups of freelance artists are treated similar with regularly self-employed or even entrepreneurs.
- <sup>37</sup> 1986 Law pertaining to the pensions of freelance artists and journalists as wage earners.
- <sup>38</sup> Via the December 1975 Law no. 75-1348 to “institute un régime de sécurité sociale au profit des artistes” in the Social Security Code (livre III titre 8 article L382 R382 et D382).
- <sup>39</sup> 1996 Law on *Art Creators and their Organisations* which includes a clause on social security guarantees.

# National “Creativity Policies”

The 17 country profiles which follow were constructed to highlight some important structures, achievements and difficulties regarding the working conditions of artists around Europe; including an overview of EU and Council of Europe activities in the cultural field. They are brief and will only provide a flavour for the types of direct and indirect measures currently being pursued by national governments as well as an indication of the general features of the overall cultural policy making system which vary from country to country. We have not included a list of copyright amendments taken by the individual countries nor could we always include exact figures on public spending for artistic work. Nevertheless this exercise should make it easier for participants in the workshops to have a background for the discussion on certain national models. Part A of this paper discusses in more detail the advantages and disadvantages of the different “creativity schemes” based partly on concrete examples in this section.

The main sources used to compile these profiles include:

1. Council of Europe/ERICarts (eds). *Cultural Policies in Europe: a compendium of basic facts and trends*, ARCult Media, Bonn 2000. Internet: <http://www.culturealpolicies.net>
2. Andreas Joh. Wiesand/Zentrum für Kulturforschung (ed.). *Handbook of Cultural Affairs in Europe, 3<sup>rd</sup> edition*, Nomos, Baden-Baden, 2000.
3. Alain Keseman (co-ord) *Profession Artist: Report on the Social and Fiscal Status of Artists (parts 1,2,3)*. European Commission, DG XXII, 1998.
4. Internal documentation prepared for the European Parliament on cultural policy structures in the EU (partly based on sources 1-3).

National sources are mentioned in each profile as well as a brief notation to the main sources above. We are grateful to a number of experts who reviewed these compilations and provided ERICarts with their invaluable comments and additional material when required; these experts are named in the profiles.

# AUSTRIA

## 1. General Features of Cultural Policy Making

The new government coalition in Austria (2000) changed the direction of cultural policy making which had been developing since the 1970s. According to their coalition paper, priority for subventions is no longer to be placed on the contemporary (including avant-garde) arts but rather on the folklore arts. Substantial cuts are expected to be made in all areas of state expenditure including artists' grants (a substantial increase in the arts and cultural budget had been made throughout the 90s by the previous government). The entire orientation of public cultural policy is also under question given the new government's intention to introduce measures for the "commercial exploitation of creative achievements and target-group oriented services". Such changes have been protested by the arts community who are united against these measures.

One element which will obviously not change is the federal structure of the country that assigns the majority of cultural competence to the Länder. The Federal Chancellery and State Secretary are responsible for culture, arts, and media within their remit over federal institutions, archives and libraries or historic monuments and for policy making. One of its most important goals was art promotion and it relied upon advice from various advisory bodies including boards, juries and commissions in its decision-making. The Länder each have a department or office for cultural affairs as do the majority of local government offices. Their actions in the field of culture are based on private law. In 1998, the status of many of the national cultural institutions has changed. Museums, for example, were granted "full legal capacity" and are now considered to be scientific institutions under public law. Federal theatres were reorganised as limited companies under private law; the owner of the company being the Republic of Austria. This move is seen by some as a step toward greater public-private co-operation in the cultural field and as a risk that the public interest will be overrun by market driven ideologies.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

45% of federal cultural expenditure goes toward the maintenance of large-scale cultural institutions and projects, especially in the field of the performing arts (33% of the cultural budget). In 1998, the share of total federal expenditure for the visual arts was 0.5% (3.1% on the Länder level). The music field did not fair much better - 0.6% (Federal) and 7.5% (Länder); the share for literature was 1.5% (Federal) and 0.5% (Länder).

The Federal Arts Promotion Act adopted in 1988 and amended in 1997 stipulates individual measures to support artists including: funds, grants, acquisitions, loans, commissions, prizes and awards (all of which are tax free). The Art Affairs Department of the Federal Chancellery through its different divisions provides support to individual artists and artists' groups.

In 1998, the overall support to visual arts amounted to ATS 70.34 million (about € 5.1 million), not including support for travel and grants abroad with another ATS 2.1 million (€ 152.6):

- Subsidies for the establishment and maintenance of studios (including the Artists in Residence Programme (ATS 659,000; € 47,891)
- Short and long-term grants (ATS 3.97 million; € 288,511)
- Awards and prizes (ATS 510.000; € 37,063)
- Contributions to printing costs for catalogues, arts journals etc (ATS 2.78 million; € 202,030)
- Purchase of works of art (ATS 7.51 million; € 545,772)
- Gallery grants (ATS 8.42 million; € 611,905)
- *Künstlerhilfe-Fonds and Künstlerhilfe* (ATS 43.6 million; € 3.2 Million);
- The purchase of works of art is managed by the Artothek, which has acquired about 24,000 pieces. Federal agencies and offices may borrow works of art from the Artothek.

The Austrian government ran a programme throughout the 90s to

promote the contemporary arts called the "arts-curator model". Every two years, 2 curators were selected by the government and given a budget of ATS 30 million (€2.2 million) each to complete or promote a project of their choice. Some of the projects realised include: a forum for art and theory in the *Museumsquartier*, a documentation centre with an on-line database of Austrian artists and a Music Information Centre Austria (MICA). This programme was cancelled at the end of 1999.

The promotion of literature includes grant and awards for authors (ATS 12.1 million; € 879,341), translators (ATS 2.06 million or € 149,700) and to publishing houses (ATS 40.19 million; € 2.9 million). The promotion of publishing is considered to be important in order to prevent young authors from having their works published outside of Austria. Overall support to literature and publishing in 1998 was ATS 132.62 million (€ 9.6 million). The division for children's and young people's literature contributes another ATS 3.9 million (€ 283,424) for publishing and ATS 1.5 million (€ 109,009) for grants, prizes and awards.

There has been special emphasis on the promotion of contemporary music. Orchestras, ensembles and organisations who perform music of living composers have been eligible for special grants. Every year, ten one-year grants (ATS 144.000 or € 10,465 per year) are awarded to composers.

The "Newstart" programme of the Federal government provides funds for the employment of unemployed persons for one year provided that the potential employer can offer suitable training facilities. This programme is applicable to cultural organisations. The *Austrian Labour Market Service* runs a programme to provide new entrepreneurs, including artists, advice and support when setting up their new business.

### 3. Legal and Social Framework for Artists/Authors

Statutory provisions for the arts have not been laid down in a comprehensive Cultural Act, however, legislation does provide for a number of important instruments of indirect support to the arts in the field of social and fiscal policy, a system of social insurance for artists, labour market management, tax incentives, copyright legislation, sponsorship etc.

Few sector specific regulations have been formulated based on this legislation with some exceptions:

- Austrian Fund to Help Artists (*Künstlerhilfe*) which has developed an artist's social security programme for freelance visual artists.
- Social assistance for authors is provided by the collecting society *Literaturverwertungs-gesellschaft*.
- *The Social and Cultural Facilities Fund (SKE)* was developed under an amendment to the Copyright Law (1980) which uses proceeds from blank tapes levies given to for: social and health insurance contributions; project grants; performances of contemporary music; premiums paid to composers; training programmes and for production and distribution costs of sound recording and visual image media.

A recent amendment to the *Employment and Social Security Law Amendment Act, 1997* categorises all freelance artists as "newly self-employed" which subjects freelance artists to commercial social insurance law. This means that freelance artists are now treated as "business people" for the purpose of social security and taxation; as businesses, they cannot be part of collective agreements negotiated by the artists' unions.

In August 2000, a new Social Security Law for Artists was passed. Social security assistance is now available (up to ATS 1.000 or € 73 per month) for artists who would normally earn between ATS 7,000 and ATS 22,400 or € 509 and € 1.600 per month. Artists who are eligible for this scheme must be arts university graduates and be selected by a Board. The main problem

foreseen by the arts community is that this amendment is not accompanied by specific support measures for artists within the overall social security system.

There is a reduced VAT rate (10% instead of 20%) on books, newspapers and periodicals.

*This profile was prepared on the basis of the updated contribution of Veronika Ratzenböck and Andrea Braidt (2000) to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] and from the article "Thanks for Playing Anyway" by R. Harauer, E. Mayerhofer and M. Mokre in the ERICarts publication: Pyramid or Pillars: unveiling the status of women in arts and media professions in Europe, 2000.*

# BULGARIA

## 1. General Features of Cultural Policy Making

Support for culture and the arts in Bulgaria has taken a back seat to the current economic crisis and reality of basic living conditions. While the political changes in 1989 which swept across most of Eastern Europe liberated artistic expression and creativity out from under the control of the state and its "artists unions", the entire infrastructure, from libraries to galleries or museums remains idle due to the lack of investment and of a functioning marketplace.

The priorities for the Ministry of Culture and its arms-length bodies are therefore to find ways to "jump start" their system and to develop a longer term and sustainable strategy for culture. All of this within a context of a certain level of mistrust between the younger generation in the artistic community as well as disappointment on the part of the older generation and the new government system which tries to maintain partial control over decision-making and administrative processes.

Resources for culture are mostly coming from the Open Society Fund, SS Cyril and Methodius Foundation, various EU programmes and donations from foreign funds, foundations and expatriates which is further complicating the hierarchy of public responsibilities in the cultural sector.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

Figures for 1998 indicate that public cultural expenditure for visual arts was 0% (almost 50% invested in radio and television, 20% to the performing arts and 4.3% to music).

There are no support schemes for artists at either the national, regional or local levels. Indirect support is provided in the form of social assistance (see below).

Private foundations offer three main types of support to artists which are both direct (grants) and structural (infrastructure) including: organising exhibitions or forums for young artists, creating/improving training facilities and grants for education. In 1997, the SS

Cyril and Methodius Foundation (one of Bulgaria's largest) provided financial support to 38 artists (however, mostly education grants for specialised courses or doctorate degrees).

## 3. Legal and Social Framework for Artists/Authors

The entire legal framework for artists - from employment relations to social protection during times of unemployment to income tax - is being amended.

Professional artists associations are currently lobbying the government for more favourable social and labour legislation and for incentives which would help build a marketplace for artists work.

These professional associations have made social funds available in the form of monthly lump sum payments to those pensioners living below the poverty line. Members are entitled to discounts in organisation owned shops.

At the moment, social security measures for artists in Bulgaria take many forms:

- artists have the option to either pay compulsory social security contributions for pensions at a rate of 22% of their income (self-declared) OR
- to pay a voluntary contribution at the rate of 32% for a package of social security measures including health insurance, pension, monthly child benefits etc).

Those artists who are engaged as employees must pay 2% of their gross salary as a social security contribution; the remaining 35% is paid by the employer.

Bulgarian artists are able to deduct 50% of their expenses from the income generated by their creative works. Income averaging mechanisms also exist for work that is produced over a period of not more than four years.

The standard VAT rate of 22% applies to all cultural goods and services.

*publication Cultural Policies in Europe [ref.1]. Special thanks to Elka Tschernokoshewa for reviewing this text.*

*This profile was prepared on the basis of the contribution of Dr. Rayna Cherneva, Institute of Culturology, Sofia to the Council of Europe/ERICarts*

## 1. General Features of Cultural Policy Making

During Soviet rule, the Estonian cultural policy strategy was to gather around its cultural institutions as a way to counteract the regime of russification. This policy has more or less remained until today as the majority of the Ministry for Culture's efforts have been to support the institutional structure of cultural life in Estonia, however, for different reasons.

In 1994, the government founded the Estonian Cultural Endowment to award state money for culture on a project basis. (ca. € 5 million budget in 1999). The establishment of the endowment marked a slight departure from the institutional focus of Estonian cultural policy toward a new approach for support to individual projects via grants (including travel grants). It was only a slight departure because, in reality, the endowment has provided support to the ongoing activities of the established cultural institutions. This arm's-length body is comprised of 9 councils representing different branches of culture: architecture, film, fine arts, theatre, music, literature, folk art, sports and interdisciplinary culture.

While there has been a break-up of state monopolies in the field of the culture industries and a rise in the number of private owned companies, the state provides a certain level of direct support to the publishing industry (e.g. subsidies for printing paper) and the film sector via the Estonian Film Foundation set up in 1997. Writers, however, are experiencing a particular difficulty as publishing houses are using funds to pay for translations of popular foreign books at the expense of Estonian writers.

In the past few years, many of the private owned companies have been forced to close down due to economic problems. This situation is also experienced by creative artists who face a marketplace which is not able to buy their art works or their books.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

In 1999, 50% of the state cultural budget was allocated to cover the expenses of professional theatres, museums, libraries or state-run concert organisations. This means that little attention has been given to new initiatives or projects (except what is given via the Estonian Cultural Endowment). 2.6% of this budget was allocated to the visual arts, 2.8% to literature and 6.1% to music; indeed one of the greatest sponsors of artists and their work is the artists themselves (mostly through income generated outside the cultural field).

Up until the late 90s, visual artists could rely on the grants and schemes provided via the Soros Centre for Contemporary Arts which commissioned and exhibited works of art; especially from young people. In 2000, the Soros funded Open Estonia Foundation closed its doors.

There is a state scheme to purchase works of art from Estonian artists for museums and public buildings. In the field of composition, there is a rotating artist-in-residence programme for Estonian composers both inside and outside of the country.

Since 1999, 6 state cultural awards have been granted yearly by the Republic based on recommendations put forward by a special committee chaired by the Minister. 20 additional grants are given each year by the Ministry but are administered via specific state run foundations such as the Estonian Cultural Endowment, the Foundation for National Culture and the Council for Gambling Taxes. These awards and grants are not taxed by the state.

The Estonian Cultural Endowment gives out travel, individual and project grants four times per year as well as prizes for creative works and pension supplements to retired artists.

## 3. Legal and Social Framework for Artists/Authors

There is no comprehensive legal or social framework for artists or writers in Estonia.

Self-employed artists have the right to income averaging over a period of several years as well as the possibility to deduct expenses related to their work on their income tax. They also have access to health insurance and a pension via a "social tax" of 33% their income.

Writers, on the other hand, are treated as entrepreneurs who are subject to normal rates of tax. In a survey of the Writer's Union, only 5 out of 227 can earn a living from their writing alone. Public lending rights have not yet been introduced in Estonia. In 1998, the VAT rate for books was lowered to 5%.

The Union of Composers and Musicologists has been able to indirectly support composers via a health insurance programme and by commissioning works from its members. Only 3 out of a membership of 90 could survive on their compositions alone (1994). The Union is financed by the Ministry for Culture.

*This profile was prepared on the basis of the contribution by Mikko Lagerspetz and Ritva Mitchell to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] in 1999 as well as on the Expert Report to the Council of Europe's Evaluation Programme of National Cultural Policy Reviews, 1996.*



# FINLAND

## 1. General Features of Cultural Policy Making

Public support for culture and the arts in Finland is based on shared responsibility between the state and the local governments and has been cemented in a corpus of laws and statutes. Following the early 90s recession, the general welfare state system came to a financial standstill in the mid-1990s and started to move towards a more liberal, market oriented approach which emphasised accountability, deregulation, competition and new forms of partnerships between public and private sectors.

Despite these recent trends, the Finnish cultural policy model remains first and foremost a state/local government partnership, where the state and municipalities finance jointly the institutions but the state bears the main responsibility for creativity policies, that is, professional arts education and artist policies. Professional art education is provided by four art universities and, increasingly, by the recently established 29 polytechnics. The state budget allocations to the art universities was some FIM 320 million (€ 53,3 million) in 2000. There are no public expenditure estimates on the cultural study programmes of the polytechnics.

Creativity policies in a narrower sense, that is artist policies, are in turn administratively based on a statutory arm's length model – with a corporatist character – where the artists' organisations and artists themselves have more decision-making and advisory powers than probably anywhere else in Europe. Responsibility for cultural policy may lie with the Ministry of Education and Culture, yet is informed and influenced by expert bodies, professional associations and trade unions of artists. These organisations play an important role in the formulation and implementation of policies for the arts and artists via the Finnish system of arts councils, consisting of the Central Arts Council, nine art form councils and thirteen regional councils.

According to the 1995 population census there were some 15,000 creative and performing artists in Finland, representing 0.8% of the national labour

force. The music sector, musicians, composers, and professional teachers of music, is the largest, representing over one third of the total. The share of women is estimated to be 40%. The figure of 15,000 is in fact rather low if compared with the figures of the Finnish Copyright Organisations which estimated the number of the copyright holders in the arts and culture to be some 26,000.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

The system of national arts councils allocates a number of different types of grants to artists. They amounted in 2000 to a total of FIM 72 million (€ 12 million). These grants comprise e.g.:

- ½-5 years grants annually awarded to artists worth 37 million FIM (€ 6.2 million). In 1999 altogether 521 artists received a grant from this system. An annual grant for an artist is 77,340 FIM or € 13,000 and is tax free;
- Some 200 project grants awarded to individuals and groups of artists;
- Travel grants and artist-in-residency grants;
- Library compensation grants (based on Public Lending Rights but are in fact a system of grants to writers and translators) that are given to writers/translators, musicians/composers (since 1999) for the use of their work in public libraries. This compensation is 10% of the amount of public support allocated for purchases by public libraries. The grants are allocated (as of 2001) by the Arts Council of Finland and they amounted to FIM 12,7 million (€ 2,1 million) in 2000, of which 12,2 million FIM (€ 2 million) are granted to writers and 500,000 FIM (€ 84,093,96) to musicians and composers.
- Compensation grants to visual artists are available for their works which are owned and displayed by public authorities and institutions. In 1999, the total was FIM 4.9 million (€ 824,121);
- A system of art professorship posts granted by the Arts Council to

outstanding artists.

There are also state measures to guarantee the purchase of certain literary works (those with limited market appeal like poetry) by public libraries and a system of public purchases of works of art for public buildings (the latter amounts to FIM 2,9 million or € 496,200). The Literature Information Centre also distributes small grants to translations and translators.

