

Pauli Rautiainen

Suomalainen taiteilijatuki

Valtion suora ja välillinen
taiteilijatuki taidetoimikuntien
perustamisesta tähän päivään



TAITEEN KESKUSTOIMIKUNTA, TUTKIMUSYKSIKÖN JULKAISUJA N:o 34
ARTS COUNCIL OF FINLAND, RESEARCH REPORTS No 34

Taiteen keskustoimikunta
Arts Council of Finland
2008

© tekijä ja taiteen keskustoimikunta 2008

Kansi: Kari Piippo
Taitto: Jussi Hirvi

ISBN 978-952-5253-70-2
ISSN 1796-6612

 Lönnerberg Print
Helsinki 2008

Research Reports
Publication no. 34
Arts Council of Finland
Helsinki 2008

Pauli Rautiainen

*State support for artists in Finland.
Direct and indirect support from
the late 1960s to the present*

English Summary

Introduction

In Finland, the roots of public support for artists go back some two hundred years. During the first decades of the 19th century support for artists was small in volume. Although the first grants (extraordinary lifelong pensions) were given in the 1830s, the patron state did not actually start to function until the 1860s. In its budget in 1864, the Finnish Senate (government of the Finnish grand duchy) earmarked the first appropriations for the promotion of the arts in Finland. This was to be the embryo of increasing public funding, which consisted of grants, prizes and pensions. At the same time the state also started to build up its own arts administration. Specially appointed prize-panels paved the way for the later system of governmental art boards. The boards for literature, music, the fine arts, drama and architecture were established in 1918.

In the early 1960s some influential decision-makers, including the President of Finland, Urho Kekkonen¹, considered the old system of supporting artists too static and elitist. As a result, the planning of a new system was initiated. The principles of the present policy of promoting the arts and artists were formulated in 1965 by a government ad hoc committee called the State Arts Committee (Valtion taidekomitea). The report of the committee clearly articulated the objectives of modern arts policy – the arts policy of the welfare society:

1 On December 1964 President Kekkonen announced at a meeting of the government that the old Academy of Finland which consisted the arts and the sciences would be disestablished.

The arts are an essential part of cultural life in modern society. They are a necessary and indispensable expression of the existence of a nation and thus privileged to a corresponding status and public support... To safeguard the position of the arts, the committee considers it necessary to resort not only to conventional support, but also to legislative measures which can best guarantee the position of the arts and favourable conditions for their development. Legislative norms should mainly pertain to the general administrative arrangements for the promotion of the arts, to government subsidies to the institutions and schools of art, and to grants system...The public decision-makers should examine their basic principles while planning the measures for the promotion of the arts. The committee considers it necessary to give up the present attitude of 'supporting' the arts and instead adopt the principle of 'promotion'. This implies that present passive 'supporting' attitude should be transformed into active 'promotion' of the independent arts.

The proposals of the committee were passed by Parliament in 1967 as the Promotion of the Arts Act (328/1967), which created the present system of arts councils. It created seven national art councils (national councils for theatre, literature, music, visual arts, architecture, camera arts and crafts & design²), eleven regional arts councils³ and the central arts council, which co-ordinates the work of the art councils. The councils took the place of the previous art boards, which were abolished at the same time. The major task for those new arm's length bodies was to provide expertise in decision-making concerning financial support to artists. The new artists' grant system was adopted two years later when the parliament passed the Artists' Grant Act (734/1969). It established artist grants (working grants for periods of half a year to five years), five-year posts for artist professors (salaried post for pursuing one's own artistic work) and the system of project grants.

The Finnish model was one variant of the Nordic model of support to artists. The shift to the present policy of promoting the arts and artists in the 1960s was ideologically connected to the expanding Nordic welfare state in all of the Nordic countries. In these countries by the end of the 1960s, earlier administrative structures of distributing state support to artists were replaced with new administrative bodies and budget appropriations for the purpose of consolidating by legislation the types of grants and their distribution. The story of Finnish public support for artists is at the same time one part of the story of the Nordic model for supporting artists.

2 In 1977 the council of camera arts was split into two – the councils for cinema and photographic art – and in 1983 the council for dance was split off from the council of theatre.

