Institutionalism, cultural institutions and cultural policy in the Nordic countries

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In the article our aim is to analyse theoretically the questions:

(1) what is the relevance of institutional approach in research about cultural policy and cultural institutions, and
(2) how do the modern cultural institutions change.

Cultural policy and cultural institutions cannot escape the strong mechanisms for change in their environments. The continuous urge to change and adapt to new conditions causes dynamics and instability and permanence in the institutions. Our empirical references concerning Nordic countries is twofold: On one hand we consider cultural policy making as an institutional formation taking place in concrete historical contexts; on the other we refer to cultural institutions in a traditional sense. By analysing institutionalist theories we will present reflections on what might be the contribution of this theoretical tradition to understand and explain developments in cultural policy making and in traditional cultural institutions. We ask if Nordic cultural policy has proven its resilience to globalization and neoliberalism in spite of the economic crisis of the 1990s. The main idea is that the concept of path dependency can be used as an explanation for cultural policy resilience. – In the analysis one argument is that the Nordic model has been changed in a liberal direction, but changes are not significant enough to replace the original model. We argue that the Nordic model is still far less resilient towards changes that lead to a less on public funding based cultural policy towards more marked based ideas. However, after the economic crisis was over at the end of the 1990s, some of the things been changing. For example, more public funding is targeted to support instrumentalisation of art and culture to strengthen national economic competitiveness.

**Keywords:** Cultural institution, New institutionalism, Path dependence, Nordic countries
INTRODUCTION

A common observation among today’s social theorists is that changes in economy, technology, social structures, politics, ideologies and cultures are taking place more often and at a higher speed than ever before in history. In simplified form the deep structural changes we are experiencing today are often subsumed under the concept of globalisation. If we accept such a description of contemporary times as a point of departure, no societal phenomenon can escape the strong mechanisms of change in their environments. The continuous urge to change and adapt to new conditions causes dynamics and instability rather than stability and permanence.

According to this logic the theoretical concept and the empirical phenomenon that we call ‘cultural institution’ will also be subject to strong forces of change. Since the 1980s traditional cultural institutions like theatre, the opera, the library, the museum and others have been heavily criticized (e.g. DiMaggio & Powell 1983, pp. 147-160) for being conservative “iron cage” bureaucracies, self-protecting and non-creative and immune against radical new ideas in artistic and cultural content as well as management and organisation. Artists employed in these institutions are accused of being ‘civil servants’ more than creative artists. Lifelong contracts hinder artistic renewal and development, the critics argue. And even worse: The institutions run away with a large proportion of the yearly state budgets for cultural purposes.

Interestingly this “grausame Salbe” against cultural institutions does not come only from cultural politicians. The most prominent critics come from artistic and cultural circles, for example from artists and cultural workers. They ask for artistic experiments, projects, short time contracts, less influence from trade unions, flexible organisation and a rapid labour turnover. (See Beckman & Månson 2008; Nilsson 2003; Kirvennummi 2003)

The critical “enfants terribles” of the artistic and cultural fields are publicly supported by neo-liberalist economists and management theorists who – also in the case of subsidized cultural institutions – see the Leviathan of ineffective government rule, enemy No. 1 of market oriented liberalist capitalism.

So what brings these two different groups – aesthetically radical artists and neo-liberal economists – into an “unholy” alliance, making a common front (whether they admit it or not) against traditional welfare state subsidised cultural institutions? One answer to that question could be that although they are different, they have one belief in common: The belief in autonomy and freedom from the state. The entrepreneurial credo of free markets regulated by individual agents is not too far from the classical liberal myth of the autonomous artist, operating in an autonomous field of art, free from politics and money.

It is really a sociological paradox that circles who cultivates ‘denial of the economic’ (Bourdieu 1992) fit so well in with neo-liberal belief in the market. Both are circles which are sceptical about government intervention. But from a historical perspective it should be less surprising since they are both legally born children of the same mother: The liberal ideas of individual independence and freedom of the late 18th and the early 19th century.

Now, facing deep structural social changes and public criticism, many cultural institutions experience that their legitimacy is questioned (Vestheim 2003). The key issues of the new (global) cultural policy concentrate on the challenging topics like multiculturalism, the economic importance
of cultural sector (cultural/creative industries, entrepreneurship), and the role of cultural sector in the strategies of development and competitiveness. New public management techniques, tactics and paradigms in the name of efficiency and accountability have challenged also cultural institutions. Marketisation and privatisation have been welcomed (Kangas 2004).

One way or another, cultural institutions have to address the problem. The question is whether cultural institutions and cultural policy tend to adapt behavior to environmental pressure for change, or develop strategies to defend well established beliefs and patterns of behavior. Even if there is always someone ready to object that institutions do not have cognitive capability, we could explore according to Douglas (1987, p. 102) how institutions survive by harnessing all information processes to the task of establishing themselves. The instituted community blocks personal curiosity, organizes public memory, and heroically imposes certainty on uncertainty. The ‘naturalness’ of institutions gives them strength, makes them seem reasonable and puts them beyond discussion.

