

**The Finnish Reply to the Inquiry Concerning the Role of The State  
in the National and International Cultural Development**

*Seminar "The Cultural Responsibility of the State"  
Stockholm, 19-20 August, 1994*

*Arts Council of Finland  
Research and Information Unit  
Helsinki 1994*

© Arts Council of Finland 1994

ISBN 951-53-0230-7

ISSN 0788-5318

Arts Council of Finland  
Helsinki 1994

## Introduction

In August 1994 the Swedish National Council for Cultural Affairs organised the Arts Baltica seminar "*The Cultural Responsibility of the State*", with participation of senior officials from the Ministries of Culture in the Baltic Sea States, from the Council of Europe, and from the Swedish National Commission for UNESCO. The Swedish National Council for Cultural Affairs published a report, *The Cultural Responsibility of the State*, on the seminar written by researcher Georg Arnestad from the Western Norway Research Institute.

As a preparation for the seminar the participating countries were asked to describe the national situation through answering five questions within a maximum of about 10 pages. This working paper presents the reply of Finland to the questionnaire.

## Questionnaire

1. Please give a short description of how the State intervenes into the commercial cultural market – like book/literature, film, TV and radio – through legislation, state subsidies etc. Are there changes newly decided or under discussion?
2. Please give a short description of how the State influences cultural activities at the municipal/local and regional level through
  - legislation (legislative
  - direct or indirect subsidies (transfer of money)
  - other measures (information, spread of knowledge, research, etc.)Are there changes newly decided or under discussion?
3. Are state (cultural) subsidies to the local and regional level general/lump sum or directed to specific purposes? How are (public) cultural activities at the municipal and regional level financed in other ways than by state subsidies? Do you have figures showing the total amount of cultural subsidies and how much of these comes from the government, from the regional authorities and from the municipalities? Have there been any large changes in this proportion during the last years?
4. Please give a short description of the cultural bodies that are responsible for formulating and implementing cultural policy at the state level – ministries, councils for cultural affairs (arm's length bodies etc.) What are the main responsibilities of the different bodies? Are there any changes recently decided or under discussion?
5. International exchange and influence are getting an increasing role in the cultural field of our countries. Please, mention some examples how the State could meet the positive and the negative effects.

The replies to the questions are based on the Finnish national report for the Council of Europe's Programme for National Cultural Policy Reviews (*Cultural policy in Finland. National Report. European Programme of National Cultural Policy Reviews. Arts Council of Finland. Helsinki 1995.*) For any further and more detailed information, please refer to this report.

The questions are not answered in the order they were presented, because the reply to the fourth question provides the overall frame for the other replies, and is therefore placed first. Because important reforms have recently taken place in the relations between the state and municipalities, the replies to second and third questions are combined and focus mainly on these reforms. The fifth question is problematic, because the effects of the recent changes in international environment are yet difficult to assess.

#### **4. Major bodies responsible for cultural policy decision making and implementation in Finland**

*The Parliament*, having the final legislative and budgetary power, is also the supreme decision making organ in cultural policy issues in Finland. The crucial work in the legislative process is carried out in parliamentary committees, which, in detailed discussions and hearings of the experts, prepare the bills for plenary debates. In the preparation of cultural policy issues, *the Committee of Culture and Education* has a pivotal role, but the Committee of Administration and especially the all powerful Committee of Finance are important. The committees of Parliament usually respond to and work over bills proposed by the government; but they can initiate a broader debate by e.g. asking the government to give a report to the Parliament in some policy area. Such a report was given on cultural policy outlines and objectives in 1993.

*The Council of State* has two roles: as the Cabinet, and as ministers i.e. leaders of policy implementation in their respective jurisdictions. When a new Cabinet is being formed, the parties planning to form a coalition negotiate the basic objectives of the government and write a programme, often including cultural policy measures, they promise to implement. Thus, for instance, the cabinet action programme (of the present center-conservative cabinet, from April 1991) promised that

"irrespective of the economic situation, the cabinet will consider education, research and culture as major foci of its actions", and states that "the cabinet aims at strengthening the position of Finnish culture in the integrating Europe and at enhancing its capacity for international exchange".

