

## **Survey Report**

# **Future Perspective on the Cultural Investment by Local Governments: From a Viewpoint of Financial Support System on Prefectural Levels**

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### Introduction

Among the variety of cultural investments by local governments is the financial support system, the core function of which is administered by grant and other programs for arts and culture groups and projects.

The aim of this survey report is to study and grasp the status quo of the financial support systems of prefectural governments for art and culture groups and projects in terms of the modes of implementation, size, recipients, and how application is accepted to identify pending problems of both the prefectural governments and such groups and projects under the current support systems, and consequently to present future perspectives on cultural investment through the support systems on the local levels.

### 1. Methods

Survey forms were mailed to all prefectural governments' section managers in charge of cultural administration. The forms were dated May 31, 2001, and the managers were asked to respond by June 29, 2001.

### 2. Results and Discussions

47 prefectural governments responded. The total cases of the financial support system were 44. The types of their financial support systems included 28 grants, 15 funds (4 of which also provide grants, and 2 trust funds included), and 2 subsidies. 10 prefectures did not provide any financial support systems (Figure 1,2).

28 prefectural governments directly select and implement the recipient projects, while 18 prefectures administer their support systems via funds and cultural promotion foundations (Figure 2). 15 prefectures included professionals as qualified recipient groups (Figure 3). The main criteria of their support systems, however, were based on non-profitability (30 prefectures), public nature (14 prefectures) and a preference to cover wider areas (17 prefectures) (Figure 4).

Such support systems are in fact contributing to certain aspects of promotion of local culture. Yet the absence of time limit for the support (30 prefectures set no time limit) could also lead to vested interests on the part of specific recipients and thus create tendencies to focus their effort on maintaining the already-established arts and culture. (Figure 5)

As to the question of presence or absence of financial support systems for art and culture groups, only a few prefectures have “funds”. The presence of a fund indicates distinct policies on supporting culture and other groups and the governments’ firm commitment to such objectives. The establishment of funds evidently requires a policy based on a long-term perspective. On a prefectural level, it would be fair to interpret that they have not yet reached to a point to produce such a policy and develop it into a project. That would explain why the number of funds established is only a half of that for “grants”.

It may well be inevitable for prefectural governments to have stronger tendencies to act based on the past performances of their recipients, yet the decisions to allow “grants” should rest on an explicit intention on the part of the local government. That logically leads to their accountability of their decisions on why grant was given to particular projects. Consequently, in order to be prepared for disclosure of such information and to monitor supported projects, precise reports from the recipient groups are required when the projects are finished.

In short, it is quite contrary to the British arm’s-length. By providing money, the governments will have a say in return. On the other hand, “subsidy” is what the administrations pay as part of their duties rather than what reflects their intentions. Support systems for culture groups in a form of grants may be an easier option for them to make it into projects.

In other words, not much can be expected from grants in terms of the continuity of projects and how firm the policies are to support them. Grants can be terminated whenever the governments wished to do so. (Such nature of grants is reflected in the difficulties and demanding aspects upon budget negotiations within governments.) This means that local governments can abolish the support system itself simply on the grounds that their policies have changed. On the other hand,

this type of support system is likely to be more susceptible to pressures by those capable of influencing government decisions. Or, it might be difficult for administrations to take a firm stance against the recipient groups' vested interests. It is quite easy to imagine that such elements would result in increased inflexibility of the system itself. "Direct implementation" would mean greater burden on the part of the governments, yet give them less insecurity upon providing support. It shows their preference to avoid greater risks of supporting groups that turn out to be against their intentions via entrusting the operation to outside institutions and organizations.

In "Outline of Grants and Funds", we asked about "size of grants", we discovered a fact worthy of special mention in view of the changes in size. Due to the recent financial difficulties, the budget for projects is being cut across the board, yet the amount of financial support for the arts and culture is growing. How should we interpret this? It reflects the situation of the past couple of years where the budget for cultural affairs has increased on a national level, as is well-known. On a prefectural level, it could be presumed that prefectures are trying to achieve a similar size of the budget with other counterparts. □Figure 6□

Regarding who the recipients are (professionals or amateurs), our analysis shows that they are quite loose with often no distinction between the two.

