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MAJDA HRŽENJAK AND BRATKO BIBIČ

# CULTURE LTD.

**MATERIAL CONDITIONS OF  
CULTURAL PRODUCTION**



**Peace Institute**

Institute for Contemporary Social and Political Studies





ALDO MILOHNIĆ, MAJA BREZNIK, MAJDA HRŽENJAK AND BRATKO BIBIĆ  
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## CULTURE IN THE GRIP OF ECONOMIC RATIONALITY

ALDO MILOHNIĆ

This book contains adapted and updated papers contributed by the Peace Institute researchers participating in the research project entitled “The Economics of Culture.”<sup>1</sup> Our deliberations on cultural education programs, investment in cultural infrastructure, employment in culture and the wider (global) context in which cultural goods are increasingly being converted into market commodities provided a sociological and conceptual framework for the research study conducted in 2003 and 2004 by the institute for economic research. Our intention in publishing this book is to present to the wider public the conceptual and methodological issues that we have attempted to answer, including critical analysis of the key strategic documents of Slovene cultural policy.

The discussion about the relationship between culture and economy, a discussion which has recently escalated in Slovenia, was promoted by younger economists who are aware of the importance of their discipline for modern capitalist societies. In their opinion, the market economy is a *sine qua non* and an absolute criterion for assessing any activity in society. And since they believe the economy is a universal criterion that saturates the whole, all other spheres of social life are expected to justify their existence using a kind of econometric introspection, meaning that they are expected to submit themselves to a test of their own economic rationality and benefits for society as a whole.

Their demand is imperative, and excuses are not accepted. Whoever wants to receive funds from the public budget fed by tax payers money must first prove that tax payers and society as a whole

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<sup>1</sup> “The Economics of Culture.” A research project within the framework of research program “Competitiveness of Slovenia 2001-2006,” commissioned by the Ministry of Culture and the Ministry of Education, Science and Sport. Responsible institution: Center for International Competitiveness (CIC). Co-researcher: cultural policy research unit of the Peace Institute. The project lasted from October 2003 to October 2004.

will benefit from the activity in question. But this alone does not suffice. It is also necessary to prove that investment of public funds in a particular project is better (more profitable) than investment in some other project. In other words, no public investment as such qualifies as worthwhile (for example, on the basis of expert assessments); it may become worthwhile only in relation to another (real or hypothetical) competing subsidy or investment. All social activities, including those that the European (continental) model has traditionally understood as components of the welfare state, are required to venture onto the shaky ground of market competition if they want to obtain financial support from the public budget. And competition is one distinguishing feature of the market economy. In other words, the younger generation of Slovene economists that directly influences the Slovene government's decisions, advocates and requires that all social activities including culture should be unconditionally subjected to market forces and prove their worth in competition with other market players.

The requirements imposed upon cultural workers, civil servants responsible for the field of culture, and politicians who, after all, decide how the money will be distributed among particular fields, are so dramatic that they call for a serious assessment of the situation and careful planning of a strategy that should produce convincing arguments against the commodification of culture. We are aware that the outcome of this process crucially depends on the lobbying potential of the two sides involved. In the present situation in Slovenia, political and economic alliances bear more weight than a whole pile of persuasive arguments. But to consent to this logic would mean that we have surrendered to destructive defeatism, that we do not have trust in what we do and that this research and publishing effort is nothing but a quixotic pursuit and a waste of time and money. Therefore, we insist that discussions about the relationship between culture and economy call for utter seriousness and should be based on solid arguments, and that arguments *ad hominem* should be avoided, since they in no way contribute to such discussion. So far, neither side participating in the media debate has been very successful in this respect.<sup>2</sup>

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<sup>2</sup> For more on the media debate between the "young economists" and the "cultural lobby" see Milohnič 2005.



The requirement of some economists that Slovene culture should offer convincing arguments (meaning acceptable to economists) proving the benefits of culture for society as a whole, and for the economy in particular, is a somewhat belated response to a process that began in the USA in the mid 1960s and later spread to Canada, Australia, New Zealand, Great Britain and gradually to west European countries. The pioneering work in the field of cultural economics was William Baumol's study *Performing Arts: The Economic Dilemma*, published in 1966 (co-authored by his namesake William Bowen). In the 1970s, the third William, William Hendon, became actively engaged in this field. He first founded the Journal of Cultural Economics, and then an international association that is still active and prepares biennial international conferences, each time in another country. In the meanwhile, studies about the impact of culture on the economy have become something of a vogue. Anthony Radich, who at the beginning of the 1990s prepared a review for the US National Endowment for the Arts entitled *Twenty Years of Economic Impact Studies of the Arts*, established that during the 1970s and the 1980s more than two hundred studies in the US dealt with this topic, discussing issues relating to 34 federal states and more than one hundred towns. Studies about the economic impact of culture flourished especially in North America, so much so that cultural councils in the USA and Canada began to offer simple do-it-yourself manuals and software that could be used by cultural organizations to calculate their "economic impact" on the environment in which they operate (a town, a region or the like).<sup>3</sup>

This avalanche of "impact" studies that befell the Americans and the Britons in the 1980s cannot be understood properly unless we are familiar with the social context within which this process was taking place. At the turn of the 1980s, Ronald Reagan and Margaret Thatcher rose to power. Their politics was based on cuts in public expenditure and simultaneous strengthening of the private sector. Both goals necessitated a considerable reduction in subsidies

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<sup>3</sup> Cf., e.g., *Assessing the Local Economic Impact of the Arts: A Handbook*. 1997. Toronto: Ontario Arts Council, or a simple software for a quick calculation of the "economic impact" of a cultural activity offered by the *Americans for the Arts* organization at [http://www.artsusa.org/information\\_resources/research\\_information/services/economic\\_impact/calculator.asp](http://www.artsusa.org/information_resources/research_information/services/economic_impact/calculator.asp) (last access in November 2005).

received by art institutions directly from the state budget. The lack of resources thus created was expected to be compensated through market approaches designed to make these institutions accustomed to “the competitive spirit of free enterprise,” as ironically described by Chin-tao Wu in the book entitled *Privatising Culture: Corporate Art Intervention since the 1980s*.<sup>4</sup> In these circumstances that were unfavorable for culture, and non-commercial culture in particular, and even a threat to its very existence, cultural workers, their supporters and advocates rushed to commission research projects that were expected to provide “hard” (numerical, statistical) indicators that were intended to convince the economists and politicians that investment in culture was commercially viable, that it could create new jobs, contribute to increased consumption etc. In short, the aim was to convince them that subsidies for culture produce a multiplier effect. This said, we should point out that these studies did not emerge owing to some “internal” logic inherent in the research field itself; instead their appearance was determined by local and state cultural policies. This conclusion is important because it shows that the study of the impact of culture on the economy was not motivated by a romantic longing for truth on the part of scholars, but by the need to provide a politically persuasive argument that could be used effectively when lobbying for culture.<sup>5</sup>

Because of this and many other reasons, some economists view the studies about the beneficial economic effect of cultural production as an uncritical instrumentalization of economic studies for political purposes. In other words, many of these studies are a product not of political economy, but rather of “politicized” economy. Experts in the field do not deny their factual value; in principle, they have no reason to reject in advance the collection of quantitative data and statistical calculations for any field of economic or social activity, including culture. But what worries them are the methodologically unacceptable “shortcuts” used in collecting and selecting data,

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<sup>4</sup> Wu 2002, 47. In the chapter about the radical change in funding policies during the Reagan and Thatcher eras, particularly symptomatic are the statements from the representatives of their administrations and leading national funds, the *Arts Council* in Great Britain and the *National Endowment for the Arts* in the USA, that “commercial films are as much art as non-commercial ones” (73), that “an artist’s reputation is made in the market” (73) and the like.

<sup>5</sup> Cf. Radich 1992, van Puffelen 1996 and other studies.

attempts at “self-interested” interpretation of statistical figures resulting from the data thus aggregated, and finally, and perhaps most importantly, the lopsided understanding of cultural production, which in some cases is a desired effect of these studies, but frequently just an accidental one.

Radich thinks that one problem of impact studies is their methodological (non)credibility. However, this is not necessarily their weakest point, since superficially conceptualized and inadequate samples, insufficient rigor in collecting and interpreting data, erroneous assessments when data are not available, or erroneous assessments of the impact on the tax system, and inadequate methods of calculating the multiplier effect or similar difficulties can be easily rectified. All that the commissioners of such studies should do is to be more careful when selecting a research team, refrain from direct or ideological meddling in the study, and give researchers enough time and adequate payment for a demanding task. Radich even argues that these studies should not be compared to scientific research in the narrow sense of the word, since time and resources for such studies are usually limited. But, as Radich says, these studies should be at least adequate for the purpose, and that purpose is clear: “persuading the public to value arts”.<sup>6</sup>

The second problem mentioned by Radich is more difficult to fix, because it lies in the very structural position of the studies about the economic impact of culture: “A second major problem with economic impact studies of the arts is that they are incongruous or inconsistent with the nature of the arts. The arts have an economic dimension, but that dimension does not constitute the essence of the arts. Economic arguments for the arts do not emerge from the central philosophy or strength of the arts – their creativity, their ability to challenge, for example – but rely instead on central features of a non-arts discipline.”<sup>7</sup> Later in the text, Radich indeed says that this conclusion does not mean that economic analysis cannot be beneficial for art. For him, it is problematic only when the economic value of an artistic or cultural project becomes the only argument used to prove its cultural value and significance for society. If such arguing

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<sup>6</sup> Radich 1992, 87.

<sup>7</sup> *Ibid.*, 95.

for the significance of culture and justification of public expenditures becomes the prevailing discourse, then sooner or later it will be the economists who will take decisions concerning culture instead of those to whom culture means much more than just the number of tickets sold. Therefore, it seems sensible to lend an ear to Christopher Madden, who says that “art and culture are not means to economic ends (as advocated by ‘economic’ impact arguments), but the economy is a means to artistic and cultural ends.”<sup>8</sup>

In a debate in which the key argument is economic “rationality,” the struggle is bitter, and the winner is one who can convincingly prove that the designated activity is more profitable, brings more jobs and ensures progressive development. Yet it is a question whether in such a struggle it is truly possible to offer arguments sufficiently solid as to protect culture from the economic “rationality” of other, more profitable sectors. This by no means suggests that culture theorists should refrain from addressing this subject. On the contrary, to leave this important sphere of cultural policy to economists exclusively would be irresponsible.<sup>9</sup> Also, there are other disciplines that could contribute much to this debate, for example sociology and its specialized branches (the sociology of culture, the sociology of work, urban sociology and so on), then cultural and arts history, communications studies, aesthetics and many more. Some economists, especially those who are uncritical worshipers of the almighty “invisible hand” of the market, seem to be unaware of the fact (or just tend to overlook it) that particular practices underpinning cultural and artistic creativity are not compatible with the competitive principle of the market. Radich, for example, thinks that the logic behind the economic (i.e. market) success of culture is devastating for the principle of collaboration characterizing many actors in the fields of arts and culture. The ideology of economic rationality and market success encourages competition rather than collaboration and the atomization of individuals and organizations rather than linking, so in Radich’s view, the studies about the economic impact are not a “natural environment” for arts and culture.<sup>10</sup>

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<sup>8</sup> Madden 2001, 169.

<sup>9</sup> Cf. Milohnić 2004.

<sup>10</sup> Radich 1992, 97.

Since the analysis of impact studies has shown that doubts about the adequacy and applicability of the “economic argument” are justified when considering cultural production, which is expected to be above the simple churning out of entertainment products, in the essays presented in this book, the relationship between culture and economy represents just a general framework and not an end goal. Moreover, given that the “general framework” is so narrow and taken for granted that it causes a feeling of epistemological “anxiety” in researchers who pursue critical thought, we also find problematic this general framework itself. Therefore, the authors in this book started from the theoretical field that is probably more sociological in its nature than economic, although it does not exclude economic studies of culture. If this book manages to introduce even a hint of theoretical brightness into the applicative catechisms of “cultural economics,” we will have reason to be more than satisfied.

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**CULTURE BETWEEN  
“L’EXCEPTION CULTURELLE”  
AND “CULTURAL DIVERSITY”**

MAJA BREZNIK

The main focus of the project *The Economics of Culture*, the context in which this contribution was produced, is the attempt to develop satellite account for culture and to estimate the multiplier effect, i.e. the contribution of the cultural sector to the Slovenian national economy. In this essay I will approach the issue of the economics of culture from a perspective that is somewhat different but very important in our contemporary time. As a matter of fact, ever since the signing of the agreement establishing the WTO in 1994, along with the Annex 1B entitled *General Agreement on Trade in Services*, the economy has had a decisive role in the formulation of cultural policies. Therefore, the pragmatic management of cultural institutions, which is the concept behind the title *The Economics of Culture*, suggests a topic that is truly boring compared to the historical turmoil of the past decade that we will try to present in this contribution. It should be pointed out that the public in Slovenia has little awareness of it, although foreign newspapers and magazines, especially French, discussed this issue at length. The research study *Economics of Culture* has envisaged the addressing of this issue, indeed with some caution. In fact, this issue could not be avoided because the link between economy and culture necessarily gives rise to the question of the international legal framework of culture. However, excessive caution in discussing this issue would mean that we have underestimated the importance of the contemporary legal and economic system which has, in the past two decades, managed to appropriate the role of the *conditio sine qua non* in the new world order.

REFLECTIONS ON THE CONCEPT  
OF CULTURE

The social field of culture embraces various social functions. We will try to outline as many of these as possible, but we cannot hope to reach the end of the list. Most frequently, culture means artistic creativity that presumably exists for its own sake and hence *a priori* eludes the position of an object of economic exploitation. As they say, cultural goods cannot be treated like shoes, since they have a different use-value from common goods.<sup>1</sup>

Culture also embraces educational social functions. Cultural educational activities, in the narrowest sense of the word, include higher education in arts (art academies, education for professionals teaching in the cultural context and so on). In the broader sense of the word, cultural educational activities are part of the regular school curriculum (classes in painting, music, language and so on). In the broadest sense, culture comprises a series of very general activities which we describe as the cultural competences of a population: oral or written culture, the level of education, functional literacy and so on. Accordingly, cultural activities can undertake the fulfillment of certain goals that traditionally belong to the domain of educational activities.

Next, cultural activities support important socializing functions which integrate particular groups into society. These are socially vulnerable groups, for example, various age groups, children, people with special needs, economically underprivileged groups, ethnic minorities, permanently hospitalized people, convicts, juvenile delinquents and so on.

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<sup>1</sup> Economists nevertheless managed to make a precise calculation of the financial value of aesthetic pleasure. Research studies since the 1970s generally conclude that the profitability of fine arts products, for example, is lower than financial assets, although exceptional examples may delude one into reaching a different conclusion (e.g. in 1987 Van Gogh's *Iris* was sold for 53.9 million dollars; in 1998 Van Gogh's *Self-Portrait Without Beard* was sold for 400.4 million French francs; Cezanne's *Still Life With Curtain, Pitcher, and Bowl of Fruit* was sold for 310 million French francs in 1999, and in 2000 Michelangelo's sketch *The Study of Standing Christ* fetched the price of 85 million French francs; it is also well known that the pension Fund of the British Railways invested in artistic works and collected 2700 of these). William Baumol, therefore, concluded that *aesthetic pleasure* is the difference between the profitability of a work of art and its financial assets.



The field of culture also embraces all cultural activities not categorized as professional activities. These include so-called *amateur activities* that demand the active involvement of the participants, because of which these activities by far transcend the passive enjoyment of cultural goods.

Additionally, cultural goods and services have become an important component of tourism. Culture is used either to attract guests, or to present local distinctions, although it is also possible to view this as a process involving the social interaction between local people and foreign guests.

During the 20<sup>th</sup> century, or to put it differently, since the appearance of various possibilities for technical reproduction, cultural goods and services have become products of mass industries. These *entertainment* industries have become an important branch of the economy in developed countries. These goods and services are “cultural” only coincidentally: the primary goal of this is to raise profit from cultural goods and not cultural development as an end in itself.

International negotiators on the liberalization of services most frequently use the expression “cultural services” in the sense of the last mentioned social function of culture, while all other functions are disregarded. Perhaps it was the booming global trade in cultural goods, whose value in the last two decades of the 20<sup>th</sup> century rose from 100 to 400 billion dollars, that deluded economists and politicians into seeing only the economic dimension of culture and the untapped potential for exploiting this sector. Consequently, the entertainment industry has become a model for all other cultural activities, because it is supposedly the most successful in terms of “added value”, employment opportunities, “development potential” and so on. Economists and politicians have therefore adapted all social functions of culture to suit the model of the entertainment industry. As a result, the effects of all other social functions of culture faded away in the light of profits generated by the entertainment industry. The diverse goals of cultural activities have become unimportant, with the economic goal, i.e. “added value”, becoming the only worthy one. Yet culture cannot be channeled toward just one goal. Were its functions just to attract spectators, readers or listeners, and produce “added value”, it would have to renounce its mission, since this mission lasts only as long as culture combines vari-

ous social functions described above. In such a case, the process of the transformation of “cultural relationship” into “economic relationship,” into which we will look in the next chapter, would pose a risk that culture in general will be eliminated.

#### THE LIBERALIZATION OF TRADE IN SERVICES

The ideology in which culture is seen as one branch of the economy has its origins in the global neo-liberalism of the 1990s and the accompanying new legal order that encourages this transformation of culture into a branch of the economy. We will now take a look at this global process through a brief historical overview and a comparison of various institutions, documents and terminology in use.

It is the year 1994 – the year of signing the agreement establishing the WTO – that can be regarded as a milestone in this process. Especially significant were two annexes; the first (1B) is entitled the *General Agreement on Trade in Services*, and the second (1C) the *Agreement on Trade-Related Aspects of Intellectual Property Rights*. Both radically intruded into the methods of arranging relations within the social sphere that, as a rule, exist outside the economy.<sup>2</sup>

The *General Agreement on Trade in Services* (GATS) was modeled on the previous agreement dating from 1948, which stipulated progressive liberalization of the international trade in goods (GATT, *General Agreement on Tariffs and Trade*). GATS was designed to gradually extend the process of liberalization to services as well. The basic task of the two agreements is progressive elimination of governmental measures that ensure better conditions for domestic companies compared to foreign ones in the trade in goods and services. Among these obstacles to free international trade, which the WTO members are supposed to gradually eliminate, are quotas (i.e. restrictions on the import of foreign goods or services), customs duties on imported goods and services, as well as state subsidies, monopolies and similar measures that are aimed at creating more favorable conditions for domestic companies. Finally, these agreements should also enable a free flow of capital.

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<sup>2</sup> Slovenia became a WTO member on July 30, 1995 by signing the Marrakesh agreement, when it accepted the “Schedule of Specific Commitments”.

In 1994, the Uruguay Round of negotiations was concluded in Marrakesh. The members of the newly founded WTO and the signatories to the *General Agreement on Trade in Services* made a commitment to implement progressive liberalization of trade in services. “Services” comprises a broad range of activities whose outcome is not a product but the carrying out of some type of assistance. A detailed list of sectors and sub-sectors of the service segment is a part of the GATS,<sup>3</sup> and it includes banking, insurance, communications, money brokerage, construction work, interior equipment and building cleaning services, transportation, water and electricity supply, real estate services, environmental activities, tourism, and even the health system, education, culture and similar (the names above are descriptive, since we want to give a general impression of the content of the list). According to some estimates, these activities taken as a whole account for 22% of the total world trade, or one quarter of the social wealth.<sup>4</sup> Since the amount of wealth that now flows into the public sector is considerable, the area of public services is an important fortress targeted by private companies. Viewed from the perspective of the private sector, the privatization of public services is extremely important, among other reasons, because of the death blow it is expected to deliver to national regulation policies and state protectionism. These will be eliminated through the abolition of subsidies, state monopolies, quotas, social security and similar. The principles of neo-liberalism will score the final victory once the large national systems of health care, pensions, schools, the patronage of culture and so on, are partially or fully subjected to the principles of free trade. And this is not our subjective view or prognosis, but the goal cited in the introduction to the agreement on trade in services. All 146 members of the WTO that signed the agreement made a commitment to carry out “progressive liberalization” that was to be implemented during successive rounds of negotiations. The Marrakesh agreement concluded the first, Uruguay Round of negotiations, by which the signatories confirmed the general agreement as well as the initial lists of “specific” commitments related to services. The second round of negotiations, entitled the

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<sup>3</sup> See *Services Sectoral Classification List*, document MTN.GNS/W/120, 10. 7. 1991.

<sup>4</sup> Cf. George 2002, 49.

*Doha Development Agenda*, was launched only in 2001, and it is scheduled to be concluded in 2005 when the signatories will adopt new lists of commitments and services that will be liberalized.

The *General Agreement on Trade in Services* first introduces the definition of “service.” According to Article I, “services” are “any service in any sector except services supplied in the exercise of governmental authority.”<sup>5</sup> Furthermore, “a service supplied in the exercise of governmental authority’ means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers.”<sup>6</sup> Given this definition, only rare public services can be excluded from progressive liberalization, since for most of the services it is possible to say that they are supplied on a commercial basis. Health care, water supply, communal services, post-graduate and part-time studies, cultural institutions such as museums, theaters, libraries, historical sites and the like – all cover part of their expenses from ticket sales, or they charge for their services. The legal definition of services cunningly leaves unanswered the question of which services could be excluded from progressive liberalization.<sup>7</sup> It is not clear to what time period this provision refers: the time of signing this agreement (in 1994) or some later period of negotiations on the liberalization of a specific service. Since 1994, when a number of public services in Slovenia were still provided by the state on a non-commercial basis, many have been partially or fully “privatized,” either by adding new suppliers or by charging commercial rates for these services. Even though the contributions the state charges for these services may be negligible, it is still considered that they are based on a commercial calculation. An example of such a service in Slovenia would be pension insurance, which at the time when the agreement was signed was fully covered by the state, but ten years later it was partly commercialized, among other

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<sup>5</sup> GATS, Article I. 3/ b.

<sup>6</sup> *Ibid.*, Article I. 3/c.

<sup>7</sup> Pascal Lamy, the European negotiator with the WTO at that time, has confirmed our reservations in his letter to Fischbach-Pyttel and Engelberts. Exceptions, according to Pascal Lamy, are only those services provided by the state *free of charge*, while even the medical services are subject to the commercial principle. “[..T]he hospital sector is made up of government- and privately-owned entities that both operate *on a commercial basis, charging the patient or his insurance* for the treatment provided” (underlined by M.B.). Cf. [http://europa.eu.int/comm/trade/issues/sectoral/services/epsu\\_en.htm](http://europa.eu.int/comm/trade/issues/sectoral/services/epsu_en.htm).

reasons because of the pressure of global organizations (WTO, IMF and so on). Accordingly, it cannot be considered an exception.<sup>8</sup>

The principle of transparency binds all GATS signatories to report “promptly or at least annually” to the *Council for Trade in Services* on all national measures taken in the area of services (Article III). This means that ever since signing the GATS, WTO members have been forced to employ defensive policies to protect public services in their respective countries. As a matter of fact, the general principle is that all services should eventually become subject to liberalization, but WTO members have the option of maintaining, for a limited time and for specified services, discriminatory measures aimed at protecting domestic suppliers. Liberalization leading to the ultimate goal should be progressive, by individual sectors, and implemented through the elimination of all existing “discriminatory measures” and prohibition of new discriminatory measures relating to services covered by specific commitments. The success of the GATS, as the French expert on European and global cultural policies, Bernard Gournay, concludes, cannot be measured by its success in implementing the final and unconditional privatization of public services, but by the fact that it managed to forestall further development of public services and redirect national measures so that they agree with the liberalization principles.<sup>9</sup>

The Marrakesh agreement conferred upon the WTO important powers. Through its councils, it has the right to decide whether or not a particular service is suitable, while making a case against a member that was accused of imposing *unnecessary barriers to trade in services* (Article VI.4). This provision gains significance in situations when a member country rejects a supplier that it deems unsuit-

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<sup>8</sup> This assertion is also confirmed by Pascal Lamy in the letter mentioned above. “[..]otion of public service is not a static notion but has evolved over time and will most likely continue to do so”. The controversial Article III is formulated in such a way that the campaigners for the liberalization of public services even have time on their side. Conclusions related to medieval usurers that inspired dismay, i.e. that the usurer operated even while he was sleeping, and interest increased even over night, are also true of neo-liberalism. The postponement of liberalization does not forestall the process, but only prepares grounds for an even more radical liberalization. This is similar to paying back interests to a usurer – the more one delays the payment, the higher the interest is.

