

Identifying the Impact of Crises on Culture

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International Cultural Policy Conference

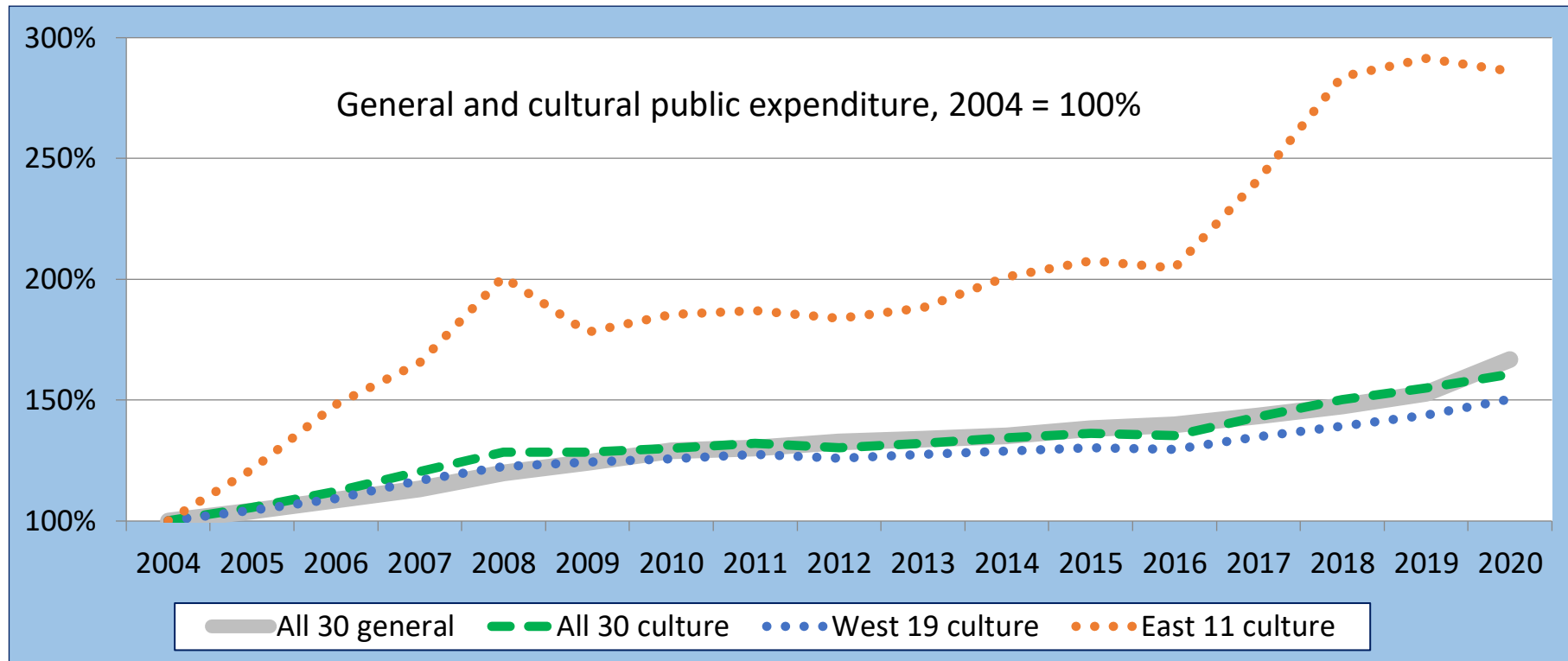
Bucharest, 30th June, 2022

Aspects of identifying the impact of crises on culture

Changes affected by the crisis on the following:

- Revenue (box office)
- Audience numbers
- Audience behaviour during and after
- Employment
- Cultural operators' adaptation and skills
- Analysis by sectors
- Public support schemes
- Public finances (total and local)

From the variety of viewpoints, this paper applies the last one. We shall seek to identify the impact of crises on culture in countries of Europe by comparing public national cultural spending on 30 states, based on the Cofog (*Classification of the Functions of Government*) tables of Eurostat. The data refer to the category Cofog 08.2: *cultural services*.

