

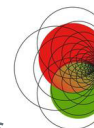


# culture 21

Agenda 21 for culture

Civic Culture:  
How can we develop  
sustainable financing  
solutions?

**JOHANNE TURBIDE**



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23 April 2014

The Committee on culture of the world association of United Cities and Local Governments (UCLG) is the platform of cities, organizations and networks that foster the relation between local cultural policies and sustainable development. It uses the Agenda 21 for culture as its founding document. It promotes the exchange of experiences and improves mutual learning. It conveys the messages of cities and local governments on global cultural issues. The Committee on culture is chaired by Lille-Métropole, co-chaired by Buenos Aires, Montréal and México and vice-chaired by Angers, Barcelona and Milano.

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## Civic Culture: How can we develop sustainable financing solutions?

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Historically, culture has developed in Western countries through the creation and recognition of large cultural institutions. When we think of the Louvre Museum in Paris, the Royal Opera House in London, the New York Philharmonic Orchestra, arts and culture have occupied and still occupy a prominent place in the main centers and are an unquestionable tourist attraction. Cultural institutions were developed thanks to the generous financing of central governments or thanks to private donors who valued art and culture as a vector of development and wellbeing of the society. In industrialized countries, cultural spaces proliferated and artists became active members of their economy.<sup>1</sup> The presence of institutions and cultural spaces fostered an environment of accessibility for those who “dared” to cross the thresholds of those spaces and who could... pay for a ticket.

Financing by governments and wealthy donors for arts and culture enabled art to be born and become visible and valued in multiple societies. Departments of culture and art councils, as well as private foundations, appeared implementing financing methods which were more and more structured and standardized. Art was categorized by discipline, by program.

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\* In collaboration with Verónica Zúñiga-Salas, research professional, HEC Montreal. The author also wishes to thank those who participated in the interviews and in reviewing this article.

<sup>1</sup> Menger, P-M. (2006). “Artistic Labor markets: contingent work, excess supply and occupational risk management,” in Ginsburgh, V. A. and D. Throsby (dir.), *Handbook of the economics of art and culture*, vol. 1, Amsterdam, Elsevier B. V., p. 766-806.

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The advantages of this model of financing, which may be called “*top-down*,” are that art and culture were recognized for decades - and much earlier than the environment - as an important vehicle for the development of our Western societies.<sup>2</sup> Nevertheless, this model has been accused of deterring multidisciplinary initiatives, urban art or cultural expressions that are not part of the disciplines or programs. Art and culture were also considered luxury goods, addressed to the elite, accessible to intellectuals and too costly in regard to their contribution to the economy.<sup>3</sup>

## Technological, environmental, economic and demographic changes caused a critical reflection on the role of art in our societies. Agenda 21 for culture crystallized this reflection and spawned major questions

Technological, environmental, economic and demographic changes caused a critical reflection on the role of art in our societies. Agenda 21 for culture crystallized this reflection and spawned major questions: Are art and culture elitist? Are there too many cultural places? Is the public of the twenty-first century in line with the offering? Are cultural communities interested in the cultural offering? And is the financing adequate?

Simon Brault,<sup>4</sup> fervent supporter of culture in Montreal, Quebec and Canada, said: “Cultural participation of the majority is a goal toward which we must aspire to prevent our communities from breaking up due to economic, social, linguistic and cultural disparities and to value creativity, free thinking and the ability of all citizens to coexist. The freedom of artists should also be protected by valuing their contribution to society, recognizing and rewarding them better for their work,” (Blog, November 24, 2010, free translation).<sup>5</sup>

In order to increase cultural participation, arts and culture must open up and financing must be distributed more widely. As previously mentioned, current financing is fragmented by “WHO” finances culture as well as the type of activities or “WHAT” is financed.

## In order to increase cultural participation, arts and culture must open up and financing must be distributed more widely

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<sup>2</sup> Streeten, P. (2006). “Culture and economic development,” in Ginsburgh, V. A. and D. Throsby (dir.), *Handbook of the economics of art and culture*, vol. 1, Amsterdam, Elsevier B. V., p. 400 – 412.

<sup>3</sup> Baumol, W. J. (2011). “Application of welfare economics,” in Towse, R. (dir.), *A handbook of cultural economics*, 2 ed., Northampton, Edward Elgar Publishing, p. 9-18.


<sup>4</sup> Simon Brault is the Director of the Canada Council for the Arts. He directed the National Theatre School of Canada for several years and is the founder of *Culture Montreal* where he was president for twelve years.