<sup>9</sup> Compared to the new circumstances of global trade negotiations, the European Directive on Television without Frontiers, which modestly prescribes the quota of European visual programs in public and private programming schemes, seems to be of a truly rebellious character. Cf. Gournay 2002.

able, stating either the quality of the service or technical standards as the reason, or when it imposes complex procedures for obtaining the required permits. In such a case, the supplier can lodge a complaint with the WTO, arguing that such requirements are “unnecessary barriers.” In the area of trade in goods, the WTO has exercised this right many times, refuting the right of countries to protect their citizens, plant and animal life, unless the country in question was able to defend its decisions using “scientific” arguments.<sup>10</sup> These decisions were brought by a special body inside the WTO, the *Dispute Settlement Body*, that resolves disputes between WTO members. So far, in most cases (ten out of eleven in total, as cited by Susan George in *Remettre l’OMC à sa place*), it decided against the principle of health protection – these include the case of hormone-treated American beef rejected by the EU, the case of Canadian salmon rejected by Australia, and the case of American tobacco rejected by Thailand. In all of these cases the *Dispute Settlement Body* decided that countries unjustifiably restricted the import of these items. For similar reasons, it also refuted environmental protection measures imposed by some members, for example, the US embargo on the import of tuna, based on the argument that tuna fishing caused damage to dolphins that got trapped in fishing nets. The implications of the GATS extend beyond a simple economic agreement, because the signatories, under pretense of economic cooperation, allowed the WTO, economists and lawyers to decide on matters such as environmental issues, protection of health and basic issues of social redistribution, of which they do not have sufficient knowledge.

The *General Agreement on Trade and Services* also condemns state subsidies, since these supposedly have “distortive effects” on free trade in goods and services. So, by signing the agreement, the members of the WTO make a commitment that during the upcoming rounds of negotiations they will progressively eliminate state subsidies.<sup>11</sup> Progressive liberalization includes two specific commitments, the first related to market access and the second to national treat-

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<sup>10</sup>Scientists object to this provision, arguing that scientific proofs simply do not exist because research of this type is not commissioned by anyone, nor are there financial resources to fund them. An additional obstacle is the fact that these research studies should be conducted over a longer period of time in order to be able to assess the effects, but economic measures are introduced at a much faster rate.

<sup>11</sup>Article XV.

ment. The liberalization of market access implies the elimination of all quotas limiting the extent of services, value of services, employment of foreign citizens, ownership of shares and so on. With respect to national treatment, the GATS envisages the same treatment of domestic and foreign companies, meaning that companies based in any WTO member are entitled to subsidies, stimulation and other forms of relief granted to domestic companies. Another important principle is the most-favored-nation treatment (MFN), according to which the most favorable treatment enjoyed by any country automatically applies to all WTO members, although each member can request a temporary exemption from this rule. This rule, in principle, prevents a WTO member from concluding a favorable trade agreement with another country which, for example, adheres to eco farming, or respects the rights of workers, or prohibits child labor. Within the WTO legal order, goods or services are identical if they are comparable at first sight. For example, a farm product such as a potato is, from the WTO’s point of view, one and the same product regardless of whether it was grown using pesticides or organically, or regardless of whether a product was produced by workers organized in a trade union or by a child. For the WTO, the only relevant criterion is similarity of “like products.”

WTO members propose services they want to liberalize step by step, in successive negotiation rounds, with respect to the principles mentioned above (market access, national treatment, and most-favored-nation treatment) and the kind of service. The consumer may enjoy a service supplied by another WTO member in his/her own country or in another country (mobility of consumers, for example, tourism). A foreign company may offer its services through its branch offices (commercial presence) or through the presence of foreign natural persons. In negotiating liberalization of services, only less developed countries are entitled to more favorable conditions of liberalization, for example, longer deadlines, so that they can adapt to the liberalized global trade system.

And, once a country accepts a commitment to privatize a specific service, can it change its decision later? The European Commission has pointed out<sup>12</sup> that decisions virtually cannot be reversed once a

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<sup>12</sup>“Consultations on Services in the Cultural Sector”, the European Commission web page, Chapter 3.1., [http://europa.eu.int/comm/avpolicy/extern/gats2000/concs\\_en.htm](http://europa.eu.int/comm/avpolicy/extern/gats2000/concs_en.htm).

specific service is included in the list of services that should be liberalized. The agreement does indeed envisage potential changes or withdrawal from commitments, but it also imposes an obligation upon the state to prepare, in agreement with the countries that suffered “damage,” an alternative offer whose financial weight will not be lower than that of the agreement from which the state withdrew. Disputes are resolved by the *Dispute Settlement Body*, which may require that the country remedy the damage if it breached the agreement, and if this requirement is not met, it may allow the country that suffered damage to adopt retributive measures against the country in breach of the agreement.

#### PERCEPTION OF THE ROLE OF CULTURE IN INTERNATIONAL INSTITUTIONS

According to the classification in the general agreement on trade in services, culture belongs in the category of “recreational, cultural and sporting services”, but this category does not include all “cultural activities.” The reason is perhaps the insistence on the part of US negotiators that activities such as audiovisual services, publishing and the like are not “cultural” activities. American negotiators advocate an approach according to which culture, meaning traditional forms of culture such as music, opera, theater and dance, should be financed by the state, but film and television are classified as entertainment, similar to card games or cycling, so they supposedly do not deserve the status of “culture.”<sup>13</sup>

The real opposition between “culture” and “entertainment” does not lie in their content. It is not that specific forms of expression are cultural, i.e. serious and complex in themselves, while other forms are entertaining. The real opposition that the US negotiators had in mind pertains to their economic nature and involves a difference between “living” and “objectified” labor. Theater, music, opera and dance are considered old-fashioned forms of expression, where the result of

<sup>13</sup> Cf. Gournay 2002, 36. Gournay established that the USA standpoint in 1993, during the preparation of GATS, was even in contradiction to US legislation. The article that regulates the area of operation of the National Endowment for the Arts, lists the disciplines and art forms belonging in the sector of cultural activities. The list includes music, dance, theatre, architecture, sculpture and so on, even clothing and fashion, as well as motion pictures, radio and television. *Ibid.*, 35-36.



labor is the "labor" itself. Every instance of a specific show, for example, requires the presence of actors who "perform" in front of the audience. Economists define this as labor that is the objective of the final product. Cinema, television, and the record industry, on the other hand, operate with products that represent "objectified labor". This labor is alienated from its author or producer, similar to a recording of a concert by a philharmonic orchestra, which is alienated from the actual performing of that orchestra and recorded on a sound carrier that may be reproduced indefinitely. In this case, technical possibilities enable the exploitation of the object with cultural content for the purpose of mass production and distribution. On the other hand, the rule applied to the old-fashioned artistic forms (like opera and theater) is that of the "permanent growth of relative expenses," meaning that the costs of such shows do not decrease but increase relatively, because the costs of labor, facilities and publicity remain constant every time the show is on. Because of this, some arts are less suitable for economic exploitation. Opposed to this is the booming industry of cultural goods resting on modern reproduction technologies. In 1980 the turnover of the global trade in cultural goods amounted to 100 billion dollars, while in 1998 it reached 400 billion dollars.<sup>14</sup> Therefore, it is not surprising that WTO negotiators (who mainly protect the interests of international companies) went out of their way to prove that these cultural goods are not "cultural". Audiovisual activities should accordingly be considered a separate field not belonging in the group of cultural activities. However, this does not mean that other activities defined as cultural are any better protected against liberalization. The decisions whether or not to liberalize a specific service are indeed taken by individual governments. But all WTO members are dependent on other members, all of which have the right to put forward their own proposals for liberalization, so the final selection of services to be liberalized is not in the hands of an individual country alone. After all, the ultimate goal of these negotiations is liberalization of all services specified in the

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<sup>14</sup> See the picture on page 15 in *Culture, Trade and Globalisation* 2003 [2000]. When mentioning global trade, it is necessary to point out that the main exporters and importers of cultural goods are developed countries, for example the USA, European countries and Japan, with China increasingly closing the gap. For comparison purposes, let us also mention that the value of the education sector on the world scale is estimated at 2000 billion dollars. Cf. Panini 2003.

list that is an integral part of GATS, and it also includes traditional forms of art. The categories 10A, i.e. entertainment services (including theater, live bands and circus services) and 10C, i.e. libraries, archives, museums and other cultural services also include artistic forms that one would not expect to appear on this list.

Slovenia became a WTO member in 1995, so since then it has been bound by all the principles and commitments described above. Five years later, in 2000, the report by the Slovene government described all the beneficial effects of the liberalization of services for the Slovene transition economy, while data indicated an increase in the import of services. The report boasted that Slovenia had liberalized 36% of all items (compared to the 49% liberalized in the EU), and announced an even faster liberalization of services, with this having been reportedly encouraged by European negotiators on accession. The report also drew attention to some non-economic aspects that should be carefully considered by negotiators, among these national security, cultural identity, and the goals of social and regional policies. However, there were no related proposals added.<sup>15</sup>

The same text announces in a self-confident manner the development of a “knowledge-intensive service with higher value added,” meaning a service that requires an educated workforce with specialist knowledge. This knowledge-intensive service later also appeared as a development goal cited in other important governmental documents, for example *The Strategy for the Economic Development of Slovenia* (2001). However, the *Schedule of Specific Commitments*<sup>16</sup> signed by Slovenia in 1995 is in conflict with the policy of stimulating a “knowledge-intensive service.”<sup>17</sup> Since more recent

<sup>15</sup> *Liberalisation on Trade in Services: Slovenia's Experience* 2000.

<sup>16</sup> *Schedule of Specific Commitments*, GATS/SC/99, 03-2735, August 30, 1995, also published in the Uradni list (*Official Gazette*), 1995.

<sup>17</sup> In June 2003 Slovenia submitted to the WTO a new proposal (*Cf. Slovenia - Initial Offer*, a document submitted to the WTO on June 12, 2003, filed under code TN/S/O/SVN, June 26, 2003 (03-3419), <http://www.wto.org>) with the list of services that should be liberalized, but this proposal is not different from the Schedule of Specific Commitments already endorsed by the National Assembly. In 2004 Slovenia put forward its proposals for the common list including all 25 EU members, but, unfortunately, this proposal is not yet publicly accessible, although the document was sent forward to the WTO on July 15, 2004. This, in other words, means that the document has already been discussed by international negotiators, but the domestic public has no access to it. The Peace Institute endeavoured to obtain this document through legal channels, from the Ministry of Economy or from the Commissioner for Access to Information of a Public

proposals for the liberalization of services in Slovenia are not accessible to the public, in considering the negotiations so far, we will have to restrict our analysis to the *Schedule of Specific Commitments* signed in 1995,<sup>18</sup> and addenda dating from 1999<sup>19</sup> involving financial services. The schedule adopted in 1995 includes all “research and development services” in the fields of natural sciences, social sciences, the humanities and interdisciplinary study. These should be completely open to legal and natural persons from other WTO members, i.e. foreign organizations or individuals. They would obtain the right to submit applications at all public tenders and would enjoy the same rights as domestic organizations and individuals. The European Union was less generous in this respect – it liberalized the fields of social sciences and the humanities, but not natural sciences

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Nature, but its efforts were not successful. In issuing a resolution by which the requirement was rejected, the Commissioner could only state the reason that this document cannot be made accessible to the public. According to the Regulation 1049/2001 of the European Parliament and the Council, dated May 30, 2001, documents relating to international economic negotiations are not accessible to the public. The Slovene legislation does not recognize this exception, but since by joining the EU Slovenia accepted the principles of the supremacy of European law and loyalty to EU institutions, it must observe the EU legislation in matters involving EU documents, so these documents cannot be accessible to the domestic public, not even those parts that directly affect the Slovene public. On receiving the negative answer from the EU Council, the Peace Institute asked for the Slovene document with proposals forwarded to the European Commission by the Slovene body. Finally, following the intervention of the Commissioner for Information of a Public Nature, it received the answer that in compiling the list of proposals by 25 EU members the European Commission used the previous Slovene proposal (GATS/SC/99S) accessible at <http://members.wto.org/members> and published in the *Uradni List RS* No. 51/1999, p. 641. A representative of the Ministry of Economy explained to the Commissioner that no document had been forwarded to the European Commission, because it “obtained it on the web page and, after a review, incorporated it along with potential changes and additions in the common document put forward by EU 25, which is the subject of negotiations and is found under the reference ‘RESTREINT UE’”. Up till we received this final answer, we had been convinced that Slovene officials were hiding information because of their overwhelming enthusiasm for the liberalization of public services. But it eventually emerged that the truth is quite the opposite, i.e. that they are even excessively passive. However, the general principle of transparent operation of public administration failed to pass our test. The first requirement for access to information of a public nature was submitted on September 21, 2004, and the final refusal signed by the Commissioner was received on May 31, 2005 (letter ref. 020-52/2004/17). Eight months and the intervention of the Commissioner were therefore needed to finally receive an answer on the content of the Slovene proposal for liberalization.

<sup>18</sup> *Uradni list RS*, No. 10, 29. 6. 1995, pp. 682-699.

<sup>19</sup> *Uradni list RS*, “Zakon o ratifikaciji petega protokola k splošnemu sporazumu o trgovini s storitvami, s priloženo listo specifičnih obvez in slovensko listo izjem k II. členu sporazuma (M5PSTS)”, No. 51, 29. 6. 1999.

as well.<sup>20</sup> Slovenia also liberalized “educational services” comprising secondary, higher and adult education, while it retained the right to grant concessions and imposed the requirement that the majority of the board members of such an organization must be Slovene citizens. Of all members of the EU, only Italy and France opened their door to foreign educational institutions except for the primary level, under the condition that teaching staff are their nationals. Finland, Sweden and Austria firmly rejected the liberalization of education. Obviously, Slovenia is more generous than other EU members with regard to research and education, and on top of it, it contradicts its own general principles. In Slovenia’s development strategy, stimulation of “knowledge-intensive services” is cited as one of the general goals, but Slovenia’s behavior in negotiating with the WTO is precisely the opposite, given that it consented to the liberalization of education and research without hesitation, although these are indispensable preconditions for the development of a “knowledge-intensive service.” With the privatization of secondary and higher education, access to education will be restricted to moneyed social classes, and with the crossover of professional staff, financial resources and “better clients” to private education, the public system will inevitably deteriorate. A high general level of education, which is an important basis for intellectual development, will hence be lost for Slovene citizens. On top of that, our rare domestic scientists will have even fewer opportunities, since they will have to compete with foreign applicants at public calls for projects.<sup>21</sup>

Although this set of issues does not belong specifically to the field of culture, it is illustrative in that it demonstrates Slovenia’s unwillingness to defend its public services and the right of every individual to education, apart from the most basic rights, for example, access to primary education. If Slovenia so carelessly gave away the right

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<sup>20</sup>Cf. *European Communities and their Member States – Schedule of Specific Commitments*, sent to EU members and made public on March 26, 2003, <http://www.gatswatch.org/docs/EU-draftoffer2.pdf>. After the enlargement of the EU on July 15, 2004, the European Commission submitted a new proposal that includes all 25 members, but it is not accessible to the public (see the note above).

<sup>21</sup>We will not dwell here upon an even more acute problem faced by the sciences, i.e. the fact that Slovene and European scientific schedules have been completely redirected towards the funding of exclusively applied research projects, while basic research projects important for scientific development have been completely neglected.

to education, why should one expect it to be more considerate when it comes to culture? After all, through the stratification of society in the process of education, social differences will become real, while the differences between the "well-off cultivated class" and the "uncivilized lumpenproletariat" will become naturalized. This leads to a conclusion that is diametrically opposite to that found in the 2000 report mentioned above. Slovenia has made an either conscious or unconscious decision to compete on the global market with an unqualified labor force, rather than with "knowledge-intensive" services.

In the schedule of specific commitments adopted by Slovenia, audio visual services are excluded from the MFN principle, probably because of the pressure exerted by France. Other cultural services such as printing and publishing, as well as cultural activities belonging to the category of recreational, cultural and sporting activities, were not slated for liberalization in 2003. The members of the European Union were more acquiescent in this respect. Under item 10, i.e. entertainment services,<sup>22</sup> Austria and Sweden completely liberalized services under A (theater, live bands and circus services); France and Italy explicitly exempted subsidies and other indirect and direct support, while Sweden retained domestic benefits for "certain local, regional and national activities." Austria completely liberalized services under 1C, i.e. libraries, museums and other cultural activities. Virtually all EU members completely liberalized services listed under item 1R, i.e. business services, printing and publishing, with respect to both market access and national treatment, with the only exceptions being Sweden and Finland, who require that any foreign publisher submit proof of permanent residence.<sup>23</sup> Obviously, in the opinion of the European Commission, publishing is a commercial activity not needing the control of the state or the protection of cultural interests. The European Commission, however, has not proposed the liberalization of audio-visual services. This is an issue that has caused much agitation and aroused the interest of the widest public, which is the reason why the liberalization of these services was probably postponed for discussion during some future negotiations. Proposals for liberalization

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<sup>22</sup>*Ibid.*, 92-95.

<sup>23</sup>*Ibid.*, 57.

hence differ from one country to another, but the content of individual proposals is not of essential importance anyway. What is important is that the European Union consented to the economic negotiations on culture, so the liberalization of the entire sector for all EU members is just a matter of time.

It seems that there is no way back to the time when *l'exception culturelle* was still an option. The requirement for *l'exception culturelle* emerged from the conflict among authors in the audio-visual field, WTO negotiators and the OECD. In the mid 1990s, the French public learnt that negotiations about free investment within the OECD area were taking place in Paris. The intention was to circumvent the presumably inordinately slow negotiations within the WTO and secure access to national markets and "national treatment" by taking a shortcut. The fears inspired by these negotiations were intensified when the public was given a concrete example of what this would actually mean, for example, that Steven Spielberg would enjoy the same rights in France as any other French author. French audio-visual associations fiercely resisted the negotiations and finally succeeded in interrupting them. The syntagm that emerged from this conflict was *l'exception culturelle*,<sup>24</sup> which expresses the requirement that when negotiating within the WTO or any other organization, culture, including the audio-visual field and publishing, should be considered an exception, because it does not belong in the economic sphere and should therefore be exempted from negotiations.

The term *l'exception culturelle* is usually associated with France, although it actually originated in Canada where it was first used in the NAFTA agreement on a free trade among the US, Canada and Mexico. However, in this context the use of *l'exception culturelle* was not felicitous, because the agreement did not define in detail the area of its application, and even more lacking were definitions of the extent of culture and the dividing line between culture and the entertainment industry.<sup>25</sup> In the mid 1990s, the French audio-visual producers appropriated this term and proposed it for discussion to the EU institutions. However, EU institutions and international organi-

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<sup>24</sup>For an exhaustive history of the term *l'exception culturelle* and the conflict surrounding it, see Regourd 2002.

<sup>25</sup>*Cf.* Gournay 2002, 68.

zations reacted contrary to expectations and made an effort to replace this term with another one, i.e. cultural diversity. In recent years this term has found its way into important official documents and international declarations, and it actually became a key term in discussing culture. The explanation provided by the European Commission is that cultural diversity is simply a translation of *l'exception culturelle*,<sup>26</sup> although its semantic background is completely different, as are its cultural and social implications.

A number of international organizations have made an effort towards promoting cultural diversity, for example the G8 at the summit in Okinawa in 2000, and the Council of Europe in its *Declaration on Cultural Diversity*. Obviously, the most important political and economic organizations decided that the exclusion of culture from economic negotiations and the global legal order was unnecessary and that culture could fulfill its mission within this framework just the same. UNESCO took over this term in its *General Declaration on Cultural Diversity*, with which “cultural diversity” became a key to understanding the issue of culture within this institution. In UNSECO’s declaration and from the standpoint of the European Commission,<sup>27</sup> cultural diversity appears in two comparisons: first, it is compared to biodiversity, and second, the promotion of cultural diversity is compared to the efforts towards sustainable development. The comparison between cultural diversity and biodiversity dangerously approximates the understanding of culture as a biological category. The text of the UNSECO declaration clearly shows that this comparison is not accidental (“... [C]ultural diversity is as necessary for humankind as biodiversity is for nature...”). Article 6 actually states that “[f]reedom of expression, media pluralism, multilingualism, equal access to art and to scientific and technological knowledge, including in digital form, and the possibility for all cultures to have access to the means of expression and dissemination are the guarantees of cultural diversity.” The problem with this statement is that the right of access to cultural goods and services is not clearly defined. It is unclear whether this right belongs to every per-

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<sup>26</sup>Presentation of the work of the European Commission in international negotiations; presented by Françoise Le Bail, on February 26, 2004 in Ljubljana on the premises of the European Commission.

<sup>27</sup>Communication from the Commission... 2003.

son, as defined in Article 5, or if an individual enjoys this right only as a member of an ethnic group or a “culture” to which Article 6 refers. In this sense, the *Declaration on Cultural Diversity* has, to a certain extent, “rewritten” previous international declarations and agreements and precariously transformed the individual’s right to culture into a collective right. While the *General Declaration of Human Rights* (1948) was not yet quite precise on whether these rights were individual or collective (Article 27 actually states that “[e]veryone has the right freely to participate in the cultural life of *the community*, to enjoy the arts and to share in scientific advancement and its benefits”), the *International Covenant on Economic, Social and Cultural Rights*, in its Article 15, unambiguously refers to cultural rights as individual rights, stipulating that “[t]he States Parties to the present Covenant recognize the right of everyone: (a) To take part in cultural life; (b) To enjoy the benefits of scientific progress and its applications.”<sup>28</sup> The *Declaration on Cultural Diversity* actually reversed the direction of the development of international law, since it again squeezed individual cultural rights into the group of collective rights, by which it undermined cultural policies, already rare, that still insist that cultural rights should be understood as the right of every individual to have access to culture.<sup>29</sup> The declaration refers to cultures in Article 6 where it is stated that “the possibility of all cultures to have access to the means of expression and dissemination are the guarantees of cultural diversity” (Article 6).<sup>30</sup>

Second, the *Declaration on Cultural Diversity* links cultural diversity to the idea of sustainable development. Article 3 says that cultural diversity is “one of the roots of development, understood not simply in terms of economic growth”, and Article 11 that “market

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<sup>28</sup>Both agreements are found in *Human Rights Documents* 2002; underlined by M.B..

<sup>29</sup>Breznik 2004.