The purpose and structure of this article

Informed by institutionalist theories we will present some reflections on what might be the contribution of this theoretical tradition to understand and explain developments in cultural policy making and in traditional cultural institutions. Our empirical references concerning Nordic countries will thus be twofold: On one hand we shall consider cultural policy making as an institutional formation taking place in concrete historical contexts, on the other we shall refer to cultural institutions in a traditional sense. Analytically we make a distinction between cultural policy making as ‘institution’, i.e. as an organised pattern for establishing and implementing public policy in the cultural field, and traditional organisations like theatres, libraries, museums, etc. working and functioning as ‘institutions’. In both cases we try to relate them to the concept ‘path dependency’ in institutional theory.

The structure of our article is as follows:

We start with a sociological discussion of the concept of institution as compared to organisation (I). Then we proceed with a review of literature about institutional theories (II). After that we apply the concepts discussed in I and II to analyse and discuss the relevance of institutional theories to understand changes or the lack of changes in Nordic cultural policy since the 1970s onwards (III). And finally we end with an analysis/discussion of the fruitfulness of institutional theories to understand changes or lack of changes in cultural institutions (IV). The article is finished with concluding remarks.

I

WHAT IS AN INSTITUTION?

In this part of the article we shall discuss in general sociological terms what an institution is. We will deal with the concept social institution as compared to organisation, and we shall say something about typical properties of institutions.

According to Bruce Cohen et al. (1990) a social institution is a permanently organised system for patterns of accepted behaviour and action to satisfy a societal need. Jonathan Turner (1997, p. 6)
says it is “a complex of positions, roles, norms and values lodged in particular types of social structures and organising relatively stable patterns of human activity with respect to fundamental problems in producing life-sustaining resources, in reproducing individuals, and in sustaining viable societal structures within a given environment”.

Social institutions need to be distinguished both from less organised social forms like for example rituals, norms, happenings, roles, etc. Such social forms constitute elements of institutions but they are not institutions by themselves. The concept of institution therefore is on a more complex level. Dag Østerberg (1977, p. 80) writes that ”Når samkvemmet mellom mennesker foregår i henhold til normer som mer eller mindre ligger i luften, uuttalt, underforstått, danner samkvemmet en struktur eller et system. Derfra til fastsatte normer og regler for den innbyrdes atferd er det et steg, en overgang – overgangen til en institusjon – en sosiomateriell struktur med gjerne skrevne regelverk, egne tilholdsmom eller bygninger og ofte egne ansatte (spesialister)”. Evidently Østerberg is thinking of relatively concrete institutions, not far from what we would call an organisation. But to distinguish such institutions from more general arrangements like family, marriage, religion, kinship et al. the latter are named “societal formations” (Østerberg & Engelstad 1995, p. 41).

At the same time it is necessary to distinguish institutions from social forms that are more complex and encompassing concepts like for example cultures or societies. In any culture (in the anthropological sense of the concept) or society institutions are constitutive elements. In conclusion we may say that institutions are social forms “in the middle” – they are more complex and encompassing than for example norms and rituals, but less complex and encompassing than societies or cultures.

Two questions immediately pop up in our mind: What is the difference between an institution and an organisation? Are all institutions organisations? Every single organisation which is part of a system of organisations must then, if it shall be connected to and associated with a certain institution, include dominant, distinguished and identifiable elements of that same institution. Or to put it a bit more practically: Every single organisation in the cultural field should by its characteristics and functions contribute to the full understanding of the concept of ‘cultural institution’, but each single organisation is not by itself complete and complex enough to be named an institution in general terms.

The relationship between an institution and an organisation can be summed up as an issue of the opposites between the general, the abstract and the complete on one hand (institution) and the specific and the concrete on the other (organisation). In other words: An organisation is a social and empirical representation or realisation of the concept of institution. Organisations can also be defined as ‘materialised expressions’ of the general concept of institution. Typically, quite many organisations can be subsumed under one institution. At the same time we know that in everyday language practice people do not distinguish clearly between institution and organisation since there is a close connection between them. (See Selzrick 1957; Zucker 1977; DiMaggio & Powell 1983; Douglas 1987; Rothstein 1998; Scott 1995.)

Despite this fact there is a theoretical and analytical distinction that is interesting for researchers. As researchers of cultural institutions and cultural policy, we know that single organisations (cases) in cultural subfields (libraries, museums, theatres, etc.) are experienced as being very different, but still we feel there is “something in the walls” which we may call an “institutional heritage”. This makes
it easier for us to classify what kind of institution we are dealing with. In some cases we also find hybrid organisations, which have properties from different institutions.