3 At the beginning of 1998 the number of regional arts councils was raised from eleven to thirteen.

Aim and data

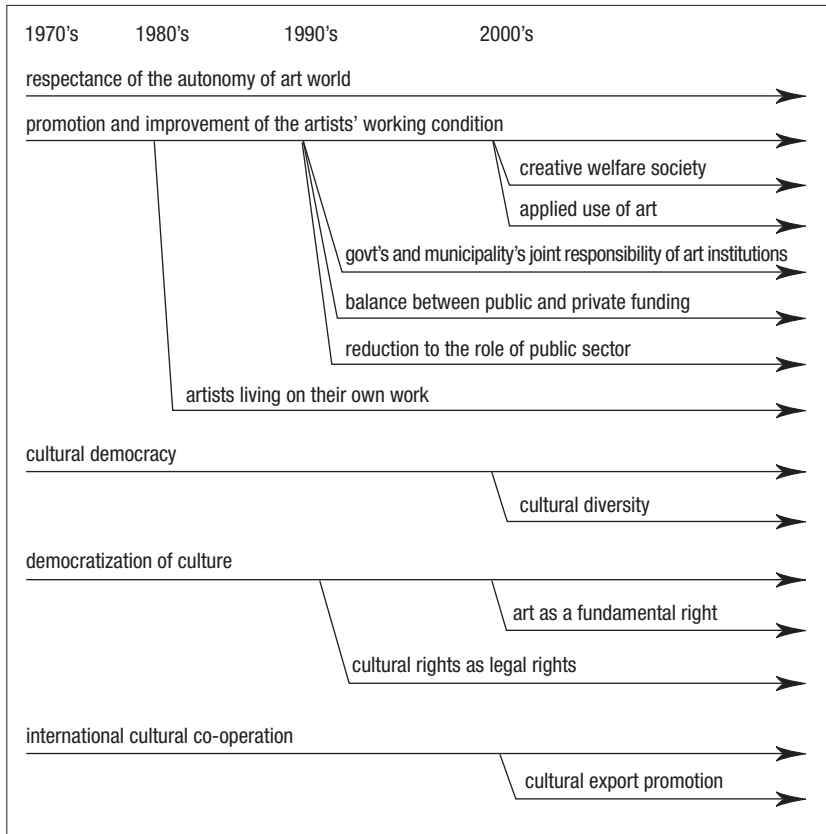
The purpose of this study is to examine the development of state support for artists in Finland. The study period begins in the late 1960s when the Promotion of the Arts Act and the Artists' Grant Act were adopted, and continues up to the present. The study covers both direct and indirect support for artists. The empirical data used in the study has been obtained from the joint grant register of the Arts Council of Finland and the Ministry of Education (Harava-register), annual reports of the arts councils and various archives (mainly the State Archive and the archive of the Arts Council of Finland).

The state artist policy from the 1960s to the present

The key principles of the present state artist policy were formulated in the 1960s and beginning of the '70s. A copyright law (404/1961) and separate legislation on public lending right compensations for writers and translators were enacted in 1961. Those acts and their travaux préparatoires can be seen as the starting point of the modern artist policy. The key concepts of the policy were mainly formulated by three governmental ad-hoc committees: the State Art Committee (1965), the Working Premise Committee for Arts and Science (1969) and the Committee on Cultural Activities (1974). They implemented the concepts of respect for the autonomy of the art world, promotion and improvement of the artists' working conditions, cultural democracy, democratization of culture and international cultural co-operation. The following decades have brought out several new concepts. Those concepts can be seen only as new ways of speaking about the issue and they have given little new content to the artist policy. (Figure 1.)

In the 1980s the artist policy stressed the importance of providing long-term support for those established artists who worked as independent artists without an employment contract, and focused on the artists' possibility of living on their own artistic work. The main documents from that time are the 1978 Government's Report to Parliament on Arts Policy (Hallituksen taidepoliittinen selonteko 1978) and the 1982 Government's Report to Parliament on Cultural Policy (Hallituksen kulttuuripoliittinen selonteko 1982). The cornerstone of the 1980's artist policy was the introduction of long-term (15-year) artist grants in 1982.

