COLLECTION OF THESIS

to the PhD dissertation by

Attila Árpád Zongor

The cultural policy of the European Union in theory and practice

Topic Leader:

Zsolt Rostoványi DSc
University Professor

Budapest, 2008
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1 Work program and research methodology

1.1 Precedents and objectives of the subject

The cultural activity of the European Union has a history of merely fifteen years. Or at least this is what most of those studies claim which start the analysis with what constitutes the foundation of the cultural activity of the European Union, the Maastricht Treaty. It is certainly true that the legal foundations of the subject were laid down by Article 128 of the Treaty of the European Union, yet, as early as the late 1970s, we can identify initiatives whose core is one culture-related idea or another. Such time as has passed since then should justify attempts to trace or even gauge the effects of measures implemented along a given policy.

The main issue I seek to answer in my dissertation is whether there is such a thing as a cultural policy in the European Union. After all, the Maastricht Treaty declared culture to be the competence of the member states, and there are accordingly no compulsory harmonized measures. On the other hand, ever since the mid-nineties, the Commission has been tying its support of the cultural field to particular concepts, programmes that lasted first for three or four, and now for seven, years, each underpinned with analyses and documents. Culture is also part of the programme of the incumbent presidencies. In this light, it would be difficult to claim there is no political intent behind the ideas.

The importance and current relevance of the question is also indicated in recent years by an unprecedented succession of international conferences dealing with European cultural policy, which grew out of the seed of a private initiative and have since invited interest from the highest political level. At conferences held in Berlin in 2004, in Paris and Budapest in 2005, and in Granada in 2006, politicians, experts and artists set a goal no less ambitious than the definition of a common platform on which to discuss the future of the
European Union’s cultural policy. The speakers of the November 2005 Budapest meeting – co-organized by me and the office I head –, which had 600 participants, among them the cultural ministers and representatives of the cultural ministries of 35 countries, included European Commission President José Manuel Barroso and Commissioner for Cultural Affairs Ján Figel’. It is also of symbolic value that the European Commission declared 2008 the European Year of Intercultural Dialogue.

Aware that it is well nigh impossible to create a basic definition of culture that would be generally accepted, while using a narrower definition that restricts it to art would be unworkable in the context of European integration, I employed a practical and pragmatic definition in my approach. During research, I considered cultural all programmes, policies and initiatives which aim to support cultural institutions. Among others, cultural institutions include cultural societies, (public and private) cultural institutions, cultural associations and umbrella organizations, artistic associations, museums, local governments, departments of ministries, etc. Activities that fall under this heading include cultural heritage protection, contemporary performing and visual art, literature, the translation of literature, book publishing and the cultural content industry.

Despite its relevance and importance, the subject in effect has remained unexplored by scholars. Texts to date lack comprehensiveness, are without any theoretical methodology and their approach is not scholarly. While collecting data from local and international sources, I have not found even what would be the most obvious treatments, time series, let alone their analysis.

My approach is historical in that I trace the processes from the late 1970s to the present, and establish phases within this period. The first such phase ends in 1992, with the coming into force of the Maastricht Treaty. Its most important characteristic is spontaneity, which is equally true of the way politicians posed problems at the time, decisions were made and support was structured. The second phase lasted from 1992 until 1999. During this period, the influence of the Treaty of the European Union on culture can be detected
in two groups of phenomena, both related to material support. One is support provided to actors of culture for cultural projects and the international cooperation of institutions. The other is the growing number of symbolic activities initiated. According to Article 128 of the Maastricht Treaty, which lays down the legal foundations of financing culture, the Community participates in promoting cooperation between member states, and when necessary, supports and supplements their activity in the following fields:

- improving the knowledge and dissemination of the culture and history of European peoples,
- preserving and protecting cultural heritage of European significance,
- non-commercial cultural exchange,
- visual art and literature, including the audiovisual sector.