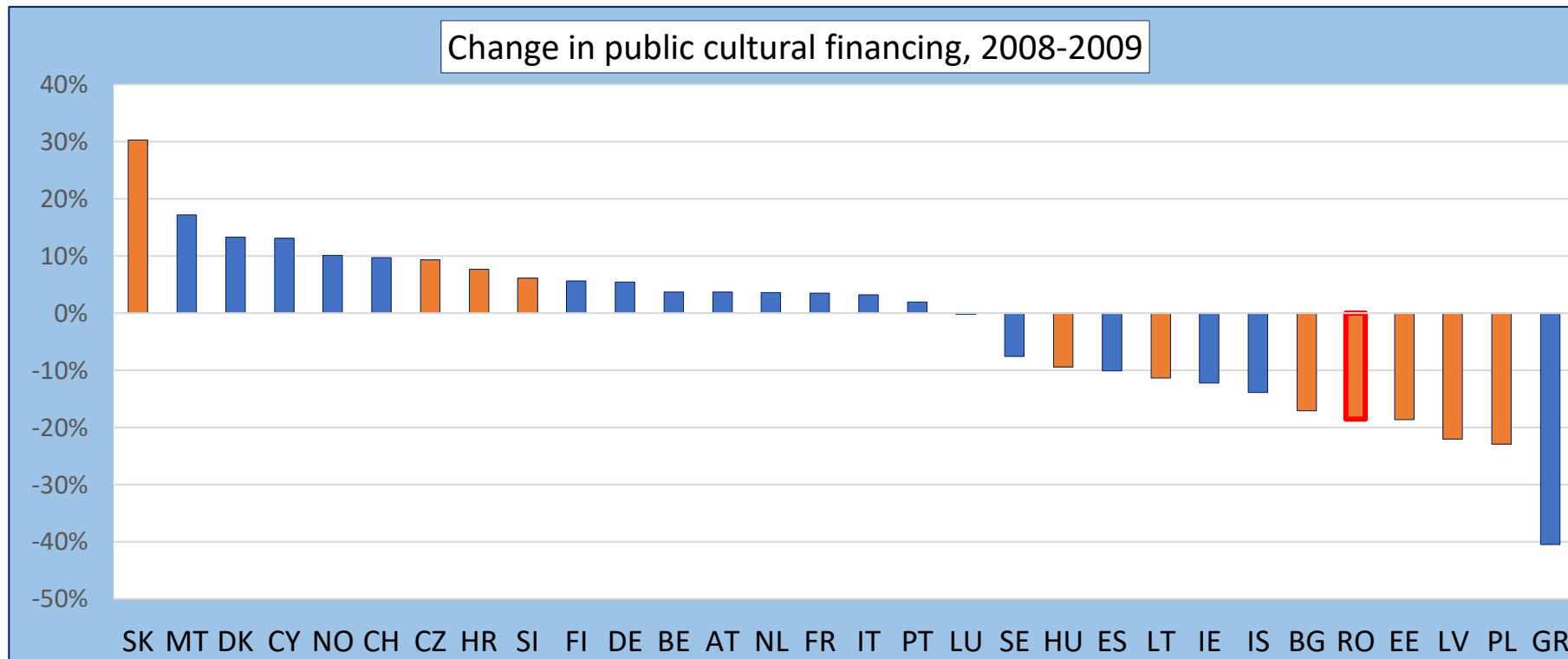


This is a broad overview on the dynamics of public national cultural spending on 30 states since 2004, the year of the first wave of Eastern enlargement of the European Union.

The thick grey line shows the accumulated total public expenditure. It closely correlates with the overall cultural expenditure in the 30 countries (as well as with their GDP).

In the 11 post-communist members of the EU cultural expenditure grew steeply until the global financial crises caused a halt and a few years' stagnation followed. Another upward thrust occurred after 2016. The first year of the pandemic produced a milder setback than what happened in 2009.

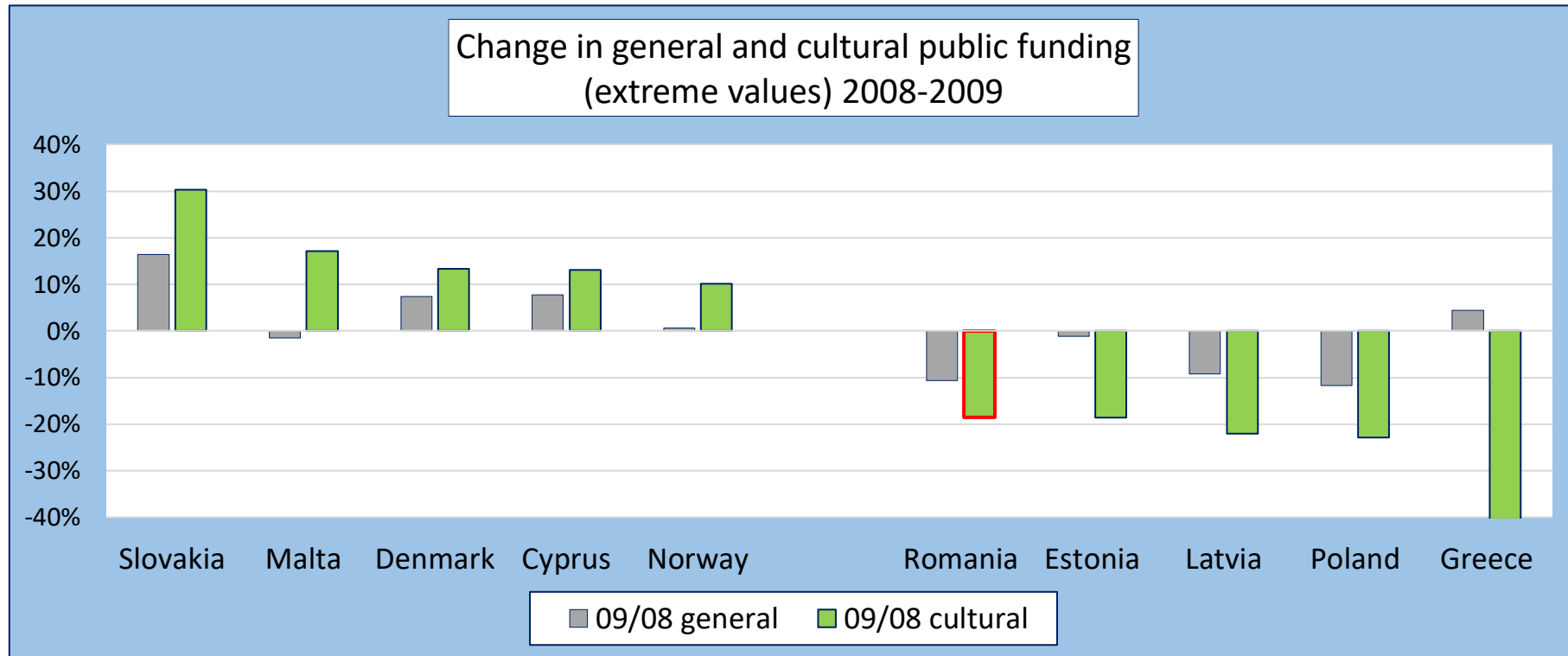
Meanwhile, in the old democracies the public financing of culture followed a monotonous path, slightly but increasingly lagging behind the general governmental spending in those countries.



The previous slide showed a slight setback in cultural finances in the 30 countries in the first full year after the global financial crisis. This resulted from an insignificant 1% growth in the west and a sharp 11% drop in the east.

This slide presents how those aggregate percentages consisted of the national figures.