Figure 1. Key concepts of the government's artist policy from the 1970s to the present



In Finland the early 1990s were a time of deep economic recession, and the 1990s also saw a period of evaluation and reorientation of the arts policy. The state municipality subsidy system (kuntien valtionosuusjärjestelmä) was reformed in 1992. In the field of cultural policy the government's and municipalities' joint responsibility to art institutions was the precept of that reform. The Kupoli Committee's report (Kupoli-komitean mietintö) in 1992 stated that public policy towards artists could not solely rest on grants. The questions of employment, copyright, taxation and social security were of major importance. The report was followed by the Government's Report to Parliament on Cultural Policy 1993 (Hallituksen kulttuuripoliittinen selonteko 1993) and two years later by the Council of Europe's national review report, Cultural Policy in Finland - Expert's Report. The reports called special attention to increasing the flexibility of the support system and criticised 15-year grants, which were abolished in 1995.

The late 1990s were a period of constitutional reform; the new constitution of Finland was adopted in 1999. Cultural rights were added to the constitution as constitutional rights. Rhetorics of cultural poli-

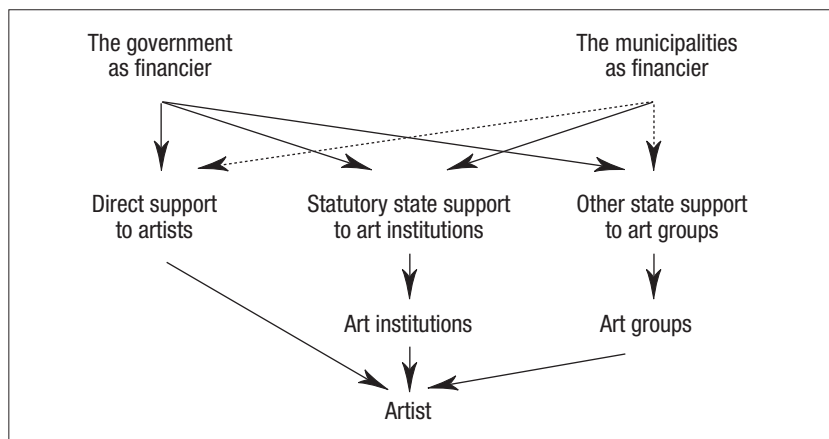
tics started to be more legalized and the TAO-committee (TAO-työryhmä) stated in 2002 in its proposal for a government cultural policy program (Taide on mahdollisuuksia) that art is a fundamental right. The committee spoke also about the creative welfare society and the applied use of art.

Cultural export promotion and cultural diversity are the latest new concepts in the artists policy. In 2003 the Ministry of Education, the Ministry for Foreign Affairs, and the Ministry of Trade and Industry initiated a joint review of cultural exports. The report, "Staying Power to Finnish Cultural Exportation" by Hannele Koivunen came out in 2004, and the Proposal for Finland's Cultural Exports Promotion Programme in 2007. The concept of cultural diversity entered the artist policy via the implementation of the UNESCO convention to protect cultural diversity.

Direct support to artists as a part of support to the arts

The Finnish model of support to the arts is built on three pillars: (1) direct support to artists (grants and prizes), (2) statutory state support to art institutions (subsidies) and (3) other state support to art groups (subsidies). The government has almost sole economic responsibility for the first and third pillars, but for the second pillar the government has joint economic responsibility with the municipalities (Figure 2).

Figure 2. *Three pillars of direct support to the arts*



In the different fields of art, direct public support is channelled to the individual artists via one or more of the previously mentioned pillars of the support system. For example, in the field of theatre or orchestra

music, artists receive a salary from the art institutions or groups belonging to the second and third pillar, and they can also get grants belonging to the first pillar. In the field of the free arts (especially visual arts and literature) public support comes almost totally from the first pillar.

Most of the direct public support is distributed through the statutory state support to art institutions (the second pillar). In 2004 about 130 million euros were used for statutory state support for theatres and orchestras. About one third of the funding came from the municipalities and two thirds from the government. More than two thirds of the funding was used for salaries, and since most of the staff are artists, more than 50 million euros (a rough guess) of the second pillar's support was actually distributed to individual artists as salary.