General properties of institutions

All institutions have some salient features and properties that can help us to discover what to look for in our analysis. A typical feature of institutions is that they are relatively permanent, which means that to be named institutions they must be functioning over time (Weber 1947; Parsons & Smelser 1956). To decide whether a certain form of organised activity is an institution or not can only be judged by history. There is no fixed answer as to how long such a time period should be. The institutionalising process is a complex matter and what is a long and what is a short period of time in such processes cannot be decided for in general terms. In the cultural field we can talk about traditional cultural institutions like theatres, operas, archives, libraries, museums, galleries, etc., and we take it for granted that they are institutions because they have a history of some hundred years. But is an experimental theatrical group that has performed for five years an institution? It is evident that there are no standard answers here because different times and different societies have disparate opinions on how long time it takes to establish an institution.

From a sociological point of view the permanency aspect is important to understand. How do cultural institutions behave and act to reproduce themselves and to secure sustainable conditions for future existence? Survival is a driving force of all institutions and since institutions are dependent on the social environment to survive, they must all the time prove that they are satisfying some societal need, and meeting some aims, expectations and functions that are not met by other institutions. It is only by fulfilling their aims (which may change but usually that happens only slowly) that institutions can legitimise their existence. In open political and economic systems where institutions are exposed to competition from other institutions and organisations (public or private) the struggle for reproduction and self-subsistence is always at stake for institutions. An illustrative example is the library institution which since the breakthrough of the data technology is being exposed to competition from private information agents and companies. To secure its future existence the library must prove that it offers services and meets societal needs that cannot be offered by its competitors. A logic conclusion of this is to say that institutions must meet needs and offer services that are so specified that they can be distinguished from offers from other institutions.

Power in institutions is exercised both formally and informally. The exercise of formal power is explicitly expressed in the role structure or hierarchy and in the organisation structure, which also decides who is supposed to dispose of material and economic resources. But power relations in organisations may also be informal and latent. It may simply depend on relations between persons. Strong persons, even in roles with little formal power, may influence decisions through informal networks, through professional knowledge and educational capital, artistic or other forms of capital that is vital to the organisation. At the same time the different roles are interdependent of each other so that the single role player is dependent on other role players to play her/his role satisfactorily. The differentiation of roles in cultural institutions can cause internal conflicts because of the simple fact that some of the role players have their professional identity in other fields than the cultural field. Conflicts that arise in such situations can be solved by role distributions, negotiations and mutual respect between role players and a minimum of acceptance of the overall aims of the institution from all parts (Røyseng 2007). If an institution is threatened by external “enemies” this creates a ground for collective action and solidarity. Internal conflicts may thus be neutralised.
On the whole cultural institutions are not much unlike institutions in other activity fields. If we talk about cultural institutions which are publicly funded, they are, like other institutions, dependent on and affiliated with the political system. Privately financed institutions are primarily dependent on the market. In the Nordic countries cultural institutions with public funding are in majority.

After having discussed the concept of institution in general terms we shall now investigate different perspectives within institutional theory as approaches to analyse and understand cultural institutions and cultural policy.

II

Three different perspectives in institutional theory

To define the concept of ‘institution’ we could take into account at least three different perspectives, rational choice, sociological and historical institutionalism (Hall & Taylor 1996; Thelen 1999; 2004). According to the rationalist approach, institutions are intentionally and deliberately created or changed in order to increase efficiency, and the creation of institutions is understood as a quasi-contractual process marked by voluntary agreement among actors. According to the sociological approach, permanence or change of institutions is not just a functional response to the demand for economic or technological efficiency, but for example organisations can adopt whatever practices are considered by their institutional environment as appropriate or legitimate even if these practices do not increase organisational efficiency (taking into account also informal constraints and culturally self-evident world views). Historical institutionalists have suggested that institutional change occurs in path-dependent evolutionary ways. Institutions reflect historical cycles. When institutions have been established through various struggles and negotiations among organised groups, they have a continuing effect on subsequent decision-making and institution-building. Path dependence with power relations instantiated in existing institutions is important effector and explains the persistence of institutions and policies over time.

Hall and Taylor (1996, pp. 940-941) mention several features that distinguish historical institutionalism from the other branches of new institutionalism as well as from other bodies of thought. In contrast to rational choice and sociological institutionalism, historical institutionalists are more ‘eclectic’, they rarely make firm assumptions about the relationship between institutions and individuals. A second distinctive feature of historical institutionalism analysis is the weight it puts upon classic political science categories like power and asymmetrical relations of power. They are concerned with the role of asymmetries in power for the operation of institutions as well as with conflicts and the ways in which institutions interact with self-images and preferences of actors. A third feature is its association with an image of social causation that is ‘path dependent’ in the sense that it “rejects the traditional postulate that the same operative forces will generate the same results everywhere”. Instead historical institutionalism claims that “the effect of such forces will be mediated by the contextual forces of a given situation, often inherited from the past”.