While an impressive list, these measures collectively represent not much more than 5% of the state budget for the arts and culture. The remaining 95% is used to finance national cultural institutions or transferred as statutory subsidies to regional and local cultural institutions or allocated as support to arts and cultural associations, festivals, exhibitions etc. (20%). The system naturally favours visual artists and writers who receive together 50% of the 1/2-5 year grants and 54% of the entire grants provided by the national level Arts Council system.

It should be noted that at present the total amount of grants (FIM 72 million; € 12 million) could at best provide reasonable subsidies to only some 2-4% of the total corps of artists per year (including creative and performing artists). Looked at from another point of view, if the above 54% of the € 12 million was divided equally among the ca. 3,200 visual artists and writers (registered in their unions) it could mean a bit less than € 2,000 per visual artist/writer per year. As the government financing has been rather stagnant since 1995, not only cultural institutions but individual artists as well have started to search for alternative sources of funding.

The role of private foundations in supporting individual artists has recently increased. In 1999 the Finnish Cultural Foundation allocated grants amounting to 31.3 million FIM (€ 5.3 million) to artists. This sum is only slightly less than the amount distributed by the Arts Council in the form of 1/2-5 year grants. The main fields receiving these grants are music (34%), visual arts (24%), and literature (8%).

### 3. Legal and Social Framework for Artists/Authors

The above system of arts councils and artists grants is based on law and statutes (1967, 1969). Improving the legal, economic and social conditions for artists has been named by the present government as one of its major cultural policy priorities. These issues were addressed in an intergovernmental committee which was made up of the Ministries of Education and Culture Finance Social Affairs and Health and Employment as well as the Arts Council of Finland. This committee produced a report (TAISTO II) in 2000 which made several proposals to improve the taxation and social security systems for artists.

The following statutory measures are of prime importance from the point of creativity policy:

1. There is a special *social security scheme and an artist pension system* which is operated by the Ministry of Finance and the Ministry of Education and Culture. 35 supplementary artists pensions are distributed annually. Approximately 1,000 artists currently benefit from this measure. In 2000 these pensions amounted to some FIM 58 million (€ 9,8 million);
2. *Tax measures*: first and foremost there is legislation that allows freelance authors and visual artists to spread their income over a period of several years for tax purposes (income averaging). Another important statutory measure is the exemption of copyright income and first sale income of artists' works from value-added tax. The VAT rate for books and cultural and entertainment box office income has been lowered to 8% (normal is 22%).

*One should also mention labour agreements* drawn up in the performing arts field, although they follow the standard practices of collective bargaining and related labour agreement legislation, they also take the special nature of artistic work into consideration.

*This profile was prepared on the basis of the contribution by Ritva Mitchell to Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] 1999 with updates by Ritva Mitchell 2001. Additional sources include: Arts Council Annual Report 2000 and the 1995 Population Census, Cultural Statistics 1999, Statistics Finland. Annual Report of the Finnish Cultural Foundation, 1999.*

# FRANCE

## 1. General Features of Cultural Policy Making

Despite the fact that the French government has begun a process to devolve some of its powers to regional, département, local and community bodies ("decentralisation"), the administrative, financial and legislative tools for cultural policy making in France remain securely centralised on the state level ("étatisation"). The Ministry of Culture and Communication defines national cultural policy priorities in the majority of artistic and cultural sectors (from heritage protection to language and the cultural dimension of the information society) and keeps control over the total budget for culture, including funding distributed via the Regional Directorates of Cultural Affairs (DRACs). The devolution laws of the early 80s did extend the right for local and regional authorities to define and develop their own cultural policies, but did not transfer sufficient cultural competencies for them to act independent of the state. In other words, local authority involvement in the arts is still dependent, to a large extent, on the political will of the Ministry; artists' grants on the regional or local level are often awarded according to the (changing) priorities defined by the Ministry.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

Cultural policy priorities in the 90s were focussed on broadening cultural participation with emphasis on the promotion of creativity (including individual artists). New priorities for 2001 are focussed on the audio-visual sector and press (with the aim to support cultural diversity), equal access to culture (including new technologies) and decentralisation. Budget figures for culture 2001 (excluding audio-visual) indicate that the majority of funds (47%) are reserved for the performing arts and institutions while 21% are for books and reading and 6% for the visual arts. 22% of the total budget is allocated for grants and subsidies. In addition to a number of bursaries, scholarships and awards of the French

government, there are a number of funds or grant schemes for creative artists administered by the Ministry and its associated bodies including:

- FIACRE (Fund for the Support of Art and Artists). In 1999, FIACRE had a budget of FF 6 million (€ 914,694) which included grants to visual arts for individual projects up to FF 50,000 (€ 7,622), support for first exhibitions, grants for publication and research;
- DICREAM (a new fund for artists working with new technologies including visual artists, writers and musicians in support of the preparation and execution of original projects);
- Centre National du Livre (CNL) provides a series of grants, subventions and loans for authors, editors, libraries and independent bookstores (% breakdown=17%, 35%, 32%, 3.5% respectively). The Ministry also manages a translation fund for French books to be translated in foreign languages;
- Art purchase grant schemes (funded equally by the state and regional councils) are distributed via the FRACs (Regional Funds for Contemporary Arts). In 1997, the budget was FF 17 million (€ 2.6 million) at the national level. Over 14,000 pieces of work have been purchased from ca. 3,000 artists by the FRACs since the creation of the programme in 1982. There are incentives for corporate acquisitions of art but none for purchases of art by individuals;
- Due to the growing number of "artists' squats" in the capital and throughout the country, the Ministry is planning to build 1,000 artists studios - new studios and renovated buildings — throughout France (via the FIACRE programme);
- IRCAM (institute for music research attached to the Centre Georges-Pompidou): between 20-25 composers are commissioned each year to create a work with new technologies.

The state considers that it should take measures to stimulate the art market while suppressing anti-competition

measures and enlarging public collections. One measure includes the "1% for culture rule" which obliges everyone who is constructing a public building to spend 1% of the total costs of the construction, renovation or extension on a work of contemporary art.

## 3. Legal and Social Framework for Artists/Authors

There are special *social security insurance packages* for professional artists (with a minimum income of FF 48,564 or € 7,400 in 1999) made available from the "Maison des artistes". This scheme allows freelance artists the possibility to work under the same conditions as would be the case for salaried employees. The Maison des artistes manages (on behalf of the state) social insurance for writers, visual and graphic artists and assumes the role of the employer. A separate body called "AGESSA" plays the same role, but, for photographers, illustrators, "authors" of software programmes and or audiovisual works.

The main economic measures for artists include:

- *Income averaging mechanisms* in place for authors and artists over a period of 2-4 years
- *Tax exemptions* for professional painters, sculptors and illustrators when they sell a work. The tax d'habitation (for their work space only) also does not apply to this group of artists. Authors do not have these same exemptions.
- In general, there is a *reduced rate of VAT* (5.5%) for artists work sold under FF 245,000 (€ 37,350). Authors, however, can choose whether or not they pay VAT. If they choose to pay VAT, they can reclaim the VAT they pay on their purchases.
- Grants, prizes and scholarships are not exempt from tax. Since three years, general prizes for literary or artistic achievement are tax-exempt.

The Ministry of Culture and Communication has proposed the introduction of a new lending rights regime which will increase the costs to local libraries (when purchasing books),

# FRANCE

continued

give a rebate to book sellers and increase the registration fees for library users.

The Ministry proposes to take responsibility for 50% of the added costs to local libraries. The extra money collected via this scheme will be used to develop a *pension scheme for writers and editors*.

Composers and writers working in the audio-visual field profit from the most extensive and specific systems of regulations and quotas in favour of national production (French language).

*This profile was prepared on the basis of the contribution by Paul Tolila, Ministry of Culture and Communication to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] in 1999 and additional Internet research.*

# GERMANY

## 1. General Features of Cultural Policy Making

After the parliamentary elections of 1998, the office of a "Federal Government Commissioner for Cultural Affairs and the Media" was introduced and a Commission for Culture and the Media in the *Deutscher Bundestag* (Federal Parliament) was formed. On an international level, this was widely perceived as the creation of a National Ministry of Culture in Germany. However, the new Minister of State, based at the Federal Chancellors' Office, has not really been given new competencies; instead, his office now mainly combines former culture-related tasks of the Ministries of the Interior and for Economic Affairs – such as funding cultural institutions and events of national importance, safeguarding items belonging to the national heritage or supporting films – trying, in addition, to give these and similar issues a greater visibility both inside the country and in Europe. A recently introduced virtual platform ([www.kulturportal-deutschland.de](http://www.kulturportal-deutschland.de)) adds to this enhanced public presence which should not be mistaken for a coherent state framework that does not exist in Germany: cultural policy is shaped via funding and not through legislation. Mostly untouched by the new Federal office remain "general" competencies of other Ministries, which may affect the arts sector, including e.g. taxation, training, legal matters (even copyright) or the development of projects and infrastructures for the "Information Society" (which sometimes consider arts and media dimensions).

On the whole, the allocation of political power and responsibility for cultural affairs has not really changed in the last decades; it still resides largely in the hands of the 16 *Länder* (Federal States), which share authority with the central Government (*Bund*) and, in many areas, with the local communities. This, sometimes debated, division of power respects differences and structures of a historically decentralised cultural life in Germany. Nevertheless, the *Bund* and the *Länder* co-operate partially (e.g. support of large foundations and certain institutions of

national significance). Non-official bodies such as artists' and writers' federations and associations of the culture industries have gained more importance in the last decade; in some fields they co-operate at the national level in the German Arts Council (*Deutscher Kulturrat*).

If statistics of the Standing Conference of Ministers of Culture of the *Länder* (KMK) are used, ca. 44% of public cultural expenditure of ca. DEM 16 billion (€ 8.2 billion) in 1997 was borne by the *Länder*, 53% by the local communities and around 3% by the Federal Government; using the UNESCO-definition of "cultural affairs", data supplied by the Federal Office of Statistics would bring up public funding to ca. DEM 32 billion (€ 16.4 billion) in 1997, of which the *Länder* cover 33,6%, cities, counties etc. 53,3% and the Federal Government 13%. Regardless of such definitions, the share of individual funding for artists and writers is estimated to be well under 10%.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

The *Länder* and many cities maintain specific support schemes for artists, writers etc., which may include most of the measures mentioned in Part A of this study (e.g. awards, supporting exhibitions or public lectures, advice for start-ups, travel grants etc.). However, with the exception of occasional non-binding recommendations of umbrella-bodies, there is no general "policy line" followed, in this respect.

As regards the more than 2,400 regular cultural awards, bursaries, project grants, competition-prizes etc. existing in Germany, it has been a goal of the Federal Government since 1978, to create more transparency and to monitor achievements and deficits in the complex field of individual arts funding via the Handbook of Cultural Awards (*Handbuch der Kulturpreise*). The 2001 edition shows that ca. 30% of these measures (with 49% of the overall prize- and grant-money of a little over DEM 100 million or € 51,000) are donated by different levels of

Government, 18% (respectively 7%) come from private sources, 33% (16%) from third sector actors – the remaining 18% (28%) are joint ventures involving the participation of national or regional authorities. This diversity of measures and sources leads to some 6,500 financial handouts to individual recipients per year (an estimated 2,000 of these, averaging a little over DEM 10,000 or € 5,100 each, are given to writers, visual artists and composers).

On the national level, two self-administered funds for the promotion of visual artists (*Stiftung Kunstfonds*) and writers (*Deutscher Literaturfonds*) give some 90 - 100 project grants and bursaries annually (ranging between DEM 25,000 and 60,000 or € 12,800 and € 30,700 each). A similar role for most of the new Eastern *Länder* is being performed by the *Stiftung Kulturfonds* in Berlin.

In addition, ca. 1,400 foundations support, in principle, cultural projects or institutions (most of them act mainly on the local level). In recent years, the funding activities of new foundations established by banks and savings banks (*Sparkassen*) have become quite important in the arts scene, particularly for the support of exhibitions (e.g. catalogues), concerts or larger arts events. Such activities may increase, since a law passed in June 2000 provides additional tax concessions for (cultural) foundations.

Public building projects could or should include up to 1% of the total expenditure for artistic works. However, there is no fixed legal foundation for this measure; in some *Länder* this amount is not spent directly but goes into a fund for "art in the public sphere" ("*Kunst im öffentlichen Raum*").

## 3. Legal and social framework for Artists

Employed artists benefit from social security (health, old age etc.) and unemployment payment like other employees. Based on the findings of a large empirical survey among artists carried out for the Federal Parliament (cf. *Der Künstler-Report*, 1975), the Federal Government developed a special insurance scheme for self-employed

artists: the Künstlersozialkasse (KSK) which came into force in 1983. It covers health insurance and old age pension, but not unemployment benefits. Contributions towards the KSK are shared between the individual artist (50%), the Federation (20%) and enterprises regularly using artists' works (the remaining 30%). Such enterprises include publishers, press, photo and PR agencies, theatres, orchestras, choirs, event managers, broadcasters, AV and music producers, museums, galleries, circuses, artists' training institutions, etc. The KSK is administrated within the state social security system.

To be accepted into the KSK, artists have to prove a) that they are self-employed and b) that they earn a minimum income of DEM 7.680 (€ 3,926) per year. Professional newcomers are exempt from the minimum income rule, but have to prove their freelance status. In 2000, 112,209 artists were registered with the KSK. 39% are visual artists, followed by musicians and composers (26%), authors, translators and freelance-journalists (24%) and performing artists (11%).

There are no comprehensive tax regulations for the arts and culture. All relevant directives are scattered throughout a large number of tax rules and court cases (interpreted by local and regional tax authorities). Over the last two decades, the German Arts Council has been asking for a new integrated "arts friendly tax legislation".

Artists are subject to the normal income tax in the same way as all other freelance workers; they may deduct their professional expenditures from their taxable income and spread income gained from a larger work over a period of up to three years. General cultural awards and grants are tax free, in contrast to competition prizes and special project grants. Inheritance tax may be replaced by donations to collections of public interest. Theatres, orchestras, museums etc. can be exempt from paying VAT. A reduced VAT rate of 7% (regular: 16%) applies to income from copyrighted works (e.g. books, theatre royalties etc.).

In copyright legislation, Germany has tried to play an "avantgarde" role in

Europe as regards the introduction of new compensation measures (e.g. public lending right already in the early 70's; lump-sum royalties on copying machines etc.). Currently, a public debate is held on plans to introduce minimum standard rules for artists and authors contracts.

*This profile was prepared by Margrit Müller and Andreas Wiesand, based on: Handbook of Cultural Affairs in Europe [2]; Profession Artiste [3]; Statistisches Bundesamt (Ed.): Rechnungsergebnisse der öffentlichen Haushalte für Bildung, Wissenschaft und Kultur, 1999; A.J.Wiesand (Ed.): Handbuch der Kulturpreise, 2001; data from Archiv für Kulturpolitik, Bonn (ZfKf).*

# HUNGARY

## 1. General Features of Cultural Policy Making

The re-naming of the Ministry for Culture to the Ministry of National Cultural Heritage in 1998 indicates the government's main priorities in the field of cultural policy-making - a shift of focus from artists to the protection of monuments. The National Cultural Fund has been functioning at arm's length since 1993, however, changes in legislation in 1999 have given the new Ministry more responsibility in the allocation of its funds and in the appointment of jury members; the Minister has the right to veto decisions made by its juries and special committees. The Fund also provides support to certain cultural enterprises in literature and music.

In former times, tens of thousands of public servants were employed to work in cultural institutions, including artists. This number has been reduced significantly in recent years, but there is call for additional cutbacks.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

As in other former communist countries, the transition process has caused a crisis in the system of financing for culture. Signs of new investments are beginning to fill some of the empty coffers. The public budget for culture in 2000 shows a 1.9% share on music, 0.5% on visual arts, 0.6% share for literature. The majority of the resources are spent on the media and performing arts. Approximately 5% of the central public budget for culture is distributed by way of the arm's length principle and in the form of grants which are allocated through open competitions and determined by the 13 boards of the National Cultural Fund.

The government awards 171 cultural prizes each year, almost half of which are art prizes. The awards can be either tax-free cash awards or in other forms, e.g. as a supplement to their pension. The pension paid for holders of the titles *Artist of Excellence* or *Poet Laureate* is equal with the average income of the previous year (in 2000 HUF 50,000 or ca. € 187 per month);

for Artists of Merit it is 60%. Widows are entitled to half of this contribution.

1 and 3 year scholarships are awarded by the government each year including in the fields of fine arts, literature and composition. Additional scholarships are provided by the local governments and by the Hungarian Academy in Rome.

The main channels of support for artists is via the Hungarian Public Foundation for Creative Art; which inherited not only the former functions of the "Art Fund" but also its premises. In 2000, the Foundation's budget was HUF 720 million (ca € 2.7 million). The most active private foundation is the Soros Foundation whose budget for the arts in 2000 was HUF 360 million (ca. €1.35 million). There has also been a growth in the number of foundations established by the heirs of certain artists whose focus has tended toward support for the new generation of creators.

## 3. Legal and Social Framework for Artists/Authors

Trade Unions for artists have achieved significant improvements in recent years including lowering the retirement age in certain sectors, lowering taxes on prizes and awards, the opportunity for artists to claim materials as expenses on their income tax. The most difficult task ahead is to transform the system of health insurance and pension of the "Art Fund" inherited from the Communist period, to a new system that will require sacrifices by all parties.

Freelance artists are recognised as businesses for the purposes of taxation. The tax laws for private income as well as for sole traders contain a separate paragraph with a list of items recognised as lawful expenses for artistic activity. Other than items connected with actual artistic creation, the list covers types of expenses spent on training and orientation (e.g. books, records, various kinds of recording equipment etc.) Company tax is 18% with an additional 35% tax dividend. Companies are able to deduct donations.

Starting from 2001 companies can deduce the value of artistic works acquired from the tax base (pre tax result) to a maximum of 1% of the

amount spent on investment in the given year. (Earlier this ceiling was 2 thousand.)