More specifically, the programme promised to support the vitality of minority cultures, lower the sales tax (VAT) on books, enhance people's participation in civic and organisational activities, reform general arts education, and improve the economic position of artists. The programme also contained a promise to enact and

implement the reform of state subsidies to municipalities - the reform referred to in this report on several occasions. In respect to its media and communication policy the cabinet promised to strengthen the position of public broadcasting and improve the position of local radio as a genuine local media.

*Public finances* are the life-line of the executive branch. First, the Council of State has its own Standing Committee of Finance, which, together with the Ministry of Finance, oversees the observance of the budget and the timing of its major outlays. Second, the Ministry of Finance has a crucial position as a "superministry" responsible for state budget and financial planning. Although it is assumed only to coordinate and advise other ministries in budgetary and financial matters, its communications are usually interpreted to be more or less of binding norms. In addition to the Committee of Finance, the Council of State has other standing committees and it can set up other committees for areas it considers important. The present Cabinet (1991-1995) has e.g. a Committee of Education and Culture, which has generated some of the recent discussions and debates on cultural policy issues.

Planning is also carried out by the *government ad hoc committees* which are composed of higher civil servants, experts, and representatives of interest groups. In their reports they provide requested expert information on some policy area or issues, and they are expected to make definite recommendations for action and/or legislation. Similar preparatory planning activities are carried out also by commissions and working groups set up by the ministries or central boards.

*The Ministry of Education* has a central role in cultural policy implementation. There are usually two ministers, one responsible for education and science, and the other for culture (arts, cultural activities, youth and sport). Yet, at least three other ministries, the Ministry of Transportation and Communication, the Ministry of Trade and Industry, and the Ministry of the Environment are involved in important decisions concerning cultural policy issues. The Ministry of Transportation and Communication has within its jurisdiction broadcasting and telecommunication, the Ministry of Trade and Industry international trade negotiations, promotion of import efforts, tourism, and subsidies to industry, and the Ministry of Environment is responsible for the preservation of built environment. These policy areas - and ministers and ministries responsible for them - are crucial, e.g. for the development of culture industries, the economic status of artists, and the maintenance of Finnish man-made heritage. The National Board of Taxes, national pension systems, the Ministry of Labour, and the Ministry of Social Affairs and Health are also important in the latter two areas. The Ministry of Foreign Affairs has the overall control of all participation in international affairs, and its minister and higher civil servants consequently have a definite say concerning the direction of Finnish international cultural relations. It also promotes Finnish culture through its international information activities and through the network of embassies and permanent representations.

*The Department of Culture* within the Ministry of Education has five major interfaces in its policy implementation activities. First, it prepares and presents matters for decision making by the Council of State and by the minister and higher officials in the ministry. Second, it cooperates in this planning and decision making with its expert and auxiliary bodies. Third, it interacts with major national arts institutions and artists and cultural organisations which it finances or subsidises. Fourth, it prepares and makes decisions concerning discretionary subsidies to municipalities and monitors their "automatic" subsidies. And fifth, it prepares and/or makes decisions (jointly with other authorities) concerning the financing and subsidising of public building within its jurisdiction. As we will see, there are some other interfaces and involvements, e.g. those with copyright organisations and culture industries.

Cultural policy measures implemented by the ministry belong to the following areas:

- 1) promotion of creativity (direct support to the arts and artists),
- 2) support of major national cultural and art institutions, organisations and events,
- 3) subsidising and proctoring municipalities in maintaining the networks of municipal cultural and art institutions and people's cultural activities,
- 4) financing arts education and the training of professional artists,
- 5) preservation of the national cultural heritage,
- 6) overseeing and supporting national culture industries,
- 7) monitoring and reforming the artists' copyright and neighbouring rights legislation and overseeing the allocation of some compensations in this area,
- 8) maintaining gate-keeping and censorship pertaining to import and moral propriety of audiovisual products of culture industries,
- 9) maintaining international cultural co-operation,
- 10) maintaining research and information activities relating to all areas 1-9 above.

The Department of Culture has, together with the *system of arts councils*, a central role in area 1, promoting of creativity. The system of arts councils, consisting of the Central Arts Council and nine National Arts Councils ("art form councils") provides the ministry with expertise in art and artist policies. The system can be considered to function on the basis of the "arm's length principle". Yet, there are several respects in which the Finnish system of arts councils differs radically from the Anglo-American type of arts council arrangement. In Anglo-American countries, the system was introduced to channel public financing to artistic activities in order to solidify and diversify production structure, improve the conditions of production, and launch new talents, preferably even in new areas. The idea of funding individual artists was originally considered a kind of blasphemy, although this practice has steadily increased, especially as funding programmes for literature and visual arts. In Finland, in contrast, *the main idea behind the system is to provide expertise for the ministry* in the decision making process concerning the distribution of different types of grants to individual artists.