<sup>30</sup>At the time of the last proof reading of this article, UNESCO announced a new declaration on cultural diversity which should courageously combat many bad compromises in the old declaration. Two important changes are proclaimed to have been achieved in the new declaration: first, an autonomous right for local authorities to decide about protective measures for culture, and, second, a proclamation that UNESCO’s declaration is not subordinate to any other document, primarily having in mind two WTO regulations. The document is in the process of approval meaning that at the time of writing the destiny of this document is still uncertain, so it is too early to speak about a “revolutionary turn” in international cultural policy.



forces alone cannot guarantee the preservation and promotion of cultural diversity, which is the key to sustainable human development." We would like to alert the readers to the word "alone," since obviously, the declaration acknowledges a very important role for "market forces," while "particular attention must be paid to the diversity of the supply of creative work, to due recognition of the rights of authors and artists and to the specificity of cultural goods and services which, as vectors of identity, values and meaning, must not be treated as mere commodities or consumer goods." So, according to UNESCO, market forces are a significant producer of cultural goods and services which are "not mere commodities or consumer goods", that is to say, they are "slightly more" than other goods or services. And how does the *Declaration* imagine cultural policies and sustainable development in such circumstances? Article 9 states: "While ensuring the free circulation of ideas and works, cultural policies must create conditions conducive to the production and dissemination of diversified cultural goods through cultural industries that have the means to assert themselves at the local and global level." As regards less developed countries, "[...] it is necessary to reinforce international cooperation and solidarity aimed at enabling all countries, especially developing countries and countries in transition, to establish cultural industries that are viable and competitive at national and international level."

The concept of cultural diversity hence envisages the preservation of national and ethnic cultural traits through the promotion of local "cultural industries" that should become distinct and competitive on the international scale, effectively meaning that they should become able to compete with the American entertainment industry.<sup>31</sup> The European Union and UNESCO, which both claim to be opponents of the liberalization of culture, in reality advocate standpoints similar to those of its campaigners, i.e. that the cultural industry is the basis

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<sup>31</sup>In 1993, Steven Spielberg and Martin Scorsese signed a declaration in which artists asserted the right to creativity which would be related to the right of free dissemination of a work, opposing the EU restrictions relating to the American entertainment industry. The controversial feature of this declaration is that they refer to themselves as artists but use market terminology, which leads us to the conclusion that their "art" is a market product. The old-fashioned European principle, however, suggests that this is not possible. A market product is not a work of art, and *vice versa*, art is not a market product. For the quotation of this declaration see Gournay 2002, 100.

of every cultural policy. The European Commission indeed contradicted the US by requiring that countries, in order to protect the “diversity of cultural image,” should be allowed to continue to support their “cultural industries” for some time using “discriminatory measures.” The European negotiators have therefore striven to achieve for the European “cultural industry” the status of a less developed branch of economy compared to the similar industry in the US. The EU would then be able to preserve various quotas, subsidies, concessions and other supportive programs aimed at protecting their cultural industries. But since the EU, by advocating cultural diversity rather than *l’exception culturelle*, actually admitted that it considers culture to be merely an industry, it can maintain its programs of support for the “cultural industry” only for a limited time. According to the GATS, favorable terms for underdeveloped and less developed countries are limited in time, and during this period these local industries have to get ready for global competition. This means that while European negotiators seemingly protect European cultures, they have actually irreversibly surrendered to the scenario envisaged by the GATS. They may indeed prolong this temporary state of affairs, even for a long time, but eventually national cultural policies will have to prepare themselves for the moment when all cultural services will be privatized. The cultures of European countries are hence only cultural industries, while all other aspects of culture – creativity, education, socialization, reduction of cultural poverty and so on – have lost their significance; moreover, these aspects have been turned into obsolete survivors of the paternalistic “aesthetic social state.” The main goal of national cultural policies has become the promotion of the international competitiveness of local industries, although industrial production stands in opposition to every one of the (old) goals of cultural policies. It contradicts the criterion of creativity, because the cultural industry produces works that are homogeneous, predictable and, most of all, undemanding, so that they can be accepted by the widest public; the principle of education, since young people are one of the most desirable (and above all expedient) groups targeted by mass culture (while with regard to adults, mass culture seeks to cram their leisure time activities down to the last minute); the principle of the

elimination of cultural poverty, since it stifles a desire for knowledge and independence and in this way increases cultural poverty.

In addition to pressures arising from the new round of negotiations within the WTO, which exacts new commitments to liberalization, national cultural policies are also hampered by the system of copyright related to intellectual property. According to TRIPS, musicians, actors, writers, poets, painters and others should permanently retain certain economic rights to their works courtesy of their aesthetic contribution. On selling a painting or a sculpture, a part of the sales transaction value should go to the painter or sculptor; the same applies to musicians if their works are broadcast on radio or television, or reproduced in shops or bars, and to film directors and writers if their works are borrowed from a library. This arrangement is problematic for two reasons at least.

First, copyright may be in contradiction to cultural rights. The European interpretation of UNESCO's declaration is explicit that “[t]he term ‘cultural rights’, as referred to in this Article, must be understood to be without any prejudice to intellectual property rights and their exploitation.”<sup>32</sup> The author(s) of the document are obviously aware that copyright threatens cultural rights, and especially access to culture.

Moreover, we could establish that the system of compensation arising from intellectual property, which was expected to improve, like some invisible hand, the economic situation of artists, has failed to produce the expected effects.<sup>33</sup> To very creative authors who do not have large readerships or audiences, this invisible hand is of little help. As a result, this additional income does not encourage authors to be even more creative or original, but pushes them instead towards commercialization.

To return to the comparison of *l'exception culturelle* and cultural diversity, it is now clear that this is not the translation of the French term. The supporters of *l'exception culturelle* demand that culture should be exempted from the WTO legal system. And not only culture. The assumption behind the *l'exception culturelle* is that certain activities, related to either goods or services, have important social

<sup>32</sup>Communication from the Commission... 2003, note 7, p. 6.

<sup>33</sup>Cf. Ramello 2003.

implications, so they cannot be treated as any other branch of the economy. These include, in addition to culture, farming, provision of rare and precious commodities such as water and energy, health and pension insurance, education and so on. In order for the concept of *l'exception culturelle* to really gain recognition, it needs to be accompanied by the general acceptance of socially responsible policies, meaning recognition of an exceptional status not only of culture, but of a whole series of other social activities.

While the supporters of *l'exception culturelle* cite the American entertainment industry as an example of harmful devouring of culture by the economy, the supporters of cultural diversity actually admire the American model of the entertainment industry. The only problem, according to them, is that it is American and not European. By advocating a policy of cultural diversity, they are trying to effect a postponement, so that in the meantime, until full liberalization, their local cultural industries can achieve a level of development that will enable them to compete successfully with the American entertainment industry. Once European entertainment culture becomes comparable to the American in terms of its economic strength, Europe will liberalize it.

The recipe for protecting local cultures against global culture advocated by UNESCO and the EU rests on the encouragement of commercialization and industrialization of local industries. On its web page entitled "cultural industries," the European Commission presents as one of its most important goals the provision of conditions for the stimulation of European cultural industries toward greater competitiveness.<sup>34</sup> The Resolution of the European Parliament includes the conclusion that close cooperation among EU members should increase the competitiveness of European cultural industries. And last but not least, the term "cultural diversity" also found its way into the text of the European Constitution.<sup>35</sup>

UNESCO uses the term "cultural diversity" in the title of its declaration and in official informative documents, for example, the bro-

<sup>34</sup>See [http://www.europa.eu.int/comm/culture/action/indus\\_en.htm](http://www.europa.eu.int/comm/culture/action/indus_en.htm). "One of the European Union's tasks is to ensure the necessary conditions are in place for Community industries to be competitive" (Treaty Establishing the European Community).

<sup>35</sup>Cf. "[T]o respect and to promote the diversity of its cultures." Treaty Establishing a Constitution for Europe, draft EU constitution, Article 4, p. 209. See <http://www.europa.eu.int>.

chure entitled *Culture, Trade and Globalisation*.<sup>36</sup> The definition of the “cultural industry” in this book may be shocking for an uninformed reader, but it is completely in harmony with the conclusions presented above. The manual says that cultural industries are “knowledge and labour-intensive, create employment and wealth, nurture creativity – the ‘raw material’ they are made from – and foster innovation in production and commercialization processes. At the same time, cultural industries are central in promoting and maintaining cultural diversity and in ensuring democratic access to culture.”<sup>37</sup> In addition, the explanation of “free trade” in this manual is one that the WTO could only dream about: “... [f]ree trade can be defined as the absence of tariffs and import quotas on goods. This definition is based on the notion that the market is the best device to ensure that consumers can access good products at the best price, and increase global wealth.”<sup>38</sup> However, the manual does point out that partners in this free trade game are not equal, so local industries should be protected to a certain extent. The main problem with this hastily prepared healing concoction is that local “cultural industries” are frequently used as a Trojan horse to smuggle in the value systems of hegemonic culture, as well as products themselves. Local industries take over and further develop the concepts of hegemonic culture, such as the star system, commercial approaches, political bias in taking decisions about controversial political content and so on.<sup>39</sup> Therefore, the problems generated by the hegemonic entertainment industry probably cannot be eliminated through the promotion of parallel “cultural industries” that differ from hegemonic culture only in minute details. In fact, the only significant difference between the two is that added value produced by local industries is accumulated locally and may be used for new investments.

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<sup>36</sup>*Culture, Trade and Globalisation* 2003 [2000].

<sup>37</sup>*Ibid.*, 12.

<sup>38</sup>*Ibid.*, 23.

<sup>39</sup>Doubts about local industries are also explained in contributions under the set of topics “L'économie de la culture”, published in *Cahiers français*, No. 312, 2003, which includes the articles by Stéphanie Peltier, “Les industries culturelles, une exception économique?”, Françoise Benhamou, “La question du prix des biens culturels”, and François Rouet and André Schiffrin, “Industrie du livre et concentration”.

BETWEEN COMMODITY EXCHANGE  
AND GIFT EXCHANGE

The difference between the main protagonists and the antagonists of state paternalism and neo-liberalism, or however this distribution of roles manifests itself in reality, is not significant. Usually, the main conflict between the supporters of the “old ways” and those of the new is presented as one between state paternalism (to be read: undemocratic enforcement of cultural content, prescriptions for national culture and manufacturing of people for culture) and global neo-liberalism (to be read: economic fundamentalism devoid of all sensitivity to social justice and equality). Apart from this, state paternalism and neo-liberalism are not really mutually exclusive. The fact that state paternalism defends weak national culture against the commercial industry, or the fact that WTO negotiators occasionally give way to the least developed countries to boost their own reputation, does not make state paternalism any more advanced nor the WTO’s neo-liberalism more just. Both are insensitive to the basic question that involves the very perception of “social ties” and the area of the social in general. By acknowledging the rights related to intellectual property, the new legal and economic order has only aggravated this issue and made it more conspicuous than it has ever been. With it, the issue of social ties has become unavoidable, so in conclusion we will present a rough basis for the analysis of the “social ties” that are born with the new legal and economic system.

Until now, certain types of economies with delayed exchange have been perceived as areas over which control could be exerted only by society itself, as a whole, so these were considered “social” domains. State paternalism is just one way of managing these institutions, and not a felicitous one at that. The idea behind the advanced form of postponed exchange was that all members of a society contribute to the development of the culture sector – for example, museums, libraries or archives – in order to be able to exercise, as individuals, their general right of access to information, education, cultural offerings and so on. A more obvious example would be that of the economically active generation voluntarily relinquishing part of the created wealth and channeling it to the pension fund from which money is immediately distributed among the older, economically inactive population. The active population, therefore, is not saving

for its old age, but is attempting, through postponed exchange and inter-generational agreement, to ensure for itself safety in old age. As in the case of the currently active population which supports its parents, new active generations will once support the now active generation. The postponed exchange between "parties to the agreement" involves a kind of gift, which carries with itself the right of ownership and the right to use. The right to use is enjoyed by a smaller group, but all "parties to the agreement" enjoy the right of ownership, to which the right to use is added in due time.

While in the gift exchange the right to use is separate from the right of ownership, and the former is granted only temporarily and under specific conditions, in commodity exchange these two rights are merged. When the purchaser pays the seller a certain amount of money for a particular object, the transaction (exchange) confers upon the purchaser both the right of ownership and the right to use that object. The purchaser can use it in any manner he/she wishes, or destroy it. On the other hand, an object obtained through gift exchange can only be enjoyed, while the right of ownership is shared with someone else.

This traditional difference between the social sphere characterized by gift exchange and the economy characterized by commodity exchange has begun to fade with the advance of the "new economy", or the "knowledge and labor intensive" economy, as it is usually described. The commodity exchange first colonizes the sphere of social activities by transforming them into "services" and thus making them expedient to be exchanged as commodities. Pension insurance, for example, becomes a service, and every individual saves for himself/herself only. At the same time everyone becomes responsible for their own life situation, even if, for example, their savings are lost through the botched stock-market gambles of their chosen pension fund. Books, architectural designs, paintings, research work, internet reservations, borrowing from private and public libraries, or a visit to the museum or a gallery – all of these may be turned into goods. But this is not the end of it. The general concept underlying the new order has transformed that which was once conceptualized as a "social relation" into an "economic relation." Accordingly, the relationships among people in the fields of culture, science, social security and so on, has assumed the traits of relationships between objects.

As a result, scientists and artists had to find new patrons. Scientific labs have thus found shelter within multinational corporations, and artistic workshops within the “cultural industry,” which soon invented a way to get rid of the burden of intellectual work. It introduced the rights related to intellectual property, which are associated with scientific, journalistic, promotional, artistic and similar work. In other words, when a product that would otherwise be subject to traditional commodity exchange contains “intellectual work,” this work is entitled to additional benefits, i.e. to exceptional compensation that is not possible with ordinary commodity exchange. The acknowledgment of intellectual property conferred upon artists, producers and investors the right to demand a higher price for their products, or rather, the right of repeated “sale” of such a product. As in the case of gift exchange, in this case, too, the right to use is separate from the right of ownership: the purchaser of the object acquires the right to use it, but the right of ownership is retained by the person who sold the object. In describing primitive societies, anthropologists use the term “social constraint” for this type of relationship, where the receiver of the gift actually directly or indirectly gives back the gift to the giver, since he/she has appropriated an object which in reality does not belong to him/her. In western societies, however, this is seemingly still a commodity exchange: the purchaser and the seller conclude a kind of sales agreement, by which the purchaser obtains the object, but only in a limited sense. The purchaser obtains only the right to use that object, but not also the right of ownership that would confer upon him/her complete freedom in using that object. If the purchaser wants to use that object in any manner different from that stipulated by the law on copyright and related rights, he/she is forced to pay the seller repeated compensation for the object he/she already purchased. Thus the relationship between the seller and the purchaser who exchange goods belonging in the category of intellectual property combines commodity exchange (sales agreement) and gift exchange (the transfer has the characteristics of gift exchange, so the receiver must return the gift). The cultural industry, which constitutes a paradigm in “new economy” thus differs from the previous forms of social commodity exchange and gift exchange in that it combines the two forms of exchange as shown below:



gift exchange	ownership right v the right to use
commodity exchange	ownership right + the right to use
“new economy”	commodity exchange + gift exchange

To make this explanation more accessible, we will use a concrete example. By purchasing a car, the buyer buys both the right of ownership and the right to use, so he/she may use the car privately or for business purposes, may rent it or so forth without having to pay an additional compensation to a manufacturer, designer or inventor. But if one buys a book, one actually buys only the right to use it. The ownership right is retained by the producer or the author. A book may not be photocopied (since “photocopying kills a book,” as is noted on the back cover of the book in front of me), and compensation has to be paid for every distribution of photocopies, even for study purposes. Such a book may not be borrowed from a private or public library on commercial or non-commercial basis, and the author is entitled to compensation when such a product is transferred to other media. One secret of success of the “new economy” is that it can sell product even after it has been sold once – compensation is paid whenever a book is photocopied, or a piece of music broadcast, or whenever a work is borrowed from a library within 70 years of its appearance. Similarly, a pharmaceutical company has the exclusive right to sell a medicament 20 year after its registration, and during this period it also has the right to incorporate the costs of “scientific work” into its price. The producers of genetically modified seeds have the right to charge “the author’s right” to a farmer at every harvest, even when the seeds were obtained from the previous year’s harvest by a farmer.

The new economy, therefore, creates a new type of dependence and a new type of “social tie” arising from economic determination. The GATS does not envisage an exception here, or rather, the only exception is national defense, which is explicitly excluded from the global schedule of liberalization. According to the plan drawn up in Marrakesh, society would certainly disintegrate, and what would remain would be selfish individuals who will enter into relationships of enduring dependence, similar to that of a farmer who is dependent on the producer of seeds, or a patient who is dependent on a pharmaceutical company or the consumer of culture on the “cultur-

al industry”. A look at the horizons opened by the new global legal order reveals new types of “natural ties.”

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## EMPLOYMENT IN CULTURE

ALDO MILOHNIĆ

Employment in culture deserves our attention and research interest because of the general importance of labor for the economy of any society. In the production of cultural goods, and production within the public cultural sector in particular, labor costs represent a large share of production costs. So, for example, in 2000 the Ministry of Culture secured funds for the salaries of 2 484 employees of 63 public institutions,<sup>1</sup> and in 2001 for 2 622 employees of public institutions and two Funds.<sup>2</sup> More recent data also show that the number of employees in public institutions and both Funds, whose salaries are paid from the budget of the Ministry of Culture, is comparable to that in the previous years. So in 2002, the Ministry provided salaries for 2 645 employees (2 537 in public institutions and 108 in the Film Fund and the Amateur Culture Fund) and in 2003 for 2 636 employees (2 531 in public institutions and 105 in the two Funds). The structure of costs in public institutions and the two Funds, covered by the Ministry of Culture, shows that salaries represent the expenditure that consumes the largest portion of the funds.<sup>3</sup>

People employed or self-employed in the cultural sector represent indispensable human capital; authors and workers in post-production and in service and technical departments are a prerequisite for the

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<sup>1</sup> Ministry of Culture of the RS 2001, 13. (All data on the number of salaries paid by the Ministry of Culture are given for the last day in the respective calendar year).

<sup>2</sup> Ministry of Culture of the RS 2002, 12.

<sup>3</sup> In 2003, national institutions received from the Ministry of Culture 15,259,000,000 SIT in total (9,137,000,000 SIT or almost 60% was spent on salaries); local public institutions received 5,177,000,000 SIT in total (3,546,000,000 SIT or somewhat less than 70% was spent on salaries); the Film Fund and the Amateur Culture Fund received 1,483,000,000 SIT (501,000,000 SIT, or somewhat more than 30% went for salaries). Data on the number of employees and the structure of costs in 2002 and 2003 were provided by Ana Železnik, the head of the finance department of the Ministry of Culture (September 6, 2004).

operation and development of this sector.<sup>4</sup> The great importance of cultural jobs is also pointed out in the Resolution on the National Program for Culture 2004-2007,<sup>5</sup> where this segment is frequently mentioned in connection with the goals, measures and effects of cultural policy.

#### EMPLOYMENT AND THE NATIONAL PROGRAM FOR CULTURE

The Resolution on the National Program for Culture addresses the issue of the policy of employment in culture in three sections of the chapter dealing with general priorities<sup>6</sup> in the period up to 2007: first in the section where culture is treated as a category of development, then in the section dealing with support for authors, and finally in the one dealing with the modernization of the public sector. One could say that this is nothing unexpected, since human resources represent an exceptionally important category of development in the cultural sector, one which is directly supported by cultural policy, to a great extent through direct funding of public institutions from the budget. It is a bit of surprise, however, that employment is not mentioned in part 3, which, judging by its title (Providing the Accessibility of Cultural Goods and Conditions for Creativity), should have addressed the issues of both the consumption (access to cultural goods) and the production aspect (conditions for creativity) of culture.

Let us now have a look at how employment in culture is incorporated into the three general priority goals of cultural policy. Two indicators in area 6 (entitled “Culture as a Category of Development”) are related to the measurement of the effects of the National Program on employment in culture: the number of new jobs as a consequence of the development of culture, and the number of self-employed persons in the cultural sector. In area 7 (Direct Support for Artists), the stress is on “ensuring stimulating conditions for the work of artists in all

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<sup>4</sup> In 2000 these proportions were approximately as follows: app. 60% professional and artistic staff and app. 40% technical, managerial, administrative and financial staff. These data refer to the employees of public institutions whose salaries were covered by the Ministry of Culture. Cf. Ministry of Culture of the RS 2001, 14.

<sup>5</sup> UL RS, 28/2004.

<sup>6</sup> “General Priorities of Cultural Policy 2004-2007” (Chapter III of the Resolution).

fields of culture.” Among the listed measures in this area one can find grants, or “creativity grants,” considered by the authors of the resolution as “direct input in the process of establishing individual creative conditions.” One hundred such grants are scheduled to be awarded each year. Other measures include the modernization of the instrument of self-employment in culture, and promotion of the equality of employed and self-employed artists with respect to salaries. The indicators of employment in culture are the number of “working grants” awarded and the ratio between the number of employees in the public sector and the number of persons self-employed in the cultural sector. The third area that necessarily touches the issue of employment in culture is area 9 (Modernization of the Public Sector in Culture). First, it is pointed out that the Exercising of the Public Interest in Culture Act regulates, among other things, labor relations in the cultural sector. A measure by which these stipulations will be operationalized is the “restructuring of labor relations in artistic professions with the aim of gradually increasing the percentage of temporarily employed workers.” The success of this measure will be assessed using the indicator that points to the “relation between the number of temporary and permanent employees in state-founded public institutions.”<sup>7</sup>

Let us now have a look at a table that shows, in a somewhat simplified, albeit clear, form which individual areas of employment in the cultural sector are addressed and how these issues are integrated with other goals, measures, effects and indicators.

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<sup>7</sup> Area 5 (Education for Professions in Culture) is indirectly related to employment. Among the measures listed in this connection is “priority support for programs and projects related to cultural occupations in short supply.” Related indicators are the number of cultural occupations in short supply and “the number of scholarship recipients for professions in culture.” However, this section is more directly related to the field of education rather than employment (although the two are closely connected).

TABLE 1:  
GOALS AND MEASURES IN RESPECTIVE CULTURAL FIELDS (CHAPTER V OF THE RESOLUTION)

FIELDS	GOALS	MEASURES	EFFECTS	INDICATORS
1.Performing arts	5			number of “working grant” recipients
2. Music	general goal II	introduction of “working grants”		number of “working grant” recipients
	3		improved utilization of human resources and enhancement of working conditions	utilization of human resources
	4	introduction of “working grants”		number of “working grant” recipients; number of newly employed artists who used to be residential artists; increased supply of musicians working in some musical professions; number of qualified musical managers
3. Visual arts	4	introduction of “working grants”		number of “working grants” recipients
4. Inter-media arts	general goal I	introduction of “working grants”		
	1			number of new intermedia artists
	2	introduction of “working grants”		number of “working grants” recipients
5. Libraries				
6. Books	7	compensations for public lending; introduction of “working grants”	improved working conditions	number of recipients of financial compensation derived from the right to public lending; number of the recipients of “working grants” awarded by professional associations; number of recipients of “working grants” awarded by the ministry



EMPLOYMENT IN CULTURE

FIELDS	GOALS	MEASURES	EFFECTS	INDICATORS
7. Media and audio-visual culture	1		raising of the employability rate in the field of audiovisual culture; protection of existing professions in cinema and creation of new ones	
	4	introduction of "working grants"	improved supply of professionals in respective occupations	number of qualified professional staff members; number of "working grants" awarded to independent journalists
8. Protection of cultural heritage	general goal I	regulation of conditions in the sector of independent professions	greater flexibility of work	number of professional management and expert staff; number of young employees
9. Slovenes living outside Slovenia				
10. Minorities				
11. Amateur activities	2	participation of local communities in staff management	more efficient utilization of human resources, enhanced professionalism, improved educational structure of employees	number of employees; educational structure; additional staff education
12. International cooperation				

Based on an analysis of the proclaimed goals and measures related to employment in culture, it is possible to extract several priority goals that will be pursued by cultural policy in the period up to 2007.