Path dependence is a substantive notion in the diachronic approaches to understanding social and political processes. The notion means that the evolution of institutions, organisations or practices does not necessarily follow the logic of efficiency. In certain circumstances early steps lead to the stabilization of less efficient solutions. Further, organisations are not effective in identifying the nature of the positive returns, neither the recipients of those returns. While it is probable that both
the recipients of programmatic benefits and the officials involved receive some positive returns from programs, it does not matter to whom and how those benefits accrue. Likewise, the logic of those benefits increasing over time appears to run counter to a great deal of political logic.

Mahoney (2000) goes beyond the utilitarian calculation of self-interest implied by increasing returns in economics. He focuses on some additional mechanisms of institutional reproduction, including functional (an institution is reproduced because of its function for an overall system), power (an institution empowers and is protected by an elite group), and legitimation (an institution is reproduced because it is considered morally appropriate). These various mechanisms of reproduction “may be so causally efficacious that they ”lock-in” a given institutional pattern, making it extremely difficult to abolish” (Mahoney 2000, p. 515). Institutional transformation becomes possible when the inherent conflict between the different societal groups reaches a critical threshold point, where subordinate groups successfully challenge the prevailing arrangements.

Much of the discussion of path dependence is that the same programs are being implemented year after year, and that the institutions involved in that implementation also persist across time. However the conception of “same” may itself be variable, and although what is implemented may be close to what was implemented in the previous time period, the level of reproduction will almost certainly not be perfect. The most important of these is the role of perception and interpretation of the actors within the institution. A number of scholars have argued that historical institutionalism has weak assumptions of agency, and tends to ignore the importance of actors in the process of maintaining the path (Peters, Pierre & King 2005). The need to bring actors and their behaviour more centrally into the explanations, derived from path dependency arguments, opens several alternative forms of the means through which actors may recreate the paths for policy and institutions.

Being critical to the definitions where path dependence means “that what has happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later point in time” (Sewell 1996, pp. 262-263). Different from power arguments, legitimation is grounded in actors’ subjective orientations and beliefs about what is considered appropriate or morally correct (Thelen 2003). Institutional reproduction occurs because, as actors view institutions as being appropriate or legitimate, this forms a basis for making future decisions about what is appropriate by a positive feedback process of increasing legitimation. Beliefs in the legitimacy of an institution may range from “active moral approval to passive acquiescence in the face of the status quo” (Mahoney 2000, p. 523). Institutional transformation may come about by arising inconsistencies between multiple cognitive frameworks that are predominant in society, providing a basis for actors to adopt new subjective evaluations and moral codes concerning appropriateness.

Thelen (2004) has emphasized an evolutionary model of how institutions change, in which change is more gradual and indeed resembles incremental adjustments. She offers two different forms of institutional transformation: conversion and layering. She refers to dynamics of change in which actors not originally associated with the construction or design of the institutional system - indeed, even those who were excluded from the system when it was initially designed (“losers” is her term) - find an opportunity, due to structural destabilization, to take over the institution and redirect its goals. Layering refers to modifications to institutional systems that are added to institutional form, rather than replace an existing structure. It means the use of existing institutions for new or alternative purposes. In either case, the original choices are likely to figure heavily in the current functioning of the institution. Thus, institutions will rarely look like optimal solutions to present collective action problems.
The question of what a path dependent policy is does not find a single, conclusive answer; rather, it remains an open and empirical question for researchers applying the concept. At the heart of any account of path dependence is stability. Observations of change challenge the notion. At the same time, this is a common criticism of the historical institutionalists’ school, “in its emphasis upon path dependence and historical legacies it is rather better at explaining stability than change” (Hay 2002, p. 15). Thelen (1999) argues that path dependence is also too deterministic in that once the initial choice is made, then the argument for future development becomes mechanical. “There is one fork in the road, and after that, the path only narrows.” In terms of policy studies, one possible counterargument is based on the interpretation of stability in path dependence. Specifically, the notion does allow policy change; policy legacies constrain rather than determine current policy. Policy does change but within a particular set of options for change; thus the policy may be said to exhibit stability. As such, policy change is often characterized by moments of crisis (Hay 2002).

III

An institutionalist approach to Nordic cultural policies

In this article we ask if Nordic cultural policy has proven its resilience to globalization and neoliberalism in spite of the economic crisis of the 1990s. The main idea is that the concept of path dependency can be used as an explanation for cultural policy resilience. In the analysis one argument is that the Nordic model has been changed in a liberal direction, but changes are not significant enough to replace the original model. We also argue that the Nordic model is still far less resilient towards changes that lead to a less on public funding based cultural policy towards more market based ideas. However, after the economic crisis was over at the end of 1990s, some of the things have been changing. For example, more public funding is targeted to support instrumentalisation of art and culture (cultural industries, creative industries, innovation) to strengthen national economical competitiveness.