The organisation of the system and recruitment into its posts already reflects the fact that, in addition to functioning as expert bodies, the councils are also channels of the interests of cultural and artists' organisations into cultural policy decision making. The members must have "artistic merits" or "expertise in the arts". The Council of State appoints the members and chairpersons of the National Arts Councils from among candidates suggested by the main national artists' and cultural organisations. The maximum number of members is eleven and they can be reappointed for a second term. A three-year intermission is required for any further appointment. The members of the joint body, the Central Arts Council of Finland, include the nine chairpersons of the National Arts Councils and four other members appointed by the Council of State.

Within the Finnish system the major public support for the arts and artists is provided by the Artists' Grants Act. This legislation was prepared in parallel with the legislation which created the system of arts councils, and the councils were supposed to have an important role in its implementation. Yet, the very form of the legislation (the act itself and the subsequent decrees for its implementation) has undermined this role.

The lion's share of the funds directed to the promotion of artistic creativity is statutorily defined in terms of a detailed system of professional posts: professorships, one-year grants, three-year grants, five-year grants, and fifteen-year grants (15-year grants are cutted into 5-year grants from the beginning of 1996). Independent fund allocation by the councils is very small. In 1992, it was about seven per cent of all joint direct funding of the arts and artists, which was carried out jointly by the Ministry of Education and the arts councils.

Although the Central Arts Council is legislatively defined as an "umbrella organisation" for the entire system, the detailed tasks decreed to it in the statutes are far from those of an active leadership and managerial role. The only tasks with a right to independent decision making are the distribution of grants, solving conflicts of competence between councils, and guiding administrative work within the system. In recent years it has enhanced its research and information seeking activities and created a solid information basis for decision making, especially in the area of artists' policy. The use of this information is less apparent.

The statutory tasks of the National Arts Councils have been decreed quite parallel to those of the Central Arts Council. The definitions of their tasks have only two references to active development work and establishing special programmes or projects. These presuppose "promotion of amateur activity" and "supporting the production of artistically or nationally significant works of art". Yet, the Art Councils also have become accustomed to routine administrative work. If they by chance get into a position for independent planning or decision making functions, they easily "forget" to use their autonomy and new prerogatives.

Three further major bodies which also provide expertise in the area of the promotion of creativity can be mentioned. *The Board for Library Compensations*

allocates (on the basis of applications) grants to writers and translators as quasi-copyright compensations for the lending rights in public libraries; *the Committee for the Purchase of Works of Art* resolves how budget appropriation for the public acquisition of art for public places will be used; and *the Board for Popular Science* helps the ministry to allocate support for writing "educational" books.

The Department of Culture, together with the arts councils, has a central role in area 2 (support of major national cultural and art institutions, organisations and events) as well. A considerable share of the municipally maintained and state-subsidised services (public libraries, adult education, institutes of music training and education) in area 3 was originally overseen by National Boards of General and Vocational Education. Now most of these tasks have been transferred to the ministry. At the same time the reform of the state subsidy system (to be analysed later) has decreased the detailed proctoring and increased the discretionary powers of the municipalities and their decision makers.

In area 4, the proctoring of the lower level art education (only in terms of curriculum planning) belongs within the sphere of the National Board of Education; and the art universities belong within the jurisdiction of the Department of Higher Education and Research. In this area the Department of Culture is responsible mainly for municipally maintained art education. In area 5, the main burden for national cultural heritage lies with three specialised bodies; the National Art Gallery, the Board of Antiquities (overseeing the National Museum) and the National Archive (overseeing provincial archives); but the Department of Culture is responsible for overseeing the activities of regional and municipal art museums.

In area 8, there are three separate bodies for the import, censorship and archiving of the products of audiovisual culture industries, and area 9 is the domain of the Department of International Affairs. Several specialised bodies assist the department or maintain international co-operative activities rather independently. Such are, for example, the Society for Finnish Literature, the Finnish Literature Information Centre, and the Centre of International Exchange and Mobility. The different departments and boards (like the National Board of Antiquities) maintain their own international relations, and national cultural and arts organisations as well as the Finnish sections of the international organisations (such as ITI, the International Theatre Institute) make up an international contact network of their own.