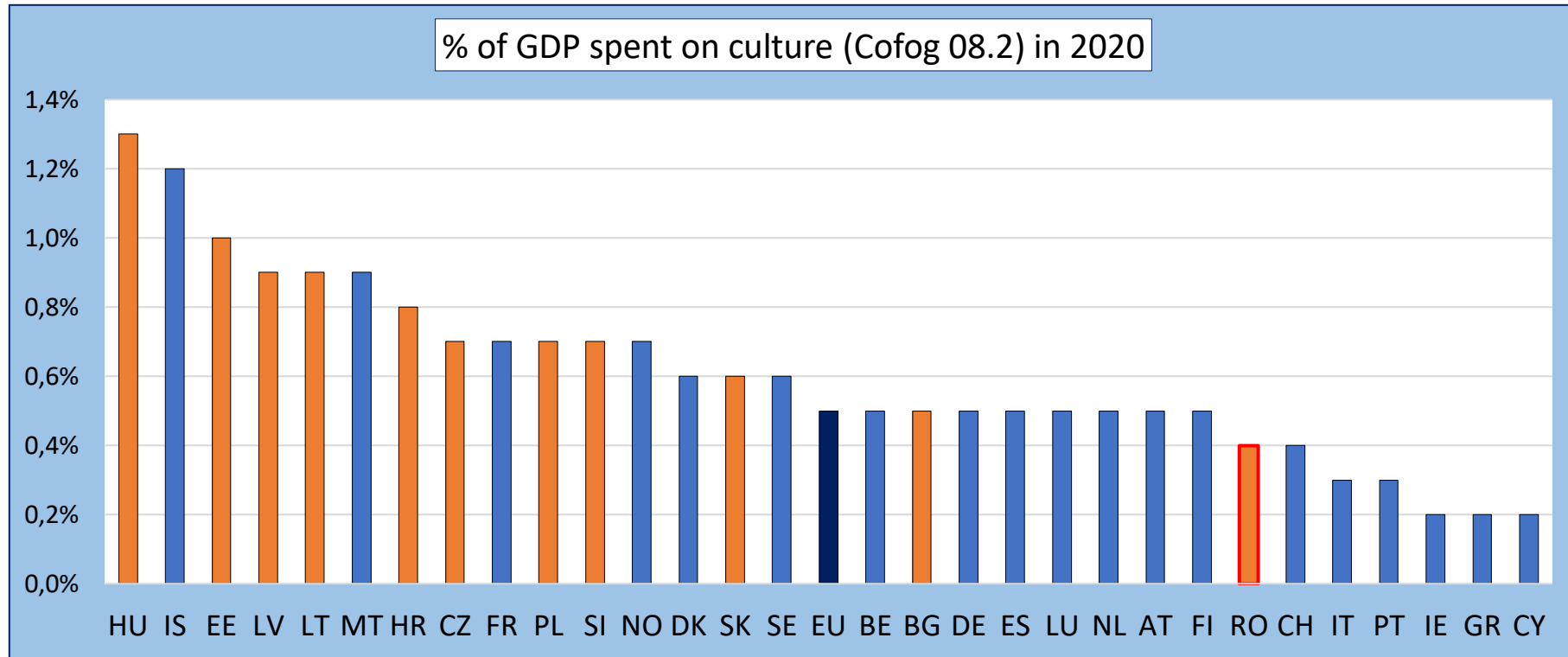
The Slovak 30% plus is no error: indeed the country reported consistent growth in those years. The Greek 40% minus was part of the near collapse of that state. The Romanian column is distinguished with colour as a compliment to the host of the conference.



The five countries where public cultural funding grew the most, and five where it fell the most, are set against the changes in the general (all-inclusive) public expenditure in the respective countries.

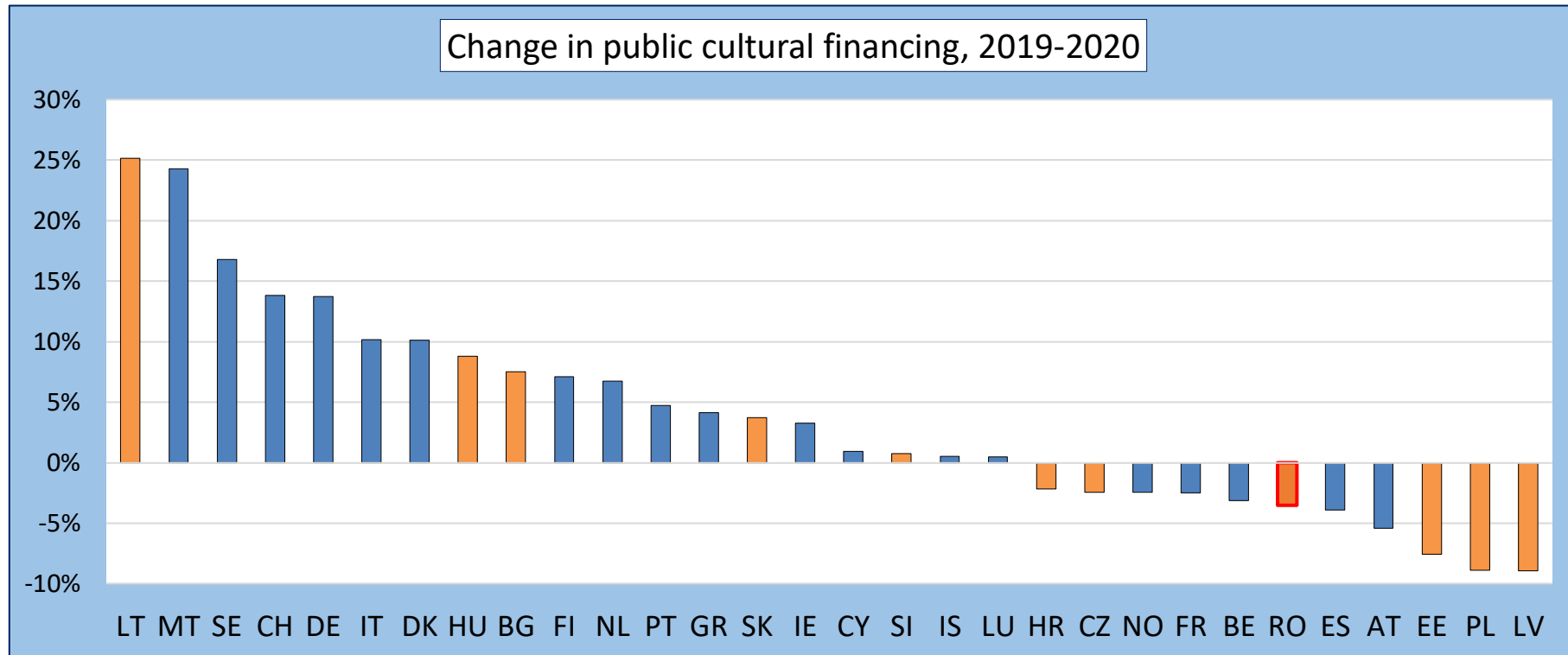
Typically, the two indicators go together. In Slovakia, the governments – these figures combine the spending of both the central and the many local governments – spent 16% more in 2009 than in 2008. And in three of the five greatest losers in cultural financing suffered around 10% losses in all public spending.