1. Greater employability (more job positions in the cultural sector; more self-employed persons);
2. enhanced “flexibility” of work (an increase in the percentage of temporary jobs and stimulation of self-employment);
3. better salaries for artists;
4. semi- or quasi-employment forms of support (more “working grants”).

With respect to the first goal, i.e. an increase in the number of job positions, it is expected that it will come as a consequence of increased investment in culture encouraged by promotion of development in the cultural sector. Although it is not unimportant what the structure of these investments will be and what the actual “gain” from these new job positions will be, in principle it is true that investments bring with them new job positions. However, we will rather leave this quantitative aspect to economists, since the task of the sociology of culture is to draw attention to the qualitative aspect of this process. As a matter of fact, cultural policy should not indulge in uncritical praise of the “industrialization” of culture, given that certain researchers have already pointed out its negative effects, i.e. a specific kind of qualitative “collateral damage” caused by the cultural, creative and entertainment “industries” and affecting the nature of work in culture as well as shifts in the structural relationships among professions. In fact, the cultural industry promotes certain types of professions but suppresses others, in accordance with its profit-oriented motives and other material interests.<sup>8</sup>

As regards the second goal, i.e. greater flexibility of work (meaning flexibility of working time and labor relations), we once again come across a duality resting on opposing motives. On the one hand, there is the wish of the employer (and in this case of the legislator as well) to achieve “more efficient use of staff resources,” while, on the other, there is an understandable wish on the part of employees to protect their (already gained) workers’ rights. But we will return to the issue of flexibility later in the text.

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<sup>8</sup> The implications of this process for the publishing sector were recently pointed out by Maja Breznik (cf. Breznik, M., Novljan, S., Jug, J. and Milohnič, A. 2005. *Knjižna kultura* (Book Culture). Ljubljana: UMco). Cf. also her book *Cultural Revisionism* (Breznik 2004).

Better salaries for artists is indeed a goal that can score political points with employees in culture, but in this case, too, we have to draw attention to an inconsistency in the Resolution's text. In contrast to the other three main goals of cultural policy, which are repeatedly stressed in the "executive" part of the Resolution, i.e. in Chapter V (cf. also Table 1), either in relation to general priorities or within the framework of specific goals, higher salaries are never mentioned again. This automatically raises doubts about the seriousness of the intention of actually implementing this "general priority."<sup>9</sup> This doubt is strengthened by two further ambiguities, both found in Chapter II and relating to general priority No. 7 (Direct Support for Artists).

The first ambiguity arises from the statement that one of the priority goals is "ensuring stimulating conditions for the work of artists in all fields of culture" and the corresponding, loosely defined measure aimed at achieving "payment equity of the employed and self-employed artists with other workers." As we understand this statement, "artists" are here being compared to workers employed in other sectors. However, the term "artist" does not seem to be the best choice in this context, since the meaning/scope of the term "artist" is not the same as that of "cultural worker" (or "worker in culture," "employee in culture," or "self-employed person in culture"). In other words, every artist is a cultural worker, but not every worker in culture is an artist. So, given the inconsistent use of these terms in the Resolution, one cannot be quite certain as to what this measure, planned to be implemented by the Government of the RS in the next few years, actually involves. Is it the implementation of equality in terms of income between workers in the cultural sector and those in other sectors? Or, is it income equality of artists and all other workers in the cultural sector?<sup>10</sup>

<sup>9</sup> In this context the term "cultural policy" actually denotes a very concrete obligation of both the legislative branch of power (the National Assembly), which adopted the Resolution, and the executive branch (the Government), which is responsible for its implementation. "With The National Program for Culture the government as a whole is authorized to take care of the preservation and development of Slovenian culture. This means that responsibility for its implementation lies not only with the Ministry of Culture but also with other ministries." (Cf. the concluding paragraph of Chapter II of the Resolution).

<sup>10</sup> It seems sensible to alert readers to still another dimension of this terminological inconsistency, involving the equity of salaries of workers in the cultural sector and cultural workers employed in other sectors (i.e. workers in cultural occupations working in other economic sectors).

The second inconsistency is also related to this ambiguity and it further strengthens our doubts about the seriousness of this goal. Since salaries (or rather, every payment and every kind of income) are explicitly numerical values, it is very easy to monitor and measure the relation of the income of workers in the cultural sector to that of the workers employed in other sectors. Therefore, one naturally expects that the Resolution would include an indicator for assessing the level of implementation of this measure. But there is no such indicator mentioned in the Resolution. The only indicator that vaguely points to some relation to the said measure is the one used to assess the “relation between the number of people employed in the public sector and the number of self-employed persons in culture.” Unfortunately, this indicator says nothing about the actual implementation of the “equality of salaries” measure, because it is not possible to establish any direct link between the number of persons employed or self-employed in the culture sector and the level of income of either “artists” or “persons employed in culture.” If, for example, the number of self-employed persons increases relatively (by “relatively” we mean in relation to the category of employed persons), this piece of data will say absolutely nothing about the income of this (or any other category) of cultural workers (or artists). It probably goes without saying that the seriousness of the intentions of any policy is indicated by the readiness of its designers to allow serious and independent assessment of the implementation of proclaimed goals. And such an assessment can only be based on appropriate indicators.<sup>11</sup> In addition, in this case it is not quite clear how the government intends to secure additional resources to provide the material basis for the realization of this goal. The available data, in fact, suggest that none of the governments so far has shown much devotion to culture, at least not when it came to the provision of resources.<sup>12</sup>

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<sup>11</sup> Let us also mention the assessment of the leadership of the Glosa cultural workers trade union, in whose opinion previous negotiations (over several years) with “social partners” have clearly shown that the government has never had serious intentions of balancing (equalizing) salaries in the public sector as stated in the Salaries System in the Public Sector Act. According to Glosa, the salaries of workers in the public cultural sector essentially lag behind those of workers in other comparable public sectors (based on a conversation of the author with the president of the union, D. Hvalica; Ljubljana, September 20, 2004).

<sup>12</sup> In 1990, public expenditures for culture accounted for 3.2% of the total budget. Immediately after Slovenia gained independence in 1991, this share was reduced to just over 2%, and it never again rose above the “magic boundary” of 2.5% that was recorded in 1995. Ever since then, the share of public expenditures for culture in the state budg-

The last of the four priority goals stated in the Resolution is to increase the number of “working grants,” also referred to as “creativity grants.” Since, viewed from the perspective of the employment policy in culture this is a boundary phenomenon, we will not dwell upon it any longer in this text.<sup>13</sup>

It is extremely important for Slovenia, a new full member of the EU, to keep abreast of the cultural statistics produced by Eurostat, and of the findings of significant international research projects concerned with structural (sociological, economic and other) changes in the concepts of cultural activities, occupations and employment in culture.<sup>14</sup> The encouragement of basic and applied research studies in this field should be a strategic interest of Slovene cultural policy.

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et has persistently decreased, so sadly enough, its averaging around 2 percent in recent years can be regarded as an achievement. (The percentages are calculated on the basis of data available on the web page of the Ministry of Culture).

<sup>13</sup>By the way, this is evidently a popular form of implementation of the general priority goal defined as “direct support for authors”, given that “working grants” are mentioned as a measure or indicator within six fields of culture (half of the total number) which address the issue of employment policy. If we started from the number of areas where employment policy is mentioned in any connection (there are 8 such fields altogether), we could say that “working grants” are mentioned as an instrument in 75% of all fields. Despite this, it is probably clear that these semi- or quasi- forms of employment have only limited scope. Even assuming that the authors are glad to receive them, one hundred working grants per year certainly cannot have any special structural effect, even in a small country like Slovenia.

<sup>14</sup>Among the examples of such international research projects are “Kultur und Arbeit. Kulturelle Bildung als Gestaltungspotenzial in einer sich wandelnden Arbeitsgesellschaft” (commissioned by the Bundesministerium für Bildung und Forschung and conducted by the Institut für Kulturpolitik der Kulturpolitischen Gesellschaft and Institut für Bildung und Kultur, 1999–2002); “Exploitation and development of the job potential in the cultural sector” (commissioned by the European Commission, DG Employment and Social Affairs and conducted by the MKW Wirtschaftsforschung GmbH, Österreichische Kulturdokumentation, Empirica Delasasse, INTERARTS, Economix Research & Consulting, WIMMEX AG; concluding report 2001); “Women in Arts and Media Professions: European Comparisons” (commissioned by the European Commission and Bundesministerium für Familie, Senioren, Frauen und Jugend and conducted by the Zentrum für Kulturforschung and ERICarts, 1997–1999); “Implementation of the EU methodology for statistics on cultural employment” (Eurostat and DEP of the French Ministry of Culture and Communication, 2003, concluding report 2004); “Cultural Competence. New Technologies, Culture & Employment” (Österreichische Kulturdokumentation in Bundeskanzleramt – Sektion für Kunstangelegenheiten, 1998) etc.

## HOW TO DEFINE EMPLOYMENT IN CULTURE?

How can one define with any precision which categories of occupation and education may be said to belong in the field of “employment in culture?” To illustrate this problem, we will use several statistical estimations of the scope of the “cultural jobs” category where meaningful quantitative differences come to light. All the figures are estimates by international bodies based on data obtained from local resources. So, for example, the report of the expert committee of the Council of Europe says that, at the time of writing, there were “about 3 500 permanently employed cultural workers” in Slovenia.<sup>15</sup> Some years later, Eurostat came up with the figure of 21 000, which is a number accounting for 2.5% of all employees in Slovenia.<sup>16</sup> According to the Council of Europe and ERICarts,<sup>17</sup> whose estimate is based on the database of the Statistical Office of Slovenia, in 2002 there were 10 449 persons employed in the cultural sector (8 286 in public institutions and 2 163 self-employed). This accounts for 1.33% of the economically active population. These large discrepancies arise from different definitions that determine the scope of the analysis.

In order to be able to formulate an integral approach to the definition of “employment in culture”, it is important to be aware of the difference between the category of education and that of occupation.<sup>18</sup> The former denotes educational attainment; the education system

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<sup>15</sup>Council for Cultural Co-operation 1997, 318.

<sup>16</sup>A press release by Eurostat, May 26, 2004; the data is for 2002. Cf. <<http://europa.eu.int/comm/eurostat/Public/datashop/print-product/EN?catalogue=Eurostat&prouct=3-26052004-EN-BP-EN&mode=download>> (last accessed on August 24, 2004).

<sup>17</sup>Compendium: Cultural Policies and Trends in Europe, <<http://www.culturalpolicies.net>> (last accessed on September 24, 2004).

<sup>18</sup>This differentiation is significant for the understanding of trends on the labor market. It is the basis for the assessment not only of labor demand, the number of the unemployed and so on, but also for the resulting analysis of these trends by the Employment Service of Slovenia, which uses the standard classification of occupations in addition to their own code list of vocational and professional education. As stated in the introduction to this code list, “the International Standard Classification of Occupations (ISCO) and the Code List of Vocational and Professional Education are compatible classification tools that enable analysts to take into account two different aspects of the labor force: concrete tasks and work on the one hand, and education, on the other. These two aspects appear in various combinations on the labor market. The simultaneous use of ISCO and the Code List of Vocational and Professional Education enables the Employment Service to embrace all significant properties of the demand for and supply of labor. In addition, it is also a prerequisite for effective operation of the Employment Service” (*Šifrant poklicne in strokovne izobrazbe* 2000, 5).

trains future workers for carrying out specific types of work and tasks. Yet every category of workers with a certain type of education, and a certain level of education, also includes a certain number of those who work in occupations that do not necessarily match their qualifications. “Occupation” hence denotes a specific type of work requiring specific knowledge and skills, which, however, does not necessarily tally with the education of a person performing that type of work. When defining the area of employment in culture, the duality of education-occupation points to the necessity of taking into account not only cultural occupations, but also those that represent necessary supportive types of work not belonging to the field of culture; similarly, it is necessary to take into account persons with culture-related education but employed in other sectors. This leads to three structural positions that may be considered as belonging in the area of employment in culture.

1. employees with education in culture working in culture;
2. employees with education in culture working in other sectors;
3. employees with education in other fields working in the cultural sector.<sup>19</sup>

Whether one, two or all three structural positions will be taken into account when assessing the number of culture workers determines whether we say that Slovenia has, for example, 3 500 or 21 000 culture workers. In other words, the methodology used in defining the scope of available data will to a large extent determine the final count. Although the accuracy of data also plays a part in these estimates, crucial disproportions are generated by differences in the basic methodological starting points. Anyone insisting on a purely “conservative” assessment of employment in culture would probably take into account only the first of the three categories, meaning workers with education in culture working in culture. Anyone advocating an even stricter selection would perhaps exclude from the “core” cultural jobs all those workers without regular (permanent) employment in the cultural sector (e.g. those with second jobs, those with part-time jobs etc.). It is possible – although we do not know this for certain – that when giving the

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<sup>19</sup>The fourth group would comprise those workers who do not have cultural education and work in other sectors. Since in this case there is no direct connection (of education and occupation) with the area of culture, this group represents that part of the labor market that is not taken into account by the researchers of employment and work in culture except when comparing the cultural labor market and other labor markets (or the labor market in general).

figure of 3 500 cultural workers in Slovenia, experts from the Council of Europe started from such a “conservative” assessment of the actual extent of employment in culture. What is certain, though, is that the Eurostat analysts came up with an essentially higher number, i.e. 21 000 workers in culture, on the basis of the calculation of a special “cultural coefficient.” It was precisely this methodological tool that played the crucial role in an attempt to isolate those structural positions on the labor market for which it would be acceptable to say that they belong in the analytical corpus of “employments in culture” (these are primarily categories 2 and 3, since category 1 is, at any rate, a core category comprising “indisputable” cultural workers belonging there by virtue of both their education and occupation).

The next problem is how to determine which occupations and activities should be categorized as belonging in the cultural sector. This is indeed the key problem of the sector as a whole and not only of the issue of employment in culture. In fact, if the subject is not well defined, and if the meaning and the scope of the terms in use are not clear, then it is undoubtedly very difficult, if not impossible, to make a consistent theoretical and applied analysis of the sector.<sup>20</sup> A precondition for any consideration of the extent of employment in culture is a “catalogue” of activities and occupations. There are two catalogues of that kind that are the most referential: the International Standard Classification of Occupation (ISCO) and the Classification of Economic Activities in the European Community (NACE), which is harmonized with the International Standard Industrial Classification of all Economic Activities (ISIC). These standard classifications therefore provide the basic methodological tool for determining the scope of the field of research as well as the analysis of trends inside the chosen field. It was also the basis for the latest – and at the moment the most referential – European study on employment in culture, which was a part of the wider Eurostat project “Implementation of the EU method-

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<sup>20</sup>In connection with culture, this problem is even more obvious, since sociologists of culture, cultural studies scholars, theoreticians of cultural policy and similar experts cannot agree on the basic issue of how to conceptualize and interpret the concept of “culture” and whether this field comprises the activities that presumably “cultivate” (nature, objects, people etc.), or if culture should be understood more in the sense of artistic production. Similarly, no clear-cut demarcation line has been drawn between entertainment and cultural activities in the narrow sense of the word. This is also the source of the conceptual problem when attempting to define various “industries,” such as creative, cultural, entertainment etc.



ology for statistics on cultural employment,” where the key role was played by the French Ministry of Culture and Communications.<sup>21</sup> The project is a result of years of effort on the part of the EU to harmonize the methodology of data collection and processing in the field of culture, and to standardize statistical methods, which would, in turn, enable the comparison of data supplied by the statistical offices of member states. Initially, from 1997 to 1999, this task was the responsibility of the LEG (Leadership Group), and later of the Eurostat Working Group. The monitoring of new findings related to the area of employment in culture is entrusted to the Taskforce on Cultural Employment.

Early on, researchers relied on the LEG report that listed the selected categories of occupations and activities that could theoretically be included in the area of cultural activities, or employment in culture. However, they subsequently excluded some “border” NACE and ISCO categories, preserving only those for which it was possible to say with greater certainty that they belonged in the group of cultural activities and occupations. Tables 3 and 4 show these selected categories.

TABLE 2:  
SELECTED ISCO CATEGORIES

Code	Descriptor
2431	Archivists and curators
2432	Librarians and related information professionals
2451	Authors, journalists and other writers
2452	Sculptors, painters and related artists
2453	Composers, musicians and singers
2454	Choreographers and dancers
2455	Film, stage and related actors and directors
3131	Photographers, image, sound recording equipment operators
3471	Decorators and commercial designers
3472	Radio, television and other announcers
3473	Street, night-club and related musicians, singers and dancers
3474	Clowns, magicians, acrobats and related associate professionals

<sup>21</sup> “Definition and production of harmonized statistics on culture in Europe” 2004.

TABLE 3:  
SELECTED NACE CATEGORIES

Code	Descriptor
DE 22.1	Publishing
K 74.2	Architectural and engineering activities and related technical consultancy
K 74.4	Advertising
K 74.8	Miscellaneous business activities
O 92.1	Motion picture and video activities
O 92.2	Radio and television activities
O 92.3	Other entertainment-related activities
O 92.4	News agency activities
O 92.5	Library, archives, museums and other cultural activities

Eurostat researchers had most difficulty in selecting appropriate categories according to NACE. On the level of the 3-digit codes, it is possible to exclude non-cultural categories (for instance, 92.6 Sporting activities, or 92.7 Other recreational activities etc.) from groups DE and O, while group K does not allow for such an exclusion.<sup>22</sup> In addition to activities that in principle belong in the cultural sector, e.g. architecture, photography, translation etc., this group also includes activities of which it would not be possible to say the same, e.g. technical tests, geodetic measurements, etc. So, with this controversial group,<sup>23</sup> Eurostat analysts used a special statistical method of determining what was called the “cultural coefficient,” while with group 74.2 they extracted the “cultural component” (architecture) by “direct estimation.” In somewhat simplified words, this enabled them to make an approximate estimate of the “cultural” content of a group that also embraces components that can by no means be described as “cultural.”<sup>24</sup>

<sup>22</sup>In other words, on the 3-digit level of aggregation, non-cultural activities are still integral parts of a group; for instance, engineering activities (which are not cultural) are placed in the same category as architecture (which is considered to be a cultural activity).

<sup>23</sup>For example, advertising is classified by some as belonging with “creative” industry, meaning that it has entered the cultural sector by the back door, so to say, which is undoubtedly a controversial issue.

<sup>24</sup>A lower level of aggregation, i.e. data based on the 4-digit codes according to NACE, would have enabled a higher level of reliability, or in other words, it would be easier to draw a clear line between different kinds of activities and make a more accurate selection. However, this was not possible in the given situation, since for the time being statistical offices of EU members do not have data at this level of detail. Accordingly, the method of “cultural coefficient” calculation was used as an emergency solution.

To return now to the issue of employment in culture, the main source of data for statistical analyses, in addition to the Statistical Office, is the Employment Service of Slovenia,<sup>25</sup> where an appointed group of experts regularly produces analyses of market trends, primarily with respect to labor demand and supply (available jobs), changes in the register of employed persons etc. Unfortunately, so far it has not devoted any special attention to the cultural sector in particular. The main reason is that the cultural labor market represents only a small fragment of the whole picture that is the subject of interest of employment analysts.

In order to be able to analyze data constituting the databases of the Employment Service, one has to choose the appropriate categories from the “Code List of Vocational and Professional Education” used by the Employment Service as the basis for categorization. Although several groups in this code list are characterized by the concentration of educational profiles belonging in the area of culture (these are groups 87 to 91; culture workers, visual artists, designers, theater workers and related, musicians, literary writers),<sup>26</sup> the problem is how to select other vocational and professional educations not found in any of these groups but still related to the area of employment in culture (e.g. professor of world literature, translators, journalists, arts curators etc.). A full set of profiles would enable the monitoring of trends on the cultural labor market with respect to education and to the activity; for example, it would be possible to analyze trends with respect to the demand for labor (including both permanent and temporary jobs), then with

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<sup>25</sup>In order to check if any other referential organization was collecting data that would be useful in statistical calculations, we contacted the Glosa union, the Public Fund of the RS for Cultural Activities, the Film Fund, and the Chamber of Commerce and Industry of Slovenia. None of these institutions keeps statistical records that would be useful for analysis of the employment in culture (Public Fund of the RS for Cultural Activities keeps track of cultural organizations only, and the Film Fund keeps record of projects). The Glosa union has a record of its members (2 756 in September 2004) that could be used as the basis for certain statistics, at least about gender structure, areas of employment etc. Unfortunately, Glosa does not have these statistics in any organized form (e.g. in the form of electronic databases enabling automatic processing of data).

<sup>26</sup>It should be pointed out here that the code system in this case is different from that used by the ISCO. Every code in the code register of the Employment Service consists of five digits. The first denotes the level of education, the next two denote the category of occupation and professional education with regard to the content of education, while the fourth and the fifth digit denote the serial number of individual vocational or professional education inside the group. (*Cf.* introductory notes in the Šifrant poklicne in strokovne izobrazbe / Code List of Vocational and Professional Education 2000, 5-10.)

respect to labor supply (actual number of jobs, permanent and temporary), then the number of the unemployed compared to the demand for labor, the number of new employees compared to the demand for labor etc. Another interesting indicator would be an overview of individual educational profiles of cultural workers with respect to the jobs they actually perform and also with respect to the area of activities in which these jobs belong (including cultural and other economic sectors). This information would actually point to the occupations and activities towards which persons with education in culture gravitate.

Demand and supply on the labor market can also be monitored by using a set of cultural occupations based on the ISCO classification (for example, relying on the Eurostat model of data sets that are referential for the area of employment in cultural occupations; see also Table 2). Similarly, it would be interesting to establish the percentage of persons with vocational and professional kinds of cultural education registered with the Employment Service of Slovenia.<sup>27</sup>

#### A CASE STUDY: "FLEXIBILIZATION" OF EMPLOYMENTS IN CULTURE

So far we have briefly recapitulated several methodological issues that are important for the definition of the field of research and its significance within the wider context of the corpus formed at the intersection of culture and economy. We will now proceed to examine a trend towards greater flexibility of employment in culture occupations. Recent research and statistical sources (Statistical Office, the Employment Service, Eurostat) actually indicate significant structural shifts in general employment policy and in temporal, physical and other organizational aspects of production in particular.