Examination of the actual recipients indicates that local governments are apt to support some regular groups such as prefectural associations or unions rather routinely. Supporting recipients that are established groups affiliated with the prefectural governments could be a safe option, and even if professional individuals are part of the group, there is no need to distinguish them because the objective is to support prefectural groups (Figure 7). It may be possible to build consensus (there are some cases) to financially support specific and limited groups such as professionals who preserve some unique cultures. At a time, however, when there are no more notable differences in culture unique to regions, the result suggests that it may be difficult to account for supporting professionals of specific fields that would entail a risk of selecting and prioritizing cultures by administrative organizations. In principle, the criteria for support should be whether recipients are profit or non-profit groups, rather than professionals or amateurs. They should be screened based on purposes of the groups and individuals.

Criteria for selection indicated by respondents are “non-profitability”, “public nature” and “wider area”. When we examine these criteria, a question is raised whether there is no focus in their screening policy such as specific themes that are considered important.

This would further lead us to a proposition of whether or not it is possible to overcome these conditions and problems and implement some drastic attempt or policies. It could be suggested that the criteria indicated by the governments are a result of tendencies to support safer recipients, so to speak. A question is raised why they cannot support some pioneering and experimental projects, in other words contribute to developing potentially promising groups and activities. The Basic Law on Culture and Arts Promotion is now in effect, yet we still have to wait and see how well it will function and how persuasive it would be when it is put into operation. In the future it would be necessary to establish a support system that serves to create cultures unique to that region rather than to promote standardized culture in line with other prefectures.

On the other hand, it became evident that only a small number of prefectures adopt an application system open to the public. (Figure 8,9) What are the reasons behind it? Is it because the number of applicants is so limited that they would not even require a process of screening and selection?

Considering the governments’ accountability on their impartiality and on the projects selected as well as the procedures for disclosing the screening criteria and successful and unsuccessful results, their real intention may be that they do not want to go out of their way to adopt a public application system. Suppose the system requires to give specific scores such as 4 points to A, 2 points B and 1 point to C in the screening process according to their criteria and then to disclose the results to the public. It may restrict their ability to limit objectives for support or put emphasis on unique arts and culture projects. This means that they only have to let the public be informed widely and generally to support as many groups or individuals as possible. As a result of analyzing the survey, we could not find any cases where particularly distinct criteria were adopted to inform the general public upon application.

Regarding the duration of successive support, a majority replied that they do not set any time limit. It is not evident whether it is because the number of

applicants are quite limited or for any other reasons.

From the survey results, we can assume that the governments are allowing systems to continuously support the same groups. If a support system has some specific aim to help develop culture groups, it is a matter of course that they set up a timetable for their support and prepare a policy goal to promote the recipients to be independent of the system. One of the reasons why they cannot limit the duration of their support is because entangling ties or something akin to that often develop between the local government and the recipient groups or individuals established under the leadership of the administration, and because of the governments' inability to sever such relationships. Consequently, it is highly likely that they produce recipient groups that are unable to run and work without public financial support.

### 3. Overview of Financial Support System on Prefectural Levels

Essentially, the prefectures offer financial support to art and culture groups as an expression of their cultural policies and orientations. Only a handful of prefectures, however, execute their financial support with such a defined promotion policies for the arts and culture. Because they are using taxpayers' money to support art and culture groups, they are responsible for clearly explaining why they support such groups. As recognized from the survey results, more than 60% of prefectures decide on which projects to support from the viewpoint of "non-profitability", "public nature" and "wider area." It is evident that this is the same stance adopted in other various fields of administration in general.

As if to avoid financial support to art and culture groups that fall in particular categories, 60% of the prefectures responded that they are open to the public in accepting qualified applicants. (Yet it is quite likely that only few of them actually inform the public of their opportunities extensively).

As is stated in the Article 4, however, on responsibilities of local public body of the Basic Law on Cultural and Arts Promotion, if it is requested for the local public bodies to promote culture and the arts which characterize local features voluntarily and on their own initiative, time has come for them to reform the abovementioned support systems for art and culture groups.

Until now, many local governments have merely maintained their continuous support for already established art and culture groups such as nonprofit amateur culture groups and to lifelong learning groups operating in wider areas. (It is for this reason that I believe more than a half of the prefectures do not set time limit for their financial support). In the future cultural policies of prefectural governments, it will be essential to also aim at organizing a financial support system for the prospective art and culture groups capable of providing appropriate supply preceding the public demand. It is high time to renovate the system to fulfill their original culture policies that allow active support to certain professional groups and groups striving for some pioneering and experimental arts. (For example, Kyoto has a financial support system for professional groups that preserve traditional culture.)