Greece, with all its restrictions, was making the first small step forwards in terms of general expenditure – at the expense, among others, of the cultural budgets.



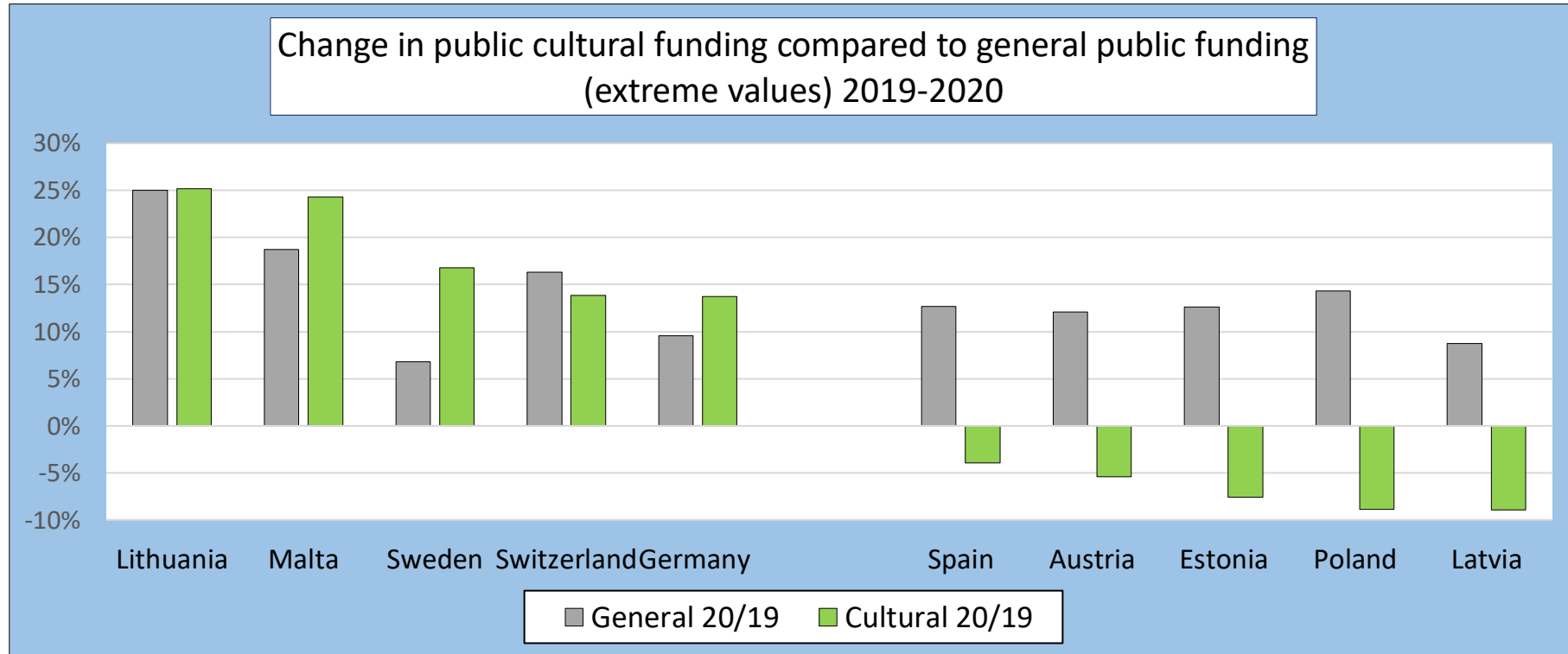
Turning from the global financial crisis to Covid 19, here is what percentage share of the GDP was spent on culture in the 30 countries in the first pandemic year. This is different from the often claimed percentage of culture in the central government's annual budget, which is a plan, against reported ex-post spending reported in Cofog, including the local governments. (On European level, this latter is roughly half of the total cultural expenditure.)

The slide confirms the general pattern: also in the pandemic, in the east culture occupied a higher portion in public budgets than in the old democracies.