The research and information activities are carried out by such specialised units of the ministry as the Planning Secretariat, its Library and documentation service, and its Public Relations Unit. The Central Arts Council also has its own Research and Information Unit, which carries out research projects and is active in international research and training networks (CIRCLE, EFAH, European Network of Cultural Administration Training Centres).

In area 6 (culture industries) the position of the ministry as a whole and that of the Department of Culture is rather weak. The ministry and the arts councils, especially



the National Council for Cinema, support culture industrial "quality production" either directly or through artists' grants. The ministry has its representative in the Finnish Film Foundation, which promotes domestic film production. The Foundation is the only link of the ministry with YLE, the Finnish Broadcasting Company, which participates in financing domestic film production. The Finnish Film Archive was founded in 1957 to preserve and archive Finnish films, to promote film studies and the appreciation of film art, and to exhibit artistically important films.

Area 7 (copyright) brings into picture a totally new conglomerate of bodies, which provide links to the culture industrial sector. The system of copyright organisations consists of bodies of three layers: 1) professional organisations of different domains of copyright and/or neighbouring rights, 2) their copyright organisations which make copyright and neighbouring right contracts, monitor the use of rights and collect compensations, and 3) the centres and foundations of promotion supported by copyright and neighbouring rights money maintained in collective use. Due to the contractual and civil law basis of the copyright and neighbouring rights organisations, they are outside the jurisdiction of the ministry. Yet, because they maintain service centres and foundations for the promotion of art and culture, they also wish to maintain stable links to the ministry. The statutes of the centres and foundations usually make provisions for having representatives of the ministry in their executive or supervisory bodies. The reform of Finnish copyright legislation in 1984 established a blank audio and video tape fee to compensate to copyright owners the losses of home copying. Some of the revenues are channelled for collective use, and the ministry confirms the plan for the use of these funds. Even the Finnish Film Foundation receives some of the collective blank tape revenues for the promotion of audio and visual production.

\* \* \*

Finnish national policy making is very strongly centred on legislation and laws. A special position among the laws is occupied by the so-called "frame laws". Instead of prescribing rights, obligations and duties to citizens and corporate actors, these laws specify financial obligations and/or general developmental tasks for the state itself. Frame law used to guarantee development and a financial boost in the jurisdiction of the ministry effecting them. This, however, happened at a price. Frame legislation also limited the possibility of defining preferences and new alternatives. Although the financial frame laws can be specified further by statutes, it takes special political courage to abolish or radically alter laws which guarantee appropriations for the budget of the ministry and benefits for its clientele. Comprehensive and financially binding legislation leaves rather limited room for independent policy decisions by individual ministers or other groups of political decision makers. The experiences during the last two cabinets seem to indicate that strong majority cabinets can, however, implement much of its action programmes also in cultural policy issues. Restrictions of financial planning set also narrow limits to discretion at the level of actual implementation, and the legislative, statutory and planning restraints lie heavily upon the directors and executive bodies

of the publicly owned and/or financed cultural and art institutions as well. A distinction should, however, be made between three types of restrictions: actual, self-imposed and organisational.

There certainly are actual restraints caused by statutorily and financially defined obligations and responsibilities. Yet these restraints also have their voluntarily induced side. The restrictions progress administratively as a hierarchical chain. The strictures set by enactments of laws are refined by decrees, and these in turn by the resolutions of the Council of State and the ministry. Furthermore, the ministry often gives detailed instructions to its implementing units how they should use their remaining right to discretion. These units, in turn, have become used to follow statutory rules and norms to the extent they have become unaccustomed to - and even reluctant to use their own discretion. They expect, and often even demand, to have detailed instructions and, if not given, generate a kind of analogous rule system of their own. Consequently, the idea of generating new innovative projects or new ways of targeting funds is alien to most implementing units of central government - and they are often even more alien to Finnish arm's length bodies and quasi-governmental organisations. Structures of public administration are linked with strong ties to networks of professional and interest organisations. These links, and related rights to influence political and administrative decisions, are often regulated too, either by formal rules or through established administrative practices. The denser, tighter and more regulated these organisational networks are, the less degree of freedom there is in actual decision making and implementation.