When speaking about the flexibility of work, it is necessary to take into account one important organizational change in the production

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<sup>27</sup>It should be stressed here that the list of "specialist occupations in the cultural sector" appended to the Regulation of Self-Employment in Culture (adopted by the Government of the RS on January 22, 2004, based on Articles 86 and 89 of the Exercising of the Public Interest in Culture Act; the list of specialist occupations in the culture sector is available at <http://www.kultura.gov.si/bin?bin.svc=obj&bin.id=2346>) does not fully match the classification of occupations mentioned before. It would certainly be useful if future research studies and statistical calculations could rely on harmonized categories. Given the data in the register of self-employed persons, supplied by Irenca Špelca Fortuna from the Ministry of Culture, on September 10, 2004 there were 2 229 self-employed persons in the cultural sector, which represents a significant share with regard to the total number of persons employed in the cultural sector.

process that occurred in the mid 1970s in western economies. The Fordian model of production that was predominant until then involved a relatively stable employment, i.e. unlimited full-time employment. Since this type of employment was in place for a long time, and since it is still predominant, it is also referred to as “standard” or “typical” employment. All other types of employment, including temporary, part-time or split time employment, as well as work from home, second jobs etc. are by analogy called “atypical” or “non-standard.” These types of employment were introduced at the transition from the Fordian to the post-Fordian (and still current) phase of production. Tendencies towards increasing flexibility of work and working time gathered pace especially in the 1990s, with the accelerated development of the new economy propelled by the advance in information and communications technologies. With these new types of employment, the border line between work time and leisure has become increasingly blurred. Work is project-based and workers are expected to demonstrate creativity and innovation, to network and so on. The significance of “immaterial labor” has been increasing, i.e. work related to the production of ideas, images, design, advertising, communications services etc. Although these more flexible forms of employment do have many advantages (e.g. a more dynamic social environment, more options for individual choice of working time etc.), they also have a series of negative effects, one of these being diminishing social security and the related feeling of uncertainty. Despite much hesitation and skepticism regarding the general flexibilization of work, for many theoreticians it has already become a given fact. The post-Fordian shift in effect created a situation from which there is no way back to the Fordian paradigm of industrial organization of the production process. As a result, current atypical and non-standard forms of employment place the worker in a precarious situation, but what is actually needed and what should become a standard model of flexible employment is a situation aptly expressed by the coinage “flexsecurity.” It denotes the flexibility of employment accompanied by the development of instruments that would provide social security not tied exclusively to “standard” employment.<sup>28</sup>

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<sup>28</sup>“Flexsecurity” roughly corresponds to a situation already attained by “free-lance” workers in France at some point in the past. Unfortunately, the state began to undermine it by reducing compensation for the period of unemployment, which has led to mass strikes and protests of independent culture workers (“intermittents du spectacle”). They described their situation as “continual work and discontinuous payment” (*cf.* GlobalProject 2004).

Some theorists of post-Fordism, among them Paolo Virno, see culture as the area where the flexibilization process actually originated: "Within the cultural industry, even in its archaic incarnation examined by Benjamin and Adorno, one can grasp early signs of a mode of production which later, in the post-Ford era, becomes generalized and elevated to the rank of *canon*."<sup>29</sup> This trend has not essentially changed, and this is also evident from the Eurostat report on employment in culture based on the common methodology for all 25 members of the EU. The data actually indicate that – according to all key indicators of employment flexibilization – employment in culture occupations is "atypical" more than the average. Below are some data from the Eurostat report on employment in culture (May 2004) clearly showing the place of Slovenia with regard to other EU states.

According to the Eurostat data, in the Slovene economy as a whole the percentage of part-time workers is 5% (the EU average is 17%), while in the segment of cultural occupations it is three times higher, i.e. 15% (the EU average is 25%). Compared to other EU members, Slovenia, in addition to Greece, has the largest discrepancy in the ratio of part-time workers in culture to part-time workers in other sectors of the economy as a whole.

The percentage of workers with second jobs (again in the Slovene economy as a whole) is 2% (the EU average is 3%), while in the segment of culture it is only slightly higher in Slovenia (3%) and radically higher in the EU (9%). Slovenia and Luxembourg have the lowest share of culture workers with second jobs.

In the Slovene economy as a whole, the percentage of self-employed persons is 9% (14% in the EU), while in the segment of culture this percentage is 20% in Slovenia and 29% in the EU. In this respect, Slovenia is comparable to Denmark, Finland, France, Slovakia and partly Hungary. The data in the annual report of the Ministry of Culture for 2003 indicate a very rapid increase in the number of self-employed persons in culture. Compared to 2000, the total number of persons employed in culture increased by approximately 2%, while in the same period the number of self-employed persons in culture increased by almost 30%.<sup>30</sup>

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<sup>29</sup>Virno 2001.

<sup>30</sup>Ministry of Culture of the RS 2004, 45.

The percentage of workers with temporary jobs was 15% for the Slovene economy as a whole (the EU average is 12%), and the percentage of these workers in the cultural sector was 26% (in the EU it is 18%). In this respect, Slovenia is well above the EU average and occupies the fourth place, after Portugal, Spain and France. However, if we look at the total number of employees with temporary jobs (meaning not only in culture, but in all sectors), Slovenia occupies the third place (after Portugal and Spain). It seems appropriate here to draw attention to the findings of some domestic research studies on the flexibilization of work which suggest that the trend towards temporary jobs in Slovenia is continually on the rise. The relevant data clearly show this: at the beginning of the 1990s, temporary jobs accounted for somewhat less than 6 percent of all jobs; towards the end of the 1990s, this percentage was around 11%, and in 2002 it reached 15%.<sup>31</sup> If this trend continues, Slovenia is firmly on its way to becoming a country with the biggest relative share of temporary jobs in the EU (according to the harmonized methodology used by Eurostat). Since a further increase in temporary jobs is stressed as one of the strategic orientations of both the cultural and economic policies of Slovenia,<sup>32</sup> it would be necessary to take a closer (and critical) look at this issue from the perspective of the findings or assumptions that led to such a strategic orientation, and from the perspective of the Eurostat report that places Slovenia well above the European average.

Data on the labor demand and on the factual number of new employees as a result of that demand are also illustrative. Relying on data supplied by the analytical department of the Employment Service of Slovenia, we performed a calculation showing that the trend towards an increase in temporary jobs continues in both cultural occupations and all other occupations.

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<sup>31</sup> Ignjatović 2002, 28.

<sup>32</sup> "Restructuring of labor relations in artistic professions with the aim to gradually increase the percentage of temporary employed workers" (Resolution on the National Program for Culture 2004-2007, UL RS 28/2004, p. 3105); "Slovenia must achieve greater flexibility of the labor market and employment, more part-time and temporary jobs, and an easier flow and mobility of labor force." (Development Strategy of RS. The Government of the RS and Office for Macroeconomic Analysis and Development, June 2004, p. 60).

TABLE 4:

DEMAND FOR TEMPORARY WORKERS AND FULFILLING OF THIS DEMAND WITH RESPECT TO SELECTED CATEGORIES OF JOBS IN CULTURE BASED ON THE ISCO CLASSIFICATION

YEAR	NEEDS		REALIZATION	
	Total	Culture	Total	Culture
2000	70.8%	64.8%	74.2%	77.7%
2001	72.4%	69.0%	75.2%	77.0%
2002	74.4%	72.9%	77.5%	79.0%
2003	73.8%	72.8%	76.3%	80.5%

Source: Employment Service of Slovenia, September 2004

In calculating these percentages, we took into account all ISCO categories that Eurostat researchers classified as belonging in the field of culture. However, one should keep in mind, first, that these percentages do not reflect the general situation on the labor market, which is still strongly dominated by permanent jobs, and second, that employers are obviously very cautious when employing new workers. In other words, they first opt for temporary contracts and are ready to change these into permanent arrangements only after a time, i.e. within the legally defined limits.<sup>33</sup> Even with these reservations in mind, Table 4 illustratively shows that the share of temporary jobs has increased, both in the Slovene economy as a whole and in the sector of culture.

The study of trends in employment confirms the hypothesis that employment in culture is “atypical” above the average. However, structural analyses that draw attention to general shifts towards increasing flexibility of work should be accompanied with the studies examining the implications of these structural shifts on the labor market for the quality of life of “flexible personality.”<sup>34</sup> For example, four studies of atypical employment in Austria conducted between 1998 and 2002 pointed to the consequences of flexibilization for the sociability of

<sup>33</sup>The Labor Relations Act (Article 53) restricted the temporary employment contract to two years, except in cases explicitly stipulated by law. In this respect, cultural workers are much worse off now, since the Exercising of Public Interest in Culture Act (Article 46) stipulates that there is no restriction on concluding a new fixed-term contract after the expiration of the first contract “[w]hen so required by the special nature of work in the field of artistic or other cultural activity.”

<sup>34</sup>Holmes 2002.



workers. Austrian researchers established that in most cases self-employment was not a free choice, that most self-employed persons are continually overloaded with work, that they have a feeling that every moment of the day has to be utilized for one or another kind of productive work, and last but not least, that their economic situation suggests that their position is more precarious than they are willing to admit.<sup>35</sup>

The selected case study of the “flexibilization” of employment in culture is here only sketched owing to limited space, and it should be analyzed in more depth in some more extensive and more focused discussion. Even so, it clearly points to the need for establishing mechanisms and criteria for continual and methodologically harmonized monitoring of trends on the culture labor market. The sources of data include the Statistical Office of Slovenia and the Employment Service of Slovenia, as well as Eurostat, especially for the comparison of Slovenia with other EU members. Strengthening the cooperation among these organizations and other individuals involved in the study of trends on the labor market from the perspective of employment in culture would create room for further studies in the field of cultural and employment policies in Slovenia.

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<sup>35</sup>Cf. Weber 2004.

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## CULTURAL EDUCATION: BETWEEN SCHOOL AND THE MARKET

MAJDA HRŽENJAK

### INVESTING IN CHILDREN

It has been clear for a long time now that concepts of childhood vary across space and time, ranging from the perception of a child as an animal or a retarded being, to pragmatic views of a child as a potential worker or a guarantee that parents will be provided for in old age, and our contemporary attempts to perceive a child as an autonomous human being and a member of society who needs protection and support for its development.<sup>1</sup> However, there is one consistent strand that runs through all these variants. It is a view of children (or at least one child in a family) as a kind of family investment, and it speaks of the aspiration for a better, more prosperous and happier future. That childhood is an area of large investments is obvious wherever you look, but this is especially true in the area of education. Parents strive hard to secure for their children optimal springboards for their later competitiveness on the employment and money markets into which all children must integrate sooner or later. Much like family economies, where investment in the education and general well-being of children is an important and comprehensive item on the financial agenda, national economies, too, see children's education as a significant issue. Every state makes an effort to "process" children through its school curricula in a manner that will yield capable young people, who will some day be able to maintain the competitiveness of the country in various sectors. The capital generated through such investments is not measurable by

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<sup>1</sup> This has been so at least since the publication of a now already classic book by Philippe Ariès, *L'enfant et la vie familiale sous l'ancien régime*. In Slovenia, this issue was addressed by Alenka Puhar in her book *Prvotno besedilo življenja. Oris zgodovine otroštva na Slovenskem v 19. stoletju*. (The First Text of Life. An Outline of the History of Childhood in Slovenia in the 19<sup>th</sup> Century).

money standards, so in this case we speak of human, social or cultural capital, all of which are indispensable in the contemporary world. Financial capital is a product of services, creativity, ideas, communications and information provision, but without the other forms of capital mentioned above there would be no substance for the production of financial capital.

The insertion of cultural education into the Slovene National Program for Culture 2004-2007<sup>2</sup> as well as stimulation (including financial support) on the part of the Ministry of Culture for cultural and educational projects can be viewed as arising from this context, i.e. as an investment aimed at encouraging the accumulation of cultural capital in future (and present) generations that will secure their greater competitiveness within society and on the global scale. On the macro-scale, everything seems fine. However, in this paper we look at the situation from a micro point of view in order to show how, despite the undoubtedly best intentions, the current organization and funding of cultural education in Slovenia, both within the framework of the educational system and on the market, do not enable equal access to cultural education for all children. This indirectly perpetuates the existing unequal distribution of cultural capital among individual social classes and groups. We will also propose several options for a different system of organization and funding that would make cultural education accessible to the greatest possible number of children. But before we proceed, let us briefly delineate several aspects of the concept of cultural capital.

#### CULTURAL CAPITAL

The concept of cultural capital traverses the areas of economy and culture, and it also combines, to some extent, meanings ascribed to it in economic and cultural discourses, albeit with the emphasis on different aspects. While in the social sciences cultural capital is viewed primarily as a set of individual properties, in economics the emphasis is on cultural value enriching the material value of a work of art. For example, an artistic painting as such has no special mate-

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<sup>2</sup> See <http://www.kultura.gov.si>. The policy of cultural education pursued by the Ministry of Culture is geared towards the entire population, not only children and young people. However, in this contribution we will concentrate on the segment of young people and children.

rial value, but when this is coupled with its cultural value, its price substantially increases.<sup>3</sup> Throsby writes that in economics a distinction is made between two kinds of cultural capital, i.e. tangible and intangible cultural capital.<sup>4</sup> While economics focuses on tangible cultural capital (buildings, sculptures, artifacts, works of art, sites etc.), the social sciences concentrate instead on intangible cultural capital, whose forms of appearance include ideas, practices, values, viewpoints, skills, know-how, intellectual capital and so on.

Within the social sciences, this concept initially took shape within the framework of Bourdieu's research into the unequal school achievement of children who come from similar social milieus but different educational milieus. Bourdieu wanted to demonstrate that school achievement depends on other factors besides "natural abilities" like intelligence and talent. School achievement, or failure, says Bourdieu, is more easily comprehended if viewed in the light of the quantity and kind of cultural capital an individual receives in his/her family environment.

Obviously, cultural capital embraces a broad area including linguistic skills, general cultural awareness, aesthetic preferences, access to various types of information and educational institutions and so on. The emphasis is on the fact that culture (in the widest sense of the word) may be a source of strength and power.

The accumulation of cultural capital begins in early childhood and requires "pedagogic intervention," such as an investment on the part of parents, other family members or educators who sensitize a child to cultural distinctions. The acquisition of cultural capital, as stressed by Bourdieu, presupposes a certain degree of economic independence, and consequently, in the process class differences are translated into cultural differences. Returns on the investment in cultural capital come to light in school, where students with substantial cultural capital are successful and rewarded, while students with low cultural capital, or without it, are underprivileged or sanctioned. Bourdieu's analysis, naturally, does not end with the explanation of school achievement. For him, the role of cultural capital plays a part in other areas too, with these extending all the way to

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<sup>3</sup> Of course, in addition to its cultural value, a work of art also has its social value, as a status symbol.

<sup>4</sup> Throsby 2001, 44–47.

employment opportunities and the choice of partners. In his opinion, the goal sought through marriage and employment is to achieve a high level of class endogamy.<sup>5</sup> In Bourdieu, the function of the primary mediator of cultural capital is restricted to the private sphere, i.e. the family. Although it is undoubtedly true that in early childhood “family cultural capital” may significantly influence the development of child’s dispositions and hence determine later acquisition of cultural capital, it should be pointed out that educational institutions are also an important factor influencing the mediation of cultural capital. Moreover, the function of educational institutions is believed to be precisely the mediation of cultural capital so that it can be equally distributed among all social classes and groups. One of the important missions entrusted to the educational systems after WWII was the democratization of society. This could be achieved through equal access to elementary education for all, which would, in turn, enable social promotion for all social classes and groups. The motives were certainly not philanthropic. The main goal was the enhancement of the educational structure of the population and, through this, of the economic efficiency of industrial societies, whose success critically depends on highly educated and motivated workers. Viewed in this light, it is not difficult to agree with Apple’s thesis that “[i]n advanced industrial societies, schools are particularly important as distributors of this cultural capital, and they play a critical role in giving legitimacy to categories and forms of knowledge ... I want to argue here that the *problem* of educational knowledge, of what is taught in schools, has to be considered as a form of the larger distribution of goods and services in a society.”<sup>6</sup>

<sup>5</sup> See Bourdieu in Hasley et al. 1997, 47–51 and Swartz 1997, 75–82.

<sup>6</sup> Apple 1990 [1979], 45. In addition to stressing the role of school as a mediator of cultural capital, Apple also problematizes school curricula (the content of cultural capital) through which, in his opinion, dominant knowledge is passed on, meaning the definitions of categories and meanings that perpetuate the existing domination of particular social groups in a society and wider environment (e.g. of Slovenes, or of white people, or males, or adults, or healthy people etc.). The exploration of topics that look into how the constellation of the distribution of knowledge, power and capital in a society influences the very content of knowledge is beyond the scope of this essay. Let us point out that these themes were conceptualized in more detail by Foucault. This is the area problematizing the official, canonized knowledge and curricula. With respect to cultural education in particular, the question is whether educational cultural contents are such that they enable minority social groups to identify with them (e.g. racial, ethnic or sexual minorities, the poor, children with special needs etc.)



In brief, if the cultural and economic capital afforded by a family does not enable the development of cultural capital in children, then it is the school system, which is compulsory and equally accessible to all children, that can help in compensating for the lack of cultural capital in the original milieu. Moreover, it can contribute to a more balanced distribution of cultural capital among various social classes and groups. We therefore believe that cultural and educational projects cannot be simply left at the mercy of market forces, although supply and demand are apparently quite balanced. Whether cultural education will have a compensatory effect on an individual's social position and whether its potential for realizing equal access to culture will be mobilized, depends on how cultural education is organized and financed, and what place in the system it is accorded. Roughly speaking, an inadequate positioning within the system emphasizes social differences among children and in the wider population, which, in turn, makes access to culture even more difficult for some social classes and groups. On the other hand, a well-thought-out integration of cultural education into the system can turn it into a means of equal access for all social segments, and this can increase the overall cultural capital afforded by a specific society as a whole, rather than just the capital possessed by individual groups.

#### THE MARKET OFFERING OF CULTURAL EDUCATION

In Slovenia, the culture market offers a rich and diverse range of cultural and educational projects. The Ministry of Culture encourages cultural education, among other things, by giving priority to cultural and educational projects at public tenders for program financing. In fact, it can be said that the market for cultural and educational projects has been expanding. On the one hand, there is sufficient demand thanks to an enduring interest of parents in investing in the cultural capital of their children. On the other, cultural institutions respond to this increased demand by increasing their supply, making an extra profit in the process. Finally, the state, too, has interest in shaping competitive future generations equipped with cultural capital, so in order to achieve this goal it subsidizes and supports, independent from the market, cultural and educational projects. At

first glance, one could hardly imagine better conditions for the development of the market for cultural and educational projects.

However, the situation is not so straightforward. In offering their projects and programs, cultural institutions are bound by the principle of cultural democratization, meaning that their offering must be accessible to all social classes and groups. And when it comes to securing equal access to culture for children in particular, this principle acquires additional significance and an extra emphasis.<sup>7</sup> One of the methods employed by cultural institutions is the reduction of ticket prices and fees charged for children's programs and cultural and educational projects. Yet, despite the benefits arising from state subsidies granted to cultural and educational projects, the Mestno gledališče ljubljansko (the Ljubljana City Theater) came up with the following conclusion.

*“Since cultural and educational projects are an integral part of our core activity, i.e. the production and post-production of theater shows, and hence part of all of our stagings, it is not possible to make an accurate assessment of expenses incurred by the ‘cultural education’ segment. These activities are carried out as part of our regular production and, as a rule, our regular employees are engaged. Careful personnel planning and organization of work occasionally enables us to set apart some spare time for the realization of projects belonging in the ‘cultural education’ segment. This type of work does not incur extra costs. Direct costs of projects account for only 1% of material program costs, while the greatest expenditure are employees’ salaries. Their salaries are covered from the public budget; MGL’s contribution is limited – it covers only performance bonuses.*

*In realizing educational cultural projects, the costs mentioned above are compounded by the loss of income arising from reduced ticket prices (greater access to cultural goods) for the target audience, i.e. students. Calculation for 2003: The difference in price between a student ticket (excl. the annual ticket) and an adult ticket is 830 tolar. A comparison of an annual ticket for students and that for adults yields a similar result – 826 tolar. Taking into account the average number of student visits to the MGL in recent months, the cumulative*

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<sup>7</sup> After all, also in the light of international documents such as the *Universal Declaration on Human Rights*, the *International Covenant on Economic, Social and Cultural Rights*, and the *Convention on the Rights of the Child*.

*difference is as follows: 7.680 annual student tickets x 826 SIT (reduction) = 6,343,680 SIT; 6.000 student tickets or group tickets x 830 SIT = 4,980,000 SIT.*

*The result is that MGL's income over the period of one year is lower by more than 11.3 million SIT because of reduced ticket prices for students. This represents as much as 13% of the funds provided by the co-founder (the Ministry of Culture) for material program expenses. Owing to lower prices, our income is lower by 11.5%.*

*The share of sponsors' money is negligible as it represents only 0.27% of all income of our institution. Moreover, we have not managed to attract any sponsors specifically for educational cultural activities.”<sup>8</sup>*

This interpretation of income earned from (discounted) student tickets as “lower income” may represent a motive for cultural institutions to refrain from producing educational cultural project unless legally obliged to do so. Yet, there is another side to the coin. A discount on annual and regular tickets for students results in a bigger audience. While for an institution with stable program funding coming from the state budget this may indeed represent a financial loss rather than a kind of profit, we have many reasons to believe that artistic and cultural groups who earn their bread on the market would interpret this situation quite differently, if they were only given the chance to conclude special agreements on separate staging of shows for students and annual student tickets.

In addition to the “loss of income” caused by lower ticket prices, the producers of educational cultural projects are confronted with yet another problem also mentioned by the MGL – sponsors show no interest in financing educational cultural projects. Cultural institutions indeed strive to obtain additional money from sponsors and donors. Below is an extract from the report by the Slovene Ethnographic Museum on how they try to attract sponsors:

*“We are a national museum, so our projects are financed by the state. Nevertheless, we increasingly try to acquire additional funds (sponsors' money). One such example is the Museum Apiary Fund; [its purpose is] to seek funds for the museum from individuals, friends of the museum and commercial companies. Every donor gets a dedicated “panjska končnica” (beehive panel) which is inserted in the muse-*

<sup>8</sup> All empirical data are taken from the study Hrženjak, M. 2004. “Kulturna vzgoja – evalvacijska študija” (Cultural Education – Evaluation Study). Ljubljana: Mirovni inštitut.

*um beehive located in our new exhibition room. Our collaboration with sponsors also includes an exchange of ideas, for example, the publication of a telephone directory with motifs taken from folk costumes. Part of the profit earned through the sale of these directories went to the Ethnographic Museum. An important part of the funding comes from ticket sales.*"<sup>9</sup>

Neither is the Musical Youth of Slovenia organization quite satisfied with sponsors' response. *"As an association of non-profit cultural societies of national importance, we have to contend on a yearly basis for the financial support allocated by the Ministry of Culture. Until now, we have been managing to cover app. 50% of all expenses from the budget funds, while the remaining 50% of the money is generated through ticket sales, magazine subscriptions, advertisements in this magazine etc. Sponsors have proved quite uninterested in our activities."*<sup>10</sup>

Plesna izba (Dance Chamber) from Maribor had been more lucky (although not quite lucky). *"As regards the distribution of funds needed for our educational cultural projects, the situation is as follows: the state provides 8%, a further 5% comes from sponsors [...], 5% from the sales of tickets, and we ourselves have to secure 82%."*<sup>11</sup>

The level of success in attracting sponsors varies, but one fact is indisputable – the share of sponsor's money allocated to educational cultural projects is not sufficiently high to influence decisively the democratization of access to these programs. With every kind of cultural event and within every cultural institution, the money obtained from ticket sales is a significant factor. Therefore, when considering the democratization of access to educational cultural projects for children and youth, there is one goal that should be kept in mind – institutions should aim to obtain from sponsors sufficiently large funds so that the cost of tickets for children and young people can be token or even free of charge.<sup>12</sup> Unfortunately, in the current situation sponsorship sums mainly cover only the material costs of cul-

<sup>9</sup> *Ibid.*, 45.

<sup>10</sup> *Ibid.*, 46.

<sup>11</sup> *Ibid.*, 45.

