

Reveries and Realities – Recent Developments in Finnish Urban Cultural Policy

Pasi Saukkonen & Minna Ruusuvirta

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Pasi Saukkonen

Foundation for Cultural Policy Research (Cupore), Helsinki, Finland

Pasi Saukkonen is working as a senior researcher at the Foundation for Cultural Policy Research (Cupore). He is a political scientist, and has the position of Adjunct Professor in cultural policy at the University of Jyväskylä and in political science at the University of Helsinki. His main fields of expertise include local cultural policy, multiculturalism and cultural policy, and Finnish, Dutch and Belgian politics and society.

E-mail: pasi.saukkonen@cupore.fi

Minna Ruusuvirta

Foundation for Cultural Policy Research (Cupore), Helsinki, Finland

Minna Ruusuvirta (M.Econ., M.SSc.) is working as a researcher at the Foundation for Cultural Policy Research (Cupore). She has been involved in research projects on various cultural policy issues including local cultural policy, the third sector, and art and cultural institutions.

E-mail: minna.ruusuvirta@cupore.fi

English abstract

Abstract

The purpose of this article is to describe and analyze recent developments in urban cultural policy in Finland. Different rationales for local cultural policy, and how they intertwine in the contemporary situation, form the general framework for the analysis. Empirically, the article focuses on around 20 Finnish cities which are examined by using, on the one hand, cultural policy documents such as city strategies and cultural strategies, and, on the other hand, data on cultural spending in these cities in 2007 and 2010. The strategies witness about a keen interest in the arts, culture, and creativity; the cultural sector is almost unanimously seen as a major component in urban development. In the more concrete reality, however, the situation looks more modest. Despite of a number of local investments, arts and culture have, generally speaking, hardly grown in economic terms, and the traditional institutions still receive by far the most funding. The comparison of figures from 2007 and 2010 also allows us to look more closely on recent local cultural policy development. The data gives grounds for an assumption that there is a trend towards regional centralization.

Introduction

Local authorities, the larger cities in particular, are in Finland significant producers and financiers of cultural activities in their area. Consequently, they are also important actors in the field of culture and creativity. The operational environment in municipalities has, however, changed remarkably during the last decades both politically, economically, technologically, socially and culturally, and it has also had a diverse effect on local cultural policy and cultural service provision. The financial crises, globally and at the European level, have caused troubles to local cultural services and their financing at both national and local level. There have even been expressions of concern over the disappearance of cultural services, especially from the rural areas. Nevertheless, there are also many manifestations of hopes and desires concerning the role of culture, arts and creativity, especially in the urban development. Furthermore, it has been strongly stated that cultural services have a positive effect on the well-being of the citizens and municipality. Cultural services are also seen as enhancing employment and creativity. (More generally on cultural policy and urban regeneration cf., Bianchini & Parkinson 1993; García 2004; Grodach & Loukaitou-Sideris 2007.)

In many city strategies, culture is indeed seen as a major component in the local development. Despite this, the information about the situation and development of cultural sector has been scarce. Especially, there has been a shortage of reliable information about municipal cultural expenditures. Statistics Finland gathers annually data on the finances and activities of municipalities and joint municipal boards. As a consequence of the increased autonomy of local authorities, administrative reforms, and the overall diversification of cultural activities, these figures have, however, become less reliable and also less useful for inter-city comparison.¹

Therefore, the Association of Finnish Local and Regional Authorities (Suomen Kuntaliitto), a group of Finnish cities, and the Foundation for Cultural Policy Research (Cupore) started conducting own surveys to collect data on the municipal revenue and expenditure for cultural activities. These surveys have now been carried out twice², based on the balance sheets from the years 2007 and 2010. (Ruusuvirta et al. 2008; Ruusuvirta et al. 2012.)³ In addition to the surveys, Cupore accomplished a larger research project that examined more comprehensively the current situation and future directions of the local cultural policy (Saukkonen & Ruusuvirta 2010).