The above problems have not remained unnoticed, although they have been interpreted as problems of segmentation (i.e. lack of coordination) and a deficit of the power and managerial capability of the sectorial ministers (e.g. the Ministry of Education) vis-a-vis the Ministry of Finance. Recent reforms of public administration have tried to decrease these deficits and increase initiative and accountability in ministries and their administration. Consequently tight categorisations of budget appropriations according to the purpose of their use have been loosened, and such ideas as management by results (a derivative of management by objectives in business administration) have been introduced in order to improve effectiveness.

## **1. The state intervention into commercial cultural markets in Finland**

Culture industries form two clusters: one for the traditional branches, book publishing, film industry, record industry, and film distribution, and the other for more modern branches, video retail, cable TV, local radios, and commercial TV. The former of these clusters is more "acceptable" and some of its branches receive direct state subsidies, while the latter is considered more "commercial" and is susceptible to greater public regulation. In Finland, like in most West European countries, the branch which receives most "positive" attention of the state is film production and film distribution.

Although the direct public support for *book publishing and record industry* is insignificant, these branches are favoured indirectly by public authorities at least in three manners. First, the artists' grant policy supports individual artists and guarantees a steady source of creative work to culture industries. Second, there are also different centres of promotion, which favour the production and distribution of "high quality Finnish culture industry products". Third, the "more basic" publicly supported cultural institutions, especially the press, public library system, and adult education system, advance people's interest in culture and indirectly support national culture industries.

In the more modern cluster of electronic *audio-visual culture industries* the relations between the state and culture industries is less harmonious. Although technological development and neo-liberalist ideas have broken the monopoly of public broadcasting also in Finland, political decision makers have wished to maintain the vestige of their old regulative hold of the audio-visual media.

In recent years there has been steady discussions on two major problems: 1) what should be the role of public broadcasting, and 2) how the subsidising of film industry should be oriented and organised. The Finnish public broadcasting company, YLE has supported, jointly with the Finnish Film Foundation, the production of Finnish feature films. In recent years its role as the purchaser of programmes produced by Finnish independent companies has been enhanced, although it is yet smaller than that of the commercial television (MTV). The recent distribution of TV channels between the public and commercial broadcasting, the new Radio Act, and the internal re-organisation of YLE have tried to balance the old role of public broadcasting with new technological prerequisites and the increased competition for the audiences.

The orientation of public subsidies to *film industry* has oscillated between two ideas: the idea of film art, and that of film industry. This oscillation has been especially problematic in the decision making of the Finnish Film Foundation, the main body subsidising film production. There are indication that latter idea of enhancing film as an industry has recently been gaining more ground.

Although copyright and neighbouring rights systems do not belong within the public domain, their role in Finland in the promotion of national culture industries has steadily increased in the 1980s. In Finnish copyright system an amount of collected revenues is left for collective use by copyright and neighbouring rights organisations and promotion centres they have established, e.g. AVEK, the Promotion Centre for Audiovisual Culture. Additional revenues for these organisations and centres is provided by blank cassette fees.

## **2 & 3. The state's influence at the regional and local (municipal) level, and recent changes in the financing relations between the state and municipalities**

The dearth of bodies at the regional level suggest the relative underdevelopment of regional cultural administration - and the cultural regions to be administered. Although Finland is divided into 11 provinces (excluding the Åland Islands which has home-rule) there is no real system of regional self-government. The provinces are in the first place only administrative areas, and their councils and governors mainly regional extensions of central government. *The Regional Arts Councils*, in turn, are an extension of the system of arts councils, but are subordinate to the Ministry of Education (Department of Culture) and have an administrative link to the Provincial Council.

There, however, exists institutions and organisations which have carried out regional development work outside the public services and formal planning and budgetary processes, e.g. the federations of physical regional planning and more "heritage-oriented" regional federations. These organisations were merged at the end of 1980s, and the "new" regional federations, now called regional councils, have recently been given a more central role in the regional administration. Planning and development functions were statutorily transferred in 1994 from the provincial councils to these new regional councils, and they are supposed to become the main implementors of technological and economic development programmes (establishing regional "know-how centres"). The provincial councils will maintain the authority of overseeing the regional development in the fields of public libraries, adult education, and arts education.