<sup>12</sup> It is not rare to come across free tickets for children up to 3 years, or even up to 15 years, but in these cases tickets for adults who bring children are correspondingly more expensive.

tural events. Below is the assessment of the Bralna značka (the Reading Badge) organization: “*Roughly speaking, it is possible to say that until now 1/3 of all activities have been financed from funds obtained through public tenders, 1/3 from our own funds and 1/3 from sponsors’ money, with one part of it being donated in kind (e.g. publishing houses donate books, the managers of facilities do not charge rent, and we get discounts for some services). For the time being, we have not ‘tackled’ the international funding option.*”<sup>13</sup>

Free tickets are an ambitious but not an implausible goal. This could be achieved if two conditions were met, but in Slovenia this is not feasible at the moment. The first precondition would be that material and labor costs be covered from subsidies and program funds provided by the Ministry of Culture and the Ministry of Education, Science and Sport. Regrettably, the only educational cultural project supported by these ministries is the Bralna značka project. Other such projects are supported by the Ministry of Culture exclusively, meaning that there is no cooperation between the said ministries in this area. The following is what the Musical Youth Association of Slovenia has to say in connection with this: “*Better linking of cultural and educational activities is highly recommendable. We especially feel the lack of a body that would be responsible for education in particular. We are one of the rare countries with the Ministry of Education (Science and Sport), and the Ministry of Culture without a mention of education.*”<sup>14</sup> *Our activities belong somewhere in between [education and culture, note by M.H.], and instead of being supported by both ministries, both actually fend us off. The Ministry of Education does it with much success and fully, under the pretense of taking care of regular schooling, while culture shoves us aside by leaving us, year by year, at the mercy of expert commissions’ decisions and financial uncertainty.*”<sup>15</sup>

<sup>13</sup>*Ibid.*, 43.

<sup>14</sup>The point of this statement is lost in translation. In fact, in Slovene, the Ministry of Education, Science and Sport is Ministrstvo za šolstvo, znanost in sport. However, a more precise translation of the term “šolstvo” would be “the school system.” This is not to say that “education” is an incorrect translation. The “school system” does imply “education”, and the said ministry is concerned with education rather than simply the “school system.” (Translator’s note.)

<sup>15</sup>*Ibid.*, 12–13.

The second precondition is related to the acquisition of funds from international sources. This involves cooperation among cultural institutions that implement cultural and educational activities and their inclusion in international networks. The following answer supplied by the Plesna izba from Maribor illustrates the common state of affairs in this field. *“Since we are not aware of the existence of local or international networks in the field of cultural education, we are not a member of any such association. We would certainly want to join any such organization.”*<sup>16</sup> Notable examples are museums and galleries that have established successful inter-institutional links on the local level, joined international networks and succeeded in winning international funds. The Museum of Modern Art is one such institution: *“The Museum of Modern Art is a member of the Association of Museums of Slovenia and of the non-governmental organization entitled Engage, based in London. I myself am a member of the Pedagogical Section of the Association of Museums of Slovenia, and I actively participate as a partner in the Collect & Share project coordinated by Engage and financed by the EU (Grundtvig 4 program). It involves collection and evaluation of instances of good pedagogical practices in the area of life-long learning and their entry into a database. In our field (and in modern art in particular), a multi-disciplinary approach is very important, so co-operation is important and beneficial. Naturally, every organization pursues its own vision and methods in developing its programs, compatible with its exhibition strategies and cultural policies.”*<sup>17</sup> Another institution that has been devoting considerable attention to networking is the Ethnographic Museum. *“Joint interests and exchange of experiences are the reasons why the Slovene Ethnographic Museum has been establishing links with other local (professional societies, e.g. ethnological) and international institutions (NET, ICOM etc.). In connection with educational cultural activities in Slovenia, in recent years museums have cooperated in various areas. Let me mention the booklet listing the pedagogical programs of all Slovene museums (for 1999/2000, 2001/2002, 2003/2004), Museum Fairs, and the Museum Night. These successful activities also indicate that in the future it will*

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<sup>16</sup> *Ibid.*, 54.

<sup>17</sup> *Ibid.*

*be necessary to aim for similar activities more frequently, since everyone benefits from this – museums as well as our visitors.*"<sup>18</sup>

Joint educational cultural programs, inclusion of cultural institutions in international networks and acquisition of international funds can essentially enhance the quality of educational cultural projects and reduce the price of tickets.

Educational cultural projects and the strategy of the maximum possible reduction of ticket prices need not represent only an additional burden in terms of staff and costs on cultural institutions. As Frey stressed, this can also be an opportunity for the commercialization of the offering of cultural institutions leading to a greater number of visitors.<sup>19</sup> One puppet theater, Papilo from Koper, is aware of these benefits: "*These activities generate part of our income, popularize our theater in a specific environment, and help us acquire new projects. [...] The number of parents and children attending puppet and other shows has increased.*"<sup>20</sup> The Museum of Modern Art arrived at a similar conclusion. "*It does bring a return, by enhancing the quality (and the number) of visits and in the sense of satisfied visitors who want to come back and bring others with them.*"<sup>21</sup> In the Plesno Gledališče Celje (Dance Theater Celje) they have a similar answer to the question of whether it pays off to invest in educational cultural projects. "*Yes, it attracts more visitors.*"<sup>22</sup>

In fact, there are several reasons why educational cultural events can attract more visitors. The first is the relatively low cost of these events. The answer we received from the Cankarjev dom cultural center confirms this. "*Cultural education, compared to other programs, is in a somewhat inferior position, since the funds for its financing are relatively low, although it is true that these events, once again if compared to other shows we produce, are cheaper.*"<sup>23</sup> Since what is essential is that children actively participate in a creative

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<sup>18</sup> *Ibid.*

<sup>19</sup> Frey 2000, 59. This "trick" is well exploited by the Ljubljana BTC City (shopping center) which offers a rich range of free puppet shows, painting workshops and other events for children.

<sup>20</sup> Hrženjak 2004, 49.

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*, 30.

process instead of being just passive observers, creativity workshops are a very suitable and a relatively cheap form of educational cultural event. The second reason why educational cultural program can increase visits to cultural institutions is that children bring parents with them. It is very likely that some of these parents would never go to, say, a gallery were it not for the good of their children. Therefore, in shaping the prices and cultural offerings, a sensible approach seems to be one taking into account the diversification principle, meaning, for example, lower prices for families with children, or free creativity workshops for children while parents visit an exhibition (this is already practiced by the Museum of Modern Art) and the like. In this way, a free ticket for an educational cultural event can become an investment bringing cultural institutions closer to the population and through it increasing the number of visitors.

The suppliers of educational cultural projects can obviously contribute much towards enabling all children to have equal access to culture, arts and cultural capital by employing the instrument of an accessible ticket price. We have already mentioned one method to achieve this, that is, through the subsidies given by the Ministry of Culture and the Ministry of Education, Science and Sport that cover the loss of income resulting from the lower price of tickets. The other method, not yet firmly established, involves sponsorships and donations. One argument that could be used to attract sponsors is the relatively small amount of money that has to be invested, and it may even be returned in kind, e.g. by printing the sponsor's logo on the ticket or brochure. Furthermore, it is necessary to develop the practices of inter-institutional linking, inclusion in international networks and acquisition of international funds. And last but not least, it would be sensible to think of educational projects not as an additional income on a prospective market, but as an investment in making cultural institutions accessible to the widest audience.

However, the fact is that parents with low cultural capital (which is not necessarily related to low economic capital; on the contrary, in many cases the complementary economic capital is quite high), will not take their children to such events despite negligible prices or free tickets. Therefore, we think that in order to provide equal opportunities for all children as regards the acquisition of cultural capital, intervention by the educational system is indispensable. And the



schools are, at least for the time being and in principle, free of charge and compulsory for all children.

### CULTURAL EDUCATION IN SCHOOLS

The provision of cultural education in schools is still hampered by many unresolved issues, for example, what kind of cultural education should be offered. Visual arts and music are traditionally part of school curricula, but the question is how to integrate lectures about theater, dance, film, video arts, media and cultural heritage. What role should be ascribed to modern arts and popular culture? Furthermore, the controversies regarding the content of inter-cultural education and the problematization of dominant, canonized culture give rise to the question of whose/which culture should be taught in schools. It is also unclear who is more competent to teach cultural content, educators or artists. Both lack certain skills. Artists lack pedagogical knowledge, while teachers do not have sufficient knowledge about the content and professional aspects of individual arts. Finally, for the economics of culture, the most important concern is whether this type of investment in culture will be returned in the form of increased demand for cultural goods and services. Does systematic investment in education and knowledge about culture have a stimulating effect that increases the consumption of artistic and cultural goods and services?<sup>24</sup>

Heliburn and Gray have reported on American studies in which researchers sought to determine whether cultural education had led to a greater demand on the cultural and arts markets. The common conclusion of several studies<sup>25</sup> was that an early introduction of children to the world of arts does have a positive effect on the level of individual consumption of arts in adulthood. They have also concluded that systematic cultural education, mediated through the educational system, functions as a corrective to the socio-economic status of the individual. Individuals coming from weak socio-eco-

<sup>24</sup> The Slovene National Program for Culture 2004–2007 includes an assumption that cultural education is one way of shaping good future consumers of culture. This assumption is presented as not being controversial, although this issue deserves further attention of researchers.

<sup>25</sup> This is a longitudinal study entitled *Survey of Public Participation in the Arts*. See Heilbrun, Gray 2001, 398–402.

conomic situations (the criteria of assessment were family income, the number of cars in the family and parental educational attainment) who received systematic cultural education through the school system spend more frequently on cultural and artistic goods than individuals who were not included in such a system and whose cultural education was in the hands of their parents.<sup>26</sup>

How and in what way cultural education (and which cultural education) increases the consumption of cultural goods and services is an interesting research subject. Yet the fact is that systematic cultural education in schools and the educational system generate a continual, regular and predictable need for educational cultural projects, or in other words, they produce permanently greater demand. Schools cannot create educational cultural projects on their own, so systematic linking and cooperation of educational and cultural institutions is inevitable. Similarly inevitable is co-funding of projects by both ministries.

At the moment, the initiative in Slovenia comes primarily from cultural institutions. They encourage schools to bring children to attend their educational cultural projects and invite teachers of cultural subjects to attend additional courses on the content they teach. Asked how they attract an audience for educational cultural projects, people from the Cankarjev dom answered: "*Through direct marketing, meaning through contacts with schools and other educational institutions,*"<sup>27</sup> adding that this "*cooperation is not formalized, although we do organize two working meetings with schools each year and we also respond to their initiatives.*"<sup>28</sup> A similar answer was given by the Plesna izba from Maribor. "*We attract the audience primarily through our active engagement, investment in promotion...*"<sup>29</sup> The puppet theater Papilo also invests in advertising. "*We attract the audience for open-type workshops by advertising in kindergartens, schools and libraries and in the local newspaper.*"<sup>30</sup> A systematic promotion of educational cultural projects in schools and kindergartens is undoubtedly one of the possible ways of establishing links with the

<sup>26</sup> *Ibid.*, 400–401.

<sup>27</sup> Hrženjak 2004, 50.

<sup>28</sup> *Ibid.*, 51.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.*, 50.

educational system. However, we assume that such promotional expenditures can be afforded primarily by cultural institutions whose programs are funded from the state budget. On the other hand, institutions who depend more on their own sources of income than on the budget, probably reckon with more visitors and greater income from ticket sales as a result of an investment in promotion. Better linking of cultural and educational institutions would actually lead to even lower promotion costs, or in other words, these costs would be more equally distributed between the two sides with the aim of achieving the lowest possible ticket price or even a free ticket. The Mestno Gledališče Ljubljansko made use of a catalogue published by the National Education Institute to advertise their seminar on theater intended for educators. *"We cooperate with the National Education Institute in the preparation and organization of the workshop. In other respects, we rely on ourselves when it comes to contacts with educators and conceptualization of the program. Our relationship with the Institute is good, and for every workshop we sign a separate contract. By working under its auspices, we got the right to advertise our program in their catalogue of professional courses. Our program is found in the 'commissioned programs' section, meaning that teachers participating in these seminars receive a certificate and accumulate several points. These certificates are issued by the National Education Institute, which also collects fees for seminars, while MGL is reimbursed material costs."* In this case, the cost of cooperation is not a burden on the budget of the supplier of cultural program only, but the educational institution as well.

Systematic cooperation among cultural and educational institutions is important not only because it reduces the costs of informing and promotion, which leads to a more efficient link between demand and supply. It is also important in terms of content. The educational institutions' demand for educational cultural projects would definitely increase if cultural institutions shaped their projects in accordance with the requirements of the school curricula and educational needs. One such example is a project carried out by the Mestno gledališče, which responded to the need of elementary schools for specialized courses for their teachers who teach content related to theater. *"Lectures on theater, as I understand our activity launched in the last year, were primarily designed for adults. Mrs Branka Bezeljak*

*Glazer, who is a theater pedagogue and a director, drew our attention to the fact that one of the elective courses was entitled Theater Club. This course is conceptualized as an introduction to theater and the organization of work in a theater. The main problem was that this course is taught by teachers of Slovene who usually do not know much about the specific features of theater operation and production. So we decided to organize a workshop for all teachers of this course. That this was an unpardonable faux pas of the Ministry of Education was also pointed out by Dragica Potočnjak in the reader's letter published a month ago or so in Sobotna priloga [a weekly supplement of the daily newspaper Delo]. Teaching of theater content without adequate professional qualifications is, of course, just an amateur introduction to theater rather than a serious pedagogical process. On the other hand, it is also true that insistence on specialization (for example, that Theater Club course should be taught by theater academy graduates) would probably lead to the elimination of this elective course, since not all schools would be able to obtain a pedagogue.”<sup>31</sup>*

The tying of educational cultural projects to school curricula would make schools more interested in shaping joint projects with cultural institutions.

## CONCLUSION

In this essay we start from the thesis that the area of cultural education is a promising market viewed from the perspective of the economics of culture, for at least two reasons. The first is parents' awareness of the importance of investing in the cultural capital of their children, because that increases their competitiveness and generates more options for social promotion in adulthood. The second is the wish of the state to enhance the cultural literacy of the population and to encourage quality consumption of cultural goods and services. However, despite favorable market trends, owing to an uneven distribution of cultural and economic capital within society cultural education cannot be left at the mercy of market forces. In Nordic countries (in Sweden since 1970, meaning even before the ratification of the Convention on Children's Rights), there is a gen-

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<sup>31</sup> *Ibid.*, 25.

eral consensus that children's creativity and their access to culture must occupy a conspicuous place within national cultural policy. In 1990, these aims were also acknowledged in the UN Convention on the Rights of the Child, which protects the child's right "to participate freely in cultural life and the arts."

We have proposed two strategies for implementing the goal of equal access to culture, cultural education and cultural capital. The first involves the market and aims at reducing or eliminating the cost of tickets for educational cultural projects offered on the market. This could be achieved in several ways: through joint subsidizing of educational cultural projects on the part of the Ministry of Education, Science and Sports and the Ministry of Culture, through sponsors and donors, through local and international networking, and through a conceptualization where cultural education would be understood not as a source of additional income but as an investment making cultural institutions accessible to the widest audiences. The second strategy aims at a better integration of cultural education into the educational system, because this leads to a greater demand for educational cultural goods and services and creates the potential for systemic linking of demand and supply, which, in turn, produces cultural education and cultural literacy that is of better quality and accessible to all children. The goal is not only to create a "good consumer." Cultural literacy entails personal emancipation and autonomy, the capacity for critical judgment, resistance to various forms of manipulation, and positive evaluation and respect for differences between people, cultures and societies.

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## **CULTURAL INFRASTRUCTURE**

BRATKO BIBIČ

This contribution presents several starting points for the study of cultural infrastructure (in the narrow sense of the word, meaning physical, spatial infrastructure). We will concentrate on its role in the economics of culture and will discuss the legal regulation of this area in Slovenia. Special attention will be dedicated to access to this infrastructure, i.e., the terms and conditions affecting so-called independent cultural producers or the private non-profit culture and arts sector. Since the available literature dedicates only limited attention to these issues, or does not address them at all, certain questions that will be raised in this essay will remain unanswered. Moreover, we cannot hope even to broach all relevant questions, but we do hope that the answers provided in this essay will form a solid basis for further discussions that will be opened by future research studies.

Slovenia, and Ljubljana in particular, is characterized by the infrastructural starvation of many cultural public institutions, on the one hand, and, on the other, by a vast gap between public institutions and non-profit, private cultural producers in terms of infrastructure accessibility. By adopting the Exercising of the Public Interest in Culture Act and the National Program for Culture, the state intervened in the area of cultural infrastructure, or rather, accessibility of spatial and technical preconditions for cultural and artistic production, distribution and consumption.

### **THE ROLE OF CULTURAL INFRASTRUCTURE IN THE PRODUCTION, DISTRIBUTION AND CONSUMPTION OF CULTURAL GOODS AND SERVICES – THESES AND STARTING POINTS**

As a rule, texts dealing with the economics of culture do not address in any depth the subject of cultural infrastructure, particularly not

those that focus on the calculation of the multiplier effects of culture for national economies. Apparently, in these types of studies, cultural infrastructure is treated as a self-evident and given variable, or in other words, a precondition that is invariably met in one way or another and hence not interesting as a subject of discussion or calculations.<sup>1</sup> As a result, these studies do not offer answers to the questions related to information, methodology and content of the assessments of economic aspects, the potential and implications of investment and the functioning of cultural infrastructure in the context of the cultural market and the economy in general. Possible reasons for such a state of affairs are as follows: a) the diversity and dispersion of infrastructure across various areas of culture; b) the relatively small value of investment in cultural infrastructure compared to other investment in comparable areas (sport, education, entertainment, leisure) and investment in basic infrastructure (transport, energy, communal supplies etc); c) the relatively small costs of operation and maintenance of cultural infrastructure in both the short and the long-term run of monitoring trends on the cultural market; d) the disproportionately large share of public investment in cultural infrastructure compared to investment by private and corporate sectors; e) the premise that cultural infrastructure belongs in the area of real estate, construction, urban or communal space, rather than in the area of the economics of culture or cultural policy.

However, when considering the relation of culture to the economy and the prospects for culture, the issue of public and/or private cultural infrastructure should be given its appropriate place, if only

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<sup>1</sup> In the economics of culture, which focuses on the calculation of the multiplier effect of culture, infrastructure shares statistical destiny with other structural components of the cultural market that remain insufficiently differentially aggregated within macro-economic statistical classifications. Statistical classification of economic sectors does not offer aggregate data on investment in cultural infrastructure, either public or private. (For a similar problem related to employment in culture, see the contribution by A. Milohnić). The calculation of the multiplier effects of culture belongs statistically in the tertiary economic sector, while construction work and other activities related to the physical production of infrastructure belong in the secondary sector. The economic statistics compatible with the needs of the cultural economy endeavors to surpass the boundaries laid down by past classifications. This type of statistic does not offer data on the share of public and private investment in cultural infrastructure within the structure of all investment in this sector, or in other words, it does not offer data on the contribution of these investments to the ultimate calculation of the multiplier effect of the construction works sector (and with it, the secondary sector as a whole).



because infrastructure is definitely an *indispensable* (although not the only) *existential, operational, material and physical prerequisite for* (and the means of) *artistic and cultural production, distribution and consumption*. Each of these segments implies the existence of certain infrastructure. Without it, it would not be possible to speak about the cultural market, on the one hand, or the policy of infrastructure provision, on the other, here seen as one of the main means of political intervention in the market.<sup>2</sup> The fulfillment of this requirement in one way or another co-determines the actual circumstances for the development of dynamic and diverse artistic and cultural markets and policies, which, indeed, sometimes pursue conflicting goals and have different statuses.

The concept of infrastructure had originally been coined and introduced by the French railway system. It was then taken over first by the military and then by state administrations and applied to the planning of public utilities provision, including the planning of the infrastructural (spatial) component of cultural development. Since the 1980s, the concept of infrastructure has been in use – along with other terms – in governmental policies and practices, where it settled as a “natural” (self-evident) term of “new managerialism,” appearing in contexts related to the streamlining of public utilities. Eventually, it found its way to local, regional and urban planning (communal, transportation infrastructure), including the strategies of cultural development. These concepts indicate that the approach to the allocation of infrastructural resources and to related decision-taking procedures is forward looking and implies long-term implications.<sup>3</sup> In the words of a former Slovene minister of culture, “by investing in cultural infrastructure we keep an eye on future strategic areas, since we build not only for tomorrow but for the day after tomorrow as well.”<sup>4</sup>

<sup>2</sup> For example, the National Program for Culture (NPC), in the section listing the general priority goals of cultural policy in the period 2004-07 and related to the encouragement of the cooperation of economy and culture, i.e. public and private resources, expects that priority support of infrastructure programs and projects will provide “conditions for a more functional cultural market and better accessibility of culture.” (NPC, III, 6)

<sup>3</sup> Evans 2001, 6.

<sup>4</sup> J. Školjč, “Uvod” (Introduction), in: *Pregled sofinanciranja kulturnih programov in projektov v letu 2000* (A review of the co-funding of cultural programs in 2000). 2000. Ljubljana: Ministry of Culture.

Some basic characteristics of investment in and construction, reconstruction and maintenance of cultural infrastructure are as follows:

1. The building, existence and development of cultural infrastructure aim to create general and special preconditions for the operation and direction of cultural production, distribution and consumption, in the long-term run, on the collective level and within a broader, spatial context (location).

2. Cultural infrastructure is the basic means, or rather, the material mainstay of the allocation of developmental resources and attainment of public, cultural and political and/or corporate and entrepreneurial strategic developmental goals in various locations (allocation-localization).<sup>5</sup>

3. The construction, purchase or reconstruction of cultural infrastructure requires a (relatively) large initial investment.<sup>6</sup>

4. Buildings that form cultural infrastructure (generally) imply a long period of physical and functional exploitation and a relatively long amortization period, i.e. the period of invested (public or private) capital turnover.<sup>7</sup>

5. Public investment in physical infrastructure for the needs of cultural production, and especially the cultural industry, are a very important “anchoring” factor, enabling spatial clustering of high quality cultural producers and related sub-contractors and suppliers of services in a specific region.<sup>8</sup>

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<sup>5</sup> The Strategy for Economic Development of Slovenia treats public investment in infrastructure facilities as a method used by the state, as an economic agent, to direct public expenditure to those activities or projects that have been determined as its goals or through which it is possible to achieve these goals (UMAR 2001, 88).

<sup>6</sup> Similar to the conclusions in the area of sport in connection with the organization of world championships, Olympic games etc., the projects promoted by cultural capitals have also begun to be viewed as a “unique” opportunity for the accumulation of large *initial* resources for investments in infrastructure. The strategic approaches employed by European cultural capitals differ. The question of what will remain after the event (the long-term aspect of infrastructure) marks the division line separating investment in infrastructure from that in an event or a festival. One such example was the European Month of Culture in Ljubljana, in 1997.

<sup>7</sup> Most buildings do not deteriorate physically in less than 25 years; their life cycle is usually much longer. The life cycle, or the period of physical deterioration, can last as long as it is necessary for a specific building to pay off its economic value (as opposed to its accounting value) (Smith 1996, 58).

<sup>8</sup> Scott 2000, 79.

6. On the other hand, a high concentration of producers and producer activities in one location means that by providing essential infrastructural products and services it is possible to produce multiple and positive effects.<sup>9</sup>

Possibly a milestone that may lead to an increase in investment in public cultural infrastructure from the state budget is the law on the “cultural tolar,” first introduced in 1998.<sup>10</sup> As a result, the planned investment in cultural infrastructure by 2003 amounted to approx. 115,000,000 euros, which represents a substantial increase, although realized investments during the second half of the 1990s were somewhat lower.<sup>11</sup> The amended “cultural tolar” law passed in 2003 increased the fund earmarked for investment for the period 2003-2008 to app. 125,000,000 ECU. In addition to investment arising from the “cultural tolar” law, i.e. 115,000,000 euros (2003-08), another 23,000,000 euros (for the period 2004-2007) were planned to be provided from the budget of the Ministry of Culture. The total amount planned for investment in culture on the national level in the period 2003/2004 – 2007/2008 would therefore amount to app. 138,000,000 euros.