<sup>5</sup> Website of Agenda 21 for Culture of Quebec: <http://www.agenda21c.gouv.qc.ca/blogue/lart-pour-transformer-et-unir/>

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## Sources of financing and the activities financed

For Vincent Magnat, cofounder and president of the Arts and Culture Group of Rosemont-Petite-Patrie (a neighborhood of the city of Montreal), local financing of arts and culture is acquiring a more integrated vision of culture as an essential factor of life in the neighborhood. In fact, Mr. Magnat presides a roundtable on local cooperation in culture, “Cultural meetings of Rosemont-Petite-Patrie,” which gathers all those interested in Rosemont-Petite-Patrie (citizens, artists, socioeconomic and community actors, councilors and public workers) on the issue of arts and culture with the goal of developing a genuine cultural neighborhood. For him, “civic culture necessarily implies a decentralization of funds toward local governments, as well as the adoption of a cultural plan for each neighborhood. Financing culture concerns everyone, not only departments of culture and art councils. If citizens wish to appropriate culture, they must feel support from the mayor and the councilors,” (April 2014).



### The historical approach of *top-down* financing must be completed by local (*bottom-up*) financing and transversal financing of arts and culture

According to *Culture Montreal*, a citizen mobilization organization for promoting culture and arts, “Agenda 21 for Culture has opened a large amount of possibilities for financing, transferring the responsibility of departments and organizations specialized in culture to make it into a global mission of the government and its constituents (cities and towns). The integration of culture into the practices of all the departments and municipal services will offer huge opportunities for supporting culture,” (April 2014).

The historical approach of *top-down* financing must be completed by local (*bottom-up*) financing and transversal financing of arts and culture. The economic, social and local actors must be sensitized and challenged by the importance of culture.

Again, according to *Culture Montreal*: “Staying in school, preventing delinquency, feeling safe, integrating immigrant populations, good neighbor relationships, mutual assistance and civic commitment: arts and culture positively influence these social issues” (April 2014).

For Vincent Magnat, there was a great step forward in the cities guaranteeing that arts and culture be integrated more and more into the strategic planning of the political representatives. However, he adds that “financing does not follow. The parameters are highly centralized and the budget is by activity sector, education, health, urban planning, culture,” (April 2014). At the moment, it is observed that citizen initiatives are carried out mainly in a voluntary way, which in the medium term may affect their sustainability.

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The Conseil des arts de Montréal (CAM, Arts Council of Montreal), the municipal organization which distributes more than 13 million dollars to organizations and artists of the island of Montreal, is sensitive to the changes in the cultural life of cities and neighborhoods, which is why it has initiated several projects in collaboration with other sectors as well as with the arts sector. Nathalie Maillé, executive director of CAM, cites, inter alia, "...our partnership with the department of immigration; our diverse projects of artist residencies in hospital and schools. We think that it is meaningful, that it is useful, and above all, that it will pay off to let artists and other interested parties coexist, to mutually inspire each other," (April 2014).

The value of art can also be measured in the wellbeing it provides to people, but in order to improve this intrinsic value, new ways of making art emerge in all areas must be invented.<sup>6</sup> According to *Culture Montreal*, "This broader awareness is developed through art education and cultural participation from an early age, keeping in mind the transition toward the digital age and the particular situation of each living environment" (April 2014).

Jean-Pierre Augustin reveals that "culture occupies a more and more important place in public policies and the organization of cities, which is why it is considered an essential condition and means for territorial development, and not necessarily or not only its purpose" (Augustin, 2010).<sup>7</sup>

In this regard, in 2013 the city of Montreal started its plan to implement Cultural Neighborhoods, a project which aims to "...offer the population of Montreal a quality local cultural offering and encourage cultural participation of citizens in the development and improvement of their living environment."<sup>8</sup> As part of this process, the city of Montreal is committed to implementing support and financing mechanisms to develop and consolidate initiatives of the cultural neighborhoods<sup>9</sup> (City of Montreal Website).

Art and culture have, therefore, a value that goes beyond one-off financing of organizations and projects, but how can we financially support all the initiatives?

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<sup>6</sup> Towse, R. (2010). *A textbook of cultural economics*, Cambridge, Cambridge University press, 600 p.

<sup>7</sup> Augustin, J-P. (2010). "La « classe créative » peut-elle être un élément du développement des villes ?" in Tremblay, R. and D-G. Tremblay (dir.), *La classe créative selon Richard Florida. Un paradigme urbain plausible ?*, Quebec, Presses de l'Université du Québec, p. 206.