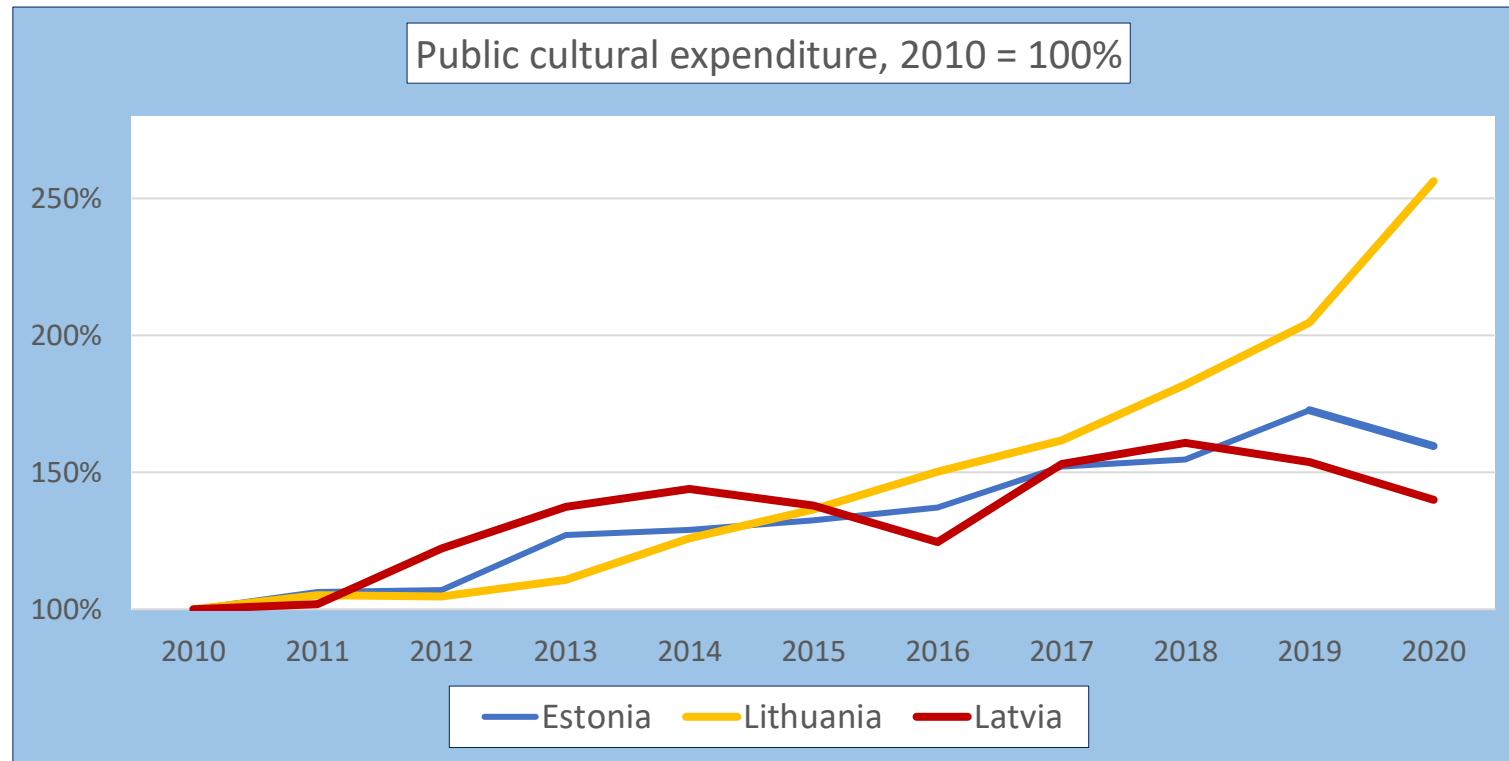
The increases in the national aggregates of public cultural funding reflect the measures of governments to (partially) compensate for the revenues that the lockdowns had deprived of the cultural institutions and the individual artists.

The French government's massive and well-managed interventions received considerable attention: strangely, the grand total of cultural expenditure shows a small deficit. The 2021 data will tell if the eccentric Lithuanian figure has remained sustainable. (It is intriguing to find two Baltic neighbours at the opposite end of the scale.)