Other state support to art groups (the third pillar) includes the production support to the Finnish Film Foundation (11.2 million € in 2004), support to the National Opera (33.4 million € in 2004) and support to the National Theatre (8.6 million € in 2004) and several types of group support distributed by the art councils (3.6 million € in 2004). A major part of the support for these institutions and groups is also used for salaries to the artistic staff.

Direct support to individual artists (the first pillar) is much smaller in volume than the other two pillars. It consists of different kinds of grants and prizes, which are distributed by the art councils for artistic work or art projects. In 2004 the art councils distributed 19 million euros. The study of direct support to artists does not therefore give the whole picture of state support. It is also worth remembering that the direct support to individual artists has a different function in the different fields of art. It can be one of the primary income sources or it can play a supplementary role.

Direct public support for individual artists

When the State Art Committee started its work in 1962 the state used 1.2 million euros (in terms of the value of money in 2006) for the direct support for individual artists. In 1971, when the new support schemes became active, the sum was 5.76 million euros (in 2006 money) and in 2006 it was already 20.24 million euros (Table 1).

The general objectives of the prevailing measures of state support for individual artists are based on the Artists' Grants Act. It regulates the schemes of artist professorships, working grants and project grants. Public lending right grants for writers & translators and public display grants for visual arts have their own acts. Other supports schemes do not have their own statutory regulation. Besides statutory regulation, the allocation of support is regulated by the state budget

and by a more detailed list of discretionary outlays proposed by the arts councils and approved by the Ministry of Education.

Table 1. Direct public support for individual artists in 1971, 1981, 1991, 2001 and 2006 in terms of 2006 value of money.

	1971 million €	1981 million €	1991 million €	2001 million €	2006 million €
Support for artistic work (without regional art councils' support)	4.18	7.22	10.33	10.88	11.89
Working grants	2.94	3.11	6.07	6.95	7.44
Artist professorships	0.31	0.34	0.40	0.46	0.48
State prizes	0.21	0.15	0.19	0.37	0.38
Public lending right grants for writers and translators	0.73	3.62	3.67	2.15	2.58
Public lending right grants for illustrators	.	.	.	.	0.05
Public lending right grants for musicians	.	.	.	0.09	0.12
Public display grants for visual artists	.	.	.	0.87	0.84
Support for artistic projects (without regional art councils' support)	0.66	1.16	2.06	2.98	4.35
Project grants	0.64	0.59	0.69	0.69	0.75
Drama literature (premiere performances)	.	0.19	0.21	0.12	0.24
Travel grants	.	.	.	0.18	0.31
Artist in residence scheme	.	.	.	0.16	0.24
Film culture	.	.	0.31	0.18	0.25
Ateliers and workshops for visual artists	.	.	.	.	0.07
Visual artists' publications	.	.	.	.	0.10
Exhibitions of visual arts	.	0.33	0.38	0.41	0.54
Children's culture	.	0.04	0.13	0.35	0.48
Short-term theatre projects	0.01	0.02	0.17	0.16	0.18
Media, circus and multidisciplinary projects	.	.	.	0.18	0.29
Policy programme for design	.	.	.	0.02	0.08
Design projects	.	.	0.08	0.14	0.20
Policy programme for architecture	.	.	.	0.09	0.24
Dance culture	.	.	.	0.04	0.04
Dance productions	.	.	0.04	0.16	0.17
Production of photographic art	.	.	.	0.05	0.10
Publications of photographic art	.	.	0.04	0.05	0.07
Regional art councils' support (grants & regional artists)	0.92	3.85	4.93	4.34	4.00
TOTAL	5.76	12.23	17.31	18.20	20.24

The sums are converted into the 2006 value of money according to the cost-of-living index (elinkustannusindeksi).

. = the grant type was non-existing

Direct public support can be categorized into three categories: (1) support for artistic work, (2) support for artistic projects and (3) support of regional arts councils. Support for artistic work consists of those support schemes which aim to secure the financial conditions for an artist's artistic work without any instrumental objectives. The support for artistic projects consists of those support schemes which are granted to individuals or working groups for specific projects or to cover specific costs. Part of that support is connected to the implementation of special art policy programmes, and in general, support for artistic projects can be seen as having more instrumental aims than support for artistic work.