A reduced VAT rate of 12% is charged for books, for all other cultural goods and services, the normal rate of 25% applies.

*This profile was prepared on the basis of the contribution by Peter Inkei, Regional Observatory on Financing Culture in East-Central Europe, to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref. 1] in 2000. Special thanks to Peter for reviewing this text.*

# REPUBLIC OF IRELAND

## 1. General Features of Cultural Policy Making

Ireland does not have a comprehensive national culture or arts policy model. Before 1993, there was no government Department (=Ministry) responsible for culture and the arts nor an infrastructure of arts officers in the various counties. In fact, the infrastructure for culture in Ireland was/is underdeveloped in comparison to other European countries: the Irish Museum of Modern Art opened its doors for the first time in 1991, only 4 municipal authorities run art galleries and most counties do not have private (commercial) galleries, there is no national opera, ballet company or music conservatory. The Arts Council of Ireland, created in 1951, was the only funding body available for artists which resulted in an unhealthy dependent relationship between the arts community (client) and the Arts Council (funder). Today, the Arts Council remains virtually the sole funding body for artists and advises the government on policy development.

In recent years, there has been a number of steps taken to ameliorate this situation including the creation and implementation of an Arts Plans, the most recent for the 1999-2001 period. There is also a major legislative review of the Arts Council by the Department underway whose results are expected in mid- 2001. This review is considered to be extremely important as the Arts Council (statutory body) it currently unaccountable for its activities or how it makes decisions (only accountable for budgets).

The Department of Arts, Heritage and Gaeltacht sets the policy framework for culture and the arts and is the main government funding body for cultural institutions (50% of its budget). To date, it has relied heavily on EU structural funds for capital-intensive projects.

There are a few active artists associations which act as information resources for artists and have an advocacy role.

One of the major difficulties cutting across all artistic fields is the small domestic marketplace and the lack of demand side measures to help develop

the art market or cultural economy.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

State support schemes are administered by both the Department and the Arts Council; the former providing funding for capital intensive projects via the Cultural Development Incentives Scheme (includes funding for artists studios) and the National Development Plan for Capital Investments.

Direct funding to creative artists comes through the Arts Council from exchequer funds in the form of awards, grants, scholarships and bursaries. The total budget for the 1999-2001 Arts Plan was IR£100 million (€ 127 million) over three years, a portion of which was given to the following:

- Bursaries: 1-2 year bursaries for writers; 1-6 month bursaries to assist composer to create new works; bursaries for young visual artists who have been working for less than three years;
- Travel grants (e.g. the ARTFLIGHT scheme, GO SEE fund)
- Artist-in residency programmes
- Grants to visual artists for studio rentals, material, equipment and documentation
- One-year apprenticeship awards
- Author's royalty scheme: grants and/ or loans to publishers to enable them to pay royalties to writers in advance of publication and for translation from Irish into English
- Purchasing artworks for the Arts Council's public collection
- Joint purchase schemes for public bodies to buy works of arts

For the 2001 period, the Arts Council plans to introduce a new system of commissioning and project funding: two new overarching schemes will be developed and will supersede certain sector specific measures such as the new music commissions, special projects in the visual arts etc. Details of the new plan have not been released.

The "Per cent for Art Scheme" is administered by the Department of the Environment and the Office of Public Works requiring a visual arts component to the construction of any new public

building. While this has been welcomed by the arts community, it is not widely used by local authorities; in 1997, under half of them benefited from this scheme.

## 3. Legal and Social Framework for Artists/Authors

While there is no comprehensive framework for artists, there are some interesting measures:

- *Tax Exempt Status*: Visual artists, writers and composers who qualify for residency in Ireland are exempt from paying income tax on earnings derived from their creative work - a measure which has given its system a kind of celebrity status around the world. In fact many artists do not benefit from this status because their arts earnings are negligible.
- *Aosdána* is a group of creative artists which was established by the Arts Council for their outstanding contribution to Irish arts and culture. There are two significant schemes for Aosdána members which are funded by the State and administered by the Arts Council including: *contributory pension scheme* (costs are borne equally between the Arts Council and the Aosdána members) whose payouts depend upon the number of years members have subscribed to the scheme and the *Cmas*: an annual payment of IR£8,000 (€10,150) paid up to 5 years which is renewable (means tested). Aosdána currently has 200 members and is included in the review of the Arts Council undertaken by the Department.

The government's position appeared to be that the above two measures showed how well artists were looked after, even in the mid 90's.

- *Unemployment assistance*: self-employed artists whose income falls below the welfare line can apply for Unemployment Assistance (UA). Any earned income, however, reduces the amount of UA one can receive. It has been found that the UA payments act as a supplement to self-employed artists income. This situation will be greatly affected by the new social policy.
- *Pay Related Social Insurance Scheme (PRSI)* is deducted at 5% from the



# REPUBLIC OF IRELAND

continued

tax-exempt income. Applicants to the PRSI must be actively seeking work, which poses problems for many artists.

- *New Social Policy*: New conditions to receive social welfare: those under 25 years old can receive UA for 6 months and over 25 years old for up to 12 months. If an artist is not able to find work during this allocated time, they will be forced to retrain. This new system is expected to have a significant impact especially on young artists leaving school and those artists who normally relied on UA support.
- *FÁS Community Employment Schemes*: This training/employment scheme, which is widely used by artists, gives artists the possibility to work in e.g. community arts projects for ca. 20 hours per week while having access to training opportunities (e.g. in digital technology). Pay is relative to the social welfare benefits. It is a way for artists to get off the unemployment register while still having time to pursue their creative work. However, the recent changes in this scheme have excluded those under 25 (big impact on young graduates) and the new social policy measures mean that it will be less of an option for artists in the future.

In January 2001, a new copyright law was introduced replacing the 1960s legislation (with small amendments made in the 80s and 90s in line with EU directives). This new law, however, excludes the artists' resale rights. There is no comprehensive system of collecting societies for artists in Ireland, however the following two do exist: Irish Music Rights Organisation for composers, songwriters, lyricists etc and the Irish Copyright Licensing Agency. The absence of collecting societies has disadvantages for artists internationally.

There is a zero VAT rate on books and periodicals.

*This report is based on "Career Paths" in the Social and Fiscal Status of Artists in Ireland by Stella Coffey in Profession Artiste [ref 3]. Special thanks to Stella Coffey for her comments on this text.*

## 1. General Features of Cultural Policy Making

State support for culture and the arts in Italy is concentrated in two main fields: cultural heritage (including museums, monuments, archives and libraries) and the performing arts (music, dance and theatre). Until 1998, these fields were separated into different Ministries, but are now joined under one roof - the Ministry for Culture, which is responsible for heritage, landscape, archaeological sites, museums, archives, libraries, performing arts, cinema, contemporary visual arts, architecture and also for sport). Responsible for publishing is the Department for information and publishing at the "Presidenza del Consiglio"; television is under the responsibility of the Ministry for Telecommunication.

Private sector support is increasing in Italy as cultural institutions adopt more management style approaches. It is expected that there will be greater attention given to public-private sector partnership in the near future, especially as many of the large scale cultural institutions, including 13 opera houses, are turning into private Foundations. Private sector support, e.g. especially from Foundation of Banking Origins, for culture (heritage) are estimated to represent ca. 7% of public expenditure for culture. To date, most of their activities have been in the field of cultural heritage.

Regions and municipalities are more active in a broader range of cultural activities. In addition to operating their own cultural institutions, such as libraries and museums, cities have been more active in promoting the performing as well as the visual arts via exhibitions and summer festivals. One example is the International Biennale of emerging artists held in Turin which is sponsored by the city, the province, the region and private supporters.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

Public support for the arts and artists at the state level can be summed up by the following statement: "contemporary artistic concerns are marginalized at the

fringes of structures whose design and purpose reflect the heritage of the past rather than the living producers and potential consumers of today".<sup>1</sup> The arts and artists must, therefore, find their own way in the marketplace with few subsidies or schemes to help them along the way (except for what they may receive from the odd city grant). There are no state support schemes addressing artists working conditions nor to increase opportunities for them to sell or exhibit their work. One exception could be the 2% rule: at least 2% of public building costs should be devoted to commissioning works of art.

This situation also applies to writers. There are no public schemes to assist authors and the majority of them are forced to earn their living in different ways (many as journalists or as university professors). Public lending rights do not yet exist in Italy.

## 3. Legal and Social Framework for Artists/Authors

There is no comprehensive system nor individual measures in support of self-employed or full time creative artists in Italy. Those writers, painters or composers that have full time positions in art schools, universities or conservatories are certainly covered by the insurance schemes of these institutions. Performers (musicians, dancers, actors...) are covered by ENPALS (Ente Nazionale per la Previdenza e Assistenza dei Lavoratori dello Spettacolo) according to their real working time.

Italy applies a reduced VAT rate for books (4%) and other cultural goods (16%).

*This profile was prepared on "Cultural Policy in Italy". European Programme of National Cultural Policy Reviews of the Council of Europe, on internal materials on cultural policies of the European Parliament and the Italian contribution to Profession Artiste[ref.3]. Special thanks to Luca dal Pozzolo for his comments on this text.*

<sup>1</sup> "Cultural Policy in Italy". European Programme of National Cultural Policy Reviews, Expert Report prepared by Christopher Gordon, Council of Europe, Strasbourg, 1995, page 113.

# LATVIA

## 1. General Features of Cultural Policy Making

Following its release from the *Engineering State* which took care of the economic needs of artists and the cultural sector as a whole, the new independent Latvian government has been working to create a legislative base and administration for culture based on principles of decentralisation and arm's length decision-making. Until these two goals are achieved, the Ministry of Culture remains the central body responsible for cultural policy planning, co-ordination and financing. Decentralisation plans are however, not far from becoming a reality; in 1997 already 40% of financing for culture came from the municipalities.

In the past couple of years there has been the creation of several new funds and foundations which has helped to make the funding system more pluralistic; despite the economic crisis they are experiencing. The arm's length body, the Cultural Endowment, was set up in 1998 to support arts and heritage projects in co-operation with the government and is based on the Estonian model. The Contemporary Arts Centre of the Soros Foundation played a central role in funding contemporary artists up until the time that the Endowment was created; the former has recently closed its doors.

Advisory bodies have also been created to advise the government; in a similar manner to the Nordic model of cultural policy making where artists are actively involved in decision-making processes. The Latvian interpretation of the Nordic model still needs some fine tuning as the Minister for Finance has the final veto on all decisions.

The share of foundation support to arts and culture was approximately 7% in 1995. The three largest foundations operating at the time were the Latvian Cultural Foundation, the Creative Work Foundation and the Soros Foundation; the latter considered to be the main actor in Latvian cultural funding with a total contribution of USD 4.5 million in 1996 for individual projects.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

In 1997, 38% of the state cultural budget was allocated to education and training. The majority of the remaining funds were distributed between museums, archives and the performing arts. The share of direct state expenditure for literature, music and visual arts was 0% respectively indicating that their priorities lie in subsidising institutions rather than individual projects.

Funding is, however, made available in co-operation with the local governments to support projects from the Latvian Artists Union (1,136 members in 1997), Composer's Union (96 members in 1997) and the Union of Journalists (700 members in 1997). The Ministry of Culture also issues 3 grand prizes and 15 scholarships to individual artists which totalled LVL 18,000 (€ 32,000) in 1998. They also give grants to pupils in music and art schools once per year. These awards are not tax exempt.

The Cultural Endowment provided support to over 300 artists projects in 1998 with a budget of LVL 1 million (€ 1.8 million) coming from lottery proceeds, gambling and the state budget. Grants are given by the Foundation four times per year in seven different fields. They also issue lifetime achievement awards to creative artists.

## 3. Legal and Social Framework for Artists/Authors

There is no comprehensive legal framework for creative artists in Latvia nor are there specific social protection or labour relation measures that would take into consideration artists' particular working conditions and needs.

Exception: the Writers' Union provides health insurance for its members and compensation for the family in the event of a writer's death. In fact, the universal social security system makes it very difficult for freelance/self-employed artists to pay normal social security fees. There are no direct tax breaks for artists or writers nor incentives to help develop a marketplace for their work.

A new law on sponsorship is being

drafted which could lead to greater investment from the business sector for culture.

Latvia is the only Baltic country which collects author's fees for the use of works in broadcasting. In 1998, the VAT rate for books remained at 18%. A zero rate is applied for first publishing of original Latvian literature and for children's books issued and printed in Latvia.

The majority of composers are teachers whose salaries are more or less guaranteed, albeit very low. In 1998, only 3 composers were able to make their living solely from their artistic work.

*This profile was prepared on the basis of the contribution by Solvita Krese and Ritva Mitchell to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] in 1999 as well as on the Expert Report to the Council of Europe's Evaluation Programme of National Cultural Policy Reviews, 1998.*

## 1. General Features of Cultural Policy Making

The strive to create a new model for Lithuanian cultural policy has emerged from more or less the same conditions as its sisters Estonia and Latvia and is headed in the same direction: working to create a legislative base and administration for culture based on principles of decentralisation and arm's length decision-making. The five decades of Soviet occupation has, however, left behind a deeply ingrained intellectual and administrative heritage that has been difficult to transform into a liberal and democratic mould. The Ministry of Culture (which has been transformed several times in the past decade) is facing very concrete problems including lack of money, outdated basic infrastructure, no tradition of local government and severe exclusion of certain strata of the population including low income groups, pensioners, unemployed persons.

In 1999, the former Culture and Arts Council was reorganised as the Commission-Lithuanian Culture and Arts Council as an arms length body to the Ministry and composed of 30 members. It allocates scholarships on behalf of the state and advises the government on various issues regarding cultural life and cultural policy.

To date, the Ministry continues to work on a Lithuanian cultural policy model. Delays in reaching a consensus are distinctly found in policies relating to the arts and artists (resources for improving their economic position have been difficult to generate), building an infrastructure for cultural heritage and defining responsibilities between the different levels of government. Their will remains, however, to create a policy framework which gives up direct interference by the state, grants institutions more autonomy, de-ideologises the arts and culture, finds a new orientation to finance the sector with greater emphasis on project funding and third sector participation.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

The lion's share of financing from both the central and local governments is given to libraries, museums, theatres; in 1997, 69% of the state cultural budget was allocated to such cultural institutions; 6.3% devoted to artists, festivals and international exchanges.

Direct and indirect support for artists has been one of the most pressing problems in the government's transition to a new Lithuanian cultural policy model, especially in view of the limited market opportunities for creative artists. There are, however, a few measures to mention:

- State scholarships: In 1996, 70 scholarships were awarded for outstanding achievements (12 to writers/poets, 15 to visual artists) and 65 to young artists (7 to writers/poets, 13 to visual artists). Expert committees provide nominations to the Ministry and the Prime Minister approves the final list of winners;
- 1 year scholarships from the Ministry of Culture for visual artists (amount of award is dependent of the Ministry's budget);
- 9 National Culture and Arts awards and various other prizes for writers and translators (living both in and outside of Lithuania);
- The Ministry runs a programme to purchase works of art and to commission compositions.

In 1995, the government initiated the Public Organisation Support Fund which is administered via the Ministry for Culture. All artist unions received ca. 164,000 litas (€ 44,600) for their programmes from this Fund. Additional support was given to the Writers Union to publish books and to the Artists Union for exhibitions. Participation in these unions is quite low due to poor services and lack of resources for its members.

Private sponsors and third sector support has not been able to provide sufficient new resources for creative artists.

## 3. Legal and Social Framework for Artists/Authors

There is no comprehensive legal framework for creative artists in Lithuania.

There are no universal social security measures designed for creative artists.

Two exceptions:

- A government Act stipulates that 500 litas (€ 136) would be paid to all artists working for state theatres and concert halls during a period of time when they find themselves unemployed. This measure could be applicable to composers.
- 35 - 1st and 2nd degree pensions: the difference between these pensions is the amount of money given. In 1996, 12 visual artists, 8 composers and 26 writers/translators/linguists received a 1st degree pension of 484 litas (€ 132). The share of those receiving a 2nd degree pension amounting to 242 litas (€ 66) is: 38 visual artists, 4 composers and 21 writers/translators/linguists

High rates of VAT (18%) have been known to stifle market developments especially for visual artists whose sales via galleries have dropped considerably. Interestingly, VAT is not levied on books, newspapers, non-commercial services, or cultural objects protected by the state.

*This profile was prepared on the basis of the contribution by Viktoras Liutkus and Ritva Mitchell to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] in 1999 as well as on the Expert Report to the Council of Europe's Evaluation Programme of National Cultural Policy Reviews, 1997.*

# NETHERLANDS

## 1. General Features of Cultural Policy Making

At the end of the 80s, the Dutch government instituted a new management planning approach to cultural policy and funding in the Netherlands. The "Four Year Plan", now entering into its second cycle (2001-2004) forces the community to set realistic goals and to work toward cultural policy targets set by the government. Public subsidies are granted based on an assessment of these plans and are not guaranteed from cycle to cycle. Criteria used to evaluate these applications are based as much on "quality principles" (artistic merit) as on their business (financial) plans. It is no wonder, that promoting "cultural entrepreneurialism", a challenge to the community to be more proactive and self-sustaining (financing), is one of the main objectives for the new four-year cycle (other priorities: cultural diversity, audience outreach, new media).

The Dutch cultural policy tradition has been, paradoxically, to restrain the involvement of the state in all matters relating to quality or value judgements and therefore the government relies on various committees of independent experts which it consults before making final decisions. One of the main bodies co-operating with the government is the Culture Council; the statutory arm's length advisory body (formerly the Arts Council) made up of 25 members. The Culture Council does not issue grants or subsidies but provides advice to the government on the allocation of long-term structural subsidies and short-term grants (e.g. project grants) as well as on assessing the artistic merit of four year plans. They are directed by the government to assess the grants applications based on 4 main criteria: quality, social outreach, ticket subsidies and the mission and work plan of the applicant.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

The Cultural Projects Funding Decree distinguishes between three types of funding schemes: annual and pluri-annual subsidies to cultural institutions, project subsidies and other grants.