One of the changes that could be introduced would be the frequency of accepting application for financial support. A majority of local governments accept application once a year because their budget is on fiscal year-basis. Subdividing the application periods and responding to the needs of the arts and culture groups with greater flexibility would lead to developing truly essential culture projects.

## 5. Future Perspective

The future support for the arts and culture on prefectural levels would require not only financial support based on impartiality due to the fact that they are using taxpayers' money, but also systems that would connect with the governments' affiliated projects for the creation of new arts and culture that values diversity and inspiring originality in each field.

The survey seems to reveal some burgeoning signs of such desired movements, which leaves us with a future research interest.

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Figure 1. Presence or absence of financial support systems for art groups and others

Presence	45
Absence	10
No Answer	1
Total	56

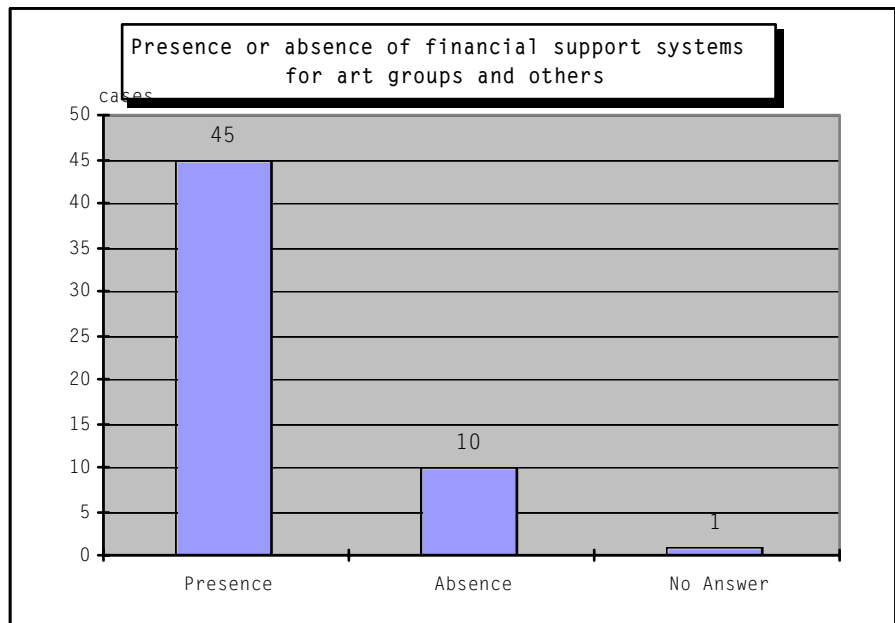


Figure 2. Different types of support systems

Grants	28
Funds	15
Direct implementation	28
Subsidies	2
Trust funds	2
Total	75

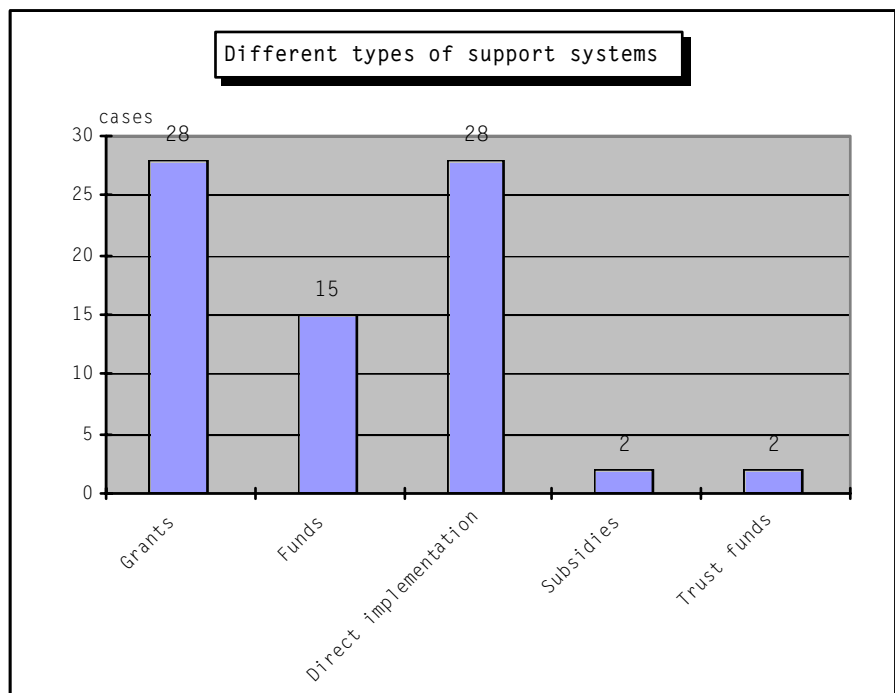


Figure 3. Requirement of qualified recipients

Professionals	2
Amateurs	19
No distinction between the two	13
Others	12
No Answer	10
Total	56