The Regional Arts Councils have been rather independent extensions of the Ministry of Education in the regions. They receive their funds directly from the ministry and can direct their allocations freely, although the ministry indicates the main purposes. Thus the funds have been used quite innovatively to support groups, events and festivals, to establish international contacts, and advance arts education. They also work in close cooperation with the regional cultural and artists' associations and different "activity centres". The profile of the activities of the Regional Arts Councils differs considerably from that of the National Arts Councils. The latter advocate interests of national professional (and "elite") artists, the former are much closer to cultural and artistic "grass roots" and amateur activities. This is evident also in the programme of "regional artists" maintained by the Regional Arts Councils. The Council pays salary to an artist-animateur who stimulates and guides activities in his/her field. At present, four regional artists can be appointed by each of the Regional Arts Council.

In contrast to regional level, *local level* is densely organised. In each municipality, the major organs of municipal decision making are the Council (elected in municipal elections) and the Executive Board (the municipal "Cabinet"). These decision making bodies are also responsible for general outlines and objectives of municipal cultural policy. In each municipality, the municipal administration is differentiated in sectors headed by a multitude of specific boards (for health,

construction, etc.). The Cultural sector may have its own board or it may be subsumed under the guidance of the board of another sector (e.g. leisure, youth, tourism, etc.).

The nation-wide cultural services in Finland are provided through *networks of municipal cultural institutions*. These networks are maintained by municipalities, but their founding and maintaining costs are compensated by the state. It should be noted that although most "municipal" cultural institutions are maintained by municipalities, the type of their ownership do vary. Thus some institutions can be owned jointly by two or more municipalities (presently by so-called "combines" of municipalities) or they may be supported by a non-profit association, foundation or company. The networks of municipal cultural institutions were originally initiated by voluntary organisations or started as amateur activities, and were gradually incorporated into municipal administrative structure. Special legislation (Library Act, Act on Adult Education Centres, etc.) also gradually established the responsibility of the state to become a financing partner with the municipalities in order to maintain geographically covering truly national networks. Towards the end of the 1980s the most established networks of institutions were those of public libraries and adult education centres covering all Finnish municipalities, as well as music schools and museums. Municipal cultural administration had also developed its own institutional structure: municipal cultural board, special boards (e.g. for library, theatre), cultural office, cultural secretaries, etc.

In most state subsidised areas the subsidy system had been established rather strictly with special legislation stipulating the level of cost compensation paid by the state either to institutions (if organised on private non-profit basis) or to the maintaining municipality. The compensation was graded according to the economic capacity ("wealth") of the site municipality of the institutions. Professional orchestras and theatres received discretionary subsidies: orchestras about 3 per cent, theatres from 14 per cent to 66 per cent depending on the cost structure and the economic capacity of the home municipality. Theatres with regional functions received somewhat higher subsidy. The national stages (National Theatre, National Opera, TT Theatre of Tampere) also got a higher direct subsidy. Similar legislated and discretionary subsidy systems existed for municipal cultural investments.

Similar gradually evolved and fragmented systems of state subsidies prevailed in all major areas of social welfare services. After intensive planning and political decision making processes in the closing years of the 1980s, a total reform of the system of state subsidies to municipalities was enacted in 1992 as a number of "financing acts", which have been implemented since the beginning of 1993. One of these, the Act of Financing Educational and Cultural Activities (1993), has transformed the system of public financing in all major areas of cultural services. The Act defines the basis and level of state subsidies, and special legislation stipulates the prerequisites for municipalities/institutions to have right to apply and receive subsidy.

The basis of the cost calculation is the "unit price", which pertains to different cost units in different areas of cultural services. Thus, in the case of libraries the unit

price is the average cost of library maintenance in different groups of municipalities having similar population and community structure, in the case of museums, theatres and orchestras the unit price is estimated in terms of average cost of manpower year, and so forth. The total costs of maintaining municipalities cultural services are calculated by multiplying the unit price by the number of units, i.e. the number of inhabitants, annual manpower years, or class room hours. The monitoring of cultural public service supply and its price development will be carried out by the Ministry of Education.