Funding for individual artists are allocated via sector specific (cultural) funds set up by the government and are subsidised on a multi-annual basis. They have a legal status similar to a foundation whose board members are appointed by the Secretary of State for Culture. In 1998, these Funds received a budget of NLG 124 million (€ 56.3 million); an additional NLG 371 million (€ 168.4 million) in subsidies was given directly to arts institutions from the central government (ca. 62% to the performing arts and 27% to the visual arts, architecture and design — which closely resembles the % breakdown of state cultural expenditure at 63% and 21% respectively).

There are currently 13 funds including the Literature Fund whose objective is to encourage the production of Dutch-language literature by offering writers and translators scholarships, extra payments above their normal salary, start-up grants and travelling scholarships or the Creative Music Fund which provides similar support to musicians and composers. The Fund for Visual Arts, Design and Architecture offers financial assistance to individual artists in 7 different ways: working grants, stipends for starters, specific project grants, travel and study awards, funding for publications or architectural presentations.

- The "Starter Stipend" is a contribution to the income of an artist at the beginning of his or her career. It is awarded for a period of no more than 12 months and may be applied for within two and a half years after an applicant has left an advanced educational institution for the fine arts, design or architecture, or a technical university. This grant contributes to the income of professionally active artists. In 1999, the amount given was NLG 35,000 (€ 15,900) per artist.
- Working Grants are awarded for a maximum of 12 months. In 1999, the amount given was NLG 45,000 (€ 20,400) per grant.
- Basic Stipends (a maximum of NLG 60,000 or € 27,200 for a two year period) are award to selected artists who are not earning enough money

to continue their professional work. The Stipend may be adapted by the artist to his or her own income and requirements, for example, during a period when they are not selling very well or after he/she received a well-paid commission. If his or her personal income is higher than at the time when the stipend was granted, the artist can decide to (temporarily) stop making use of the Basic Stipend without forfeiting the right to claim it at a later date. It remains on reserve for the recipient and can be called upon at times when his or her income is not adequate.

Provinces and larger municipalities receive grants from the state to support local level policy in the field of the visual arts and design. The amount of the grants is decided on an annual basis; in 1998 allocations from the state totalled NLG 37 million (€ 16.8 million). Together they run the Art Lending Centres whose purpose is to promote public access to works of art.

There are two major private funds including the Prince Bernhard Fund and the "Anjer" Fund; the latter receiving most of its money from national lotteries. Together they have spent approximately 25-30 million guilders on 3,500 projects in the form of subsidies, commissions and awards in fields ranging from visual arts, music and literature to cultural education and science. In the last few years, the Prince Bernhard Fund has made it possible for individuals and companies to set up their own fund in their own name. These "sub-funds" (ca. NLG 50 million or € 22.7 million) are managed under the umbrella of the Prince Bernhard Fund.

The Mondriaan Foundation implements policy on the distribution and purchase of visual art works.

## 3. Legal and Social Framework for Artists/Authors

The Income Provisions for Artists Act (*Wet op de Inkomensvoorziening voor Kunstenaars, WIK*) is a new law which provides young artists with the possibility to receive a *basic income* (70% of welfare benefit) to build up his/her professional life in the arts. It is expected that after these four years, that

the artist should be able to make a living from his/her art work and therefore no longer a burden to the social welfare system or other state organised schemes. An independent advisory body, the "Provision Fund for Artists", screens applications. (Payments: NLG 996.34 or € 452 per month for singles; NLG 1,403.01 or € 637 per month for single parents; NLG 1,606.34 or € 729 per month for married/co-habiting couples). In addition, artists can still earn an additional income of up to 125% of the national welfare benefit and expenses can be deducted from their gross earnings (fixed sum deductions of NLG 10,000 or € 4,540 for visual artists and NLG 5,000 or € 2,300 for other artists). Payment of WIK benefits stops once the artist begins to make a profit from his/her work or after the maximum four-year period which need not be consecutive. The latter policy allows women to take time out to have children (e.g. for a 2 year period) and then re-enter the labour market under this scheme.

The Arts Platform Foundation and the Provision Fund for Artists are responsible for implementing the new "flanking" policy of the government consisting of training and other incentive measures. This policy has been designed to support the WIK scheme.

There has been a remarkable growth in the number of *collective bargaining agreements (Collectieve Arbeidsovereenkomst, CAO)* in the arts and culture sectors between employers and employees. *CAOs* apply to employees who are working with an associated employer. When this is not the case, national legal agreements are enforced. The existing *CAOs* are used mostly in the fields of broadcasting, cinema, public libraries, art training, performing arts/television, subsidised theatre, orchestras, mime, dance, independent museums. Special trade unions exist to enforce or monitor these agreements.

In 1996, the Netherlands lowered the rate of *VAT* from 17.5% to 6% on certain cultural goods and services (tickets for cultural events and venues, including cinema tickets, books and

newspapers. Artists who work on commission such as writers, composers, designers etc., can charge the higher rate of *VAT* to their clients. Subsidies and grants allocated by the Cultural Funds are not subject to *VAT*.

*This profile was prepared on the basis of the contribution E.M. Konings and S.I.M. Duwèl to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] in 1999; information was also found on the website of the Ministry of Culture (<http://www.minocw.nl>) and in the publication edited by Karlijn Ernst, "Variations on a theme. From cultural policy to subsidy for visual artists", Rotterdam (Erasmus*

# POLAND

## 1. General Features of Cultural Policy Making

The major changes which have been taking place in the cultural sector since 1989 revolve around 6 main axis: *decentralisation* of the powers of the public administration concerning culture; *transferring the majority of cultural institutions* from the central government to local self-governing authorities; *privatisation* of most of the government owned enterprises in the field of the cultural industries (publishing, cinema, galleries etc.); *abolishing censorship* (waiving the requirement for formal authorisation to undertake artistic/cultural work); *ceasing detailed co-ordination and control* of all levels of public spending on culture (especially from the Ministry and Voivode); *general changes* in the administration and regulations of the government which have had a major impact on culture, even though there was little specific legislation and regulation on culture itself.

The Ministry of Culture and National Heritage (formerly the Ministry of Culture and Art before 2000) is responsible for state cultural policy in general and finances several so-called national cultural institutions and large-scale events. Self-governing authorities at the regional (Voivodship), county and municipal levels support their own cultural institutions and cultural activities and make their own decisions over spending for culture (nearly all of them offer individual grants and stipends for artists located in their jurisdiction).

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

There are no arms' length bodies which support the arts and culture in Poland. The majority of public funding comes from the self-governing Voivodship, county and municipal authorities and the Ministry. In 1996 the Ministry of Culture was responsible for around 20% of national public expenditure on culture, with the Voivodships<sup>1</sup> handling 29% and the communes 51%<sup>2</sup>.

There are two schemes for individual artists provided by the Ministry

including:

- *6 month and one year stipends (salary supplements)*: these are given twice a year and are paid on a monthly basis (average 1000 PLZ or (€ 263) per artist in 2000)
- *Fund to Support Artistic Creation* - awarded once a year mainly to young creators. Funding comes from income generated on sales of artworks with expired copyrights (so-called "dead hand" funds).

There are *various awards for individual artists* funded by public authorities on the different tiers of self-government (Voivodship, county and municipal) as well as from the President of the Republic of Poland and the Ministry of Culture.

As there is no comprehensive system of public support for creative artists, it is necessary for them to seek funding from alternative, private sources such as foundations, individuals (patrons) or private companies, even if they are hired as employees by state institutions (wages are however usually lower than the national average). Thanks to the culture industries, artists producing popular or commercial cultural goods are able to generate an income. However, due to the increasingly flooded Polish cultural market of mass productions from the USA, income generated by the market is limited for domestic artists and producers. Production quotas of 30% domestic works have been adopted via the radio and television broadcasting act. Today there are a few dozen Polish independent producers.

At present the books produced in Poland and equipped with an ISBN number are still subject to *the zero VAT rate*.

To sustain the concept of public-private partnership in funding for culture there have been many awards for Arts Sponsors and Patrons created by public authorities, for example the Minister of Culture's annual award for "*Patron of the Arts*" ("*Mecenas Kultury*").

## 3. Legal and Social Framework for Artists/Authors

There is no comprehensive legal or economic framework for artists in Poland. The majority of legislation enacted in the past decade has focussed on tax exemptions for sponsors or donors which has developed a system of private patronage for culture. One exception has been the *50% income tax-free for artists* provision (1991) whereby creative artists can deduct 50% of their income from their creative work as expenses for income tax purposes.

There is no VAT levied on books, periodical and cinema tickets.

Artists unions have the legal status of an association which means they have the right to conduct their own economic activity and many of them are using this right to run their own galleries, for example. Throughout the nineties the situation of the unions/associations deteriorated due to "the pains" of market transformations and to the fact that they are no longer subsidised from the state budget. Today some of the dust has settled; some associations have adjusted to the new market requirements and are able to operate under these circumstances.

*This profile was prepared by Dorota Ilczuk, Jagiellonian University and the Institute for Culture, Poland, 2001.*

<sup>1</sup>Voivodships were formerly part of the state. The new Voivodships are now part of both the state and local government (self-government) structure. Responsibility for culture is now in the hands of the Voivodship which is self-governing.

<sup>2</sup>Unfortunately there is still no comprehensive statistics showing the structure of funding after the last administrative reform started on January 1999.

## 1. General Features of Cultural Policy Making

It wasn't until the mid 90s that the Portuguese government played a more interventionist role in the field of culture. Its first step was to create a Ministry for Culture (1995) and reorganise the existing system. Prior to this time, the Gulbenkian Foundation acted like a Ministry for Culture with its own operating bodies and agencies. A new perception of culture as a key driver in the overall development of the country was adopted by the Ministry. From this point, the Ministry has taken the position that marketplace logic should not be solely applied to culture, but that there are certain sectors which require deliberate and adequate state intervention which also includes the media, multimedia and book publishing (three of the governments current priorities). It is therefore focussing on a mixed system of private and public actors in the financing of culture.

Cultural policy in Portugal is organised around five main principles adopted by the government including: democratisation, decentralisation, internationalisation, professionalisation and institutional restructuring. There are new regulations regarding fixed book prices and copyright as well as a new set of regulations governing grants to artists working in film production and in the theatre (which includes writers and composers). Promotion of the Portuguese language via the culture industries has been high on the list of priorities despite criticisms that such policies are nationalistic (new quotas for television programming including 40% in the Portuguese language, 30% national production, 10% original production).

## 3. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

Direct government support to the visual arts and music in 1995 was almost nothing (3% for music and 0% for the visual arts). Support for these sectors is derived mostly from private sector actors (after the revised Sponsorship Act) and Foundations. There are approximately 350 foundations in Portugal, over half of them are cultural

foundations subsidised either entirely or in part by the state.

In 2000, culture represented approximately 45% of Gulbenkian Foundation's budget. Its contribution to the arts and culture represents about 40% of the total spending by the state for culture. Almost half of Gulbenkian's budget for culture is given out in the form of grants and scholarships while the remainder is divided up among in-house activities including the Foundations own orchestras, choirs and musicians.

Public support for creative artists is mostly concentrated in the field of writing and publishing. A scholarship programme has been set up for writers and is managed by the Portuguese Institute for Books and Libraries. Approximately 12 scholarships are given per year. Translation funds are also available to writers whose books are published by foreign editors. This scheme helps to promote their policy of internationalisation — the presence of Portuguese writers in international fora. The recent law on fixed book prices also provides indirect support to authors.

## 3. Legal and Social Framework for Artists/Authors

There is currently no social security system or economic framework for artists in Portugal. Efforts are, however, being made in this direction following recommendations in a report published in 2000 on artistic education and support for the arts in public policies. A Commission has been recently set up with representatives from the Ministries of Education, Labour and Culture to elaborate profiles on cultural professions focussing on the status of artists in each domain including their social and economic situation.

There is a reduced VAT rate (5% instead of 17%) on books, periodicals and cinema tickets.

*This profile was prepared on the basis of the contribution by Maria de Lourdes Lima dos Santos to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] in 1999. Special thanks to Idalina Conde for her comments and contribution to this text.*



# SLOVENIA

## 1. General Features of Cultural Policy Making

Since the abolishment of the “self-management” system in 1991 — when cultural policy was created by the producers and consumers of culture — the national government via the Ministry for Culture has re-assumed responsibility for cultural policy. Decision-making for individual fields is carried out via National Funds: the Film Fund and the Amateur Fund (which operate at arms-length). The public and artists can participate in cultural policy debates via the National Council for Culture and the Cultural Chamber of Slovenia. Experience has shown, however, that the authorities, on the one hand, have an “uninterested attitude toward expert institutions in the field of culture” and, on the other hand, that the artists themselves “show little interest in exercising their rights in the decision-making process”; in fact, the latter need more time to figure out how they can influence the system, more time to learn how to develop a strategic vision for cultural policy overall. There is currently no clear cut cultural policy in Slovenia. Sector specific laws have been passed including copyright regulations. One of the major goals in Slovenia is to create a national cultural programme that would include measures for artists.

There has been little change in the cultural field since the dismantling of the socialist systems and it seems that artists and cultural policy experts are still undecided whether the changes ahead are a threat or a challenge. In the meantime, there has been little drive for fundamental change, which some experts identify as the lack of political will to adopt a new proactive approach (including e.g. decentralisation, monitoring of institutions, regular appraisal of cultural policies, more emphasis on cultural industries etc.).

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

There are few state grant or award schemes for creative artists and there are hardly any incentives to stimulate the market to support creative artists work (badly needed in a country with such a

small market and increasing presence of American and German multinational corporations). Exceptions include: state scholarships for composers, individual awards given via artists associations and the Prešeren Fund or reduced VAT rates.

In 1998, cultural institutions accounted for 69% of the state cultural budget: museums, libraries, theatres. 11% of the cultural budget is allocated to project funding (to which cultural institutions can also apply) - in 1998 the Ministry received 3,500 applications for project grants. 3% of the budget is spend on social security for freelance artists.

The entire system of state support for culture has been under serious criticism, especially the practise of “double funding”: cultural institutions being allowed to apply for individual project funding, originally intended for artists and new initiatives, which perpetuates the objectives of the former regime to promote artistic creativity within state institutions. More transparency in budget allocations has been called for as well as the creation of a Fund for Culture to establish a grant system for professional artists.

## 3. Legal and Social Framework for Artists/Authors

There are two types of artists in Slovenia: freelance artists and public employees of cultural institutions. The latter are free to engage in work outside of their institution and to acquire additional contract based earnings within their own institutions; their overall earnings have been compared to those working in the commercial sector. This reality is mainly true, however, only for the older generation, as young artists find it difficult to penetrate this “closed shop” official employment system.

Freelance artists are registered with the Ministry of Culture. In 1967, 220 freelance artists were registered, and in 1995, their number had risen to about 1,900. About 2/5 of these are eligible for social security benefits paid by the Ministry of Culture (if they earn below a minimum income of € 15,000 /year. This support is granted for 5 years and may be extended. After 25 years of freelance status or 10 years before

reaching the pension age, support is granted on a permanent basis until retirement. Prominent artists whose pension is 50% below the highest regular pension are entitled to pension supplements.

The 1993 income tax law enabled artists to deduct up to 40% of their earning on expenditures related to their creative activities without documentation – a larger percentage is granted if proper documentation is presented.

VAT rate on text, images and sound is 8%. Artists can be VAT exempt if their turnover does not exceed € 25,000 / year.

Public lending rights for writers and translators are secured under the Copyright Law. This provision entitles them to compensation obtained through the state cultural budget. In 1999, € 800,000 was available.

Main issues being debated include: extending the social security net to all freelance artists; abolishing indirect support for artists in favour of increased project funding; transferring the register of freelance artists to the court register (where they would be treated as individual entrepreneurs) and new tax regulations requiring artists to submit documentation on all related expenses.

*This profile was prepared on the basis of the contribution by Vesna Copic, Faculty for Social Sciences Ljubljana, to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] in 1999.*

## 1. General Features of Cultural Policy Making

The foundation for cultural policy making in Sweden remains under the umbrella of the principles stipulated by the parliament (Riksdag) first developed in 1974 and amended in 1996. These principles govern state support for culture on the national level as well as over state subsidies to regional and municipal governments; the latter also take them into consideration in their decision-making processes. There are, however, changes on the horizon.

The national, regional and municipal authorities share responsibility for culture via a decentralised approach to cultural policy decision-making. This means that regions, county councils and municipalities, for example, make their own decisions on priorities and special activities. The state's responsibility lies in the co-ordination and longer-term planning for culture and in maintaining a system of state grants for artists. The National Council for Cultural Affairs (Statens Kulturråd) is responsible for the overall implementation of the national cultural policy. There are several authorities that share responsibility for artists policies.

One of the notable characteristics of the Swedish cultural policy model is the high degree to which state responsibility for culture still exists. The concept of „privatisation“, prevalent in other European countries, has not made its way onto the national political agenda. There is currently no legislative incentives to promote private sector sponsorship. Sponsoring does however occur on a certain level and its principles are subject to discussion from time to time.

In 1998, a major share of the central government's support for culture (total of SEK 4.1 million or €452,338.92) was given to the performing arts, 34%. The share allocated to literature and libraries was 5%, to visual arts 2% and for grants/salaries to artists (all disciplines) was 6%.

In 1998, the KLYS (Joint Council of Artists and Writers) comprised of 19 organisations, reported a total membership of 23,700 including writers, visual artists, composers, musicians, actors etc.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

The range of government support for individual creative artists is extensive. In 1998, state allowances and grants to artists totalled SEK 240 million (ca.€29 million): 45% in the form of library compensations and 20% for exhibition rights. 7% was allocated to income guarantees - 56% of which had been equally divided between writers and visual artists. In 2001, the total allowance for income guarantees was SEK 16.9 million (ca.€1.9 million) given to ca. 150 creators.

There are common measures for visual artists, musicians/composers and authors such as 1, 2, 5 and 10 year working grants, income guarantees, project grants, travel grants and pension grants. There are also specific schemes which vary from field to field and which take into account the nature and needs of the different art forms.