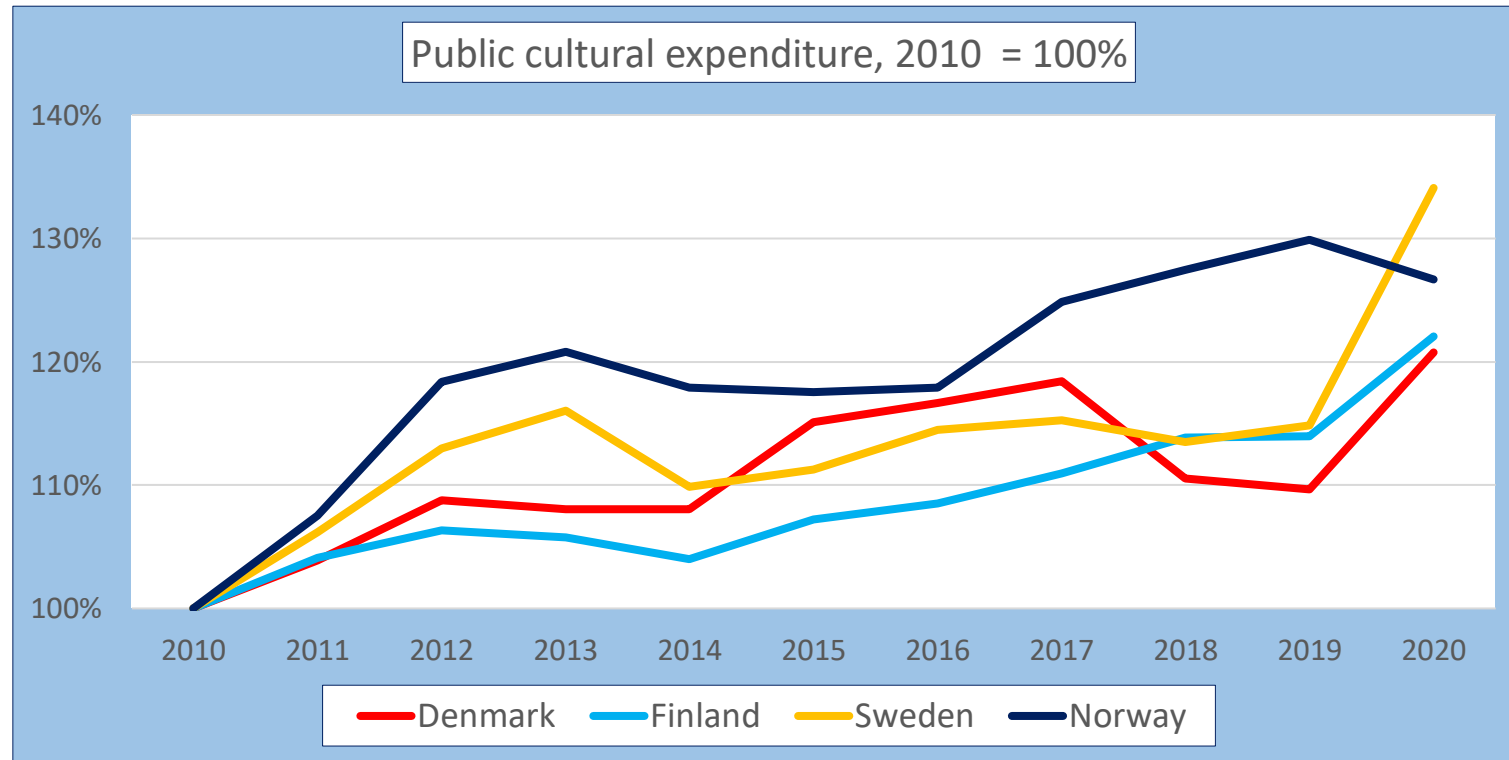


The observation of the extreme values reveals a different conclusion from that of the 2008-2009 case. Then, certain correlation existed between general all-inclusive and cultural expenditure. In the first pandemic year, however, the dynamic of total public spending was fairly similar between the greatest winners and losers in terms of cultural funding.

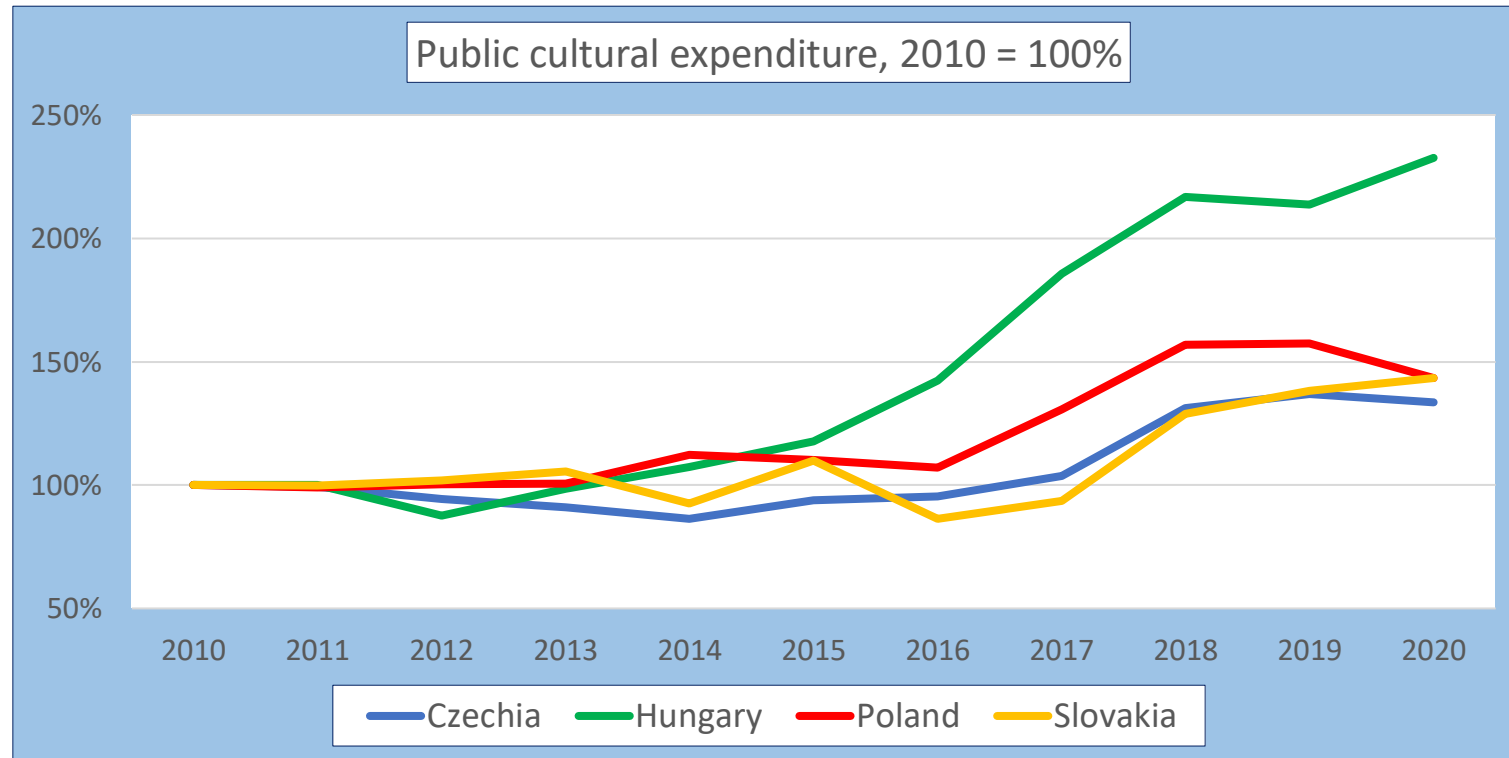
The outstanding overall growth of public expenditure in Lithuania offers a clue to the increase in culture.