The initiatives of the 1990s, which were not really comprehensive and reached the necessary levels only partially, was succeeded by the third, present phase in 2000, when the new generation of cultural framework programmes was launched.

The above is meant to be realized as a complement to the member states’ own cultural policies, in agreement with the principle of subsidiarity. The hypothesis that the cultural policy of the Union is practically restricted to symbolic actions because the same member states that try to create a supranational European cultural policy represent their own national interests at the negotiations, has not, to my knowledge, been discussed in specialist literature.

Going beyond the hypothesis, I also want to take the opportunity to examine the prospects of the near future, on the strength of the historical context represented by the past one and half decades.

The dissertation thus sets three goals for itself. First, it describes, with scientific accuracy, the trends of the past 30 years of cultural policy in the European Union, and offers an overview of its logic and points of connection. Second, as part of the scholarly method, I try to adopt methods from other sciences, and underpin their use with practical examples, which have
relevance in the light of the first objective. Third, research is to provide data for comprehensive time series which facilitate the interpretation and making of political decisions, and provide a useful base for further studies.

1.2 Methods used vis a vis the science literature

The cultural policy of the European Union has received, in effect, no scholarly treatment. I used four main types of sources for my dissertation, which are:

- relevant scholarly literature;
- documents of institutions;
- official and independent analyses;
- conferences, conference publications, lectures, interviews.

For reasons outlined above, there is only a very limited amount of specialist literature available on the subject of my research, though some of what little there is was published in Hungary. The available literature consists mostly of short studies, articles in specialist journals, and chapters in books with more general subjects. None analyses the questions of culture extensively. The only work of a more comprehensive outlook is *Kultúra és az Európai Unió* (*Culture and the European Union*), a collection of studies I edited, but even that is more of a supplementary material for education (Zongor [2005]). Therefore, when trying to lay the theoretical foundations of my dissertation I could rely chiefly on the specialist literature of adjacent subject areas.

One important group of sources is the documents of the various institutions of the European Union. These include measures, treaties, guidelines, recommendations, resolutions, interinstitutional documents, etc., whether they were published in the *Official Journal* or not. In some cases (especially for the analysis of Structural Funds), I was obliged to use sources available only on the internet, because no European-scale collection of case studies is available in other formats. What with the limited availability of specialist literature, I consider the analysis of these documents an important, original part of my dissertation.
The third group of sources is comprised of various official and independent reports. They are closely related to the second group, because most analyses deal with the effects of EU measures. These sources include reports made for official organs, as well as some made by independent organizations or analysts. But unlike the official documents, these reports often have questionable objectivity, because while official analyses lean towards the data expected, the independent analyses tend to serve the interests of specialists and lobbyists. The opposing vectors of the two types of sources are in fact hoped to add up to a direction, a trend, that is realistic. Throughout the dissertation, I sought to represent, beside the available analyses, my own experiences and opinions, and often to contrast them with the available results.

Beside the three essential types of sources described above, I could rely on information gained at conferences, from conference publications and lectures, as well as interviews with experts. An experienced colleague, an international expert or an official in Brussels could often direct my attention to connections in issues of European cultural policy which no analyses had indicated. Here too I want to thank them for their help.

To process the available sources, I established the following research method:

- identifying the subject and available information;
- identifying the most important problems;
- reviewing applicable theories in other fields of science;
- applying the adapted theories to European cultural policy;
- following up possible applications of the theory.

The starting point for research was delimiting the cultural activity of the European Union, and identifying information available for research and analysis. It helped substantially in identifying the problems that as part of my work, for almost ten years I have been attending on a regular basis international conferences devoted to the subject. It was during these steps that it became evident that the subject had not received a theoretical approach in previous analyses. Thus my goal was not to form an essentially new theory, but to adapt available theories to a new area. In this respect too, suggestions
made during the workshop discussion were contributive to the final form of the dissertation.