The Swedish Author's Fund (*Sveriges författarfond*) and the Arts Grants Committee (*Konstnärsnämnden*) are responsible for distributing these grants/awards as well as determining their own programme. The Arts Grants Committee is made up of 4 separate committees mainly comprised of active artists, covering visual artists (the Visual Arts Fund), composers, musicians and theatre/film. The members of the committees are appointed by the Government (the Visual Arts Fund) or directly by the board of the Arts Grants Committee.

The Swedish Author's Fund administers the Public Lending Right which generated a budget of SEK 112.2 million (€ 12.4 million) in 2000. Authors receive direct payments from this scheme in proportion to the number of public loans on his/her work. The Fund also gives out grants to authors, translators, book illustrators and cultural journalists. In 2000, some of these measures included:

- Grants: the government provides funding for these grants (ca. SEK 60,000 or € 6620 each);
- 200 working and travel grants: tax exempt grants amounting to ca. SEK 25 million (€ 2.2 million);

- 5-10 year working grants: worth between SEK 84,000 (€ 9,267) and SEK 90,000 (€ 9,929) per year. These grants are taxable and part of the supplementary pension scheme;
- 1-2 year working grants: tax exempt grants worth between SEK 30,000 (€ 3,310) and SEK 80,000 (€ 8826);
- Guaranteed Individual Remuneration;
- Pension Scheme: Approximately 140 pensions (= SEK 5 million or € 551,700) were given in 2000 to authors, translators and illustrators who have a small pension or none at all.

Other schemes include:

- The Arts Grants Committee runs a studio programme for visual artists called IASPIS (International Artists' Studio Program in Sweden). It is open both to Swedish artists and to artists from abroad.
- The National Public Art Council, created in 1937, commissions contemporary art for display in public buildings throughout Sweden. In 1999, approximately 120 art works were commissioned and over 60 additional projects were supported (totalling SEK 39 million or €4.3 million). The Council does not have a grant programme but provides resources to non-governmental partners covering up to half the costs of artistic projects in public places, schools etc.
- Three-year grants for regional artists shared between the National Council for Cultural Affairs and the regional boards or institutions to employ one or several artists in local communities. So far about twenty artists have been employed making a constructive network within the regions and also between themselves.
- A new compensation scheme for composers and musicians based on the Public Lending Right.

The Foundation Culture of the Future (*Framtidens Kultur*) was set up by the government in 1994 with a capital allowance of SEK 529 million or €58.4 million to financially support long term and innovative cultural projects which would help to stimulate regional development. These resources are

# SWEDEN

## continued

spread across the arts and cultural fields. The Foundation emphasises quality, new creative partnerships and dialogue in these projects.

### 3. Legal and Social Framework for Artists/Authors

Improving the legal, economic and social conditions for artists is pointed out as one of the governments main cultural policy priorities. A programme of measures to improve artists' conditions was one of the most important features in the Cultural Policy Bill presented by the Government in autumn 1996. Four commissions have since been working on this joint assignment. The efforts have been aimed both at providing better compensation for artistic work and at stimulating the employment market for artists in order to increase demand. A number of existing forms of support has thus been reinforced and new forms of support have been introduced.

In other areas, such as employment and social security, measures to improve the conditions of artists have been introduced. For example, new resources have been provided for „mediator jobs“ in 10 artists centres around Sweden. The centres act independently of the state-run employment offices albeit with employment „agents“ specialised in artists' conditions. Furthermore, stringent eligibility criteria for artists employment measures have been introduced. Problems with discrepancies and sometimes even collisions between the policy goals of the employment sector and those of the cultural sector have recently been addressed.

Self-employed artists face a number of problems within the current system: for example, basic pensions are calculated on the income generated over their lifetime and as most scholarships or grants are not taxable, they are not included in the overall total of lifetime-income.

Unemployment insurance is available for both employed and self-employed artists. There are however certain difficulties in judging when a self-employed artist is out of work. In order to be considered as unemployed the self-employed person must, in principle, stop his or her professional

activities, i.e. shut down. In certain cases the activities may be declared dormant. The Government has announced it will undertake a survey of the social security system in relation to the specific situation of the artists in 2001.

Income averaging mechanisms are available under Swedish tax law. There is 6% VAT on artists and authors' royalties and 25% VAT on books.

*This profile was prepared on the basis of the contribution by Maja Söderberg and Gudrun Vahlquist to the Council of Europe/ERICarts publication Cultural Policies in Europe [ref.1] in 1999.*

*Additional material was found via the homepages of the Ministry for Culture, the Statens Kulturråd and the Klys.*

*Recent figures derived from „Kulturstatistik 2000“, Statens Kulturråd, 2000 and internal documents prepared for the European Parliament [ref.4].*

## 1. General Features of Cultural Policy Making

The cultural policy system in the UK has been under constant reorganisation for most of the past decade. The administrative structure for culture has gone through various twists and turns, resulting in its current configuration, the Department of Culture, Media and Sport (DCMS), and national cultural policy priorities have been modernised towards the “creative industries and infrastructure” with help of Lottery Funds. Government funding is expected to rise considerably in the next years (by £100 million or € 157.9 million) with priority to be given to regional theatres and 12 new “creative partnerships” between cultural institutions and young people.

Mirroring the political devolution, government support for the arts has been decentralised from the former Arts Council of Great Britain to 3 regional Arts Councils of “England” (ACE), “Scotland” and “Wales” (Arts Council for Northern Ireland already existed). Funding for these arms’ length bodies comes from the DCMS under a specified agreement which includes performance indicators. The Arts Council then distributes grants to artists and organisations via 10 Regional Arts Boards who have their own grant programmes (for training, travel, setting up studios etc). More recently, the Arts Council of England has adopted a “strategic” orientation to its policy and distribution of grants and lottery funds. In fact, in their annual report for 1999/2000, the chairman announced that this arms length body, “no longer just gives out money, but sets national policy” for the arts.

## 2. State Support Schemes for Artists, Authors, Composers and Funds for Creativity

1998-99 expenditure figures from the Department of Culture, Media and Sport indicated that 21% of their budget for culture was given to the arts (second behind museums and galleries which received 24% of the total budget for culture). In 1999/2000, the Arts Council received over £225 million (€ 355.3 million) from the DCMS and £2 million (€ 3.16 million) from the Department of Education and Employment for grants,

funding programmes and operational costs. A break down of grants given by the Arts Council in 1999/2000 indicate that more than half of them were awarded in the performing arts field (dance, drama, music). 7% of the money available for grants-in-aid was given to visual arts activities (46% of which went to regularly funded arts organisations).

In addition, the Arts Council has several large-scale initiatives: Arts Capital Programme (£269 million or € 424.8 million for 46 projects), the Stabilisation, Recovery and Capital Awards (£4.7 million or € 7.4 million to put arts organisations on a sound financial footing) and distributes National Lottery Awards. By March 1999 the ACE had awarded over £1 billion (€ 1.58 billion) to ca. 8,300 projects. Current programmes include:

- “Breakthrough”: launched in August 2000 to support experimentation and risk in the field of new technologies. 15 awards are expected to be made.
- “The Year of the Artist”: launched in June 2000 and running until May 2001 (total budget of ca. £3.5 million or € 5.5 million) and run by the Regional Arts Boards. The programme is aimed at the development and training of professional artists at different points in their “creative careers”: 1,000 artists have been placed in 1,000 residencies throughout the UK. It has been disputed by some facets of the arts community as the “Year of the Administrator”.
- “Arts on line”: £1.5 million (€ 2.4 million) project which includes on-line exhibitions and specially commissioned works. Six on-line exhibitions have been curated for the site.
- “Your Creative Future”: an advice programme for professional artists.

The artist grants system is focussed on support for artist-led initiatives and projects focussing on political priorities of urban regeneration, community arts, multiculturalism or social cohesion, on networking among artists, marketing and audience development rather than on support for individual works. Funding for these initiatives is mainly derived from the local authorities or the Regional Arts Boards. A new “Arts Lottery Programme” has been created and is

being administered by the Regional Arts Boards who issues these funds in the form of project grants.

## 3. Legal and Social Framework for Artists/Authors

There are no comprehensive social security measures for artists or authors in the UK. General provisions for employed and self-employed workers are applicable to artists except in the case when a self-employed artist is employed for a fixed term by, for example, a college, university or health authority who insist on treating them as “employees”. In the latter case, the PAYE (pay as you earn) scheme applies in which the artists would then be taxed at the normal rate and lose their tax exemptions for items such as materials of travel etc. There have been some improvements made for self-employed people in general. The approach taken by the government, in keeping with their emphasis on the “creative industries” is to view artists as “entrepreneurs” and small or medium sized businesses. There are no pension schemes directed toward artists.

As part of its “Year of the Artist” activities, the Arts Council of England has drawn up a model contract for artists to use when negotiating with potential employers. This model is available as a PDF file from their website.

Some artists’ supplies are zero VAT rated including publications, posters, and exporting goods outside the EU. Artists do not pay taxes on prizes, grants or bursaries they receive from the Arts Council.

Public Lending Rights are financed by the government. Less than 1,000 authors receive more than £1,000 (€ 1579) under this scheme. Only 98 authors received the maximum payment of £6,000 in 1997.

A report released by the National Association of Artists indicated that 5% of visual artists in the UK could make a living solely from their artistic work in 1997.

*This profile was prepared based on information presented in the Handbook of Cultural Affairs [2] as well as on material presented on the homepages of the Arts Council, Regional Arts Boards and the DCMS.*

# EUROPEAN UNION

In the original Treaty of Rome there were no provisions for a specific cultural policy of the EC, or indeed, for any cultural action; EC policy in the cultural field was only able to deal *indirectly* with economic, social and legal problems that affect artists and cultural enterprises. The Treaty of Maastricht was the first to include provisions for cultural policies in the Communities' competencies. Article 151 of the Amsterdam Treaty (formerly art. 128 of the Maastricht Treaty) defines four major areas of community action in the cultural field:

- improvement of the knowledge and dissemination of the culture and history of the European peoples;
- conservation and safeguarding of cultural heritage of European significance;
- non-commercial cultural exchanges;
- artistic and literary creation, including in the audio-visual sector.

Cultural co-operation has therefore become a recognised aim of community action, with an appropriate legal basis. Community cultural action is based on co-operation and respects cultural diversity and the principle of *subsidiarity*. Its role is to supplement and support Member States' action rather than replace them.

Paragraph 4 of Article 151 requires the Community to take cultural aspects into account in its action under other provisions of the Treaty and to promote cultural diversity. Culture must therefore also be taken into consideration when developing Community action in its various forms, and especially when defining activities and policies.

Among the *indirect measures* concerning culture include efforts on the part of the Commission to harmonise legislation in areas such as:

- freedom of movement and employment of persons (art. 39 of the Amsterdam Treaty);
- free movement of cultural goods and services;
- taxation laws (e.g. VAT on cultural goods and services);
- copyright;
- rules on competition (e.g. fixed prices);
- equal opportunities (one of the main pillars of the EU Employment

Strategy, Amsterdam Treaty, Articles 2 and 3).

It is a well-known fact that *direct funding* from non-explicit cultural programmes are far greater than those from cultural programmes in the narrower sense, for example from the European Social Fund (ESF) and the European Regional Development Fund (ERDF). There is also a variety of funding possibilities for cultural projects across almost all Directorate Generals some of which include:

- programmes for economically disadvantaged regions, e.g. Interreg, Konver, Leader;
- programmes in the employment and social cohesion sector, e.g. Adapt, Horizon, Youthstart;
- education and training programmes, e.g. Socrates, Leonardo da Vinci;
- information society e.g. e-Culture.

Most of these programmes are, however, more concerned with cultural heritage, crafts or cultural tourism, than with creative artists.

Starting from 1995, special Community programmes for the promotion of culture were being implemented:

- Kaleidoscope (1996-1999; promotion of artistic and cultural creation in Europe; support to the European City of Culture, the European Cultural Month, the European Union Youth Orchestra and the European Union Baroque Orchestra);
- Ariane (1997-1999; for support in the field of literature, including the Aristeion prize for translation);
- Raphael (1997-1999; in favour of the protection, preservation and enhancement of European cultural heritage).

Since the beginning of the year 2000, the "Culture 2000" framework programme has replaced the previous actions. The "Culture 2000" framework programme has been established for a period of 5 years (2000-2004), with a total budget of € 167 million. Equipped with this new programme, the Community aims to implement a new approach to cultural action. In the year 2000, a total of 219 projects were chosen to be promoted under the Culture 2000 programme.

- in Action 1 (co-operation projects involving at least three partners and lasting one year) 197 projects were

chosen with funds amounting to € 16.6 million;

- in Action 2 (structured multi-annual co-operation agreements involving at least five cultural players) 19 large-scale projects were selected (€ 4.6 million);
- in Action 3 ("lighthouse-events"): € 600,000 were assigned to two European heritage laboratory projects and € 150,000 to the new Contemporary Architecture Prize.

Of these 219 projects, most belonged to the areas of heritage (archaeology), audience development, environment issues, information dissemination and architecture. Only a very small number of the selected projects involved the actual promotion of visual artists, composers, writers and literary translators. The total amount of funds for creative artists in the fields of visual art, music and literature amounts to €1.9 million, equalling a share of 5.9% of the total promotion funds:

- 52% or € 986.187 were granted to projects involving *composers* (e.g. New Music Alive: workshops and training for young composers on the use of electronics)
- 33% or € 625,128 to projects for *writers, poets and translators* (e.g. Stockholm International Poetry Festival 2000)
- 14% or € 273.578 went to *visual arts projects* (e.g. Junge europäische Kuratoren präsentieren junge europäische Künstler: 5 exhibitions by 5 curators with a group of artists).

These figures might lead to the impression that the actual promotion and encouragement of creativity plays a relatively unimportant role in the Culture 2000 programme.

Besides direct and indirect support for culture, the European Union also puts great emphasis on audiovisual policies - e.g. the directive "Television without Frontiers", regulations on cable and satellite TV and the support programme MEDIA II.

Sources: *Handbook of Cultural Affairs in Europe* [2]; Internet site of the Directorate General Education and Culture <[http://europa.eu.int/comm/dgs/education\\_culture/index\\_en.htm](http://europa.eu.int/comm/dgs/education_culture/index_en.htm)>

# COUNCIL OF EUROPE

The Council of Europe is an intergovernmental body which was set up after the Second World War to work for greater unity between the peoples of Europe, to protect democracy and human rights and to improve living conditions. The original 10 member states have expanded to 47 countries. In 1955, the European Cultural Convention came into force as the prime instrument through which the European states, whether members of the Council of Europe or not, expressed their commitment to cultural co-operation. It continues to provide a legal framework for the Council in fields such as human rights, education, the media and cultural action (including heritage).

The Council for Cultural Co-operation (CDCC) was set up in 1961 as a committee of governmental representatives within the Council and it sets the agenda for action in the fields of education, culture, media, sport and youth. An offshoot of the CDCC is the Culture Committee with a “hands-on” mandate to develop programmes for cultural co-operation. Resources for these programmes come from the Cultural Fund (FF 27.4 million or € 4.2 million in 1998), which is made up of voluntary contributions by countries involved in specific projects or programmes and by grants made by the member states. This system is currently under review.

The Council of Europe’s activities in the field of culture are built upon four main principles including: the promotion of identity, support to creativity, respect for diversity of expression and participation in cultural life (democratisation of culture). Via its inter-governmental committees and in-house Directorate of Culture and Cultural Heritage, the Council has long been involved in the field of cultural policies, most of which can be considered pioneering:

- Challenging the policy debates: 1972 Arc et Senans Declaration on the Future of Cultural Development (update in 1997); 1997 In from the margins: contribution to the debate on culture and development in Europe.
- Reflection on national cultural policies and models: to date 16

countries have participated in the European programme on National Cultural Policy Reviews which has produced a wealth of material in this field. Cultural Policies in Europe: a compendium of basic facts and trends is a new resource to keep this information up to date. Transversal studies go deeper into specific policy developments and issues such as cultural diversity.

- Assisting national cultural policies through two new programmes – MOSAIC and STAGE – the Council assists countries in transition to build cultural policies which are founded on the shared principles of the Council of Europe.
- Building the foundations for third sector cultural co-operation: support to initiatives such as CIRCLE – set up in 1980 as the first “network” for cultural policy information exchange – or ENCATC – set up as a network for trainers in cultural management.
- Collection of reference material to assist cultural co-operation: support to the 1985/1995/2000 editions of the Handbook of Cultural Affairs in Europe – a directory of information on the political and administrative structures for cultural policy and cultural co-operation in the 47 member states of the Council of Europe.

While the Council of Europe is not equipped with the resources nor the mandate to provide direct support to artists, it does run a few programmes involving creative artists such as “Apollonia” (facilitating artistic exchange with central and east European countries) or “Pont de l’Europe” (essays from 40 European writers inscribed at the Pont de l’Europe connecting Kehl to Strasbourg). Since 1954 it has organised 27 transnational art exhibitions such as “Art and Power: Europe under Dictators 1930-45”. Other projects of the Council include(d): Culture and the Neighbourhoods; European Cinema and EURIMAGES; Creativity and the Young; the Electronic Publishing, Books and Archives Project (including a network of print-on-demand actors); Information Society (examining the cultural policy perspective).

*Sources: Handbook of Cultural Affairs in Europe [2]; Council of Europe website <<http://culture.coe.fr/>>; Cultural policy in action throughout Europe, Council of Europe 2000.*

# Main Challenges for Creative Artists in Europe

The following three papers have been commissioned by ERICarts to experts who could provide information on some of the main challenges currently facing writers, visual artists and composers in Europe. They were commissioned with the understanding that each of these three professional fields have specific needs, individual challenges and various levels of public support – direct, indirect, demand side measures for market development.

Each of the authors were asked to address the three main workshop questions of the Visby conference in their paper:

## **1. Threats or opportunities: digital progress from the artists' point of view**

What are the threats posed and opportunities provided by the new technologies for artists in the creation, production or distribution of their works (e.g. concentration of distribution rights by large institutions such as publishing houses or the opportunity to self-publish work to empower artists, how do we define fair use and fair compensation)? How do the new technologies change the relationship between the artists and their audience (e.g. bringing them closer together or moving them farther apart)?