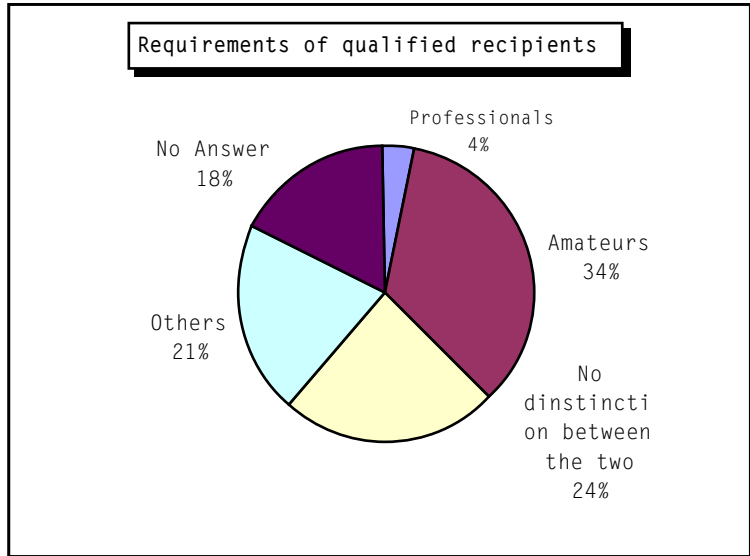


Figure 4. Qualified and unqualified projects

Non-profitabl	30
Public nature	14
Wider areas	17
Festivals	10
Others	22
Total	93

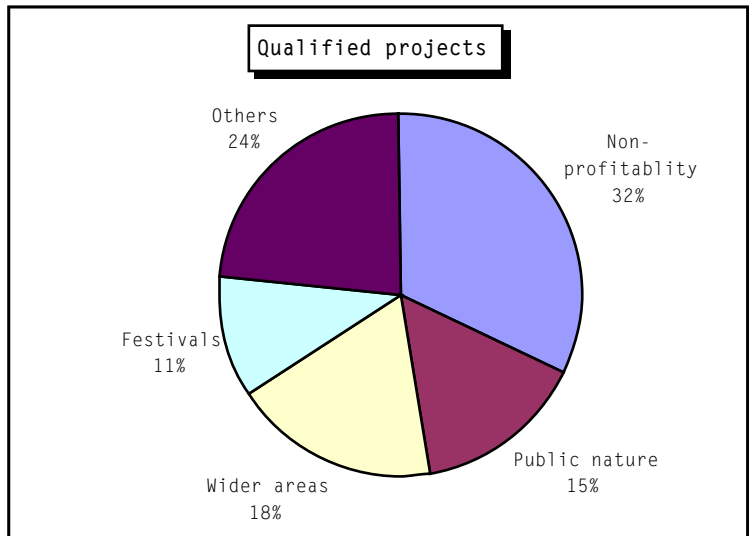




Figure 5. □ Limited duration of successive support

Presence	16