The two main theories adopted and applied to European cultural policy are those of public goods and externalities. Throughout research, I sought to look at theories through the spectacles of applicability, practical materialization. This is why, whenever it was possible, I illustrated my point with concrete measures, real case studies.
2 Major findings

The most important findings of the dissertation are as follows:

- positioning the role of culture in the history of the evolution of the European Union;
- assessing the real weight of culture within the budget;
- identifying contradictions between what is officially communicated and what is realized;
- understanding the cultural field as a public good;
- justifying the cultural development potentials as used externalities.

2.1 Positioning the role of culture in the history of the evolution of the European Union

Identifying the position of culture in the history of the evolution of the European Union is one of the original results of my dissertation. If we look at the history of integration, we see that Europe is on a course that leads from the initial joint attempts to boost the economy to an ever more complex tissue of interlacing political and social relations. Even the economic union created after World War Two was the result of a political decision. Today, integration drives (in one sense or another) towards union not only aspirant but also existing members. The Union has not given up its ambition to be one of the leading economic powers of the world, and there is increasing attention devoted to maintaining its cultural potency.

During the period between the Treaty of Rome and the Treaty of Maastricht, the Union began to be active in several fields of traditionally understood culture, through regulations, guidelines and Commission communications. The European Parliament passed its first decision on the protection of Europe’s cultural heritage in 1974 (Resolution of the European Parliament… [1974]), while major initiatives in the 1980’s included the European Capitals of Culture
(Resolution of the Ministers… [22.06.1985.]), reduced admission fees to museums for young people (Resolution of the Ministers… [31.12.1985]), the protection of the architectural heritage (Resolution of the Ministers… [1986]), support for the translation of literature, book publication and reading culture (Resolution of the Council and of the Ministers… [1989]). From 1990 the cultural activity of the Community was further extended: European Cultural Months were launched (Conclusions of the Ministers for Culture… [1990]), a decision was made (Resolution of the Council and the Ministers… [1991]) to give specialist training to those working in the administration of art and artists (Resolution of the Ministers for Culture… [1991]), as well as to provide support for theatres, and the European prize for literature and translation was established (Information from the Commission… [1990]).

Of the basic documents of the Community, the Maastricht Treaty was the first to deal with the question of culture. The Treaty introduced new considerations into the activity of the European Union when it made culture appear in the founding treaty as a relevant aspect, and explained, as well as added new elements to, questions related to culture, to continue a process described as “spill over” by the neofunctionalist theory. (see Kende [2003], Kiss [1997]).

In the European Union as a result of the successful economical and political integration, the need for creating a common cultural policy and defining the European identity came to the agenda. Iván Rónai (Rónai [2005]) agrees that cultural convergence can deepen the European integration. The Treaty on the European Union makes a step forward in accepting the role of natural persons, as the more role they have, the more the process is accepted (Rostoványi [1999]).

Two motifs are worth highlighting apropos of the Treaty, which are the primary characteristics of the Community’s attitude towards culture. One is that with regard to culture, the European Union does not seek to prescribe: while the emphasis is on supporting culture and encouraging cultural activities, decisions remain chiefly the privilege of member states; they are made, in other words, at the national level. The other important principle,
which the Union must fully observe in its cultural policy as well, is the idea of subsidiarity. A more complete European unity cannot foster without cultural forces (…), culture is a human resource, economical integration could loose its dynamism without (Máld [1995a] p. 62).

2.2 Assessing the real weight of culture within the budget

Similar to national budgets, the yearly budget of the European Union is a result of a complex political process (see Palánkai Tibor [2004]). One result of my research is the first comprehensive analysis of the general budgets of the European Communities with regard to culture, which enables a realistic assessment of the position of culture within the budget. My analysis uncovered several inconsistencies between official communication and actual data.