## **2. The artist, an odd fellow...**

What are the particular challenges faced by artists as self-employed/freelance/independent? What are the consequences that legal frameworks pose for the individual self-employed artist?

## **3. Artist markets, addiction or artistic freedom**

Comment on: markets, market failures and responsibilities of governments in supporting artistic research and development, which help to sustain an environment for creativity and innovation. (By markets, the point of interaction between public, private and civil society actors is meant - not just commercial markets.)

# Main Challenges for Writers in Europe

BY SABINE HERHOLZ

## 1. Threats or opportunities? Artists' experience with the new technologies

Changes in the book market and in the field of publishing have reduced opportunities for authors to get into print. Large publishing houses have turned into multinational corporations, dominating the market in each of the main language areas. Their strategy is aimed at creating vertical marketing structures that facilitate the exploitation of a copyright protected work in all forms. Starting with the printed edition and ending with an electronic publication, they are able to dictate contracts which often come near to a “buy out” of all rights. The main interests of media giants is purely financial, whereas smaller publishing houses whose interest it is to maintain a large variety of titles (not only bestsellers) and dare to publish younger or unknown writers are bound to disappear from the market as they cannot compete. The same phenomenon is being noticed on the bookselling market. Big chains are offering only bestsellers; a practice which is reinforced by the abolition of the fixed book price agreement e.g. in countries like Great Britain. In addition, some of the “content providers” are under the control of some media giants.

With regard to the Internet, there are not many authors across the EU who are working with this new technology (most of them are still using their PC as a typewriter). Therefore, we come to the conclusion that up until now the relationship between authors and their public has not changed very much. Some authors have their own homepages or websites, they exchange information, chat on various topics, offer various kinds of texts via the Internet. However, even the bestselling author Stephen King has stopped publishing his crime novel via the Internet because the results were not satisfying. His publishing house in Germany is trying a new approach by posting an “advertisement” – an excerpt of 30 pages of his new book for download. The idea behind it: the reader should be interested in going to a bookshop and buy the complete volume in print as they usually would.

### The new era of publishing on demand – books on demand

The number of electronic publications is growing especially in the fields of sciences: research reports are available via data-banks and can be printed quite quickly thanks to publishing on demand technologies, albeit in small numbers. Yet what is good for science must not equally be good for science fiction. There should be firm restrictions for those who publish books-on-demand.

New technologies could provide authors with the possibility of making their out-of-print works available again – provided they are in possession of the rights. To publish new works and to offer them for sale via the Internet may be a difficult way for an unknown author to become known to a larger public. If the first print is released with a commercial publishing company (having a small number of copies printed which could be sold) the publisher may hang on to the author's rights forever on the basis that they have only published a small number of books and have negotiated an “open” contract. Authors have to be extremely cautious when signing contracts, especially with regard to secondary



rights.

The Internet is a medium for distribution which authors can use to self-publish their works – especially those in the “smaller” language areas of Europe which gives them a chance to be published without the huge costs implied when using a publishing company. Direct distribution and direct access is the main advantage of the Internet which should be taken into consideration within the European legislation. Innovative literature, poetry or translations could be made more available than they have been with print as the only medium. There are signs, however, that some traditional publishers will be able to distribute their titles electronically, offering editing and marketing services and thus finding a new role for themselves in the publishing sector.

The World Wide Web as a marketplace gives authors the possibility to make their works widely available and therefore they are generally keen to use the new technologies. Some of them are posting their material to the Net without charge. The majority of professional writers realize that by handling their property so liberally, they may end up without compensation as there is no legal framework to deal with this question. Authors are therefore calling for the implementation of an appropriate royalty for electronic use. Do we not pay for the printed edition of a book, does not the book price include the royalty for an author, and, if borrowed from a library, will not the author receive a percentage from the Public Lending Right? Do we not have to pay for our living, pay for equipment, telephone bills, pay bills to our content providers? Why should consumers not pay a fair levy for the copyright material they choose to receive, down-load, print out – whether it is pop-music, an academic paper, a literary work or a recording of classical music? The truth of the matter is that consumers don't like this idea very much and that is why piracy is rampant.

### **Freedom of expression and free access to information**

Some words about Data Trash. Everybody agrees that the information society needs mediators and gate keepers to select information and keep out the trash. There needs to be, however, a balance between freedom of information and access to works of art and literature without neglecting the rights of those who created the works. The EU must establish a legislative framework for electronic or internet publishing that encourages creativity by making it possible for authors, writers, adaptors and translators to earn their living and to be remunerated in proportion to the use that is made of their work and the benefit that (European) societies derive from it. (Gordon Fielden, Society of Authors, London/GB)

Literary work-original creations in whatever form (electronic or printed) consist of protected copyright material. Amendments are being made to address how these rights are to be managed in the digital era by the EU and WIPO. International agreements such as the GATT and those under the OECD, however, include loop holes to bypass those rights or restrict them.

## 2. The artist, an odd fellow...

Particular challenges which are faced by freelance and independent writers include: the legal framework (including copyright issues in author's rights, moral rights, ACR - Author's Communal Right) and taxation and social security. There are a number of guidelines on copyright and authors' rights in the EU which are summarised below.

- a) *The Directive on Copyright in the Information Society* seems to be reaching its final stage before adoption. From the author's point of view it may be a mixed blessing as it includes a number of provisions that establish authors rights more clearly; its adoption will allow the EU to ratify the two WIPO 1996 Internet treaties. Although some of the additions are rather disturbing, e.g. the possible exceptions to copyright which may be invoked in exchange for "fair compensation". The new term "fair compensation", which was especially created for this directive, is less precise than the traditional term "equitable remuneration". The basic provision of the Directive, assuring authors rights in the digital age could have an important impact.
- b) *Moral Rights* have taken on a new significance and respectability not only for authors but for legitimate commercial users. The European Parliament is already considering guidelines for revising and harmonising legislation on authors' contractual rights.
- c) *Authors' Communal Rights*: Based on discussions stretching over many years, the German Writers' Union and the European Writers Congress (representing 49 member organisations in 26 countries with 50.000 authors and literary translators) have been developing a concept of the Author's Communal Right (ACR). Meanwhile the IG Medien (the trade union to which the German Writers' Union is affiliated) and Professor Adolf Dietz from the Munich office of the Max-Planck-Institute for International and Foreign Patent, Copyright and Competition Law have framed a legislative model that also covers graphic artists. The idea is that a new creators' levy on so-called *public domain works* (those that are beyond 70 years post mortem auctoris) should be used to build up a number of self-administered funds for writers and artists and that these should be used to promote new creativity. This would place intellectual property on the same legal footing as material property: e.g. that ownership rights would last forever; the difference being that unlike the benefits from material property that are inherited privately, the benefits from intellectual property would fall to society as a whole. Restricted investment in culture that exists under global capitalism would be met with a revolving system working on a simple economic principle: that like every other sector of the economy, the "culture sector" is also capable of being self-supporting if only it is allowed to put its existing resources to good use. It goes without saying that the proposed levy would be neither a tax nor a payment of duty but simply a just reward for services rendered. It should not disturb the obligations of government to provide education services and access to the arts.
- d) To add to the income of writers and translators, a few countries have

established the *Public Lending and Rental Right*, a fee paid for the use of each work in public libraries, copying and reprography rights. On the whole, authors must rely increasingly on secondary exploitation through licensing and levies administered through collecting societies.

- e) *Collective Management of Rights*: Collecting societies are responsible for rightholders and users. During a conference in Strasbourg in November 2000 the question of the protection of authors rights in the electronic field was taken up and a decision reached that these should be administered by authors' collecting societies throughout Europe. This would give collecting societies the possibility to handle licences on behalf of authors thus shifting the balance of power between (weak) authors and (strong) big companies such as Bill Gates. The EC is currently developing a policy on collecting societies.

Proposed amendments to German Copyright Contractual Law could break new ground. The Federal Government is now seriously considering a new law which could substantially strengthen the creators' position in the collective defence of their rights. This proposal has been initiated by the German Writers' Union in the IG Medien and others. The proposal would allow groups to bargain collectively to defend creators' copyright interests and to establish a minimum set of rights within such contracts. The proposal foresees provision for an arbitration procedure if collective bargaining does not reach a mutually acceptable agreement. The remuneration for the use of a work can be subject to court protection if the creator does not accept the proposed remuneration.

### **Fixed Book Price**

The various national systems of fixed book prices applied in many member states encourage booksellers to invest in a wide stock (including special titles which don't easily sell to a larger public) thus offering professional service to readers and keeping prices generally stable. In those countries where the fixed book prices have been abolished, like e.g. Great Britain or Sweden, prices of books have gone up and bookshops died out; except big chain stores who offer some bestsellers at reduced prices and other bargains. As an example we may look upon the music industry: after the abolition of fixed prices only a few labels survived and are dictating the market by selling far too expensive CDs and cassettes (apart from the bargains they offer).

### **Taxation in Europe**

A questionnaire developed by the European Writers Congress was circulated in 1999 to its 25 member countries (15 country responses were received). Some of the questions-answers are presented below:

Q- #1: For the purposes of taxation, are authors classified as private companies, employees or self-employed (similar to doctors, architects and solicitors) or are they placed in a separate category?

A- In 13 out of 15 countries authors may be classified as either self

employed or private companies, entitling them to tax concessions on their writing expenses. Only in Estonia and Latvia are there still problems (which may have changed in the meantime).

Q- #2: Are literary works such as published papers, books, radio plays/TV/ film scripts, contributions to periodicals, or activities such as readings and platform appearances subject to Value Added Tax (VAT)?

A- VAT rates vary a great deal, the range being from “zero rate” in countries like Ireland, Great Britain, Iceland, Latvia, Norway, Slovenia and Spain to 12% in Hungary. VAT rates paid in other countries are: Austria = 10%, Germany = 7%, France = 5,5%, Switzerland= 2%.

It would surely help those authors and translators in the EU if more governments could decide to follow the example of countries like Great Britain and Ireland (especially Ireland where writers are exempt from income tax). How could we suggest to ministers that one of the ways of compensating writers for the use of their works in the public interest would be these income tax concessions?

### **Social Security Measures for Writers and Translators**

The social and financial conditions of writers and translators in the EU countries are generally speaking not very good. The European Writer’s Congress has estimated that only 8-10% of writers and translators can live on their income from writing. Therefore, most of them have other jobs in addition to their writing careers. The various Writers Unions and the EWC are striving for better social and working conditions for their clientele, as well as giving them legal support. They inform their communities about bursaries, grants and literary prizes and offer model contracts for writers and translators.

There are rarely special arrangements for writers as far as social benefits, pensions or other social security measures are concerned except in Germany and now in Austria. In Germany, the social security legislation for artists, the “Künstlersozialversicherung”, cares for health and old age pensions. It is financed by the artist (50%) and by the state, the producers and publishers.

### **3. What markets can do – and what they can’t**

If a proposal such as the ACR – Authors’ Communal Right were to be ratified within the EU it could be used to build up a number of self administered funds for writers, translators and artists. This could be used to promote new creativity in all aspects.

The Internet is a multilingual market place that extends beyond the narrow borders of the EU. It should give great attention to writers but also to translators. The EU should be deeply concerned that the interests and importance of translators will be recognized in all European measures.

The EU is a big market, bigger than the US and surely more interesting in its variety of culture, language and traditions. To secure the smaller languages and minorities, special EU programmes should be organized to keep them alive.

With financial help from funds of a possible ACR, public bodies and third sector organisations could help to develop new audiences, especially as regards lyrics, and foster diversity in the marketplace. Some innovative projects include: *lyrikline.org*, a project sponsored by various German institutions, including the Goethe-Institute or the creation of a virtual library by a number of writers organisations to present authors in the Net. *Sponsoring smaller publishing houses* like is already done e.g. in the Netherlands and Austria, to sustain diversity in literature, especially innovative literature and lyrics to promote younger or unknown authors and translators seems a promising path.

*International cultural and literary exchange* is a vital factor for writers and translators. A number of host facilities and residences for writers and translators already exist in the EU, where writers of all nationalities can apply. The number of Centres in the EU should be increased to establish better working conditions, communication and qualification for authors and translators. The Swiss Writers Organisation has issued an international guide in this regard which can be found on: <http://www.ch-s.ch>.

There exists a number of *Academies for Writers and Translators*, some of which are sponsored by EU money. They offer qualifying seminars which are absolutely necessary e.g. to adapt writers and translators to the changing (electronic) markets. *Houses of literature* exist in many European capitals as well as in smaller communities. A good example is to be found in Dublin: the Museum of Literature which includes both famous and not so famous Irish writers and a bookstore. This institution is important not only for Dubliners, but also for a greater public.

*Sabine Herholz, German Writers Union (VS), Stuttgart was asked to prepare this paper by ERICarts in a personal capacity. Its aim is to provide information on the current challenges facing writers for the discussions in the Swedish Presidency Seminar, "Conditions for Creative Artists in Europe", Visby 2001.*

FINAL NOTE: Until the end of the last century in many European countries literature, lyrics and translations, were highly esteemed in the public mind. This now belongs to the past. It should be a cultural challenge for the EU, for the governments within the EU, to regain this esteem for creators, authors and translators by various actions to secure favourable living and working conditions.

# Main Challenges for Visual Artists in Europe

BY STELLA COFFEY

A European Commission Staff Working Paper on Culture, the Cultural Industries & Employment was published in May 1998. While its publication is welcomed given the dearth of commission documentation on the topic, it has a major flaw: the working paper did NOT include the visual arts in its data, analysis or conclusions. Every other conceivable manifestation of employment in the field of culture appeared to have been considered in the paper, so why not visual arts? My theory is that a lack of sufficient data about visual art and artists in the member states caused it to be left out.

It is a shocking omission and shows one very profound effect of inadequate information about the visual arts: if information on even a single dimension of a group is unavailable then policy/decision-makers are likely to ignore that group.

## 1. Visual artists' practice & its needs

The model below describes visual artists' practice in general and should be taken into account by decision-makers when formulating policy on the visual arts.

Fig 1. Model of visual artists' practice and its needs

<b>PERIOD OF RESEARCH &amp; DEVELOPMENT</b>	<b>Time</b>
<b>SPACE FOR IDEAS TO EMERGE</b>	<b>Workspace</b>
<b>PHYSICAL CREATION</b>	
<b>CONNECTION WITH PUBLICS ADMINISTRATION</b>	<b>Materials</b>

The elements on the left are the stages of the creative process along with establishment and maintenance of all necessary connections. The right hand column contains the physical requirements for the left hand elements to take place. Unless each element in the model is accommodated within an artist's working environment, it is difficult to see how that artist can thrive. The amount of each element may vary greatly between media and each individual's practice.

## **2. Some relevant perspectives**

### **The visual arts and visual artists are in a unique situation**

Much of what happens in contemporary visual arts in most western European countries takes place in the publicly-funded sphere. This contrasts significantly with the situation of composers and writers who have well-developed commercial elements within their sectors which provide or cross-subsidise some of their sectoral infrastructure. This situation also results in the visual arts being more profoundly affected by national or EU level policies, a fact which suggests the visual arts needs more, not less, communication with decision-makers at those levels.

### **Analogy with soccer**

You do not get ‘world class’ international-level soccer without having thriving local, junior, schools and club systems. Within each country, how soccer is organised includes a complex infrastructure of venues, coaching, training, competitions, investment streams, along with corporate, public administration and voluntary elements. The situation of soccer is like a seed bed for its players and spectators. Applying this analogy to the visual arts, the implications of creating such a seed bed for both creators and audience look promising.

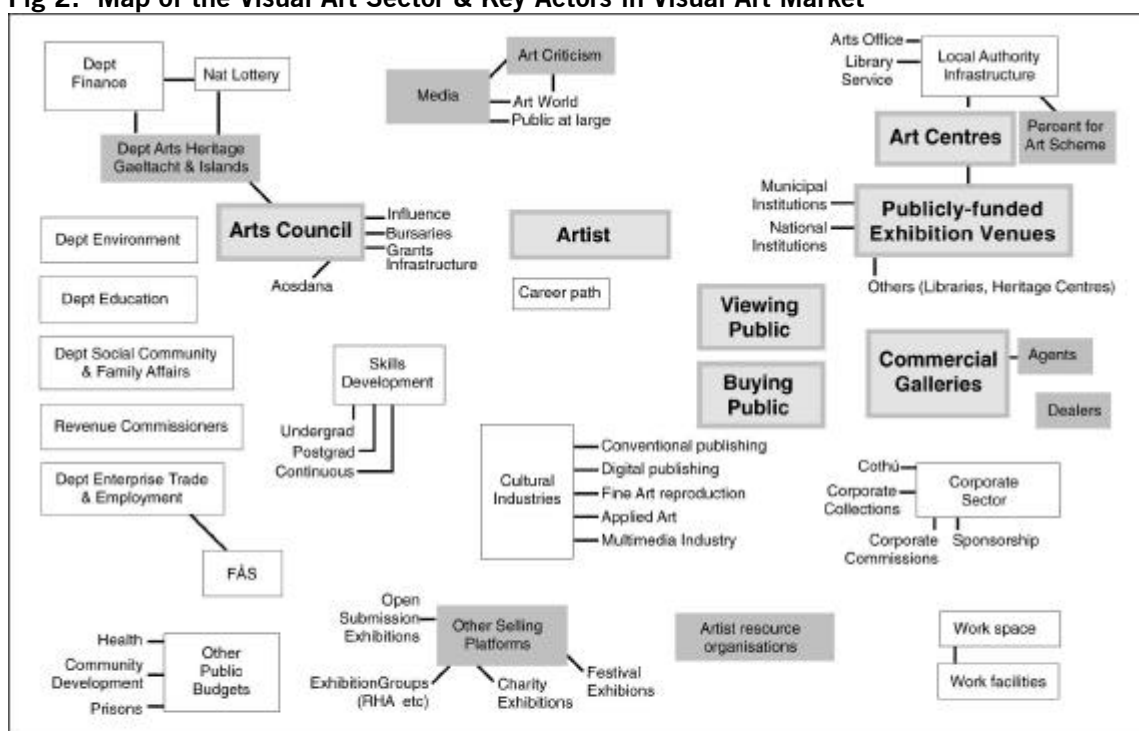
### **Visual art as a public good**

Contemporary art has the characteristic of a public good, e.g, once provided, each person can benefit without reducing the amount available for others and no person can be prevented from benefiting from the provision of the good. Some of the benefits of contemporary art amount to public good, e.g., public art collections and publicly-funded viewing opportunities. Public goods are financed by the state; they will not be financed from the private sector as it is not possible to charge users directly. The main issue is how to determine whether the public good element is being produced in the correct quantities, and what level of state support is adequate or desirable (Durkan, 1994). This issue should be dealt with at state policy level; failure to address it explicitly would be expected to contribute to ongoing uncertainty and difficulty regarding investment of public funds in the arts.