<sup>8</sup> Website of the city of Montreal:


[http://ville.montreal.qc.ca/portal/page?\\_pageid=1576,90563699&\\_dad=portal&\\_schema=PORTAL](http://ville.montreal.qc.ca/portal/page?_pageid=1576,90563699&_dad=portal&_schema=PORTAL)

<sup>9</sup> City of Montreal, *Réalisons ensemble nos quartiers culturels. Plan de mise en œuvre juin 2013*. Website of the city of Montreal: [http://ville.montreal.qc.ca/pls/portal/docs/PAGE/CULTURE\\_FR/MEDIA/DOCUMENTS/PLAN%20DE%20MISE%20EN%20OEUVRE%20DES%20QUARTIERS%20CULTURELS.PDF](http://ville.montreal.qc.ca/pls/portal/docs/PAGE/CULTURE_FR/MEDIA/DOCUMENTS/PLAN%20DE%20MISE%20EN%20OEUVRE%20DES%20QUARTIERS%20CULTURELS.PDF)

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## Financing: only a matter of public funds?

A growing concern in financing arts and culture is that national, regional and local public authorities are more and more in demand and often cannot satisfy all the demands. The economic fragility of the sector makes it vulnerable to budget cuts caused by economic downturn. In 2008, the liquidity crises in Canada and the United States, and the more recent euro crisis in the member countries of the Economic and Monetary Union of the European Union, have dramatically demonstrated that arts and culture are what most rapidly are cut from the budget when the economy is bad. When one thinks about the drastic budget cuts of Berlusconi's government on the cultural organizations in Italy, or the withdrawal of the Canadian government from the performing arts touring programs, it is clear that the sector depends very much on public funds. While not advocating the disinvestment of public funds, it is important that the private sector be more aware of the added value of supporting arts and culture. We know very well the benefits generated by the main festivals and expressions in different cities, benefits that were unknown before the arrival of these events. Think about the *Francofolies* de La Rochelle festival in France or the *South by Southwest* festival of Austin, Texas in the United States; these cultural activities are crucial for the vitality of these cities. They are very accessible and often the pride of the citizens of the host cities. These events and many others could be more generously financed by private corporations which have undeniable economic benefits. It is important to create spaces for exchange and cooperation that allow for risk sharing as done in other economic sectors. For many years we believed in the welfare state and free access, but civic culture is probably going by another business model, a model which commits the different interested parties to be involved in the financing of cultural projects.




### Civic culture is probably going by a model which commits different interested parties to be involved in the financing of cultural projects

For example, in Quebec, the program *Mécénat Placement Culture* is a testimony to the genuine success of engaging the private sector in supporting arts and culture. Since 2005, through the implementation of this program, the government of Quebec has agreed to match up to 300% of the private funds raised by cultural organizations. Therefore, in the first part of the program, an organization with a budget of less than 250,000 dollars and which raises 25,000 from private donors (individuals and commercial enterprises) will receive a sum of 75,000 dollars from the government, which is three times the amount of the donations collected. For larger organizations, the corresponding percentage will be less. All the donations and a part of the grant must be invested for 10 years and the other part of the grant will be available two years later. Thus, the government of Quebec hopes to encourage saving and sustainable fund formation to help organizations survive difficult periods in terms of public financing or in terms of aid. The program has been so popular that it was extended and may even help organizations obtain financing in the short term or for touring. Over 58 million dollars in private funds have been invested in culture thanks to this financing.

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## Other initiatives

Widespread Internet accessibility and the popularity of social media have permitted the emergence of a new form of financing arts and culture, participatory financing (crowdfunding). This concept can be defined as “an initiative to collect funds for a new project through financial contribution, whether small or medium-sized, for a large number of people.”<sup>10</sup> This type of financing fits well with the goal of citizen cooperation and participation in culture and allows a large number of people to support a cultural initiative. The donation may be small or large, but above all it is the numerical strength which enables carrying out the project. Participatory financing is unifying and allows the public to participate in the initiative. The best participatory financing sites are those which change the project online and arouse the interest of new donors. This is certainly an interesting form of financing for civic culture initiatives.