For the analytic analyses, I had to take a look at all the general budgets in the past 30 years, as published in the *Official Journal* of the European Union. Until 1976, culture did not appear distinctly in the budgets of the European Communities, in any form. The first year was 1977, when 100,000 EUA was marked under the heading of further expenses (77/224/ECSC, EEC, Euratom [1977]). Seeing that the 2007 proposal earmarked 46.5 million euro under a separate heading seems to suggest a positive tendency (General Budget for 2007… [1997]). However, when collated with the total population of the EU and changes in the price index, the results give less ground for optimism than expected.

Growth was essentially steady until the 1990s, but has been hectic ever since. The alternation of rise and decline, on the other hand, is flatly contradicting any expectations that may arise from the growing, if verbal, appreciation of the value of culture. After the coming into force of Article 128 of the Maastricht Treaty, one would expect to see a rise in the amounts devoted to
culture. By contrast, the previous rising tendency was followed by a decline in 1994 (94/56/ECSC, EC, Euratom [1994]), which reduced cultural resources to a level seen two or three years earlier.

Decision makers had two important expectations of Culture 2000, a framework programme started in 2000: it was to increase resources available for culture, and by combining three earlier programmes, it was to create a more predictable system (Commission Report… [COM(2004)33 final]). The data of subsequent budgets do not justify such expectations, because the most affluent year to date was 1998. Sources in 2000 and 2001 represented a return to the level available three or four years earlier. Also, the budgeted money was made available unevenly, irregularly.

The relationship of the fulfilment of culture-related commitments to the entire budget is best indicated by the ratio of cultural expenses. As is well-known, former French cultural minister Jack Lang set the benchmark of culture-related expenses at 1% of the national budget. The European Union is still very far from this favourable 1%. Though the ratio is slowly growing, it never passed 0.05% in the past thirty years.

When examining the trends, we can see that the largest increase from one year to the next took place in 1987, when the amount was 3.7 times larger than the previous year’s. Since the end of the 1980s, the largest rate in change was +50%. After the 1990s, with the introduction of the framework programmes, the rate of growth in available sources from one year to the next is constantly diminishing. More regular after 1990 are the occurrences of reductions. An overview of the past 30 years shows that major changes in the volume of available resources, whether positive or negative, occurred only when a new field was introduced. Once the structures have been set, no dramatic changes can be expected.
2.3 Understanding the cultural field as a public good

The ideas on governance of David Hume (1711-1776) Scottish philosopher, historian and economist are to be mentioned first regarding the public goods (Hume [1976], 727. p.). According to the classic approach, it is one of the economic tasks of the state to produce public goods (a term I use intentionally). They are goods individuals could not produce on their own, or only at great expense. The question is whether the European Union fulfils this task in the field of culture.

In their study (Sable – Kling [2001]), Sable and Kling use a new approach to optimize decisions concerning cultural heritage protection, an approach that helps us in our examination of the European dimension. They introduce the notion of the “double public good,” which can be used extensively to express value both in the case of marketable private commodities and non-marketable social commodities. The backbone of the theory is that any cultural asset or activity will also produce multifarious non-marketable social benefits.

Let $u^1, \ldots, u^n$ designate the utility function of household $n$. The utility function of the $i$-th household is:

$$u^i = u^i(y^i, x^i, x, H)$$ (1)

where $y^j$ designates private goods consumed by the household, $x^j$ private consumption of the built heritage, $x$ the total social consumption of the same heritage, $(x = \sum_{j=1}^{n} x^j)$, and $H$ the sum of available cultural heritage. $x^i$, the private consumption of the heritage, can be expressed as:

$$x^i = g^i(a^i, H).$$ (2)
Here $g^i$ is the production function of the $i$-th household with regard to heritage experiences, and $a^i$ denotes the physical and intellectual access of the $i$-th household to the heritage. $H$ is the available cultural heritage, which is to say $H$ acts like traditional capital in the production function of the household. The theory of Sable and Kling can be adapted to modelling the European dimension that provides that foundation of the European Union’s cultural initiatives.