Support for artistic work includes four support schemes: working grants, artist professorships, state prizes and public lending & display right grants. The working grants are granted to support artistic work for a period ranging from half a year to five years⁴. They are the most important form of support for active artists. About 500 artists receive this form of support⁵. Artist professorships are in principle similar to the artist grants since the primary duty of a professor is to practice his or her own artistic work. One or two artist professors in the field of each national art council are appointed usually for a term of five years. State prizes are awarded to artists according to the artistic merit of the work done. In 1993 the system of state prizes was altered by the Ministry of Education. The number of recipients was reduced and the granted sums were increased. The scheme of public lending right grants for writers and translators was established in 1961. The amount of appropriation is calculated annually as a proportion (10 %) of the expenditure of public libraries on book purchases. The appropriation is distributed by an expert-board as grants on application without reference to whether the works of the applicant are available in libraries. The public lending right system was amended in the late 1990s and early 2000s when the public lending rights for musicians, public lending right for illustrators and public display grant for visual artists were established.

The support for artistic projects was originally granted by project grants – a special grant type established in 1970 by the Artists' Grants Act. They are granted to individuals or working groups for a specific project or to cover specific costs incurred from artistic work, performances, exhibitions etc. From the 1980s, and especially from the late

4 Between 1982 and 1995 the working grant system also included 15-year grants to 'full-time artists accomplished in their field'. In total 141 artists received support via this scheme.

5 Working grants are granted art-form specifically by the national arts councils. From the year 2000 the Central Arts Council has allocated the quotas of working grants for each national art council; before that the quotas were enforced by law.

1990s, a large number of additional special project grant schemes have been introduced: travel grants, quality grants, exhibition grants, grants for experimental projects.

Regional arts councils award grants to artists in their own province. They also maintain the system of regional artists created in 1972. The annual number of regional artists has been around 45.

The relative shares of each form of art have remained about the same from 1971, when the new support system came into effect, to the present day. Visual arts and literature receive the largest share, though literature's share has been reduced from 34 % in 1971 to 24 % in 2006. The decrease has resulted from the decrease in the volume of public lending right grants for writers and translators owing to the reduction of libraries' expenditures on book purchases⁶. The amount of support under the category 'other'⁷ has grown fastest during the past forty years and the growth has been especially fast during the last decade. In 1971 only 1 % of the total support went to the 'other' category, but by 2006, 9 % was listed there. It is interesting to note that although the category 'other' does not have its own art council it gets more support than the categories of architecture, cinema, dance, photography and design. Does that indicate a challenge to the ideology of art-form related peer review practised by the arts councils? (Table 2.)

Table 2. Direct support for artists according to forms of art in 1971 and 2006

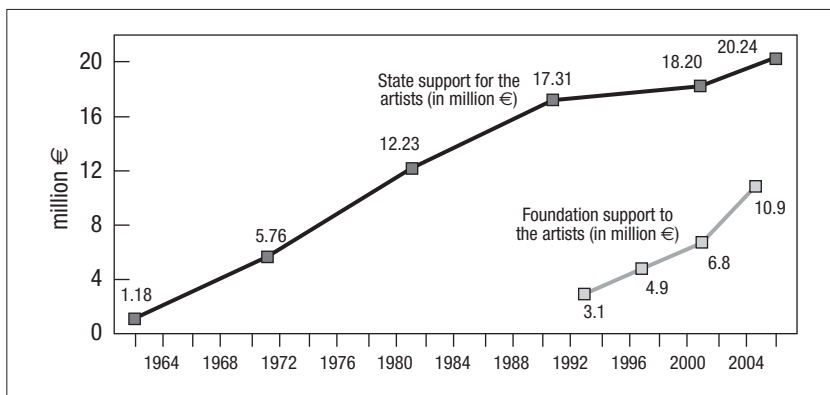
<i>Field of art</i>	<i>1971 (5.76 million €)</i>	<i>2006 (20.24 million €)</i>
Literature	34 %	24 %
Visual art	21 %	23 %
Music	16 %	10 %
Theatre	11 %	10 %
Architecture	5 %	3 %
Cinema	4 %	4 %
Design	4 %	7 %
Dance	2 %	5 %
Photography	2 %	5 %
Other (critics, circus, media, children's culture etc.)	1 %	9 %
TOTAL	100 %	100 %

The sums are converted into the 2006 value of money according to the cost-of-living index (elinkustannusindeksi).