### **Crowdfunding fits well with the goal of citizen cooperation and participation in culture and allows a large number of people to support a cultural initiative**

On the other hand, we can encourage relationships between the business sector and that of arts and culture. The opening up and transversality of financing require building bridges between these two sectors. The sector of arts and that of business are complementary, but it is still necessary for both to take time to get to know and understand each other. The *Conseil des arts* of Montreal has developed a series of initiatives called *Arts-Affaires* (Arts-Business) with the goal of promoting the creation of networks and exchanges between these two sectors. Among other examples is the program *GO-CA* to promote the involvement of business professionals in administration councils of cultural organizations, and the *Arts-Affaires* awards which “each year recognize companies and individuals who distinguish themselves and offer highly-regarded and beneficial help to the arts.”<sup>11</sup>

Finally, the initiatives of Cultural Neighborhoods, as have been proposed in Montreal, foster relationships between the artistic and business sectors and citizens. *Culture Montreal* wrote in 2011: “Territory is a carrier of values and influences social and cultural interactions. The “cultural neighborhood” is, in fact, a “citizen space,” that is, an ecosystem in which a plurality of local actors acts and interacts. In this regard, arts and culture constitute an essential dimension of the living environment quality,” (October 2011).<sup>12</sup> For Culture Montreal, “civil society has an important role to play in the appropriation of culture by all citizens,” (April 2014).

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<sup>10</sup> Ordanini, A., L. Miceli, M. Pizzetti and A. Parasuraman. 2011. “Crowd-funding: transforming customers into investors through innovative service platforms.” *Journal of Service Management*, vol. 22, no. 4, p. 443-470.

<sup>11</sup> Website of the Conseil des arts de Montréal (Arts Council of Montreal): <http://www.artsmontreal.org/fr/prix/prix-arts-affaires>

<sup>12</sup> *Culture Montreal* (2011). *Mémoire sur les quartiers culturels*. Website of the city of Montreal: [http://ville.montreal.qc.ca/pls/portal/docs/PAGE/COMMISSIONS\\_PERM\\_V2\\_FR/MEDIA/DOCUMENTS/MEM\\_CULTUREMONTREAL\\_20111012\\_0.PDF](http://ville.montreal.qc.ca/pls/portal/docs/PAGE/COMMISSIONS_PERM_V2_FR/MEDIA/DOCUMENTS/MEM_CULTUREMONTREAL_20111012_0.PDF)




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In June 2013 a development plan for cultural neighborhoods was launched by *Culture Montreal*, which recommended drawing up and implementing a development strategy for the cultural neighborhoods in cooperation with the local communities of the territory of Montreal. The plan is articulated by four guidelines: 1) Improve access and participation in arts and culture for the citizens of all the neighborhoods; 2) Promote the presence of artists in the neighborhoods; 3) Promote and value the cultural wealth of the neighborhoods; 4) Provide the means for developing the cultural neighborhoods.

TOHU complex in the Saint-Michel neighborhood reflects this interaction between actors. In fact, since its inauguration in 2004, for the population of the Saint-Michel neighborhood TOHU has been the host of this unique cultural and environmental project, an important actor in the revitalization of the community and a very good employer for the neighborhood's youth.

Much more than any other performance hall in the cultural landscape of Montreal, through its activities TOHU has developed close community relationships with a high level of participation and cooperation, which involves understanding the population and opening up to multiple communities established in the neighborhood. TOHU wishes to increase collective wealth and ensure social development, through a sustainable development approach (cultural, social, economic and environmental), with partnerships in social economy, local hiring policies, a festival which produces benefits in several neighborhoods of the city (Montreal Cirque Fest) and a multicultural encounter on creation within the framework of the Falla.<sup>13</sup>



## We must think outside of the current policies and programs and foster transversality in the cultural actions taken as well as their financing models

In conclusion, arts and culture are an essential dimension of the harmonious and sustainable development of communities and territories. Although we continue insisting on the fundamental, democratic and irreplaceable character of informed, constant and progressive public financing of arts and culture, we must use imagination and creativity to promote civic financing of culture. Citizen participation is a vector of development for civic financing and public authorities are challenged in this stage of change. We must think outside of the current policies and programs and foster transversality in the cultural actions taken as well as their financing models, in order to face the challenges of resilience, adaptation and sustainable development which emerge in the cultural sectors in response to constant demographic, economic, behavioral and technological changes.

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<sup>13</sup> TOHU – La Cité des arts du cirque (2011). *Mémoire portant sur les Quartiers culturels*. Website of the city of Montreal : [http://ville.montreal.qc.ca/pls/portal/docs/PAGE/COMMISSIONS\\_PERM\\_V2\\_FR/MEDIA/DOCUMENTS/MEM\\_TOHU\\_2111121.PDF](http://ville.montreal.qc.ca/pls/portal/docs/PAGE/COMMISSIONS_PERM_V2_FR/MEDIA/DOCUMENTS/MEM_TOHU_2111121.PDF)



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