In this paper, we describe and analyze recent developments in urban cultural policy in Finland. Firstly, we'll present a theoretical overview for different rationales and discourses of cultural policy development. After that, the historical development of Finnish local cultural policy and the present situation are portrayed. The empirical part of the paper draws on key findings from the studies described above. The role of the arts and culture in Finnish urban development is examined by analyzing the strategic papers of 23 Finnish cities. Finally, we'll have a look at the recent data on cultural spending in these cities. This data also gives us an opportunity to re-analyze strategic cultural policy discourse in the light of actual cultural expenditure.

Local cultural policy under transition

As mentioned earlier, the operational environment of local cultural policy has changed a lot in the recent times. Parts of this shift can be located under the conceptual umbrella of globalization which, according to Held et al. (1999, 15), refers to “those spatial-temporal processes of change which underpin a transformation in the organization of human affairs by linking together and expanding

human activity across regions and continent”. In addition to putting the national level into a global-local, or “glocal” pressure, globalization is usually associated with changing relations between politics, economy and culture and with a shift from territory-based conduct of human life into network-based and even virtual ways of living and doing things together (Castells 1996; Rheingold 2000).

Thus understood, globalization has had both direct and indirect consequences for cultural policy in general and local cultural policy in particular. But there have been other developments as well. Some of them are related to the move from a normatively structured policy approach to new forms of public management, oriented towards outcomes and efficiency rather than compliance, towards the preferring rather than antagonizing competition, and towards regarding users of public services as customers and citizens as shareholders. Also, the idea of nation-state as an ethnically and culturally homogeneous unit has been strongly challenged by the overall differentiation of lifestyles, the recognition of traditional minorities, and the increase in international migration. This diversification of societies has been most obvious in larger cities. (Bennett 2001; Ilczuk & Raj Isar 2006; Vertovec 2007.) And then there has been the widely spread notion that it is new ideas and innovations, rather than money or machinery, that function as the source of economic success and prosperity. Many countries, and local communities too, have invested in what is being called creative economy or creative industries. (Howkins 2001; Wilenius 2004).

Transitions in local cultural policy related to these developments have not gone without attention by scholars. Dorte Skot-Hansen, for example, analyzed already more than a decade ago the internal tensions within national and local cultural policies, and their future prospects. According to her, cultural policy debates had in Denmark, in other Scandinavian countries and in the whole Europe been characterized by a movement on a continuum between Enlightenment (*ophlysning*) and Experience (*oplevelse*). In the latter half of the 20th century, cultural policy development has contained three different ways of reasoning (*rationales*) (Skot-Hansen 1999, 8). (Table 1.)

The historically first one of these ways of reasoning cultural policy is the *humanistic rationale* which is based on both ideological and idealistic grounds. Central features in this rationale are the possibility of the whole population to participate in the national culture and in the so-called high culture irrespective of the regional location and social status of citizens. The task to reach this objective was mainly delegated to local arts institutions. A new strategic view and way of action was born in the end of 1960's and in the beginning of 1970's, emphasizing a *sociological reasoning* for cultural policy. Instead of the democratization of culture, the focus turned upon cultural democracy: the emancipation of subordinate social groups or classes, the equality of different art forms and forms of culture, and on the equal possibility for all to express oneself culturally. Simultaneously, the concept of culture grew broader to include elements related with values and the way of life, in addition to the traditional notions of the arts and (national) cultural heritage. As Skot-Hansen writes: ”Nu var kultur ikke mere et produkt, alle skulle have del i, men alle var en del af kulturen”. (Ibid, pp. 12–13.)