- 6 The number of the public lending right grants to writers and translators is calculated each year as 10 % of the sum used for book purchases by public libraries.
- 7 The category 'other' includes those fields of art which do not have their own arts council (ie. circus art and media art) and multidisciplinary art.

The volume of state support for artists grows quite linearly from the early 1960s to the early 1990s when Finland faced a severe economic recession. The recession paralyzed growth, which did not return after the recession to its original path. During the 1990s the growth of state support was only slightly faster than the growth of the cost-of-living. At the same time during the 1990s foundations' support to artists increased rapidly. In the early 1990s state support and foundation support together amounted to slightly over 20 million euros in the 2006 value of money, and about one sixth of this came from foundations. In the middle of the first decade of the 2000s state support and foundation support together made up slightly over 30 million euros in the 2006 value of money and about one third of this came from foundations. This shows that the role of the foundations has changed. Does it mean that the state should re-think its own position on the system of the promotion of the arts?

Figure 3. State support for artists and foundation support for artists in million euros (in the 2006 value of money).



The sums are converted into the 2006 value of money according to the cost-of-living index (elinkustannusindeksi).

Indirect public support for individual artists

Indirect public support consists of various legislative schemes the goal of which is to support individual artists. The schemes are mainly connected to the social security system, tax system and copyright system. Also, the government's art purchases and art education can be seen as forms of indirect public support.

The present Finnish copyright law (404/1961) was enacted in 1961. It rests on the Nordic tradition of author's right and contract licensing via copyright organisations (ie. Kopiosto, Teosto and Kuvasto) which entails that the work under protection can be used

without permission from the author as long as copyright holders are properly remunerated. Since then the copyright system has been amended many times and several new copyright related support forms have been introduced: for example, droit de suite, blank cassette levy and public lending compensation. In the case of copyright and neighbouring rights there are substantially larger variations between the positions of different art fields – and even between the artists within one field – than there are in the system of direct public support. Very few artists receive copyright royalties that have economic significance.

The Finnish social security system is largely based on statutory payments remitted by employers and the amount allotted to the recipients depends on their level of taxable income. Except for the system of extraordinary artist pensions (for about 40 artists per year) there are no special arrangements for artists as such. The problems concerning artists' (especially grant recipients') social security has repeatedly been on the agenda when the objectives for artist policy have been formulated in official documents. Several ad-hoc committees appointed by the different ministries have made their proposals for the development of the pension, unemployment and sickness-insurance systems. At the moment the government is drafting a bill concerning the issue. It is estimated that the bill will be given to the Parliament this year.

In general, the tax system for artists is the same as for other taxpayers although the system has some special arrangements concerning the arts and artists. The VAT directive (2006/112/EY) approves the use of reduced VAT rates for cultural political reasons. In Finland the VAT rates for cultural events, book sales and certain types of art sales is reduced (usually to 8 %). Grants for artistic activity are according to the Income tax law (1535/1992) non-taxable income up to an amount equal to the annual sum of a state working grant lasting one year. This tax exemption concerns both public and private grants. The main problems of artists' income taxation concern the concept of source of income and the deficiency of options available for income equalization.

Conclusions

In the late 1960s, the implementation of the Nordic welfare state in the field of cultural politics established a legislated support system for artists, including the system of arts councils for its administration. The system has been very stable during the past forty years. Though several new support schemes have been introduced, the ones formulated by the State Art Committee in 1965 still constitute the core as measured in economic terms or in terms of prestige. The policy of support for artists generally gives the impression of a citadel protected

from the changing trends of the wider cultural politics. Does the system have the capacity to change as much as is needed due to changes in the fields of art? That is the decisive issue in the future development of the Finnish model of promoting artists.