This sum is relatively small compared to other government investments in public infrastructure. How small it actually is can be illustrated by comparing this sum to the planned investment from public sources in road infrastructure, quoted in the National Development Program 2001-2006 (p. 59). This investment was worth app. 790,000,000 euros. An even more illustrative comparison is one between the investment in cultural infrastructure and that in the construction of two entertainment parks quoted in the Tourism Strategy of the RS. In fact, the total value of investment in cultural infrastructure is smaller than the lesser of the two investments in entertainment parks, estimated at 150,000,000 euros.<sup>12</sup>

These facts lead us to the conclusion that *public* investment in spatial cultural infrastructure does not have great specific value viewed

<sup>9</sup> Scott 2000, 19.

<sup>10</sup> Zakon o zagotavljanju sredstev za nekatere nujne programe Republike Slovenije v kulturi, Uradni list RS No. 24, 27.3. 1998 (ZSNNPK).

<sup>11</sup> Cf. Tomc, Bibič et al. 1998-2000.

<sup>12</sup> Kovač et al. 2001, 90. Planned investment in tourism infrastructure for the period 2002-08 amounts to 1,500,000,000 euros.

from the perspective of actors (capital owners, the state and others) operating on the real estate and related markets (services, industry, trade etc.). Even if viewed from the aspect of the economics of cultural activities' implementation in the long-term run, the costs of infrastructure – including the costs of investment – probably do not have the greatest relative weight compared to other costs, primarily the costs of labor, which top the costs lists in (mainly) labor intensive cultural sectors. Accordingly, in 2002 investment and maintenance costs represented “only” 11% of all expenditures of public institutions.<sup>13</sup>

In order to give a relevant estimate of the role and the place of cultural infrastructure in the economy and the wider society, it would be necessary to make an inventory of the infrastructure, and to analyze it in its aggregate state, which includes the areas of cultural production, distribution and consumption. The economic significance of investment in cultural infrastructure could appear in a different light if investments from the state budget<sup>14</sup> were considered alongside investment made by local communities and investment by private, commercial and market-oriented (corporate) investors.<sup>15</sup> Recently, we have observed an increase in investment in cultural infrastructure by the Roman Catholic Church (Podutik, Vič etc.), and we should not forget the planned construction of a mosque in Ljubljana, whose program also envisages cultural activities of this religious group in addition to religious services.

When considering cultural infrastructure in the context of the (political) economics of culture, we should not overlook its importance for the area of education that prepares young people for cultural and artistic professions, reflective theoretical approaches and criticism of cultural and artistic practices.<sup>16</sup> First, infrastructure co-determines the conditions in which the education, training and for-

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<sup>13</sup>“Ekonomika kulture” (The Economics of Culture) 2003.

<sup>14</sup>Let us point out that investment from the state budget includes investment in the infrastructure used by so-called live, contemporary culture, i.e. the public institutional and private non-profit sector, as well as investment in the reconstruction of buildings categorized as cultural heritage, and investments in the cultural infrastructure of protected natural areas.

<sup>15</sup>BTC, multiplexes, Kolizej, Union, the already mentioned entertainment parks and other segments of the tourism industry.

<sup>16</sup>Zukin, for example, uses the term “critical infrastructure” (Zukin 1996).

mation of academically qualified cultural workers takes place. Second, it also co-creates the conditions for the university education of cadres who will be capable of reflexion on and criticism of the developments in culture and on the cultural market. Media reporters and critics create the environment that makes possible the presence and responsiveness of cultural production, and with it they exert an increasingly critical influence on its position, effectiveness and valuation.<sup>17</sup>

The aggregation of all of these investments and their comparison with other infrastructural investment would provide the basic indicators of the economic, social and political weight of investment in cultural infrastructure, including investment in related sectors (e.g. the real estate market, architecture, engineering, construction work, manufacturing of materials, crafts, services, technology, installations, etc).

Therefore, the problem of investment in cultural infrastructure does not arise from its relatively large extent *per se*. The problem is that funds must be secured in one way or another, and that a specific amount of money has to be available at a specific moment<sup>18</sup> so that the construction or reconstruction of particular infrastructure can begin. Under the present conditions of access to space (a rare and expensive asset in itself) in Slovenia, and especially in Ljubljana, the general problem of investment in cultural infrastructure is the large sum needed for initial investment in new construction, extensive reconstruction and maintenance of existing infrastructure. The issue of investment capacity is also confronted by other cultural sectors, and by state and local budgets, where it is usually not considered a priority area of investment.

This problem is even more acute for participants in alternative culture and free-lance cultural workers, i.e. self-employed cultural workers and other individuals. For the majority of private (non-governmental, non-profit) cultural producers, their own investment in infrastructure is an unattainable goal. Therefore, for these produc-

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<sup>17</sup> A current example of infrastructure that is inadequate for the cultural production and critical reflection on culture is the poor working conditions at all three arts academies and the Faculty of Arts in Ljubljana.

<sup>18</sup> Also through loans or leasing – the example of the Slovanska knjižnica (Slavonic Library), Tovarna Rog (MOL) etc.

ers and their audiences, access to public infrastructure is possible primarily, if not exclusively, through cultural-political intervention by the government. In the first version of the law on the “cultural tolar,” almost 60% of the total funds were allocated to investment in public cultural infrastructure, and only 2.5% to independent (non-institutional) culture. A similar discrepancy between investment in the public and private (non-profit) cultural sectors can be observed in the second/amended version of this law,<sup>19</sup> where public institutions were indeed allocated a smaller share, i.e. 53% of the total fund, but the so-called “cultural network,” comprising the independent cultural sector, obtained only 2.2% of the total fund.<sup>20</sup> The amended law also omitted the only, and unrealized, investment intended exclusively for non-institutional culture. In the previous version of the law, this amounted to 1.5 mil ECU.

During the last, “transition” decade, independent cultural production could not develop optimally and autonomously in harmony with its inherent laws, dynamics and forms of production. The reason was its dependence on public sector infrastructure, a dependence which was further aggravated by the disputable selectivity practiced by public institutions as regards programs and prices. The lack of infrastructure also prevented these non-institutional producers from forming links on the local, national and particularly the international levels. In countries like Germany, The Netherlands, Switzerland or Austria, during the last three decades of the 20<sup>th</sup> century, independent cultural production won for itself a rather sizeable infrastructure, which it manages autonomously. The major part of this infrastructure is public property, or owned by municipalities that subsidize these programs. Therefore, it is not by chance that the current study of cultural economy in the German federal state of Hessen<sup>21</sup> specifies this sector as one of the three main areas of the cultural economy. This study analyzes (comparatively, with refer-

<sup>19</sup>Zakon o spremembah in dopolnitvah zakona o zagotavljanju sredstev za nekatere nujne programe Republike Slovenije v kulturi v obdobju 2004-2008 (Uradni list RS, št.108/02).

<sup>20</sup>The monuments mainly in public ownership, excluding the property owned by the Roman Catholic Church, obtained a 32.70% share, while the rest was dedicated to “amateur culture” (7.00%) and “libraries” (5.04%).

<sup>21</sup>FEK 2003, 25.

ence to the country as a whole) 400 socio-cultural centres linked through the national Union of Socio-Cultural Centers.

Based on the division into three cultural sectors, i.e. the public sector, the private-economic sector working in the public interest (*privatwirtschaftlich-gemeinnützige Sektor*) and the private commercial sector, the Hessen study further divides the cultural economy into three parts:

1. The market-oriented cultural economy. It comprises mainly private companies and institutions, independent cultural entrepreneurs and independent artists, whose main common denominator is their profit-oriented operation.<sup>22</sup>

2. The public culture. It comprises cultural institutions established by public authorities, including theaters, museums, orchestras, institutionally supported associations, educational institutions, foundations, public cultural and research institutes, as well as the administration of cultural institutions on the national, regional, district and communal levels. On the regional level, the cultural administration sector may represent an important economic factor, since owing to its independence from the market conjuncture, it is characterized by stability of employment. The public culture sector is treated with priority when allocating budget resources.

3. The independent cultural scene. It comprises independent institutions, cultural operators and institutions, frequently linked through an association, then economic organizations serving the public interest etc. A large part of this scene consists of independent artists. It comprises non-profit organizations and institutions such as socio-cultural centers, alternative culture centers, cultural cafés, independent theater groups, local cultural associations and more. The concept of the independent cultural scene comprises very diverse artistic forms ranging from cultural and educational to social work. One feature specific to the independent cultural scene is a large share of voluntary work. It is positioned between the public cultural sector, on the one hand, and the market-oriented cultur-

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<sup>22</sup>Its characteristics are as follows: mainly small and medium-size companies, high personal intensity, predominantly lasting orientation towards the local milieus and regional networks, and networking that brings mutual benefits extending beyond regional standards. These networks mainly enhance the economic development of small or very specialized organizations.

al economy, on the other, or rather, it is outside both. The independent cultural scene is not market-oriented for profit earning reasons, but rather for survival reasons. A major part of its budget comes from its own income and from sponsors, but its existence – similar to that of public culture – is still largely dependent on public budgets. It is considered an important innovative potential of the cultural economy that may produce essential impulses fueling the development of mainstream cultural markets.

In Slovenia independent or alternative cultural production was formed in circumstances in which the (cultural) political and economic system exercised control over culture and arts, even by preventing access to infrastructure needed for the existence of the independent scene and for its freedom.<sup>23</sup> Therefore, after one post-socialist decade of exclusive cultural and political discrimination in favor of the public cultural sector, we can speak about a *monopoly of the public sector* over cultural infrastructure, coupled with *discrimination against the independent* (private non-profit) sector as regards access to (public) cultural infrastructure. Although certain recent positive shifts have been observed in this area, this inherited state of affairs still essentially restricts the developmental options and potential of this sector, including the potential for direct cultural exchange and co-production with international producers. Similar shifts are also present in the economic and (cultural)political context, which changed in the decade and a half under consideration. For these reasons, we shall now proceed to explore the legal regulation of access to public infrastructure in Slovenia.

POLITICAL AND CULTURAL-POLITICAL  
FRAMEWORK OF (STATE) REGULATION OF THE ARTS  
AND CULTURE INFRASTRUCTURE

The National Program for Culture draws on all strategic documents of the Government of Slovenia, and especially on the Strategy for Economic Development, the National Development Program, the Spatial Development Strategy, the Strategy of the Republic of

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<sup>23</sup>This is especially true of the period of increasingly unlawful repressive response to cultural and ideological conflict in the 1980s. It had a significant structural effect on the outcome of this conflict.



Slovenia in Information Society, the National Program for Higher Education and others. With the National Program for Culture, responsibility for the preservation and development of culture was entrusted to the government as a whole, so the realization of these goals is the responsibility of all ministries (An Introduction to the Resolution on the National Program for Culture). These strategic documents are also subject to a certain hierarchy suggested by the order of their listing.

#### THE STRATEGY FOR THE ECONOMIC DEVELOPMENT OF SLOVENIA

The Strategy for Economic Development is the main strategic document. It indeed deserves this status, at least from the viewpoint of the popular wisdom that money is power – in this case public money. The Strategy itself is based on the law on public finances. “The Report on the Implementation of the Strategy for Economic Development” is considered as “the basis of decisions regarding priority funding” within the framework of the four-year plan of development programs financed from the state budget that includes (harmonized) investments and other forms of state assistance, including that received by the Ministries and the budget dedicated to culture.

Another reason why this document deserves its position at the top of the hierarchy is that it provides the “broadest framework” for the shaping of strategic documents for individual areas, including the area of national cultural policy. The basis and goals to be observed in implementing economic strategy within the priority areas of development are “translated” into concrete programs in the document entitled the National Development Program of Slovenia.<sup>24</sup> The formulation of concrete guidelines and measures of sector policies regarding direct intervention or the encouragement of individual activities and administrative and economic sectors, is the task of authorized bodies responsible for respective fields. In this, the economic strategy, which takes into account to the greatest extent possible all previously adopted guidelines for sector policies (including

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<sup>24</sup>The National Development Program has the status of an “indicative” implementation document of the Strategy for Economic Development, listing priority development goals, main programs and sub-programs.

documents that were in the process of writing<sup>25</sup> at the time the strategy was adopted), figures as an umbrella document, in addition to providing a general framework for their implementation and balanced development. The limits imposed upon sector policies, including cultural policy, by this broad, umbrella-style economic strategy are limits arising from their *compatibility with the “new development paradigm.”* Below are some basic definitions of this paradigm and the place of culture within it.

The main goal of the economic development strategy is to “increase the welfare of people living in Slovenia in a sustainable manner”. Welfare is defined as a “balance between economic, social and environmental components” and, in addition to these material components, it also includes “non-material aspects such as personal development and self-realization, social integration and security, cooperation, the development of individual and cultural identity.”<sup>26</sup> These components of welfare are matched by economic, social and environmental factors of development. In this strategy, the issue of culture is first addressed in the part dealing with the human development factor. The significance of culture increases along with that of “know-how, innovation, creative use and handling of information, organization and management” and other factors of quality in the globalized world. In this context of the increasingly important role of “human capital” (education and health of the individual) and “social capital” (social relations shaped through human interaction) for economic development, an increasing value is attributed to culture and civilization,<sup>27</sup> as factors influencing “openness and cooperation which should enable the establishment of personal, collective and national identities” in the globalized world of increasingly keen competition. Obviously, the new paradigm of economic development is no longer content with merely balancing the social aspects of economic strategy – i.e. more possibilities and broader choice, a long and healthy life, educational options and suitable living conditions –

<sup>25</sup>One such document is the National Program for Culture.

<sup>26</sup>One significant conclusion is that the priority given to economic growth and development arises from the assessment frequently quoted in the Strategy, i.e. that in terms of *economic* development Slovenia lags behind more than it does on average in *social* and *environmental* development.

<sup>27</sup>However, there is no mention of the “arts”.

and economic factors. Social development needs to be “internally modernized and oriented towards pursuing common goals, which will serve as a basis for a new national social policy.” If the policy of social development is to ensure social security and enable and promote social inclusion, it should primarily be a policy of equal opportunities aiming to facilitate social participation and activate people to take the active approach to life. The active role means that the stress is on individual responsibility for one’s own situation that should replace the passive attitude that turns people into “passive receivers of support” made possible by a “dispersed and non-selective social security system.”

The Slovene transition from a materialistic to a post-materialistic value system in which growth in the production of material goods comes together with an emphasis on “quality of life and interpersonal relations” is “similar” to the transition accompanying modern economic development and globalization in general. In Slovenia, this transition is believed to be characterized by the “co-existence of contradictory attitudes” in individual experiences of post-socialist changes. “Acceptance of a market economy, stressed individualism and mutual competition exist together with egalitarian principles of income distribution and a high appreciation of social security. Determination to join the EU and the replicating of Western standards are combined with a high level of national homogeneity, ethnocentrism stressing national cultural identity and state sovereignty. On the other hand, obstacles to openness and internationalization show a low level of democratic culture as reflected in the lack of trust in personal relationships, intolerance and xenophobia.”

In the economic strategy for development based on “openness and learning”, culture plays an important role (as does civilization), because the prevailing values and opinions of people significantly define which feasible development routes are at a disposal of a certain society. Individual elements of the value pattern described above may represent “a serious barrier to the implementation of openness”, so it will be necessary to attain “a broad consensus concerning basic values and opinions.” Culture plays an important role in the shaping of values, because it contributes to the development of “creativity, imagination, flexibility and cooperativeness, while the development of national cultural identity increases social cohesion

and contributes to the creation of fundamental social consent concerning the promotion of developmental potential and a creative response to the challenges of globalization as a cultural phenomenon.” The two especially important aspects of culture in modern circumstances are democratization, in the sense of increasing (active and passive) cultural *participation* of citizens, and *access* to culture and cultural heritage, *openness*, cultural *pluralism* and *decentralization* of administration to the levels of regions and civil society. An integral preservation of cultural heritage presupposes its integration into the everyday life and consciousness of people, as part of their living environment and economic activities. A modern cultural policy should, therefore, be formulated in such a way that it encourages active inclusion in international cultural exchange. The purpose is to create an open, multicultural society and develop personal and collective identities, while ensuring an integral preservation of cultural heritage.<sup>28</sup>

Since there is no mention of cultural infrastructure in the Strategy for Economic Development, it is only possible to speculate about its place and destiny on the basis of its implied presence in contexts dealing with other relevant issues, for example, in the part saying that (in addition to other factors) “the significance of infrastructure and institutions that contribute to labor force mobility and adaptability and life-long learning is also growing.”

The National Development Program 2001-2006 (NDP) is somewhat more, although not sufficiently, explicit when addressing the issue of culture.<sup>29</sup> In accordance with the hierarchy of documents, the strategy of cultural development, including cultural infrastructure, is treated in the Resolution on the National Program for Culture 2004-2007 (hereafter NPC). We will point to certain elements that link (the

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<sup>28</sup>According to Zukin (*cf.* Zukin 1989), it seems that the strategy for economic development sees the role of culture and search for new cultural norms in the importance of legitimization and promotion of new, not yet taken-for-granted forms of social control in the strategy of (sectoral) shift of accumulation from industry and trade to services and finances.

<sup>29</sup>Državni razvojni program RS 2001-2006 (National Development Program of the RS, 2001-2006), 2002. The National Development Program treats culture and cultural infrastructure primarily in the context of regional development and cultural heritage, in connection with the development of tourism, and implicitly in the context of city center renovation. These aspects will be addressed in more detail on some other occasion.

management of) cultural infrastructure and the economic strategy in the part of the text dealing with the NPC. However, these links can also be identified in the law on the Exercising of the Public Interest in Culture (ZUJIK), adopted even before the NPC. A comparison of the referential sets of issues in the Strategy for Economic Development and ZUJIK indicates that these mechanisms and goals in the area of culture are already legally binding.

THE ACT FOR THE EXERCISING  
OF THE PUBLIC INTEREST IN CULTURE

In Slovenia, the provision of cultural (public) infrastructure for arts and culture is regulated (as well as other relations and conditions of operation in this area) by what is called the systemic/umbrella law entitled Exercising of the Public Interest in Culture (abbreviated to ZUJIK), which was adopted towards the end of 2002 (UL RS, No. 96/2002). Its predecessor with a similar name was adopted in 1994 (UL RS, No. 75/1994), and remained in force for 7 years (i.e. until 2002).

Even though the two laws share some basic provisions regarding cultural infrastructure,<sup>30</sup> the 2002 law introduced novel features that revealed changes in the attitude of the state and local communities towards public infrastructure (i.e. the management of public infrastructure, the transfer of the ownership of infrastructure etc.). These new features were in many ways the result of the changes previously institutionalized by the Strategy for Economic Development of Slovenia. On the basis of the two laws mentioned above and some other national resolutions, in 2004 the National Assembly adopted the Resolution on the National Program for Culture.

As we have already showed elsewhere,<sup>31</sup> the previous law was expressly discriminatory in regulating access of the private (non-

<sup>30</sup>For example, the definition in Article 70: "Immovable property and equipment which is in public ownership and which has a cultural purpose comprise the public infrastructure in the field of culture." ZUJIK also preserved the stipulation in Article 76: "If the State or local community uses for other purposes part of the public cultural infrastructure which is temporarily or permanently no longer necessary for the provision of cultural activities, income from this use shall be invested in public cultural infrastructure."

<sup>31</sup>*Cf.* Bibič 1999.

profit) sector to public cultural infrastructure.<sup>32</sup> It entrusted the management of cultural infrastructure (including programming and business policies) – along with its usage for the purpose for which it was established – to the *public* sector of culture *exclusively*. In very exceptional cases in which a different *use* of public infrastructure was allowed, *management* was entrusted to the non-profit *housing* (real estate) sector, rather than to *cultural* organizations belonging in the private sector of culture. Discrimination was hence twofold, at least. First, the cultural sector itself was divided into the public and private sector, and second, there was discrimination between sectors, where the division line ran between the private cultural sector and private real estate sector (further divided into non-profit and profit real estate sector). Non-profitability could indeed have been a positive criterion (enabling the positive assessment of the policy of delegating managerial functions to the non-profit, rather than profit sector, i.e. housing organizations), since cultural organizations, too, could obtain this status by virtue of *lex specialis*, and legally apply for the management of public cultural infrastructure. However, this possibility was in reality non-existent throughout the validity of both laws. The reason was the prescribed bottom value of capital in the form of money or real estate upon which the obtaining of this status was predicated. In fact, this threshold could not be attained by any private non-profit cultural organization.

The 2002 law revised this expressly discriminatory cultural policy and monopoly over cultural infrastructure,<sup>33</sup> although the public sector still kept its advantage. “The founding act of a public institution in the field of culture shall specify the real estate and equipment

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<sup>32</sup>The management of public infrastructure can be (schematically) divided into two main aspects, forms or functions. 1) *management of programming* which is a synonym for the regulation of the use of infrastructure for cultural purposes and for the production and distribution activities of the managers and other users/renters of infrastructure coming from the fields of culture and arts; 2) *business management* which is a synonym for the regulation of the economically rational use of infrastructure including the acquisition of additional income from the renting of this infrastructure to third parties, management of economic resources etc.

<sup>33</sup>We would like to draw readers' attention to still another definition in ZUJIK introducing a novel feature. “The provisions on gratuitous transfer, management/use or letting of public cultural infrastructure shall also apply, *mutatis mutandis*, to other material property of the State or local communities which is used for cultural purposes but has not been proclaimed public cultural infrastructure”. (Article 78)

which, as part of the public cultural infrastructure, are managed by the public institution in the exercise of the activity for which it was founded” (ZUJIK, Article 73). However, a new article was added regulating the renting of public infrastructure to other cultural producers (other than public institutions). “The ministry responsible for culture or the competent body of the local community shall offer the use or management of public cultural infrastructure to other legal persons and individuals providing public cultural programmes or cultural projects on the basis of a public call for applications by means of the contract under Article 93 of this Act.” (Article 74, paragraph two). Yet, “[n]otwithstanding the preceding paragraph, the use or management of public cultural infrastructure may be offered to an organisation working in the public interest (Article 80 of this Act) without a public call for applications.” (Article 74, paragraph one).

Investment in and maintenance of public cultural infrastructure remain the responsibility and the task of the founders, i.e. the state and local communities (ZUJIK, Article 71).<sup>34</sup> A public institution or another entitled private or public person obtains infrastructure from the state or a local community free of charge, for the purpose of its use and management. In exchange, it has the obligation – and this is a new provision in the amended law – to take the responsibility for “regular running maintenance” (ZUJIK, Article 75, paragraph one).<sup>35</sup> In addition to this, or more accurately, in exchange for this, public institutions must ensure “full exploitation of the public cultural infrastructure” under its management (Article 73, paragraph two).

<sup>34</sup>The state can also co-fund investment in the public cultural infrastructure of local communities if its significance extends beyond that local community, i.e. for the reason of the balanced development of the country which is in the public interest. (ZUJIK, Article 72).

<sup>35</sup>The provision of investment for the maintenance of infrastructure is hence the responsibility of public budgets and budget policies (i.e. the state and local communities). Therefore, according to this law, the state and local communities exercise the public interest in culture not only by planning and building, but also by “maintaining public cultural infrastructure” (ZUJIK, Article 24, paragraph one, item 2; Article 71). This maintenance is different from regular, running maintenance carried out by the manager, and it can be understood as the public funding of the costs of major periodical maintenance works, including construction work, interventions related to functional and technological maintenance, renovations, modernization, reconstruction and so on. The costs and the scope of the funding of such maintenance are essentially higher than the costs and scopes typical of regular, on-going maintenance of infrastructure.