### **The visual arts sector**

In an effort to help understand problems in the visual arts, AAI devised a map of the visual arts sector in Ireland. One would not expect a great number of significant differences to be found in similar maps for other western European countries.

**Fig 2. Map of the Visual Art Sector & Key Actors in Visual Art Market**



**Key**

- Main actors in visual art market.
- Actors whose market input is significant but less direct or is under developed.
- Affect the sector, and by inference the market, but their importance is virtually ignored.

From this map, it is clear that the number of state organs which feature in the sector is remarkable: this confirms that much of what takes place in the sector is in the publicly-funded sphere and is therefore strongly affected by state policy and actions. Addressing the sector’s problems must involve making appropriate connections between all the actors on this map – the sticking plaster approach used to date has been shown not to work.

**The visual art market**

The tendency in western European countries has been to support individual artists. It is my contention that support for the individual artist must be paralle-



led by strategies that develop the art market. A useful perspective on the visual art market is to consider it as having two inter-related parts: the viewing art market and the buying art market. The free market model is not compatible with the visual art market. The visual art market itself has many significant features demanding a specifically tailored marketing approach. In addition, all state roles in the art market must be included in any art market analysis for such analyses to be meaningful. Research carried out in 1998 in Ireland (Coffey 2000) recommended the following: 'Recommending particular marketing strategies is the usual expected outcome of a market review. However the uniqueness of the visual art market dictates that development of a marketing concept must precede recommendations for particular marketing strategies.' This suggests that development of a marketing concept for visual arts is a basic requirement in order for real progress to be made.

### **Visual artists & new technologies**

All issues identified in this paper are also relevant to how new technologies relate to visual artists whether in the creation, production or distribution of their art. Two factors take on additional significance, costs and skills development, factors which many artists are not in a position to address without support. The high level specifications required of the hardware and its rapid obsolescence, the continuing requirement to upgrade expensive software all demand sizeable budgets which must be found at the expense of other resources. At an institutional level there is therefore a danger that focusing on digital technology resources causes downgrading or erosion of more traditional supports, or supports for more traditional practice, particularly when funding for new technology is readily available. Have we not learned from the limitations of funding-led initiatives yet?

### **Types of role for the state & EU**

In essence, much state intervention in the visual arts has been of the patronage variety, e.g., the state acts as a patron, the patron being funded with taxpayers' money. A more appropriate role for the state would be to ensure that a supportive working environment exists for visual artists. This role requires a radical re-think and would involve cross-departmental actions. The EU should involve itself in a similar approach with much cross-directorate general actions, particularly because of its role in economic and social policy.

## **3. Particular challenges**

### **A channel for the voice of a numerically small group**

In any given population there tends not to be a huge number of visual artists, the nature of their work is predominantly solitary, and they have limited

influence. For these reasons, they tend not to be able to get political support nationally or within the EU. The ongoing saga of the resale right draft directive in Europe is a typical example where what should have been a simple single market issue became a political football at the behest of a small but extremely influential group. The EU is committed to ensuring a voice for minorities and others who have been excluded from decision-making to date. It is time to ensure that visual artists are never again left out (as happened with the 1998 working paper). It is appropriate that the EU's own principle of inclusion is applied to visual artists when decisions affecting their working lives are involved. This issue requires a support mechanism to enable visual artists throughout the EU to develop their capacity to participate fully in such decision making.

### **How visual artists work & issues of 'fit' with work systems**

- Much of the work of a visual artist in creative mode generates no income.
- The way artists work does not 'fit' well with the existing national regulatory and social support systems (their structure and their operation) regarding work where work is usually synonymous with paid work.
- Artists when in creative mode are most likely to be self-employed.
- Artists may have a number of employment status sequentially in a very short period, sometimes even in one day!
- Issues affecting self-employed persons and micro-enterprises also affect self-employed artists (EVAN, 2001): the bureaucratic burden & its associated costs; the range of skills demanded of one person; sources of investment capital; ongoing skills development; specially tailored regulatory framework, etc.
- Efforts to ameliorate the structural and systemic difficulties for the self-employed and micro-enterprises ought to include artists in their deliberations. This includes research of current issues and design of new systems. This approach could provide an apt opportunity to address ongoing professional skills development for artists in a systematic way.
- For many artists juggling part-time or full-time paid work with their own creative work is a constant struggle. Many get worn out by the struggle, with no time or creative energy left for their own creative work; some give up.

### **Decision-makers' thinking**

In recent decades plans and interventions in the arts have been responses to current problems and past failures. Traditionally, these public administration practices did not take systems thinking (e.g., a holistic perspective which acknowledges that everything interlinks) into account. However, systems thinking has now gained sufficient credibility for it to be possible to apply it to the problems of the visual arts.

Similarly, while being rooted in current and past problems, public administration tended to avoid thinking strategically, e.g., from the perspective of a

future-oriented vision. Such an approach allows the ‘big picture perspective’ of an issue to emerge which is more likely to lead to a long term and sustainable solution specifically by linking the necessary elements on the map (see Fig 2). This suggests that trans-departmental (or trans-directorate general at EU level) communication needs to take place.

In terms of the art market, a shift needs to take place from the usual tendency of addressing supply side of the art market only to one which ensures the demand side is also considered.

### **Decision-makers’ information**

Decision-makers do not understand how visual artists work. This is hardly surprising when one realises that decision-makers do not actually know how visual artists work. Furthermore, decision-makers do not take the full range of visual arts practice into account. Clearly then, a major issue requiring attention is how best to plug this information gap.

### **Decision-making**

One can presume that decision-making has been less than perfect in the past if only because of its failure to produce effective solutions. Senge (1993) reports the situation as follows: ‘the causes of many pressing public issues, from urban decay to global ecological threat, lay in the very well-intentioned policies designed to alleviate them. These problems were “actually systems” that lured policymakers into interventions that focused on obvious symptoms not underlying causes, which produced short-term benefit but long-term malaise, and fostered the need for still more symptomatic interventions.’ However, improvements in some areas of public administration are noticeable, some of which arise from changes in decision-making behaviour and improved decision-making skills.

### **A suitable framework for high level decision-making**

A fairly widespread acceptance now exists that the pace and degree of change underway demands a new framework for determining policy. A shift to a policy development process approach wherein policy-making, implementation and monitoring are seamless parts of the process makes it likely that better decision-making will take place in the future. Such a process must include channels for participative decision-making for those involved, particularly the primary producers, e.g, the artists. If such a channel is created and serviced, it is likely to help enormously in overcoming part of the existing information deficit regarding visual artists.

*Stella Coffey, Artists Association of Ireland, Dublin was asked to prepare this paper by ERICarts in a personal capacity. Its aim is to provide information on the current challenges facing visual artists for the discussions in the Swedish Presidency Seminar, "Conditions for Creative Artists in Europe", Visby 2001.*

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# Main Challenges for Composers in Europe

BY BERNHARD GÜNTHER

## 1. Threats or opportunities: digital progress from the artists' point of view

“Music and digital technologies” is no longer an exclusive topic for music insiders or tech freaks. At the end of the 20th century, digital distribution channels have had quite a spectacular beginning in the field of music – including media mergers, high-profile lawsuits, and one of the largest “lobbying battles” in the history of the European Parliament.<sup>1</sup> Countless headlines, petitions and position papers around MP3.com, Napster and the EU copyright directive contributed to the impression that the new technologies impose serious threats on the creators of music. “Internet piracy” has been well established as a main target for policy makers. Copyright collection societies and music industry federations are raising their voice to underline that artists are being ripped off by pirates in the new media. One could believe that in the information society composers and musicians are facing tougher times than ever before.

However, from an economic point of view, the warnings around music, technology, and copyright are worth a closer look.

First, it is necessary to differentiate between composers and – composers.<sup>2</sup> Among composers, there are huge differences with regard to the economic importance of copyright: The royalties generated by copyright differ extremely between the 10% most profiting and the 90% other composers. According to the British Monopolies and Mergers Commission, less than 3% of authors connected to the British Performing Rights Society received more than £ 10,000 for 1993 performances, while more than 80% of the authors received less than £ 1,000.<sup>3</sup> Copyright is paying mostly for “stars”. The same is valid for revenue streams generated by record sales: of hundreds of records released each week worldwide by major labels, only a few cover the high costs for marketing and distribution. The pre-digital distribution models of the music industry have many aspects of a lottery and are catering only to a very small percentage of the composers.

Second, it is necessary to differentiate between composers and rightsholders. Especially taken the European tradition of “Droit d’auteur/Urheberrecht”, it is important to note that the exclusive rights originally provided to creative artists come to the very point of negotiation in any contract the artist is signing with labels, publishers, producers, and other players within the music industry. It is not only a few artists who end up with their rights given away in contracts without getting something that could properly be called a fair compensation. Especially newcomers often happy about their first contracts – are unaware they are about to lose rights as well as money.

*“[C]reativity is not limited to finished products; it also appears in financial and manufacturing arrangements. If anything, the scope for deal making in records as compared to movies is greater because of the relatively smaller capital commitments and fewer people involved in making a recorded-music product. Still, most record companies are highly selective in signing talent, and fancy deal making is a privilege mostly reserved for already established artists.” [Vogel 1998]<sup>4</sup>*

Thus, given all the security that the EU copyright directive might provide for artists and rightsholders as opposed to users etc., most of the problems that occur in between artists and rightsholders remain unsolved. From a composers' perspective, the next important task for legislators is a workable legal framework for contracts.<sup>5</sup>

Third, it is necessary to differentiate between copies and copies. Still, the most important distribution channels for composers are live performances (in concert halls, clubs, etc.) and broadcasting stations. The printed score – once the main source of revenue – has ceased to be of direct economic importance, even for the publishing companies themselves. There are much more recordings than scores issued nowadays. However, only for a very small number of composers is this increasing number of recordings a significant source of income. It is almost normal for composers to produce their recordings themselves – in other words, to pay for the production of the CD. Even well-known record companies, especially in the field of contemporary composition, charge composers for anything including the transport of the CDs from the manufacturing plant to the shelves of the distributor. If there are orchestral works included, a composer may easily end up paying between Euro 5,000 and Euro 25,000. What he gets back is in most cases the marketing effect of a good recording published by a renowned label – which hopefully means higher chances to get performances and commissions, higher chances to get licensed for movies or stage music, a potentially increasing number of listeners or fans who might visit one of the next concerts etc. But only in a few cases is there a significant direct stream of revenue from record sales. So, worrying about internet piracy and counterfeiting which could presumably press down those direct revenues does not really sound like a problem for the majority of the composers. To most of today's composers, a CD means to a very large extent a marketing tool – but only to a very small extent it means money. Copying and spreading money is well known as being a crime. Copying and spreading a business card is not. Therefore, (digital) copying should be viewed not only from the very perspective of the yet established profit makers, but also from that of rising and developing artists.

Seen from a composers perspective, it is essential to be able to choose whatever way you want to have your music heard. On the one hand, you should be able to control the spreading of your recordings and to enforce direct revenues from record sales. On the other hand, you should have access to other marketing tools and business models that could help find listeners willing to contribute to your income. To quote just three well-known examples: First, the internet music service provider MP3.com, that was forced to pay USD 250 million to the recording industry because one of its services was considered an infringement of copyright law,<sup>6</sup> is running a “payback for playback” program. USD 1 million each month is distributed to artists according to the number of listens their songs receive. 39 of MP3.com's about 150,000 artists has received more than USD 20,000 each as a compensation for free downloads during 2000.<sup>7</sup> Second, AOL.com (and others, like fairtunes.com) has recently launched a “tip jar” which makes it easy for listeners to leave small amounts of money if they like the music downloaded etc. Third, soul star Prince is offering subscription services on his personal website; for a few dollars, fans get access

to downloads, streams and informational material. For composers, services like that open up a potential source of revenues by collecting money beyond ticket or CD sales. Of course, those models will hardly be viable for the majority of composers to cover their expenses – but the record industry’s model isn’t any better. So, for many composers it would be a more threatening perspective to legally and technically abolish the benefits of the new digital communication networks.

The digital distribution facilities – the internet, mobile communication networks and more to come – will encourage a plurality of connections between composers and listeners. We will see an increasing amount of distribution models. Today there are records as plastic objects as well as radio broadcasting, there are Internet streaming radios and download sites, peer-to-peer file exchange technologies and the first mobile services. There will be more ways of getting music in the future. Seen from a composers perspective, it is essential to get the right kind of information about those new possibilities. Composers should be able to consider whether they have any chance to take advantage of technical innovations – and whom to pass on the rights for their music’s digital distribution.

So far, the main focus of this short overview has been on digital innovation in the field of distribution, which certainly is the most publicly discussed “revolution” in this field of interest at the moment. Some other aspects of digital innovation shouldn’t be missed, though.

First, there is a chance for the improvement of communication among composers. Composers in general don’t belong to the most publicly articulated interest groups. Also, they are not yet exchanging relevant information and know-how very effectively. E.g., better access to information about closing deals with distributors, about technical and historical aspects of a Hammond organ, about getting subsidies or taking part in competitions could improve the composers’ situation. This is where newsgroups, not-for-profit websites like those provided by the music information centers, and other communication platforms are needed to identify and match the artists’ requirements, and to encourage an intelligent and sustainable use of new technologies.

Second, digital recording innovation allows composers to circumvent a traditional technical infrastructure they couldn’t afford. Digital home recording facilities are getting more affordable, and the possibility of burning your own demo CDs is a sine-qua-non in a composer’s career. There is no way back into the pre-digital era of music recording,<sup>8</sup> and the way ahead should be kept open for composers.

Third, technical innovation has always fostered aesthetic innovation. So does the development of digital techniques. There is an astonishing number of composers who are experimenting with multi-media, online network performances, sampling, real-time applications and different music software. They are often experimenting with forms of music that wouldn’t have been possible some years ago.

To conclude with a fourth and final point, the importance of aesthetic innovation is where we get back to copyright policies. The very moment generic hardware (like computer hard discs) will simply make copying impossible for everybody (except for copyright industry programmers and

some hackers), will be a black day for composers. There are more and more hints that technical measures will soon severely affect the way we are able to handle information by technical means in general. To give just two examples: The DVD burner that comes with the new Apple G4 laptop – a preferred tool of many composers – doesn't allow access to movies and music like with a CD-ROM burner anymore. Disregarding any legal amendments from copyright, a technical copy protection makes copying simply impossible. Even if you would just like to legally sample from the public domain you'll soon find yourself stopped by technical measures. On the long run, this would effect every artistic use of recorded material – an odd perspective for composers who have been able to incorporate quotations into their music from the dark age onwards. The next scenario is even more threatening to composers (and not only to them): IBM, Intel, Toshiba and Matsushita are preparing a copy protection standard which would abolish basic copying procedures as backup, copy and paste or drag and drop functions to a large extent.<sup>9</sup> It is left to the reader what this would impose on artists, writers and composers.

*“The lesson in [the history of internet and in the development of the open source software Linux] is a lesson about architecting innovation and creativity. It's a lesson about what follows from de-centralising the production of creative materials, from moving it away from a central committee or a single decision maker and enabling lots of people in a de-centralised way to participate in the production of whatever the material is we're now discussing. And I want you to take that same idea and now carry it over into the context of culture, the production of culture. Because the battle that is going on now about the future of copyright in cyberspace is exactly this battle about whether culture, the production of this culture is centralised in a place called Hollywood, or de-centralised in 5,000 Hollywoods all across the world; whether the architecture of copyright law and the architecture of the internet itself both tilt us towards a centralised structure for the development of culture or in favour of cultural diversity. And in the next five years, my view is, this decision will be made. We will either tilt the development towards centralised productions or we will tilt the development towards diverse productions. And it's critical now that people understand the political significance of this battle.” [Lessig 2000]<sup>10</sup>*

## **2. The artist, an odd fellow ...**

The last section was filled with plenty of numbers, percentages and legal facts, which raises the need for a very simple statement: According to most composers and artists, dealing with such figures and facts is just not considered important, or in a younger version: “not cool.” Many composers are taken by surprise and embarrassed by the amount of time and energy which is needed for marketing, contracting etc. Only a handful of composers can afford to get this part of their work done by assistants, agents or managers. Publishers (if a composer happens to have one) are in many cases reducing their engagement due to financial restrictions. But instead of making things easier, the



bureaucratic demands on composers are increasing.

There is a second general issue to be raised. Many composers feel more patronised than supported, or less diplomatically expressed: E.g. when applying for public subsidies, they feel treated more like beggars than as contributors to a country's culture. As soon as cuts in public households lead to changes in the economic situation of artists, they tend to feel ripped off. A prominent example raised in Austria in February 2001, when writer Robert Menasse suggested to found a company (Free Austria Kunst GmbH) in the Netherlands, France, or Liechtenstein that would act as a financial and legal basis for more than a hundred prominent writers, composers etc. from Austria in order to escape the new legal framework for social insurance of artists.<sup>11</sup>

A practical example of the consequences of policies and regulation measures: Assumed you start from a given financial balance of composers and their patrons, as concert houses or broadcasters. Then, virtually anything you do in this field in order to cut public spending or raise public revenues, will make the balance worse for the composers. E.g., you could impose higher taxes on one or both sides. You could suspend a bonus system for regular performances of contemporary music. Or you could force the contractors to pass a certain percentage of the honorarium for a social insurance plan. In almost any of these cases, the composers will get less money from their partners than before. Considering that most composers don't really belong to the better-off parts of the society, for many of them this will equal a financial imposition and maybe end a career. Thus, even with seemingly small changes in the regulatory framework one can cause major earthquakes in large parts of a country's cultural life.