Absence	30
No Answer	10
Total	56

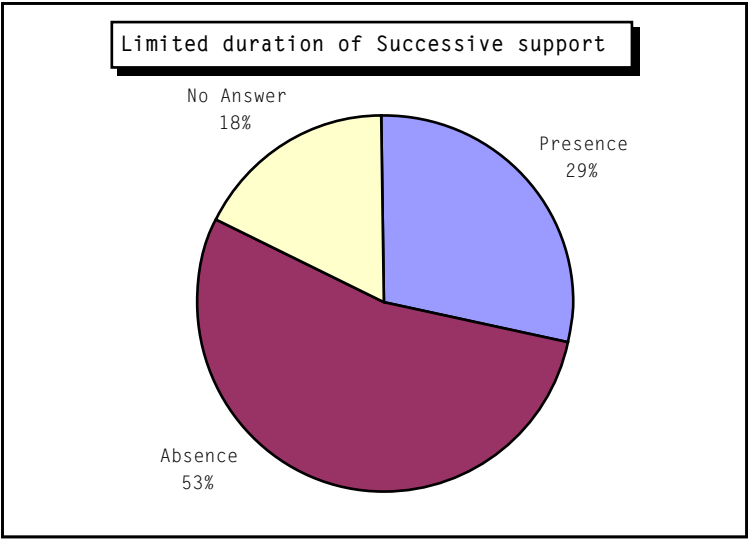


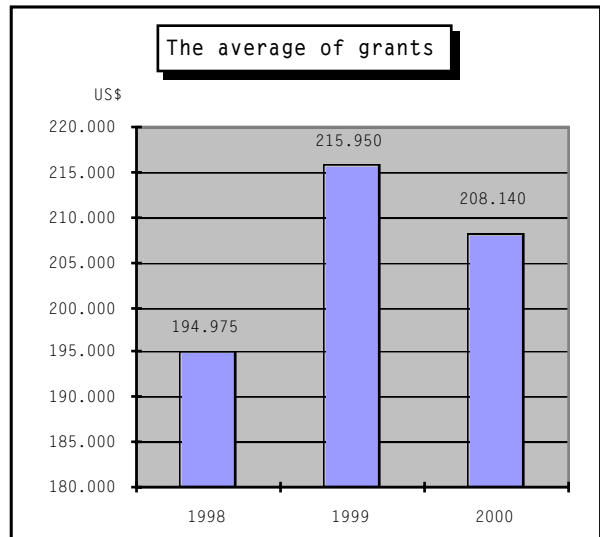
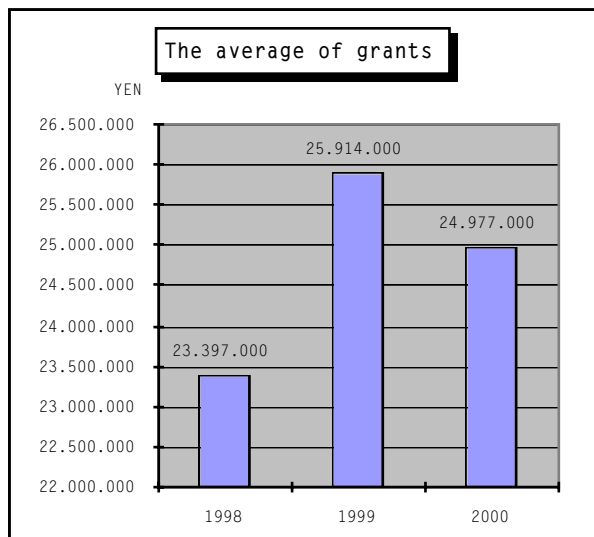
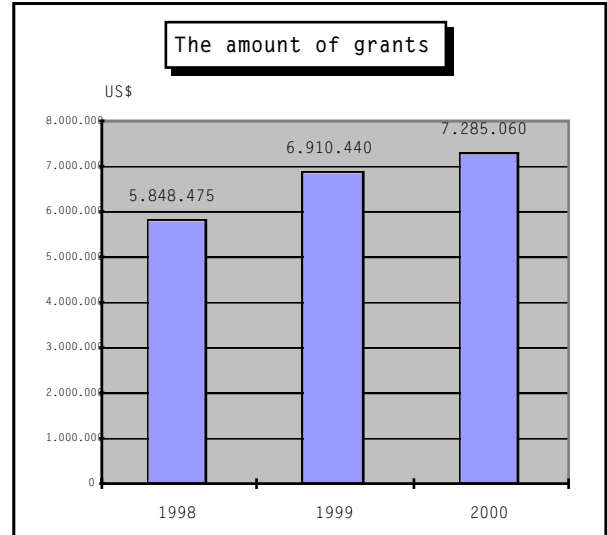
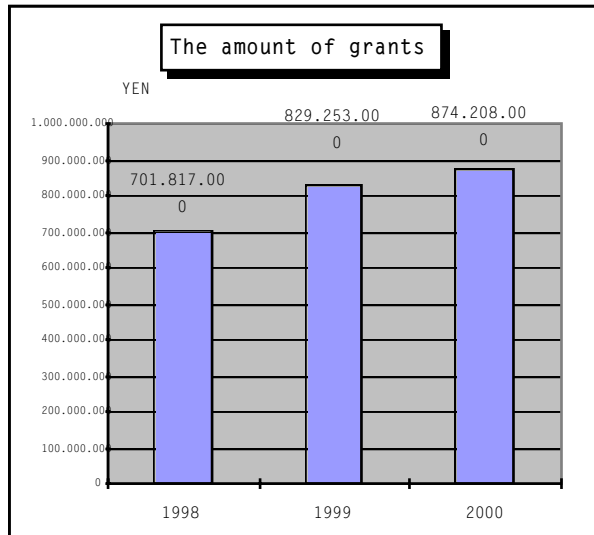
Figure 6. □Outline of grants and funds