These two provisions endorsed and implemented the principle of the *economic rationalization* of public cultural infrastructure management. The practical implementation of these principles involves an implicit, but also real and empirically provable hypothesis, that the capacity of public infrastructure managed by public institutions (generally)<sup>36</sup> exceeds the demands for space and time of its managers (public institutions) for carrying out their own cultural programs and projects. In other words, only on the basis of such a hypothesis is it possible to envisage the “renting of free capacity” i.e. the renting of excessive infrastructure capacity managed by public institutions. This systemic excess enables public cultural institutions to enter the market of cultural production, consumption and distribution.

When renting excessive capacity, public institutions are under the obligation to give priority “to cultural providers of public cultural programmes or cultural projects that are compatible with the area of work of the public institution” (ibid.). Obviously, with this regulation, i.e. a restrictive renting policy, the legislator observed at least two cultural and political goals that, along with the general political principle of economic rationalism in managing infrastructure, belong with what is called the policy of “modernization of cultural institutions.”<sup>37</sup>

The first goal is to restrict excessive commercialization, i.e. the type of rental in which the goal would be an unlimited maximization of income (from business) of the public institution through the renting of infrastructure on the commercial infrastructure market. Too great a deviation from the dedicated use of public infrastructure could raise the question of the legitimacy of the special institutional status of this real estate (and equipment) categorized as “public infrastructure.”<sup>38</sup> In other words, it could call into question the justifiability of political intervention (based in law) with which the state,

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<sup>36</sup>Cankarjev dom, Festival Ljubljana.

<sup>37</sup>For more on this, *cf.* NPC.

<sup>38</sup>Similarly aimed limitations are found in Article 31 regulating the funding of public institutions. In addition to the funds secured by the founders and co-founders, public institutions may be funded from non-public sources which are acquired by carrying out public activity and other activities. In this, other activities may not jeopardize the carrying out of the public service.



city or municipality excludes this infrastructure from the financial principle of income or profit maximization.

The second goal was to ensure access to public infrastructure managed by the public institutional sector for other private (non-governmental) “providers of cultural programs and projects.” The law explicitly states the obligation of public institutions to give priority to this category of cultural producers, while it is not directly or explicitly binding on other potential private managers or users of public infrastructure. However, when renting public infrastructure both categories of infrastructure managers may request only compensation that does not exceed the actual additional costs incurred in the process. (ZUJIK, Article 75, paragraph two).

In order to be able to understand the scope of the provisions regulating this right, we have to return to the legal definition of concepts found in this clause. Note that the choice of the term alone, i.e. the “provider” rather than the “author”, “creator”, or “designer” of cultural programs and projects, sufficiently illustrates the position of a candidate applying for a priority use of public infrastructure. The implication is that cultural programs and projects are “designed” by someone else, on the national (governmental, parliamentary) or the local (community) level. Moreover, such a positioning of cultural producers is even explicit elsewhere in the text. The goal pursued by a public cultural provider whose founder is not the state or a local community “must take into account the aims and priorities of cultural policy” (ZUJIK, Article 56).

As regards the general definition of the concept of “provider”, the law does not make difference between profit-oriented or economic (commercial) providers and non-profit or non-commercial providers. The providers of cultural programs are defined as “legal persons, whose activity is, in terms of quality or significance, comparable to the cultural activity of public institutions in their area of work; legal entities whose activity as a rule is not provided by public institutions but whose cultural programmes are in the public interest; autonomous artists who apply as candidates for public cultural programmes” (ZUJIK, Article 58). Furthermore, “[a] public cultural programme is a cultural activity by providers which are not public institutions but which the State or local community provides/funds in a manner comparable to public institutions” (ZUJIK, Article 2,

item 6), and “[a] public cultural programme is a cultural activity which by its content and scope is a complete whole and which is implemented by a cultural provider whose founder is not the State or a local community but whose work is in the public interest to the extent that the State or local community funds it in a manner comparable to a public institution” (Article 56).

Therefore, when renting free capacity, priority is given to those public cultural programs that have been submitted in response to a public call for proposals, have been evaluated, and have gone through a decision-making procedure. In short, these are the programs that went through the complete (increasingly dense) administrative and political sieves of the area committees, consultants for individual areas and other public officers at the Ministry of Culture. In order for a project or a program to compete for the *priority use* of infrastructure managed by a public institution, or for the non-profit compensation (of costs) for such a use in all other cases, it must first meet the condition of *compatibility with the objectives and priorities of cultural policy*, meaning that it must be in harmony with cultural-political orientations and power relations among the actors in respective *fields of activities* of the Ministry of Culture.<sup>39</sup>

A non-governmental “provider of a public cultural program” can therefore compete for the priority use of the free capacity of public infrastructure, only if it meets the conditions stated above. But this is not the end of it. In order to maintain the priority status, it must meet yet another, additional legal requirement, i.e. its project/program competing for the use of infrastructure must be *compatible* with the area of work of the institution managing that specific infrastructure.

The problem is that legal definitions concerning the providers of cultural programs and public cultural programs/projects working in the same area as a public institution, mention only the *comparability* of their “quality or importance” with the cultural activity of the public institution, and a comparable “method of funding” (ZUJIK, Article 58). The law never mentions the *compatibility between the field of work of the providers* of public programs/projects *and that of public institutions*. This means that the provision stipulating the compatibility of public cultural programs or projects with the field

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<sup>39</sup>And between the Ministry of Culture and governmental policy as a “whole.”

of work of a specific public institution in effect grants autonomy to the public institution managing public infrastructure to assess the “compatibility” of a specific program or project, on the basis of which that program will be accorded, or will not be accorded, a place in the context of the programming policy or orientation of that public institution. The concept of “the field of work” is only apparently abstract and neutral in terms of classification (the field of work is, for example, music, theater, visual arts), and with respect to the problem discussed here it is an euphemism for the programming orientation of the public institution in respective fields of work of that institution (e.g. specific aesthetics in theater). It seems that “comparability” mutated into “suitability”.

Viewed from the perspective of potential candidates from the private (non-governmental) sector of culture, this criterion may also appear as a restrictive factor limiting their right to use public infrastructure. The following example well illustrates this. “The only problems worthy of mentioning were those related to the exhibition space. The concept of the project *Pax Slovenica* is such that our wish was to exhibit it in one of the galleries that belong in the category of so-called institutional art, but we invariably met with a lack of understanding and a negative attitude enshrouded in a weak diplomatic argument that there was no excess capacity available. So we ended in our home temple, in the Kapelica gallery, without special symbolism.”<sup>40</sup>

It is interesting, if not symptomatic, that the meeting of the “work-field compatibility” criterion in all other cases of free capacity renting and in legally non-defined cases (e.g. commercial cases) is not explicitly required. At least in principle,<sup>41</sup> when renting free capacity to “non-priority” customers on the market, a manager of public cultural infrastructure does not have to pay regard to the criterion of compatibility with its area of work. If such a manager primarily pursues the goal of economic rationalism by renting free capacity – and this is encouraged by the state through the requirement that as much as possible income of a public institution should be generated

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<sup>40</sup>A statement by the artists of the Eclipse tandem, *Mladina*, No. 2, 12. 01. 2004, p. 57.

<sup>41</sup>Unless the holders of public authorities are subject to the principle “whatever is not prohibited by law is allowed”.

from non-budget resources – it is possible to imagine a situation, and even find a realistic example, in which none of the “providers” who can prove their “priority” status would also be able to prove that their project or a program is “compatible” with the area of work of the infrastructure manager. On the other hand, commercial users or some other financially sound sector would be able not only to pay the commercial rent but also to prove that their programs or projects are compatible with the area of work of the public institution (a hypothetical example would be Pavarotti’s agent in the Ljubljana Opera, Cankarjev Dom or Festival Ljubljana).

#### NATIONAL PROGRAM FOR CULTURE

The National Program for Culture (NPC) deals with and defines the relation of culture to economy, taking as a framework the General Priorities of Cultural Policy in the period 2004-2007 (Chapter III, item 6). Culture is here defined as a “category of development,” and as such it is “a generator of economic development, human resources, quality of living and social cohesion.” As the reason for the deliberate (cultural)political intervention of the state in areas in which “cultural goods are also market products”, the NPC states the combination of two limitations: the limited cultural market and the limited public (state, local) funds allocated to culture. Furthermore, public fiscal and political incentives for “cultural” or “creative industry” – as a category of private or corporate market-capital production, distribution and (organization of) the consumption of cultural goods and services – are seen as incentives for the creativity and accessibility of culture and, in harmony with this, described as “an important instrument for the development of human resources, social cohesion, the quality of free time and the quality of living” (as originally stated in *Culture at the Heart*, Council of Europe, 1997). For these reasons and because of these goals, “the cultural economy in all fields of cultural or creative industry consists both of public sources and of sources from the private sector.”

The task of a cultural policy – including taxation policy which is also defined as “an important instrument of cultural policy” – is to create conditions for greater economic investment in culture, to establish synergy between the economy and culture, and in this way

to increase the proportion of the gross domestic product dedicated to culture. In order to achieve these goals, the NPC envisages further measures of priority support for cultural programs and projects.<sup>42</sup> In the field of cultural infrastructure, it envisages priority support for “joint infrastructure programs and projects”<sup>43</sup> by which it aims to create “conditions for a more functional cultural market and greater accessibility of culture.”

As regards the policy of modernization of the public sector and the change of the status of public institutions, the NPC proposes a pilot restructuring of at least two public institutions “whose activity requires an economy oriented status” into independent companies, or the restructuring of at least three public institutions “whose professional excellence, development strategy, facilities and staffing allow for and require more autonomy.” The legal basis for this restructuring is provided by ZUJIK, where Article 137 stipulates the status transformation of a public institution whose activity, in the opinion of its founder, could be enhanced by changing its status to that of a legal entity under private law. The status transformation is possible if staff resources, facilities and other conditions allow for this, while this private entity has the right to use public cultural infrastructure previously managed by a public institution as long as its cultural program is funded as a public cultural program.

This component of the NPC can be understood as part of a comprehensive set of changes anticipated by the strategy for economic development. First, it involves a “changed” role for the state that would still enable it to ensure and protect the public interest, especially in the area of public services. The state should, therefore, increasingly play the role of regulator and monitor of the performance of these services, rather than being their major provider. The share of licensed non-state operators (concessionaires) in the provision of these services will accordingly increase. The state will keep

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<sup>42</sup>These are programs and projects that involve the *cooperation of the economic sector*, then programs and projects that encourage *cultural tourism*, and public cultural programs and projects that have *wider economic implications*; tax relief for physical persons who promote *cultural consumption* (purchase of works of art, books etc.), legal persons who encourage *investment in culture*, investment in *monuments in private possession*, and favourable *taxation of income from artistic creativity*.

<sup>43</sup>Judging by the context, “joint” here denotes a partnership between the state and economic entities.

the role of the regulator, which will enable it to ensure the quality and accessibility of services, under equal terms, for all beneficiaries. The privatization of services now provided by the state will be carried out gradually wherever possible, so as to ensure better cost effectiveness and protection of the public interest.<sup>44</sup>

Second, in the light of macro-economic policy according to which the general government expenditure should rise more slowly than the gross domestic product, and the corresponding gradual reduction in expenditure prescribed by law (including the gradual bringing to a halt of the rising share of expenditures allocated to salaries in the public sector), it is necessary to ensure high-quality public services comparable to those in other EU countries. It is believed that this is possible only “by cutting costs in the process of public sector reform. It is therefore urgent to give more emphasis to the transfer of some of the tasks of providing and financing public services and goods to the private sector.”<sup>45</sup>

The third set of changes is related to the organizational reform of the public sector on two levels. On one level, the principles of new public management are introduced, which are expected to enable the users of public funds to have more autonomy in making decisions about how to spend them, and assume greater responsibility for the “objectively measurable indicators of the efficiency of operations.” “In the field of social (non-administrative) activities, this means to transfer direct management from the state to the autonomous administrations of contractual organizations with the participation of the citizens or civil society in the management wherever possible, and the reasonable introduction of market competitiveness of various suppliers, and the transfer of the performance and financing of some public functions to the private sector.”<sup>46</sup> On another level, non-administrative functions are taken away from the state, with the most important measures being those transferring non-administrative tasks to other organizational forms, particularly autonomous public institutions and private concessionaires. 1) *corporativization of state ownership* in contractual organizations (transfer of ownership rights from the state to institutes following

<sup>44</sup>UMAR 2001, 35.

<sup>45</sup>UMAR 2001, 44.

<sup>46</sup>UMAR 2001, 86.

the model of universities; 2) removal of bureaucracy in institutes or *abolition of the status of civil servants* for employees in social services; 3) *promotion of the status of an institute* for all or the majority of organizations in the field of social (non-commercial) activities (transfer of establishment rights to institutions except for control); 4) promotion of the *co-participation of representatives of civil society* in all centers of decision-making in program-related or professional matters.<sup>47</sup>

One example of a (planned) cultural-political solution to the manifold, complex and contradictory issue of accessibility of cultural infrastructure for public institutions and the private (non-profit) sector can be found in the chapter dealing with the goals, priorities and measures in the field of *performing arts*.<sup>48</sup> The plan for the period 2004-2007 is to provide new infrastructure i.e. “facilities and technical conditions for the implementation of cultural programs and projects for the rehearsing, logistic and performance needs” (second goal). In this, the NPC draws on the document entitled the “Analysis of the state of affairs in culture and the proposal of priority goals” (The Ministry of Culture, 2002), which focuses on the problem of infrastructure as one of the *crucial issues in this area*. Owing to the growing number of cultural providers and the express need for infrastructure, and to the long-lasting failure to meet infrastructural requirements in the past, this problem is especially acute in the Slovenian capital, Ljubljana. Undoubtedly, it is “acute” primarily for private, independent, non-profit and non-governmental authors of public cultural programs and projects.<sup>49</sup> Therefore, it ties in well with the conclusion reached in the section presenting the starting points for the fourth goal of priority measures in the field of performing arts (the development of theater infrastructure), where it is said that “the existing infrastructural network [i.e. infrastructure belonging to theaters/public institutions] is the biggest advantage in this field.”

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<sup>47</sup>UMAR 2001, 87.

<sup>48</sup>It is not possible to find any explicit or elaborate discussion of infrastructure plans in the sense of spatial infrastructure in other fields of culture also suffering from a lack of infrastructure.

<sup>49</sup>They have been pointing this out for a long time now, and have also provided convincing analytical and empirical proofs.

This NPC goal presupposes that priority measures taken by the state will be primarily targeted at local communities' investments that ensure the conditions for the operation of the providers of cultural programs and projects in the area of the performing arts. Concrete examples of priority measures involving individual (specific) investments by the state in the infrastructure belonging to non-governmental, non-profit and other authors of cultural programs, would be the investment in Stara elektrarna (the Old Power Station) and the facility at Metelkova 6 in Ljubljana. This investment will "complete the image of the Center for Modern Arts as a meeting point for all sorts of contemporary arts (performing and visual arts, music, intermedia arts) and the image of Metelkova as a whole." This facility is intended for cultural programs and projects from across Slovenia, i.e. for the logistics, rehearsing, information, education and presentation needs and programs of "visiting artists." The investment in Metelkova is said to finish in 2008, and the allocation of European funds is also expected. The NPC finds it appropriate to stress that this is not a "new public institution."

The next (third) goal of priority intervention in the area of performing arts envisages increased cooperation between the providers of cultural programs and projects and public institutions (an increase of 10% is expected in the period 2004–2007) in all segments of production and post-production. The aim is to "modernise the public cultural sector programs and to provide accessibility to the public cultural infrastructure for the implementation of public cultural programs and projects." Providers of public cultural programs who cooperate with public institutions should enjoy priority support (project and program funding). Theaters are obliged, in accordance with realistic possibilities, to offer their facilities, technical support and assistance in production to performers. As noted in the description of the fourth goal, the implementation of this goal depends on the regular maintenance and care for adequate technical equipment of the infrastructure network (of theaters/public institutions). In connection with the encouragement of cooperation between public institutions and providers of public cultural programs, this network may be able to enhance the distribution of public cultural programs and projects.



The effects expected from this measure are as follows: better utilization of public investment in artistic programs, better exploitation of public cultural infrastructure, resolution of producer's problems related to infrastructure, an increase in the scope of post-production and greater accessibility of programs, new audiences in the drama theater and popularization of contemporary forms of the performing arts.

Priority support is also aimed at those programs and projects that "claim cooperation with public institutions." However, there is an asymmetry between public institutions and providers of public cultural programs and projects in this case, since *public institutions cannot cite cooperation with the providers of public cultural programs and projects* as a basis for claiming priority support for their own programs and projects. This means that public institutions are potentially less interested in (or motivated in favor of) this kind of cooperation, while on the other hand, viewed from the perspective of the non-public sector, this type of cooperation (in the sense of collecting credit points) can produce an impression of coercion to cooperate with the public sector.

One indicator of how successful the improvement in the situation of performing artists will be (which is also otherwise the general priority goal in all areas of artistic creation) is the number of self-employed individuals using public cultural infrastructure.

#### PRELIMINARY CONCLUSIONS

Apparently, the ZUJIK and the National Program for Culture represent a three-level intervention by the state in the area of cultural infrastructure. Below are some expected results of this intervention.

1. The state has legally endorsed and strategically encouraged greater accessibility of cultural infrastructure managed by public institutions for those private producers and promoters of culture who can claim to be "the providers of cultural programs and projects."

2. It instituted the participation of civil society in the administrative structures of public institutions (expert councils),<sup>50</sup> by which cultur-

<sup>50</sup>Cf. ZUJIK, Articles 41. and 42.

al production and the public secured for themselves a certain influence on the programming policies of the public infrastructure managed by these institutions.

3. It opened the door to the privatization of public institutions, i.e. the corporativization of cultural infrastructure.

4. It secured investments in infrastructure (some still planned and some already realized) whose management, as regards programming and business policies, is entrusted to private producers having the status of “providers of public cultural programs and projects.” In managing this infrastructure, they are completely autonomous, with no interference on the part of a public institution playing the role of an institutional “managerial interface.” These private, “independent” managers of infrastructure are, much like public institutions, bound by the non-profit principle, meaning that infrastructure is accessible to other providers of cultural programs without infrastructure..

5. It enabled private providers of cultural programs and projects, in addition to public institutions, to manage autonomously the public cultural infrastructure with regard to programming and business policies.

6. It placed an obligation upon public institutions to give priority to providers of cultural programs without infrastructure when renting excess capacity. Providers without infrastructure thus gained a new right.

7. It placed an obligation upon public *and* private managers of public infrastructure to observe the non-profit principle. This enables “providers of cultural programs and projects” without their own infrastructure or infrastructure under their management to access infrastructure.

8. It extended these new management principles to other infrastructure under public ownership which does not have the status of public cultural infrastructure but is used for cultural purposes.

To what extent these measures of governmental and local cultural policy (partnership) will manage to strike the right balance between the public and private (non-profit) sector with respect to public facilities provision depends primarily on several factors. First, it depends on the realization of planned investments (NPC, “cultural tolar” law) and other ongoing, more or less contingent investment in cultural

infrastructure.<sup>51</sup> Second, even if these investments are realized, it remains to be seen whether this infrastructure will meet the needs, in terms of quality (and management) and quantity, of the dynamic (diversified and even contradictory and conflicting) programs, and the growing demand for infrastructure dedicated to programs and projects produced by private (non-profit) cultural producers, whose number will only rise in the future and who will have autonomy in formulating the programming and business policies related to the management of infrastructure.

The said cultural-political measures are expected, among other things, to contribute to the flexibility, modernization and economic streamlining of the existent or modernized infrastructure of cultural institutions, which is still almost exclusively managed by public institutions. Therefore, they should also be viewed, or primarily viewed, in connection with the changes in employment policy of public institutions. The modernization of institutions, with the aim of making them more efficient, autonomous and open, also includes the restructuring of "labor relations" in the area of artistic professions, towards a gradual increase in the number of temporary jobs (NPC, III, item 9). The restructuring will gradually contribute to the further formation, structuring and growth of the free labor market in the field of cultural and artistic production, one that has been in the making for more than a decade.<sup>52</sup> Other factors that will criti-

<sup>51</sup>The question that remains open is to what extent the provisions in the amended law will be implemented, i.e. how many anticipated investments will actually be realized. During the validity of the first version of this law, only 30% of the stipulated investments were realized. If one is to judge by the financial plan of the Ministry of Culture for 2004, then »we can expect that the drastic departure from legal provisions practiced by the government and the governmental coalition will continue. While during the period 1998–2003 it was estimated that the government realized only one third of the planned yearly funds stipulated by the law on the »cultural tolar«, this year's budget suggests that this proportion will further decrease to only one fourth of the sum. (...) Continual deviations of the executive branch of government from the sum stipulated by both versions of the 'cultural tolar' law, which (by rough estimations) range between two thirds and three quarters of the stipulated annual sum of allocated additional financial resources, represent unacceptably uncertain prospects for all those providers who managed to secure for themselves a place on the strictly selective list of indispensable programs, although this fact is by no means a firm guarantee of the public fund.« (Pezdir, S. "Država vse bolj privija pipo". *Delo*, 31. 7. 2004, p. 9.)

<sup>52</sup>This is also indicated by the number of self-employed persons in culture, as an indicator of the implementation of measures within the framework of the linking of culture and the economy as part of the general priorities (NPC, III, 6).

cally influence this process are additional (parallel) governmental measures and social processes, for example a 100% rise in the number of students at the three academies of arts and in other university students over the past ten years, an increase in the number of independent authors, their recent status transformation into self-employed persons in the field of culture, and smaller (non-profit) production units (legal entities).

In the near future we can expect an increase in the demand from private non-profit cultural producers for other facilities and technological conditions that are not part of the public sector. Given the scope of current cultural programs and shows, we can hardly expect that the (emerging) commercial cultural infrastructure, or infrastructure managed by religious groups or similar, will be able to essentially compensate for the existing deficit in accessibility to public infrastructure. This deficit will remain critical particularly in the segment comprising projects and programs that are “risky” for both producers and managers, although representing a non plus ultra prerequisite for any social innovation, including (cultural, artistic) political innovation. Therefore, the (cultural) political role of the state and local communities in public infrastructure provision will continue to be of crucial importance.<sup>53</sup>

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<sup>53</sup>It is probably obvious that this does not only apply to the local circumstances in Slovenia. If it is not, then take, for example, an article by the American composer and guitarist Marc Ribbot that clearly demonstrates the consequences of the absence of public care for club infrastructure and program financing in New York and the US, which is based on the principle of leaving everything to market forces. The consequences affecting the “experimental margins” of rock, pop, modern jazz and new music are devastating. Ever since the European countries began to follow the American model, circumstances have been deteriorating on the global scale as well, including for American avant-garde music whose experimenting was (is) greatly dependent on the European policies concerning cultural infrastructure and financial support for programs. As Ribbot says, owing to the shrinking of the market, increase in rentals and decrease in European subsidies, the state of affairs has been changing. And since there is no mechanism for the protection of those “betrayed” by the state, these changes will probably be dirty. Yet, experimental musicians are not the only victims. The law of the market says that if CBGB, a famous NY club, cannot afford the monthly rental of 20,000 \$, then good bye. (M. Ribbot, “Skrb in hrana za glasbeno obrobje” (Care and Food For Musical Margins), *Muska*, No. 9-10, September - October 2005, pp. 31-38).

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