The national adoption of the EU copyright directive will be of great importance, especially as all but one of the amendments are subject to individual legislation of the member countries (cf. part 1).

### **3. Artist markets, addiction or artistic freedom**

The emphatic picture of the composer as a person doing almost nothing but writing notes on paper is apparently wrong. Overall, not more than 15% to 20% of the composers are able to earn more than half of their income by composing. According to a study within a sample of 284 composers [Smudits 1993]<sup>12</sup>, more than 80% of them work also as musicians, music teachers etc., and more than 25% even do additional jobs that are not related to music. In fields like jazz, popular music, performance art, improvisation etc., it's not even easy to distinguish composers from musicians.

Traditional stylistic genre separations are getting increasingly outdated: The simple distinctions between classical/contemporary vs. jazz vs. pop music<sup>13</sup> are quite a poor starting point to understand the scope of composers nowadays.<sup>14</sup> This is quite important especially as these distinctions are to be found in radio stations, music magazines, record stores, copyright collection societies or in guidelines for public subventions. In this respect, huge sectors of the markets are decades behind the composers.

Staying with the genre distinctions for a moment, there is a very broad

spectrum as far as production and distribution is concerned. Pop will be more regularly seen on TV screens and have a chance of being awarded a gold disc – in contrast to experimental contemporary chamber music which is focused on specialised festivals and more in need of public subsidies. Dance and house music is mainly club-oriented and often distributed on vinyl recordings. Operas, movie soundtracks and advertisement jingles are connected to specialised distribution channels. All composers active in these different fields of musical creation are subject to different economic and market environments. And many of these markets are changing.

From a European contemporary composer's perspective, his/her market is slowly disappearing. Two of his/her most important customers are cutting expenses: Broadcasters are restricting time and money for contemporary music. Festivals and venues are being closed down. Both of them are commissioning less compositions or paying a smaller honorarium. The remaining programs are more and more filled by less experimental music or by "big names." The responsibility for musical innovation and experimentation of the existing markets is increasingly left up to the idealism of composers. Yet instead of trying to help them with this important task, governments are more and more forcing them to act as if they were running an ordinary commercial business (cf. 2).

For a lot of composers, leaving the cultural responsibility up to the market sounds quite cynical, given some business data. Marketing is the most expensive part of the record industry's business. Mainly due to the huge costs of marketing and distribution, a major label album begins to make profit after it has sold around 100,000–200,000 copies. How should there be any hope on this market for contemporary music – which typically sells between 500 and 3,000 copies?

If you want contemporary composers to shift markets or to reach out for new markets, the least that has to be done is to provide them with marketing capacities or to help develop new markets (cf. 1). Another important task would be to develop measurements which could improve understanding or even focus curiosity – not an easy task in a world flooded with music. A lot of today's composers' music sounds are possibly paving the way for a future that will sound different. They naturally face a lack of understanding in the public, in the media, and by the distributors. Maybe it would be good to recognise them more as researchers and developers, and to provide means for a better understanding of emerging musical aesthetics.

Reading through market data is surely not the funniest aspect of thinking about music. However, in the field of music those numbers are extremely remarkable. A recent Austrian study of the whole music sector gives an impression of the revenue shares: Only 2.8% of all music related revenues goes to composers, musicians, text authors, ensembles and bands. The whole production sector including the studios, producers, agencies and publishers adds up to 16%. Another 20% is spent for music education, 7% for musical instruments, and the remaining part of 57% goes to the distribution sector.<sup>15</sup>

The record industry alone has generated USD 38.5 billion in 2000 worldwide. An astounding 80% market share goes to a number of only five companies. These so-called "Big Five" (which may be melting down to only

four in the next months) or “major labels” (Sony, EMI, BMG, Vivendi Universal and Warner) are aiming at maximum profit – according to their shareholders’ legitimate interests. This means they are forced to strictly select composers in order to succeed on the market. In general, the space provided for artistic development, innovation, experiments, or “difficult” repertoire within the traditional distribution schemes is very limited. This is of course also valid for pop composers as the main caterers of “content” to the music industry.

To make it even harder for pop composers, the repertoire of the multi-national music industry is remarkably “oligo-national.” Even in countries far from the USA there is often far more success for US-based superstars than for regional composers. From a European composer’s perspective, especially in the domain of popular music, most of his/her job has already been done by those who are already in the market, and it’s a hard task for him/her to enter. The same is true for many radio stations which are broadcasting strictly formatted programs in order to show a reliable profile and keep their listeners online. As a pop artist in Europe, you will find similar selection patterns with promoters, agencies, magazines and newspapers.

For all of those reasons, the increasing market concentration in the field of music has a strong tendency towards cultural concentration as opposed to cultural diversity. It seems to be almost useless to blame the commercial distributors for not taking the role of a worldwide music research and development department. Instead, there is a need for intelligent policies in order to save and encourage cultural diversity.

Traditional means of policy-making are, among others, public ownership, tax incentives, subsidies, limits on foreign ownership, import restrictions and co-production treaties. Some of them will be rendered almost useless in the course of technical innovation. e.g., market regulations for broadcasters by means of national repertoire quota, as in France or Canada, are likely to be less efficient in the near future.

*“The internet will lead to a further fragmentation of audiences and the loss of advertising by traditional broadcasters which are the objects of content policies. In the markets for media content, power has moved from producers to consumers who will increasingly obtain material over the internet on a user-pay basis. Many of the media mergers in Canada are viewed as attempts by firms to respond to these developments in information technology.” [Maule 2000]<sup>16</sup>*

As far as distribution is concerned, artist- and repertoire-driven distribution schemes (instead of market-driven ones) should be encouraged. Regional spaces for artistic experimentation should be accessible as well as possibilities for building up better knowledge concerning legal, technological and marketing aspects. Chances are high, that the opportunities of addressing new audiences for new works that are not covered by the global industry players are narrowed, as these new cultural expressions of creativity are often not able to create the necessary attention when they arise. One major initiative to meet this demand is the development of the “European Music Navigator.” The 3-years project is conceived and planned by mica – music information center austria,

realised by an international consortium and supported by the EU program Culture 2000. It consists of a cluster of information tools for the enhancement of access to already existing as well as new created information on the European music life. This information is integrated in a multi-dimensional, multi-purpose and multi-cultural destination site for professional contemporary music and related fields of artistic expression on the Internet. The mission of the EMN is to “build bridges between local, national and global cultures” (Music in the Information Society, Kuopio, 1999).

All this makes strategic development an important task – not only for policy makers, but also for composers. There are lessons to be learned from the success of pop musicians in countries like Germany, Sweden and Finland. For example, instead of a concentration on the mainstream market, it could be a clever strategy for composers to develop innovative, local initiatives. Traditional markets mean high hopes, many competitors and an amazing failure rate. Prior to following international examples and to competing on multinational markets, there is a need for composers to find innovative positions – within aesthetic discussions as well as within possible markets. Thus, composers need more opportunities for experimentation and better (self-) assessment which they can take advantage of.

*Bernhard Günther, mica – music information center austria, was asked to prepare this paper by ERICarts in a personal capacity. Its aim is to provide information on the current challenges facing composers for the discussion in the Swedish Presidency Seminar, “Conditions for Creative Artists in Europe”, Visby 2001.*

<sup>1</sup> Cf. the verbatim report of proceedings in the EU Parliament sitting of Tuesday, 13 Feb. 2001, available online at <http://www3.europarl.eu.int/omk/omnsapir.so/cre?FILE=20010213r&LANGUE=EN&LEVEL=TOC2&CHAP=6>

<sup>2</sup> For a further differentiation beyond copyright questions cf. part 3.

<sup>3</sup> Monopolies and Mergers Commission, *Performing Rights*, London HMSO Cm 3147. Cf. Kretschmer, Martin: “Die Mythen des Urhebers. Geistiges Eigentum in der Musik – eine historische Übersicht und Kritik”, *dissonanz* #57 (August 1998), pp. 4–13. To get to the same size relations of these groups, one could also compare the total number of composers with the more or less 5% of approved members of the copyright collection societies as far as this is a status a composer reaches mostly by regular royalties of a certain amount.

<sup>4</sup> Vogel, Harold L., *Entertainment Industry Economics. A Guide for Financial Analysis*. Cambridge: Cambridge UP, 1998; p. 144.

<sup>5</sup> Cf. the German proposal for a copyright contractual law in order to strengthen the creators’ position.

<sup>6</sup> Judge Jed S Rakoff ruled that MP3.com had to pay USD 25,000 for each Universal compact disc included in its My.MP3.com service, which lets users listen to a CD online after technically proving that they possess the CD.

It’s a remarkable detail that singer/songwriter Peter Gabriel was asked at the Midemnet conference during the Midem business fair in Cannes 2001 whether any penny of those millions had been passed on to him. He hadn’t received anything so far – and he didn’t even know of anyone else who had.

<sup>7</sup> Cf. company information at <http://www.mp3.com/payback/> and Segan, Sascha, “The sound of cash. Unsigned artists make money online,” ABCnews.com, 5 March 2001, online at <http://abcnews.go.com/sections/scitech/DailyNews/musicmoney010305.html>

<sup>8</sup> E.g., demo “tapes” are hardly accepted by promoters any more.

<sup>9</sup> CPRM Content Protection for Recordable Media; cf. “4C retreats in Copy Protection storm”, [theregister.co.uk](http://www.theregister.co.uk), 4 January 2001, online at <http://www.theregister.co.uk/content/2/15797.html>, and “Stealth plan puts copy protection into every hard drive”, [theregister.co.uk](http://www.theregister.co.uk),

20 December 2000, online at <http://www.theregister.co.uk/content/2/15620.html>

- <sup>10</sup> Lessig, Lawrence, “Against Stronger Copyright Protection. Open Content, Open Code and the Future of Free Culture,” transcription from a speech held at micafocus #1, 17/18 March 2000, mica – music information center austria, Vienna. Available online at <http://www.mica.at>.
- <sup>11</sup> cf. e.g. *Profil* 32 No. 9 (26. February 2001,) p. 126–130.
- <sup>12</sup> Smudits, Alfred; Bontinck, Irmgard; Mark, Desmond; Ostleitner, Elena, *Komponisten-Report. Zur sozialen Lage der Komponisten und Komponistinnenn in Österreich*. Vienna: WUV-Universitätsverlag [Vienna UP], 1993
- <sup>13</sup> Cf. the German “Ernste Musik” vs. “Unterhaltungsmusik”, the Danish “Rytmiske Musik” etc.
- <sup>14</sup> A few examples: Many a jazz or folk composer/musician will write scores for string quartets. An academically trained composer writes operas as well as he improvises electronic hardcore noise performances, while another one writes a software application that generates scores in real-time on a laptop display. A DJ is making a remix CD out of studio recordings of a singer/songwriter. A rock guitar player gets a commission to write a piece for a symphony orchestra, a student makes the sound design for a website, and a bar singer makes a movie soundtrack.
- <sup>15</sup> Scheuch, Fritz: *Die Musikwirtschaft Österreichs. Strukturen, Chancen und wirtschaftliche Bedeutung*. Vienna, 2000.
- <sup>16</sup> Maule, Christopher: “Content Regulation and Cultural Policy. The Canadian Experience.” Speaking notes for micafocus #3, 29 September 2000, mica – music information center austria, Vienna. Available online at <http://www.mica.at>.

# Concluding Note

## Creative Artists and Public Support Systems in the Evolving European Information Society

The three background papers sub-contracted by ERICarts from Bernhard Günther, Sabine Herholz and Stella Coffey bear witness to the different rates of change in three areas of creative work. The content of the papers may reflect the different tempers and approaches of their writers, yet the differences between the three domains, composing (Günther), literary writing (Herholz) and visual art (Coffey) are conspicuous.

In the music industry, everything is in flux, and in the life of composers and musicians everything – especially the earlier solid connection between her/him and the audiences – tends to “melt into the air” as Karl Marx would have said over 150 years ago. In the case of authors and visual artists the major onslaught of the new information society is still to come. The changes are experienced by authors and visual artists in terms of new instruments and modes of work, new potential distribution and advertising channels, new training needs and – still trickling – income from the new uses of their original work.

What, however, remains stable even in the life of a composer is the overwhelming presence of the music industry and big international companies that maintain – with increasing pains – the mainstream order in production and distribution. The same “industrial order” prevails in international publishing where major publishing houses create vertical marketing structures to utilise authors’ original ideas through new channels and “windows”. Only visual artists are facing the “markets” in the original meaning of the word; and also there, somewhat paradoxically, the state still has a stronger presence as a patron and a provider of a more favourable working environment.

If we were to look for simple keywords for the position of the three groups of creators, for the composers it certainly would be “*Internet*” (the present focus being on “napsters”, download sites and peer-to-peer file exchange), for the authors “*management of rights*” (the present focus being on the strengthening of the role of collecting societies) and for visual artists “*access to the markets*” (the focus still being on the artists’ right to full-time use of their artistic capacity and the right to find audience and buyers through public and private gallery systems and exhibitions).

### Different rates of change of public support systems

ERICarts has compiled two “surveys of surveys” in order to map out the changing role of public support systems for the art and artists in Europe. The results of these surveys are presented to the participants of the Visby meeting in two forms: as fact files on creativity policies in different European countries and as a cross- comparison of the present state of public support measures in Europe.

First of all these “surveys of surveys” reveal a sad state of policy monitoring and information systems. National monitoring efforts are often superficial and focus on the most obvious: *the direct public aid to individual artists*. The second problem area is *artists’ social security systems*. Because

these systems are usually an integral part of the complex overall national social security system, comparisons easily turn out to be either superficial or present incommensurable facts. The same can be said for the third area of monitoring, *the subsidies to artists as professionals or entrepreneurs*: understanding what is going on nationally presupposes knowledge of the national systems of support for “free professionals” and SMEs. The overlapping of this support with the overall *public tax expenditure* (tax reliefs of different types) makes the international comparisons even more confusing. It is somewhat paradoxical that *copyright protection and compensation systems* are the most complex from legislative and administrative points of view, yet are easiest to comprehend and analyse from the comparative European perspective. This is due to the “information society effects”: the same issues emerge in all countries as urgent and in need of immediate legislative solutions.

Due to the lack of reliable comparative information, it is difficult to speak about actual or relative rates of change in respect to these different support systems. The national surveys provide some indications of the pressures for change that appear within these systems.

No doubt, the present pressures for change are most acute in *copyright protection and compensation systems*. They are materialised in legislation and in the establishment of new compensation mechanisms. This urgency may be caused by the fact that not only the creators are harvesting the material and legal fruits of such regulations, but parts of the industry are in fact also directly benefiting from such systems, e.g. publishers. As an example we can take the Finnish copyright legislation, where the core law has been amended nineteen times during the last thirty years, this has happened in accelerating tempo, and a new round, relating to the EU initiatives, has started this Spring. Similarly, the EU, which started in 1991, is now preparing its six and seventh directive (on artists’ compensation from the resale of their works and on copyrights in the information society). The EU directives, of course, accelerate the system of change in all its member and candidate countries.

The pressure for change is also strong in respect to two other (partly overlapping) support systems, those of *subsidies to artists as professionals or as entrepreneurs* and *public tax expenditure*. These pressures stem mainly from interests in the positive economic and social impact of the arts and culture that research and development units all over Europe have propagated since the early 1990s. These interests are interlinked to the promotion of national and European culture industries, and furthermore to the new information society policies and to measures initiated in most European countries in the mid-1990s – with the present e-Europe programmes of the EU as their culmination.

Relatively stagnant components in the support systems seem to be the traditionally most popular ones, *the direct public aid to individual artists* and *artists’ social security systems*. As indicated above, we have, at least seemingly, best comparable cross-national information about these systems.

The clause, “seemingly”, is for a very definite reason. The surveys that have gathered the prevailing information have been structured from the perspective of the countries that have the most distinct and extensive support systems in these areas, that is the North-European social welfare countries. Thus the surveys tend to overemphasise the presence or absence of formal

public support systems (grants, artists’ pensions etc.) and fail to register complementary and substitutive systems (“irregular” municipal and regional support, stable foundation-based support system, artists invited to work in industries, schools and universities etc). Whatever the failures of our information systems, these two support systems display least pressures for change – and the least innovation in respect to radically new measures of support.

We can sum up our above arguments into the following table, where the domains and support systems are both cross tabulated in the order of the relative rate of change:

**Rate of change in areas of “creativity policies” and professional artistic fields**

	<b>Domains</b>		
<i>Public support systems</i>	<i>Music/composing</i>	<i>Books/literary writing</i>	<i>Art markets/visual artists</i>
<i>Direct public aid to individual artists</i>			
<i>Artists' social security systems</i>			
<i>Public tax expenditure</i>			
<i>Subsidies to artists as professionals or entrepreneurs</i>			
<i>Copyright protection and compensation systems</i>			

The shading of the cells reflect the joint domain/support system “policy urgency rate”, running from the highest cell in the left lower cornered decreasingly upwards and to the right. This, at the present, seems to be the priority order in most European countries and in the EU. From the normative point of view we could argue that the priority order should be reversed: there is an urgent need to update the socially most significant systems if they really prove to have become stagnant. For the priority of the very top and right hand cells can also be justified with another less traditional argument: direct public support and enhanced social security for creative artists will “nurse” creativity. Consequently, if we wish to benefit from the arts and culture both spiritually and economically, these systems themselves need renewing and nurturing. Yet it seems that *urgency* tends to overrun *long-term rationality* even in the policies towards artists.





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**Creative Artists, Market Developments and State Policies**

*Pilot survey of frameworks and policies for the support of writers, visual artists and composers*

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