Path dependency is a reasonable concept for understanding public policy development. It expresses the insight that policy decisions accumulate over time; a process of accretion can occur in a policy area that restricts options for future policy-makers. In this sense, path dependency arguments can ‘provide an important caution against a too easy conclusion of the inevitability, “naturalness”, or functionality of observed outcomes’ (Pierson 2000, p. 252). In the path dependency analysis time is an independent variable in the explanation of change. Pierson (2000, p. 259) recognizes, the political world is one where power counts. He (1993, p. 596) states that major public policies constitute important rules of the game, influencing the allocation of economic and political resources, modifying the costs and benefits associated with alternative political strategies, and consequently altering ensuing political development. Policy expresses a general set of objectives or a desired state of affairs. In a well-known definition of policy, public policy is: ‘anything a government chooses to do or not to do’ (Dye 1972, p. 2). Policy is about choice; the choice of reasons for (in)action, the choice of policy instruments, the choice of how to respond to the consequences of policy outputs. A policy system is a complex, composite variable consisting of many interrelated elements. Within a policy system there are several policy subsystems (or elements), each with their set of actors, organizations, goals and instruments (Baumgartner & Jones 2002). In cultural policy system there are many subsystems (like art education, arts council, copyright, broadcasting etc.) The development of policy subsystems may equally be understood, using path dependency, as the policy ‘whole’ itself.
Policy programs refer to a specific combination of laws, commitments, appropriations, organizations and personnel directed towards a more or less clearly defined set of goals. In other terms, this is a policy instrument; an identifiable tool or resource of government used for a specific set of purposes.

Historically, the Nordic countries did not follow the similar path when creating national cultural policies after the Second World War (Duelund 2003, p. 481). However, according to Hillman-Chartrand Nordic countries are examples of the architect type in cultural policy. In their research Hillman-Chartrand and McCaughey proposed four ‘ideal types’ of cultural policy in order to explain the relations between governments and the cultural sphere (Hillman-Chartrand & McCaughey 1989). These are the facilitator state, the patron state, the architect state, and the engineer state model. The models are useful in indicating the extent of government involvement in culture and how involvement is manifested in cultural outputs - although it must be pointed out that pure instances of one type are unlikely to exist. The relationship between governments and culture is most likely to be a combination of models depending on what sectors of the cultural sphere are being administered and certain amount of mixing has occurred in recent times. According to the architect model, government has a more direct role in shaping the cultural environment. It is thus more interventionist and is connected to social welfare and national cultural policy objectives. Critics of this approach contend that artists will seek to produce work that conforms to whatever the state favours at a particular time rather than asserting true creative independence. The examples are the Nordic countries and France. Also, under this umbrella the Nordic countries have been marked to be similar to each other.

In the Nordic countries we have much research which has been analyzing and categorizing the long lines in cultural policy in the separate countries. In his book The Nordic Cultural Model (2004) Duelund concluded that the historical background of the Nordic countries cultural-political practices can be described by great diversity. Denmark and Sweden had their strong aristocratic and feudal background and they had been independent states for hundreds of years. Norway, Iceland and Finland were new nation states created in the 19th and 20th century. Before that they were dependent on Sweden and Denmark or on Russia (in Finland’s case).

Socially the difference between the countries was also big: Denmark and Sweden with an aristocratic and bourgeois cultural heritage; Norway, Finland and Iceland dependent on agriculture and fishing where state employed civil servants played a crucial role in politics and culture.

We can add that geopolitically the present use of the concept of Northern Europe has its roots in the early 19th century. The romantic ideology of Scandinavians depicted the people living in regions possessed by Denmark and Sweden–Norway as bearers of a common, ancient tradition. As cultural life in Finland was also an outgrowth of Swedish traditions, and at that time predominantly Swedish in language, this part of the Russian Empire could also be counted as belonging to ‘the North’. Obviously, Scandinavians implied staking out a boundary line towards Russia on one side and Germany on the other — a need, that became even more obvious through the political development of these countries in the twentieth century (Joenniemi 1991, p. 148). The ethnolinguistic basis of Scandinavians made it difficult for inter-war Finland to identify itself unambiguously with ‘the North’ — a contest between the two national languages continued to play an important role in Finnish politics. The language strife was one of the major conflicts of Finland’s national history and domestic politics. The strife began in the latter half of the 19th century, continuing well into the 1920s and 1930s. It can be said that in the strife Finnish speakers were fighting for their rights and Swedish speakers for their privileges.
The Nordic countries experienced a very deep set-back during the international post First World War-crisis in the early 1920s, which meant that the crisis of the 1930s was milder than for most other European economies. Honningdal Grytten (2006) has pointed out that there were also huge differences in per capita income in the Nordic countries during the period. Denmark was clearly ahead of Norway and Sweden, and Finland lagged significantly behind the others. The differences were lower in relative terms at the end of 1930s than at the beginning of 1920s. The level at Denmark’s lowest point during the post-war depression in the early 1920s was not permanently achieved in Norway and Sweden until the mid-1930s. As for Finland it did not obtain the same level until after the Second World War.

