



## Culture: A Tool For Reversing Recession *Ten Arguments For Use By Ministers*

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This paper sets out ten arguments that Ministers of Culture can use in discussions with their colleagues – especially Finance and Prime ministers – when annual budgets come under scrutiny. It suggests reasons why cultural investment can be an important tool in combating the effects of recession and – perhaps more importantly – leading the way back to prosperity. The arguments also help Ministers of Culture make common cause with those responsible for employment generation, social cohesion, security and education. Every country will have its own examples and statistics to back up the arguments. Similarly each can develop new proposals based on them for restructuring and regeneration. The arguments are as useful at the intergovernmental, regional and local levels as they are at the national. Indeed they can be part of any municipality's action plan.

## 1. Boosting Confidence

Culture has many forms – artistic and social – but all have in common the ability to inspire and demonstrate confidence. Since so much recent economic turmoil has been caused by a failure of confidence, the first signs of recovery are unlikely to come from immediate increases in trade and employment. Individuals, companies, cities and nations will need to be persuaded that they can be confident of a change in fortune. Through its energy and ability to rejuvenate locations in decline, the cultural sector can provide the vital catalyst that turns perceptions positive: the most difficult operation for most other political and economic initiatives to pull off. This has been demonstrated time and time again – in Prague and Edinburgh with the creation of their festivals, with the European City of Culture programme in times of recession and industrial decline, with Barcelona and its complete reversal of reputation in the 1990s.

## 2. Rebranding

While injecting large amounts of public investment into transport and business infrastructure is an important component of improving the image of locations, it is also slow and expensive, showing little immediate return or increase in activity. Rebranding through investment in the cultural sector, however, demonstrates within a few months that public authorities have not abandoned hope and are intent on providing citizens with opportunities. Cities, rural communities and even whole regions and countries can be rebranded as places of resilience and innovation.

## 3. Attracting Mobility

An increasing number of places rely on the income from visitors, whether international or from nearby, to provide employment and to keep local manufacturers of traditional products in business. In times of growth visitors are relatively easy to attract, whether because of natural amenities, business activity or just out of curiosity,. In times of

economic pressure, though, visitors are much harder to attract and not everywhere has sea and sand (and even in places that do, climate change can alter historically reliable weather patterns). Visitors will look more critically on facilities and potential attractions. Investment in the presentation of the heritage, the marketing, frequency and ease of access of the arts, and the improvement in iconic buildings attracts visitors steadily and reliably. It also encourages businesses to relocate and develop. The investment in the National Gallery and Athenaeum concert hall in Bucharest proved to be the start of Romania's renewal after the difficult years of the 1990s, just as Broadway sustained New York through the depression and the Festival of Britain signalled London's renewal after war in 1951.

## 4. Long-term Revenue

Investment in culture is precisely that. It should not be confused with the sort of subsidy often handed out in the past to ailing commercial enterprises as 'corporate welfare'. The cultural sector is NOT a failing sector like banks or the automotive industry. While it will always require a call on public revenue, its returns are sustainable, long-term and consistent. The taxable income it generates in industrial sectors that derive from it constitutes one of the most valuable sources of income for any government treasury. Investment in the arts and the presentation of the heritage does not often result in direct profit, either for the public or private sector. However that investment fuels related activity in a immense varieties of businesses and related organisations which thrive because of it.

## 5. Transforming Spaces

Economic downturns leave a great deal of developed space unused or derelict. Shops stand empty, factories and industrial premises decay, apartment blocks become hard to let. The cultural sector, especially the visual and performing arts, can make quick and good use of these spaces without compromising their long-term use as commercial premises. Instead of decline, the impression given by a street of contemporary art galleries, music venues and craft shops is of a creative and dynamic urban space. Similarly the use of redundant buildings for theatre, dance and music improves the image of an area, provides badly needed infrastructure for small enterprises and improves security by retaining positive activity in an otherwise deserted district.

## 6. Social Support

Recession puts enormous strain on the cohesion of communities, exacerbating differences and sources of tension. It also increases intolerance towards those seen as outsiders. Cultural activity, as long as it is not used to parade and demonstrate entrenched prejudice (as so often in the Balkans and Northern Ireland) can be important

for bringing people together and forging new partnerships which lead to new business. Important examples of the work being done in this field can be found in the CoE/EU's joint Intercultural Cities Programme.

## 7. Employment Flexibility

Almost all cultural enterprises are small when compared to the major industrial, service and retail employers. However, they are also far more flexible – able to accommodate change and to adapt to challenging financial circumstances. Cultural organisations have become adept and inventive in the way they use available resources. Many who work for and with them are independent freelance operators whose self-financing and easily transferable skills gives them the freedom to move where work takes them and to live a lifestyle that does not require continual institutional support. This can save public finances a great deal in unemployment and other social benefit claims, as well as contributing to the sense of a vibrant economic sector.

## 8. Community Expression

Communities in distress can become isolated and incapable of taking advantage of any upturn in economic circumstances if the activities that bind them together are allowed to decline. Cultural activity is not always about professionals: community production can be just as important and beneficial (though ensuring that there are professional animators available to the community can improve the results impressively). Through presenting culture to each other communities can improve their receptivity to other new ideas, whether for business, social action or environmental improvement. In the case of the latter, environmental clean-up schemes are often most effective when allied with cultural programmes – with adults as well as children.

## 9. Personal Empowerment

A time of economic trouble is also by necessity a time of increasing personal anxiety and insecurity. The trauma of a career in ruins, or the hopelessness for young people leaving the education system with nowhere to start work, can be similar to that felt by those caught up in war. Individuals lose confidence in their ability to find work or provide for families. This loss of self-esteem can lead to increases in addictions to drugs and alcohol, domestic and social violence, attacks on foreigners and people of different races, and a disregard for community values that costs governments a considerable amount of money to counteract, usually with indifferent results. Often taking part in the usual government schemes seems pointless. The cultural sector, along with sport and education, can provide a important outlet for this frustration and despair. Programmes that involve restoring confidence, whether through writing, artistic and craft skills, or performance can give adults the sense of self worth to become active and productive once again.

## 10. Value for Money

The cultural sector offers finance ministers exceptionally good value for money. Its buildings remain assets and income generators for many decades. Its social programmes improve the effectiveness of many other sectors – especially employment, education and social security. Investment in the cultural sector actively reduces costs associated with crime prevention, policing and inner city decline. And the evidence of previous recessions – those of the 1970s and 80s caused by industrial restructuring, and the 1990s caused by political and market instability – suggests that cultural programmes deliver confidence and renewal at a far lesser cost than corporate welfare. At a time of economic uncertainty investment in the cultural sector – its infrastructure, programmes and institutions – pays dividends quickly and visibly. While this will also mean that practices within the cultural sector (especially state-run institutions) will have to become more flexible, the sector's organisations and dependent commercial enterprises are far better placed to adapt and become the focus of regeneration than most others.