The municipalities are still graded into 10 categories according to their level of economic capacity in the same manner as before the reform. Those with high capacity (good industrial structure, high level of taxable income, central geographical position, etc.) receive a lower level compensation for their total costs, when state subsidies are calculated. The compensation grading varies from 45 percent to 60 per cent for the current costs in music and other arts education, adult education centres and public libraries. For the rest of cultural institutions and voluntary municipal cultural activities it varies from 25 per cent to 40 per cent. In the case of the subsidies for construction, founding, renovation, and major facility acquisition projects, the compensations vary from 25 per cent to 70 per cent. In 1993, the following number of municipal cultural institutions were receiving statutory state subsidy either directly (if they were organised as a non-profit organisation) or via the municipality: 85 music schools, 102 museums, 53 theatres, and 26 orchestras. Additionally, other theatres, orchestras and museums receive discretionary subsidy from the Ministry of Education.

The state subsidies are, and were already in 1993, given to municipalities as a lump sum containing the graded compensations. This means that the state has delegated the more detailed allocation of subsidies to municipal decision makers.

Because the implementation of the reform started in 1993, it is yet difficult to assess its impact on the joint financing of culture by the state and municipalities. Assessing the effects of the reform have also been difficult for other reasons. Due to economic depression, different economising have been initiated both by the state (as to its subsidies) and municipalities. It is difficult to separate the effects of these economising measures and of the subsidy reform. Furthermore, the channelling of the subsidies as a lump sum means that, since 1993, the distribution of costs will increasingly vary from year to year depending on the preferences of municipal decision makers and officials, and the effects of the state subsidy system from any given area of services are difficult to assess.

To sum, the development of the late 1980s and the reforms of the early 1990s have at the same time increased the state financial responsibility, and delegated the decision making authority in respect to these subsidies to the municipalities themselves. The municipalities are increasingly taking over regional planning and development activities.

## 5. International exchange and influences

There have been certain political and administrative responses in Finland to recent changes of international political and cultural environment. First, there was a distinct increase of state outlays for international cultural cooperation in 1990-1994. This has mainly been due to increased participation in the new European programmes of student exchange and research and development. Only few of these programmes belong to the sphere of "culture" in any stricter sense, but the participation in Eurimage, Audiovisual Eureka and MEDIA Programme should be separately mentioned. Finland has, of course, continued its active participation in cultural and media programmes of the Council of Europe. The importance of these programmes, embracing the "wider Europe", has of course gained even in Finland increased importance after the turn of 1989.

In addition to above overall intensification of cultural cooperation, there are four important areas, where changes of international environment have shaped or will shape Finnish cultural development and cultural policy. These are broadcasting, regional administration, taxation, and copyright.

Above comments refer to specific trends, cases and sectors. Yet, the overall tone of the development seems to be the same. *The role of the state is definitely changing.* Due to international development the state is loosing its authoritative hold. This is not solely a process of decentralisation, but the state is rather "instinctively" detaching itself from decision making and implementation processes it feels it does not have competence to carry out. At the same time its organs are increasingly subsuming advisory and expert functions in assisting institutions, arm's length bodies, and bodies of regional and local self-government in national and international cultural cooperation.

**Työpapereita - Working Papers**  
**Tutkimus- ja tiedotusyksikkö, taiteen keskustoimikunta**  
**Research and Information Unit, the Arts Council of Finland**  
(ISSN 0788-5318):