Based upon the historical study of the development of the Nordic cultural policy, our article discusses the origins and new challenges of cultural institutions, attempts to explain variations in the degree of path dependence of different institutional changes since the late 19th century. What patterns, if any, can we observe in the stability and change of institutional forms of cultural policy instruments? The typology used here is based on three dimensions of the institutional forms of cultural policy instruments. One aspect concerns principles for defining what is art, the second one reflects principle for determining types and levels of instruments and the third dimension is based on forms of governance.

Research on the history of cultural policy constitutes a major subfield in cultural policy studies. Research teams and individual scholars in the Nordic countries have carried out work outlining the evolution of cultural policy in their home societies (Bakke 1990; Mangset 1992; Kangas 1992, 2004; Duelund 1993, 2003; Heiskanen 1994; Ahponen 1994; Vestheim 1995, 1997, 2005; Alasuutari 1997; Blomgren 1998; Harding 2007). All the studies mentioned above emphasize the formative role especially of the developmental phase, which after World War II signaled a clear change in both the formation of cultural policy and the ways to function.

The history of cultural policy goes back to the 18th or 19th century. However, government support for culture in the 19th century was extremely limited. The doctrine of laissez-faire at the beginning of the century held that the functions of the state should be restricted to promoting freedom of the markets. Still national governments in Europe gradually increased their commitments to culture. The tradition of state involvement in the arts and heritage is inseparable from the idea of a national culture and the construction of a national state, the idea of unity of nation, folk and language. Arts became one of the instruments at the state’s disposal helping to mould the citizenry into a national community bound by a sense of political unity and cultural identity.

Cultural policy became gradually institutionalised in the Nordic countries in 1930-1950s and essentially cemented over two decades: the 1970s and the 1980s. This institutionalisation process comprised the specialisation of national and local administration for cultural services, the professionalisation of national and local cultural agents and the promotion of culture as one of the main sectors for national, regional and local public policies, from the political as well as financial point of view. At the same time, a specific sector research system, comprising recurrent surveys and statistics, was established in the field of cultural policy. One example of the institutionalisation process was the growing network of municipal theatres and orchestras in Finland in the 1940’s and 1950’s which indicates a transition in the role of municipalities as actors of cultural policy. From the perspective of art subsidies the period is characterised by a transition from the earlier model of “luxury subsidies” to recognising the “cultural obligations” of the municipalities. It was common to establish and develop art institutions under the municipal ownership in the 1940s and 1950s.
This, however, was not the case in Norway and Sweden, where municipalities were only responsible for public libraries, not art institutions. Art institutions at that time were mainly a state responsibility.

In 1960-95 the transformation of cultural policy moved from its role as an instrument of nation building into an articulated sector of the welfare state. Cultural democracy and democratization of culture came to form the main objectives of cultural policy, and many subsystems developed. Institutional cultural policy, governance models, and professionalism strengthened. By using instruments - legislation, regulation, governance, administration, financing, and programming - cultural policy as institution established its own sector position. From the 1990s the concepts of new public management, technology and innovation, globalisation, and creative industries were included in the cultural policy discourses. The predominant rationale for cultural policy is economic, in terms of competitiveness. In competitiveness society also cultural institutions must legitimise themselves in relation to new interests.

The concept of culture, used in institutional cultural policy, has changed during the periods: firstly the main concepts was ‘art’ in aesthetic sense, in 1960s ‘culture’ rose on the agendas in more anthropological sense. In 1995 onwards culture has been becoming utterly commercialised and the works of art are sold as a commodity. Still the most important remark is that the concept of ‘art’ in aesthetic sense implies parallel in all periods.

Cultural policy never exists in isolation from the major debates (ideologies) of the day, even if there is continuity across periods. Practices of the earlier periods often continue to exert influence on the subsequent forms that governmental instruments may take (Kangas 2004). By referring the researches concerning the development of cultural policy we can say that during those years Nordic countries have had very similar goals in cultural policy, yet the position of institutions to approach these shared goals has great cross-country variation in institutional structures. These variations based also on countries’ historical specificities.

This article discusses about the explanation of the origins of cultural institutions, power struggles among actors and interest groups, and of variations in their degree of path dependence. Substantial empirical researches are needed when we will carry out comparative analyses of Nordic model by concentrating on the changes/persistence of cultural institutions.

IV

Institutional theory in the analysis of cultural institutions

In this fourth and last part of the article we shall proceed to a discussion of the relevance of institutional theory in the analysis of cultural institutions. Here we will draw upon the literature review in part II of this article.

The contribution of our article is not empirically based like the studies mentioned above. It constitutes a theoretical reflection informed by relevant research literature and our own research experience through many years. On this background let us now discuss how institutional approaches can give us a deeper theoretical understanding of cultural institutions.