[Size of grants and funds]

□Grants(50cases)

	1998	1999	2000
cases	30	32	35
amount(YEN)	#####	#####	#####
average(YEN)	#####	#####	#####

	1998	1999	2000
cases	30	32	35
amount(US\$)	5.848.475	6.910.440	7.285.060
average(US\$)	194.975	215.950	208.140



□Funds

17cases

The average of the amount of funds \57,196,991,000

Figure 7. Presence or absence of a screening committee

Presence	24
Absence	23
No Answer	9
Total	56

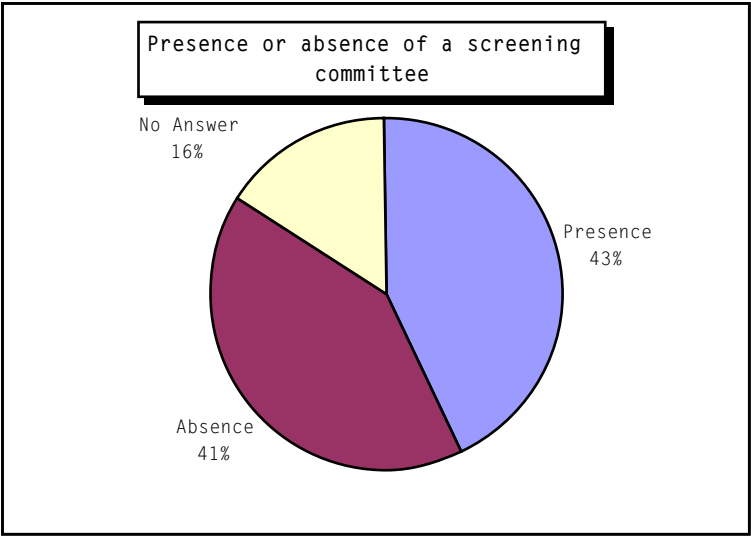


Figure 8. Public application

Yes	33
No	14
No Answer	9
Total	56

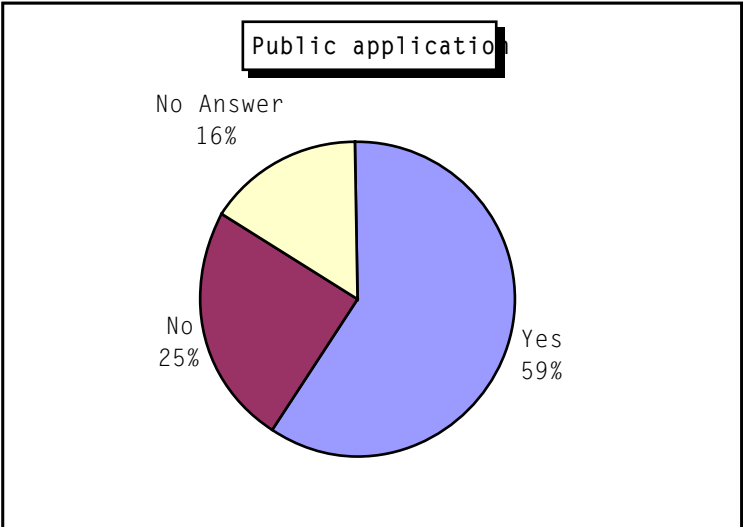


Figure 9. Period of accepting application

Presence	38
Absence	3
No Answer	15
Total	56