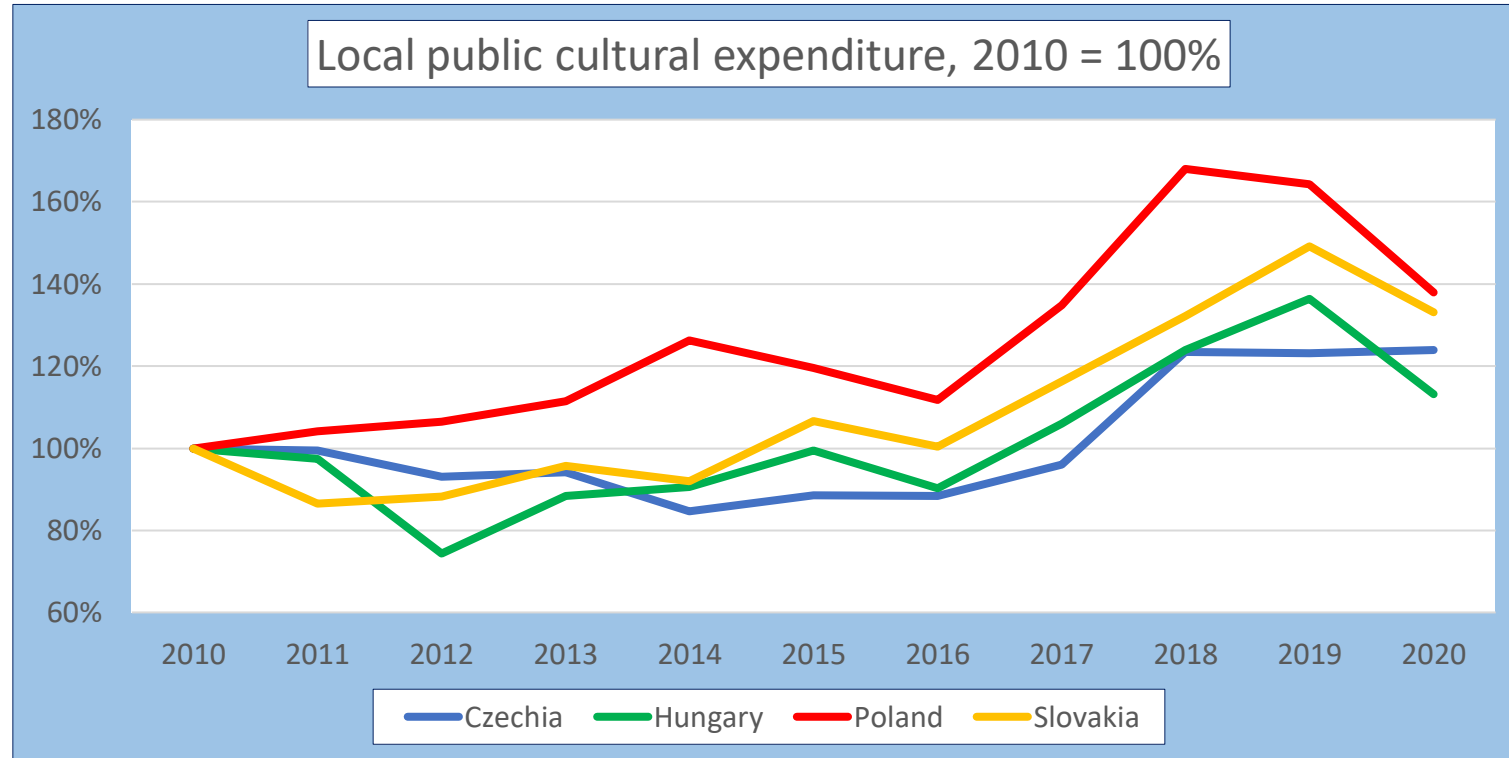
The odd Lithuanian-Latvian dichotomy justifies to start the presentation of the trends in groups of countries with the Baltic region.



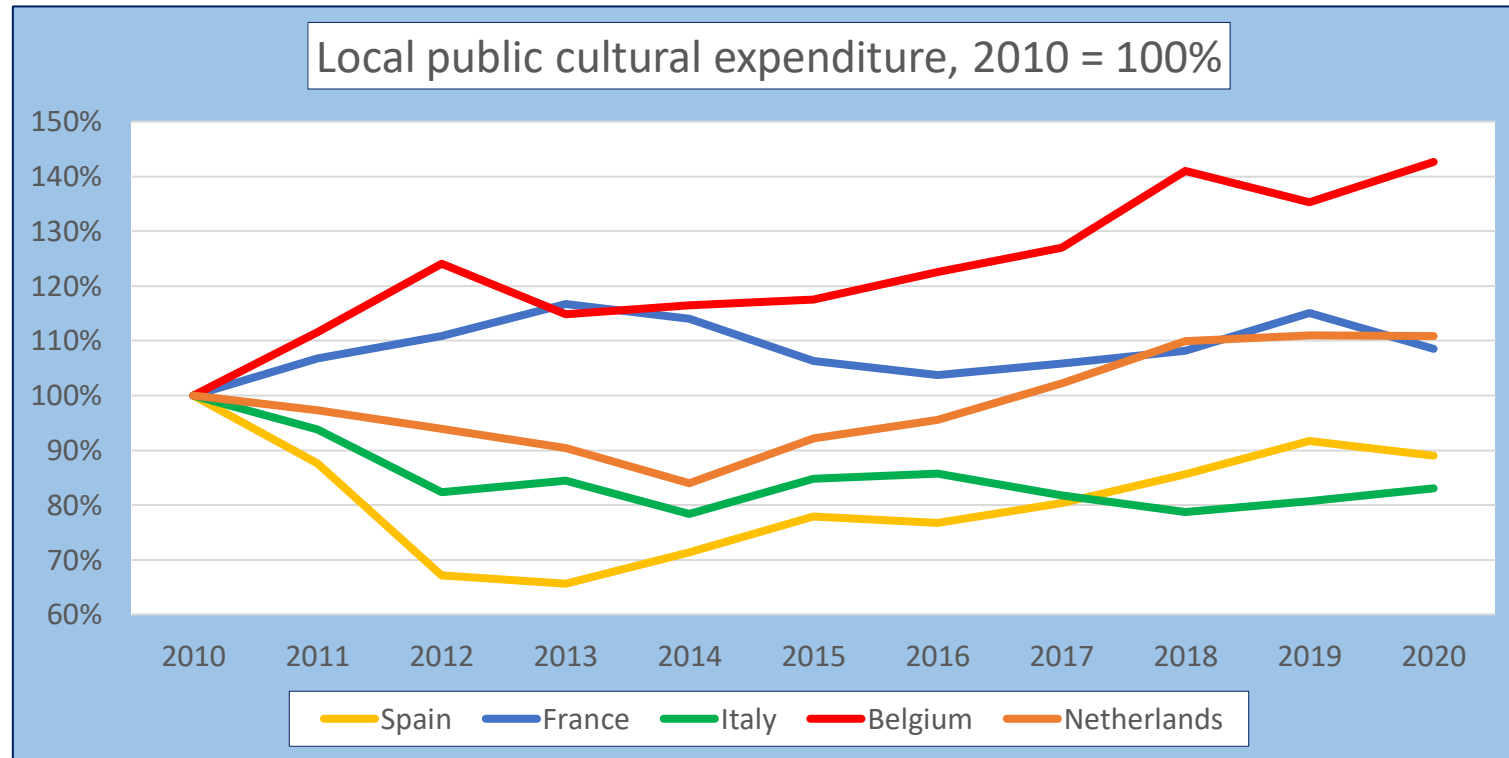
In the Nordic cluster, in the major part of the past decade, Norway went its own way in terms of cultural funding. There, public expenditure dropped in the first pandemic year, differently from the sharp increases that took place in the neighbourhood, particularly in Sweden.