Institutionalists argue that agents in public institutions do not act according to egoistic profit-maximising principles. Institutional action must, according to this theory, be understood in a wider...
perspective: Institutions act in accordance with other forms of rationalities than economist rationality – they behave on the basis of logics inherent in institutional history, values, culture and tradition. These traditions are rules routines, norms, moral consensus, identity and shared meanings. Such institutional logics are expressions of social norms – not of economic rationality. So public institutions are not only rational in the economic sense, they are also reasonable, which means that they are acting under influence from established social values and norms (von Wright 1991). James G. March and Johan P. Olsen (1995, p. 31) assert that most people in politics and political institutions follow rules most of the time if they can:

“Rules and understandings frame thought, shape behaviour, and constrain interpretation. Actions are expressions of what is appropriate, exemplary, natural, or acceptable behaviour according to the (internalized) purposes, codes of rights and duties, practices, methods, and techniques of a constituent group and of a self.”

This also works when institutions are exposed to strong external pressure for change (Audunson 1999). Their actions and reactions are not only a result of negotiation with the environment but even more a result of their history, which is composed of values, ideas, norms, rules, rituals, emotions and identities. March and Olsen (1995, p. 40) calls institutional history “a path-dependent meander”. The concept of path dependence makes it plausible why institutions do not adapt to dramatic changes in their environment, their history makes up a “filter” through which environmental changes and expectations are perceived. This even means that institutions tend to be conservative in the meaning that they do not easily give up their institutional heritage.

According to institutionalist approaches cultural institutions (like other institutions) do not follow the logic of efficiency (in economic and bureaucratic terms). The way they change and develop is dependent on the values, aims and functions that were the original basis of the institutions (Steinmo, Thelen and Longstreth 1992). Taken to the extreme this might mean that cultural institutions cannot change at all since their original values and aims deterministically decide the direction of future developments. However, this would be to interpret institutionalism like the Devil interprets the Bible. Historically rooted institutionalism of course must take concrete historical conditions and contexts into consideration. Cultural institutions are of course affected by changes in their environments. Institutions may stick to original values and aims but successful defence of those values and aims is conditioned by the legitimacy of the values and aims at stake.

As a general principle one may argue that publicly financed cultural institutions must legitimise themselves in relation to different interests:

First, they are obliged to fulfill expectations from the cultural and artistic fields, primarily expressed by professional artists and professional cultural workers like curators, academics and journalists of influential journals and papers. They have strong influence on what is appropriate and legitimate for cultural institutions to do. One should not underestimate the power position of the professions (Nolin 2008; Haskell 1984; Larson 1977; MacDonald 1995). The professional identity of the staff in cultural institutions is often rooted in the humanities, in the social sciences or in arts educations. The dominating values of the professional value hierarchy in cultural institutions are therefore primarily anchored in a humanistic rationality tradition.
Second, since cultural institutions are mainly financed by taxpayers’ money through the political system and its bureaucracy, they have a political assignment and thereby they are integrated in government policies – not only cultural policy but also economic policy.

Third, there is a need to legitimise present and future existence in relation to different publics. This is a democratic aspect that cultural institutions cannot neglect, at least not in a long perspective. Cultural institutions are a sort of hybrids, functioning in an “overlap zone” between culture, politics and money (Vestheim 2007). The step from studying cultural institutions to studying cultural fields is not big. Bourdieu’s concept of social field with its sub-fields is more general and includes more aspects than institutionalism, theoretically and empirically. But Bourdieu’s concepts and theories on economic, cultural and social capital as well as his analysis of relationships between positions and roles in a field should be compatible with institutional studies.

This brings us further to some reflections based in Pierre Bourdieu’s theories (Bourdieu 1979, 1992). The legitimising process described above involves different forms of rationality from two different social fields: The rationality tradition of the cultural and artistic field says cultural institutions should behave as autonomous and independent institutions and their essential legitimacy rests with values and expectations that are appropriate to the artistic and cultural world. And we are now talking about the professional branches of the artists’ world and the experts’ world. The rationality of the political-economic field claims that cultural institutions should be loyal to democratic political decisions, i.e. cultural and economic policy.

Both forms of rationality are playing a role in everyday business as well as in situations where cultural institutions are exposed to forces for change of behaviors. In practice cultural institutions are “hybrids” existing somewhere in between – not independent, not totally dependent. The double (or even multiple) obligations of cultural institutions in democratic countries make change and development a complicated affair. Classical economic rationalism cannot alone explain this complicated process. Even when search for efficiency is the publicly outspoken argument for change, other mechanisms and forces are probably working, more or less visible for a majority of the public. With reference to Erving Goffman (1956) we might say that one thing is what is happening and said on the scene which may be seen and heard by the audience, another thing is what is going on back-stage, out of sight of the audience. Or to use classical Marxist distinction – “Das Schein” and “das Wesen” are not identical. To really understand the character of what is happening on the surface we need to know what the world under the surface look like.

Georg Henrik von Wright (1991, p. 23) says the difference between rational (i.e. logically consequent) and reasonable (desirable in accordance with certain values and social consensus) is close to Webers distinction between Zweckrationalität (purposive rationality) and Wertrationalität (value rationality). If von Wright’s distinction is relevant – and we think it is – it means that analysis and understanding of institutions’ histories is vital for describing how they behave and why they behave in certain ways.