I introduce $E$ to denote activities that have a European dimension, and then

$$u^i = u^i(y^i, x^i, x, E) \quad (3)$$

$$x^i = g^i(a^i, E). \quad (4)$$

According to equation (4), the personal, and consequently the total social, consumption of activities with a European dimension is determined by the quantity of activities with a European dimension as a resource (public good), and the access activity of the households.

Uniting equations (3) and (4), the utility function of household $n$ is:

$$u^i = u^i[y^i, g^i(E, a^i), \sum_{j=1}^n g^j(E, a^j), E] \quad (5),$$

The point of the model is that the utility of a household depends on

- the individual consumption of private goods;
- the access to, and individual consumption of, activities with a European dimension;
- the social consumption of activities with a European dimension as public goods.

During my analysis, I first try to give an economic definition of private, public and mixed goods, with the help of Hungarian and international specialist literature, and attempt to use the notion of public goods to cultural goods.
There is a parenthetical discussion of the problems of interpreting the idea of the commons.

I subsequently try to adapt the theory to the cultural activity of the European Union. I take a look at active systems of support, which have a direct function of cultivating identity, and an indirect one whereby EU citizens are made aware of the common heritage. The basic idea is to get closer the people of Europe by the performing and visual arts, multimedia and applied arts (Decision No 719/96/EC… [1996]). I discuss in detail what Pécs 2010 may have made one of the most highlighted cultural initiatives of the Community, the European Capital of Culture (see: Csekő et al [1994]).

If the European Union wants to maximize the utility function of households through common cultural values, then resources should be concentrated on activities with a European dimension, just as every attempt should be made to provide access to these activities for as many as possible.

2.4 Justifying the cultural development potentials as used externalities

For various reasons, culture is always treated as dependant upon, or a part of, another sector of economy. Culture is an important industry, contributes to the GDP of member states, and hence of the EU. Though the European Commission in an issued communication to the Council, the European Parliament, the Economic and Social Committee and the Committee of the regions in 1996 (Communication from the Commission… [COM(96)512 final]) declared that the cultural sector can add a significant part to the economical and social development. How does culture as a positive externality appear in the activity of the EU? With reference to legal obligations recorded in Article 151, the Treaty states that the increasingly important role of culture in regional development should be understood within the framework of the changing structure of economy, and as a result of changing lifestyles. Seen
from this perspective, the possibilities of the cultural sector should be better exploited, to increase and variegate the local and regional development potential of disadvantaged regions and regions disserved by structural changes. According to the communication, because culture is often treated in isolation from other factors of development or of the overall picture, it is important to turn to culture as an organic part of regional and local strategies aiming at new employment.

The income of cultural activities appears not in the cultural sector but in other sections of the economy. From the perspective of the benefiting economic actors, culture could thus be looked upon as a positive externality. In several areas of the EU’s economic policy we can see support given to culture while the immediate goals served are not cultural but economic.
3 Summary of conclusions

Ever since the late 1970s, the European Union has been seeking a solution to an increasingly pressing dilemma, namely, how the member states, which represent their own national interests, should create a supranational European cultural policy. The descriptive parts of this dissertation give a comprehensive overview of cultural developments in the period since then, because a knowledge of these processes is necessary to understand what is going on now and what the future holds for us. It is my hope that several of my points will encourage a discourse, because my image of the future is Janus-faced. As for political commitment, the cultural sector may have all it takes, yet the support remains token. When it comes to budget negotiations, culture fares, without doubt, worse than education or the audiovisual sector. The findings of my study can be extended in the direction of a more detailed modelling of the theory. When the principles of public goods and externalities are applied to culture, the optimum combination of resources for maximum utility can be more easily determined. It takes only a small step further to prepare effect studies that can provide operative help for the day-to-day work of political decision makers. Provided they require such help. Underpinned by facts and analyses, my findings will probably receive favourable critique from European interest groups and umbrella organizations. I am convinced that in its afterlife, my dissertation will influence opinion.
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5 Own publications in the subject