- No. 1 Ritva MITCHELL & Sari KARTTUNEN: Why and How to Define an Artist?  
Types of Definitions and their Implications for Empirical Research Results.  
The Arts Council of Finland. Helsinki 1991. ISBN 951-47-4484-5.
- No. 2 Matti LAHTINEN: Evaluating Music Policy.  
Applying Ethnomusicological Frame of Reference of the Study of "A Political System  
Directing the Production of Music".  
The Arts Council of Finland. Helsinki 1991. ISBN 951-47-4485-3.
- No. 3 Tuulikki KARJALAINEN: Kuhmo Chamber Music Festival.  
The Structure of the Festival's Economy and the Economic Impact of Festival.  
The Arts Council of Finland. Helsinki 1991. ISBN 951-47-4486-1.
- No. 4 Auli IRJALA: Säveltaiteilijatutkimus. Tutkimusjoukon kokoaminen.  
Taiteen keskustoimikunta. Helsinki 1991. ISBN 951-47-4417-9.
- No. 5 Auli IRJALA: Selvitys musiikki-instituuttien toiminnasta vuosina 1987-1989.  
Taiteen keskustoimikunta. Helsinki 1991. ISBN 951-47-4487-X.
- No. 6 Auli IRJALA: The Socio-economic Position of Composers and Musicians in Finland.  
Collection of Data.  
The Arts Council of Finland. Helsinki 1991. ISBN 951-47-4538-8.
- No. 7 Ritva MITCHELL: On the Arts and Employment in Finland.  
The Arts Council of Finland. Helsinki 1991. ISBN 951-47-4541-8.
- No. 8 Presentation av forskningsprojekt och publikationer 20.3.1991.  
Centralkommissionen för konst. Helsingfors 1991. ISBN 951-47-4542-6.
- No. 9 Paula KARHUNEN: Kuka on näyttämötaiteilija? Näyttämötaiteilijatutkimuksen lähtökohtia.  
Taiteen keskustoimikunta. Helsinki 1991. ISBN 951-47-4649-X.
- No. 10 Paula KARHUNEN: Who is a Scenic Artist? Starting Points in the Study on Scenic Artists.  
The Arts Council of Finland. Helsinki 1991. ISBN 951-47-4666-X.
- No. 11 Ritva MITCHELL: Patterns of Cultural Participation and Consumption in Finland in the 1980's.  
The Arts Council of Finland. Helsinki 1991. ISBN 951-47-5492-1.
- No. 12 Auli IRJALA: Valtion tuki säveltaiteilijoille 1980-luvulla.  
Taiteen keskustoimikunta. Helsinki 1991. ISBN 951-47-5493-X.
- No. 13 Ilkka HEISKANEN och Pasi SAUKKONEN: Kulturen och den regionala utvecklingen.  
En översikt över de finländska forskningsprojekten.  
Centralkommissionen för konst. Helsingfors 1991. ISBN 951-47-5721-1.
- No. 14 Paula KARHUNEN: Valtion tuki näyttämötaiteilijoille vuosina 1980-1991.  
Taiteen keskustoimikunta. Helsinki 1992. ISBN 951-47-5921-4.
- No. 15 Sari KARTTUNEN: Kuvataiteilijan ammatti.  
Katsaus viimeaikaisiin tutkimussuuntauksiin taiteilijan asema -tutkimuksen näkökulmasta.  
Taiteen keskustoimikunta. Helsinki 1992. ISBN 951-47-6166-9.
- No. 16 Survey on the Economic Situation and Social Status of the Artist in Finland.  
The Arts Council of Finland. Helsinki 1992. ISBN 951-47-6266-5.
- No. 17 Auli IRJALA: A Minority in Music. Women as Professional Composers and Musicians.  
The Arts Council of Finland. Helsinki 1992. ISBN 951-47-6765-9.
- No. 18 Danielle CLICHE, Auli IRJALA and Eija RISTIMÄKI: National Cultural Policy Framework and Trends in  
Finland.  
The Arts Council of Finland. Helsinki 1993. ISBN 951-47-8200-3.
- No. 19 Merja HEIKKINEN and Paula KARHUNEN: Focus and Functions of Public Support for Artists in Finland.  
The Arts Council of Finland. Helsinki 1993. ISBN 951-47-8693-9.
- No. 20 Eija RISTIMÄKI: The Role of Intermediary Bodies within the Finnish Public Cultural Administration.  
The Arts Council of Finland. Helsinki 1994. ISBN 951-53-0226-9.



- No. 21 Paula KARHUNEN: The Interaction between Artists' Professional Training and Employment in the Field of Theatre.  
The Arts Council of Finland. Helsinki 1994. ISBN 951-53-0227-7.
- No. 22 Merja HEIKKINEN: Effects of Direct Support on Artists' Incomes.  
The Arts Council of Finland. Helsinki 1994. ISBN 951-53-0228-5.
- No. 23 Henrikki HEIKKA: The Helsinki Metropolitan Area as a National and International Cultural Centre Area.  
The Arts Council of Finland. Helsinki 1994. ISBN 951-53-0229-3.
- No. 24 The Finnish Reply to the Inquiry Concerning the Role of the State in the National and International Cultural Development. Seminar "The Cultural Responsibility of the State", Stockholm, 19-20 August, 1994.  
The Arts Council of Finland. Helsinki 1994. ISBN 951-53-0230-7.

Toimittajat - Editors:  
Eija Ristimäki  
& tutkimus- ja tiedotusjaosto  
- Steering Group for Research and Information  
Taiteen keskustoimikunta - The Arts Council of Finland  
PL 293 - P.O. Box 293  
00171 Helsinki  
Puh. - Tel. 90-134 171  
Telefax 90-1341 7069