The conclusion of the analysis above is that changes or resistance against changes in cultural institutions is affected by forces and mechanisms that are invisible, historically inherited, prescribed in cognitive scripts and unquestioned routines of behavior. Such underlying forces cannot be analysed within an economic-man perspective.
Institutionalism is built on the idea and vision of a *political order* (Johan P. Olsen 1988, p. 32, Erik Oddvar Eriksen 1994, pp. 13-24). A democratic political order is supposed to be the frame for the solution of conflicts, for debates, decisions and government. It also presupposes a minimum of consensus among participants in the political process, not least about open procedures and processes before substantial decisions are made (Rothstein 1997; Rawls 1971). The question is whether this macro perspective is also relevant to understand the behaviour of single institutions.

If we go to Kathleen Thelen (2004) she seems not to be of the opinion that both stability and destabilization can form premises for institutional change. Her concepts conversion and layering indicate two opposite strategies: Transformation and change via conversion presupposes structural destabilization and turbulent environments. Under such circumstances new role players may enter the scene and take over the staging. But change via layering is more gradual, long-term directed and adaptive rather than sudden and fundamental. Traditional national cultural institutions in the Nordic countries, embedded with a long and symbolically laden history, seem to prefer the later strategy. It is not easy to change «royal» cultural institutions drastically – their defence mechanisms for appropriateness, cognitively and emotionally, are strong and able to withstand even heavy external attacks.

If professionals and their networks and organisations are the pro-active and lobbying part in the struggle for control over cultural institutions, politicians risk to be left aside. Since cultural politicians have their mandate and are elected by the citizens, this is a democratic problem. Professionals pursue their own interests but in public political games they often present themselves rhetorically as representatives of the common will or the general public opinion. Political influence and power through lobbying represent a danger to democracy because specific private or professional interests overshadow public interests (Guéhenno 1993). Lobbyists are not democratically elected; they are spokesmen for organisational interests or for those who have paid them. There is no reason to believe that this should not be the case also in the cultural field. Guéhenno is very pessimistic with respect to future democracy: He argues that when or if the nation state disappears, the importance of political, economic and cultural institutions will be reduced correspondingly (Guéhenno 1993, p. 42). The ‘institutional age’ is over, he says, and we are entering the ‘age of relations and networks’. Since nation states, democracy and institutions are so intertwined; this must also be a serious challenge to culture institutions.

Probably (and hopefully) Guéhenno is too pessimistic but his reflections on the future of Western democracy are relevant if we want to analyse the position of publicly financed cultural institutions. The development of cultural institutions is absolutely not an internal affair for professional interests in the cultural and artistic fields, in the end it is an issue of democracy and consequently of great importance to the single citizen.

**Concluding remarks**

In this article we have discussed about deep structural changes in institutions and policies under the concept of globalisation. Also cultural policy and cultural institutions cannot escape the strong mechanisms for change in their environments. The continuous urge to change and adapt to new conditions causes dynamics and instability rather than stability and permanence in the institutions.

In our article we investigated how institutional approaches can give us a deeper theoretical understanding of cultural institutions and cultural policy. We have been discussing separately
cultural policy making as ‘institution’, i.e. as an organised pattern for establishing and implementing public policy in the cultural field, and traditional organisations like theatres, libraries, museums, etc. working and functioning as ‘institutions’. By using relevant research literature and our own research experience through many years we put forward the argument that the concept of path dependency and a historical institutional approach improve the existing frameworks for understanding the development of cultural policy. Pierson (2004, pp. 22-23), one of the most significant writers on path dependence, has stated that the longer an institution exists, the greater are the investments and adaptations in the institution, and the more difficult it is to undertake major institutional change. Institutions reflect historical experience: When institutions have been established through complex struggles and bargaining among organized groups, they have a continuing effect on subsequent decision-making, policy and the processes for building new institutions. (See e.g. Sokka & Kangas 2007). In particular, viewing cultural policy as path dependent provides a longitudinal perspective that links periods of policy continuity with episodes of reform. Policy change is the result of the changes in either political or economic environments, such as budget crises and international talks. From another point of view we can say that the concept of path dependency can be used as an explanation for cultural policy resilience.

Secondly, this paper explored the limitations of path dependency in understanding major policy change in the cultural institutions. For example, traditional national cultural institutions in the Nordic countries, embedded with a long and symbolically laden history, seem to have gradual, long-term directed and adaptive change. Their defense mechanisms for appropriateness, cognitively and emotionally, are strong and able to withstand even heavy external attacks.

We have been reviewing the definitions of the concept of path dependence from many angles. We noticed that the concept is eclectic; it has weak and strong definitions. According to the strong definition one contingent event deterministically leads to other events or to certain institutional outcomes. This kind of deterministic causation can seldom be proved in social life. Weaker concept of path dependence abandons the idea that prior events are more contingent than subsequent.

References