Just as in the Nordic group, in the Visegrad four one chose a different trajectory from the rest. In the pandemic year Hungary accelerated its already outstanding level of cultural spending.

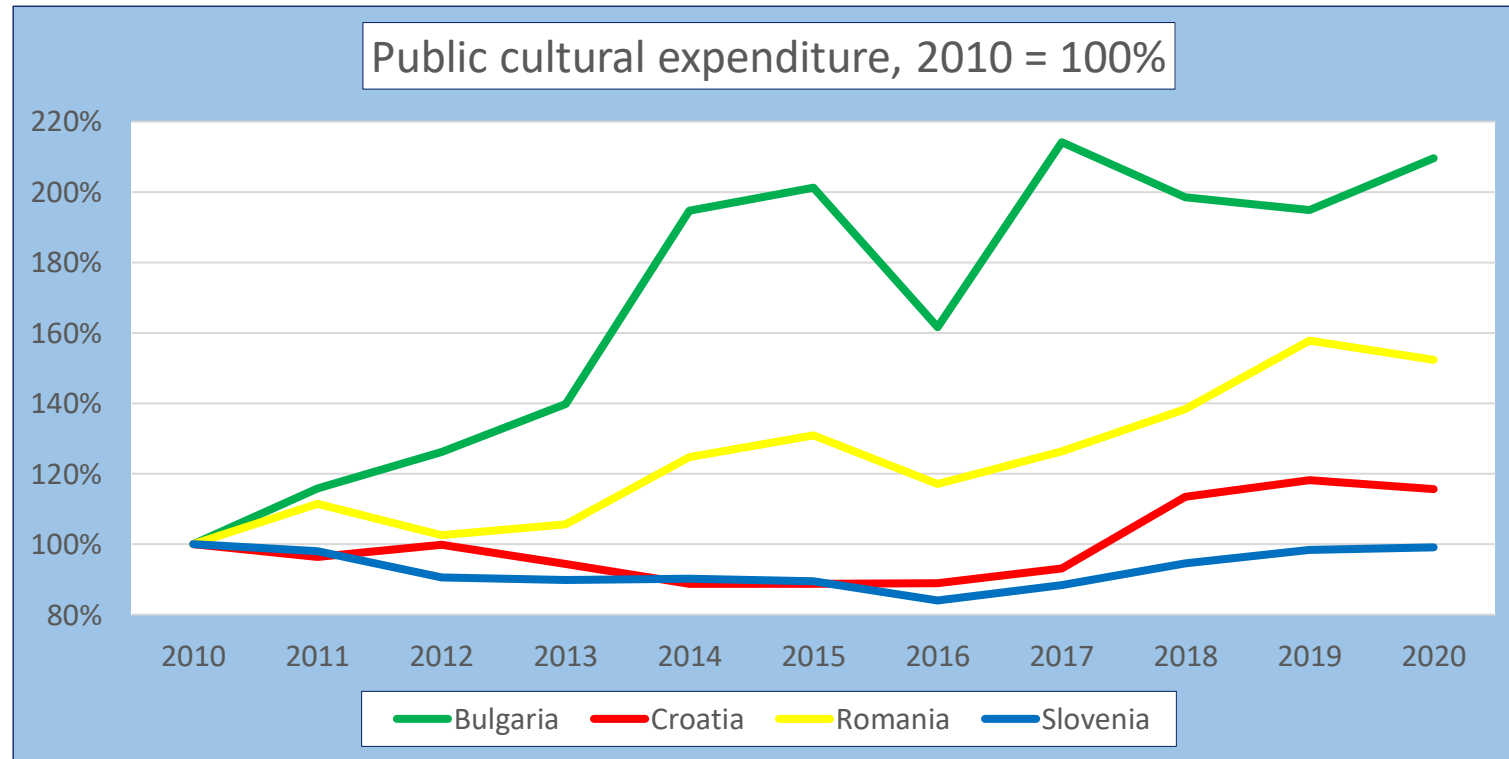


Dividing between the expenditure of the central government and that of the local – regional and municipal – governments has particular sense in the Hungarian case. The impressive overall increase took place on the central level. Much of it was construction and reconstruction (protection of built heritage), the gravity of which resists the effects caused by the pandemic. On municipal level, however, trends were similar in Poland, Slovakia and Hungary.



Earlier we noted a slight overall decrease in French cultural finances in the first pandemic year. This decline is sufficiently explained with the 6% drop in cultural funding at the regional and municipal levels.

Although little revealing about the effect of the pandemic, this diagram is telling about the dynamic of local cultural funding in the last decade in a few important European countries. (The central-local distinction in Cofog is not applied for Germany and Austria, the United Kingdom pulled out of the system with Brexit, and in federal Belgium practically everything is „local“.)



Reverting to the general (central and local all-inclusive) perspective of public cultural expenditure, the trend of the host country of the conference is compared to a few more national cases.

For more on culture in Cofog go to https://www.academia.edu/47298530/The_Last_Phase_in_Monotony.



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