Skot-Hansen locates the third shift in cultural policy in the 1980's. During the last few decades, an *instrumental rationale* has been strengthening, as part of a more general turn towards neo-conservative or neo-liberal ways of thinking and doing. The public sector has started to espouse economic ideas and values, and to apply theories and practices from markets economics and mechanisms. From supporting culture one has moved towards the terminology of investing in culture which also means that one expects a positive impact of culture for the society or for the local community, for its

economy, in particular. The funding of arts and culture has been broadened to private sources in the form of subsidies, sponsorship and partnership. Instead of local or national recognition, Skot-Hansen argues, quality has increasingly been measured with international appreciation and success. (Ibid, p. 14.)

	HUMANISTIC RATIONALE	SOCIOLOGICAL RATIONALE	INSTRUMENTAL RATIONALE
Aim	Enlightenment (Bildung)	Liberation	Visibility
Operational environment	State/government	Civil society	Market
Regional basis	National	Local	International
Strategy	Democratization of culture	Cultural democracy	Instrumental use of culture
Public	All citizens	Different groups and sub-cultures	Different layers and lifestyles
Operational frame	Cultural institutions	Cultural houses and spaces/places	Cultural flagships
Operational function	Awareness	Empowerment	Entertainment
Mediator	Cultural mediator	Animator (animateur)	Chaos pilot

Table 1. Different rationales in cultural policy (Skot-Hansen 1999, 8).

These periods are not, according to Skot-Hansen, in that sense independent that the new one would always completely replace its predecessor. Rather, one can talk about a certain enlargement in cultural policy in which new objectives, modes of action and rationalities have come to exist alongside the more traditional ones. (Ibid, p. 17; see e.g. Vestheim 1995; Saukkonen 2006). A sign of this diversification is that whereas the humanistic rationale was quite dominant in the 1950's, no national or local cultural policy would now be based on instrumentalist thinking only.

A Swedish scholar, Jenny Johannisson, developed Skot-Hansen's ideas further in her dissertation (2006) on the changing cultural policy in the city of Göteborg. According to her, the local cultural policy has taken distance from a notion of culture that emphasizes aesthetic values and quality. Through a focus on the promotion of welfare and participation, one has reached a situation which stresses market orientation, individualism, networks and glocalization. In other terms, cultural policy has travelled from quality discourse first to welfare discourse and then to alliance discourse (Table 2). (Ibid, pp. 208–218.)

	THE QUALITY DISCOURSE	THE WELFARE DISCOURSE	THE ALLIANCE DISCOURSE
Aim	Professional, artistic quality	Broaden participation in cultural activities and create a good living environment	Sustainable development (financially and living environment)
Concept of culture	Aesthetic	Anthropological (group-oriented) and aesthetic	Anthropological (individual-oriented) and aesthetic
Concept of place/space	Artistic, universal space	National space	Glocal places
Rationale	Humanistic	Sociological	Market-oriented
Model of Governance	Profession-oriented patron model	Legal-bureaucratic architect model	Network-oriented architect and patron model

Table 2. Summary of the discourses used by institutional agents in the cultural policy (re)construction process in Göteborg 1991–1998 (Johannisson 2006, p. 239).

These discourses also function rather concurrently than successively. Nevertheless, the alliance discourse has become more dominant in relation to both quality and welfare discourses. According to Johannisson, this is a result of its capacity to exploit a double strategy in which the intrinsic value of the arts is recognized while it is also being utilized for other – often economic – purposes. (Ibid, pp. 218–221; about the development of the Swedish cultural policy, see also e.g. Stenström 2008.)

Before turning into the description of the legal and institutional context of Finnish local cultural policy, it is fruitful to take a brief look on how Finnish cultural policy development generally fits into the analyses above. According to Ritva Mitchell and Ilkka Heiskanen, the first era can be called the period of the Patron State which reached from the 1860's to the 1960's. During the first four decades of independence, they continue, national unity and national identity became strongly prioritized objectives of the state and also central principles in national cultural and arts policies. With the construction of the Finnish version of the welfare state, other cultural policy objectives, such as the promotion of creativity and enhancing participation and cultural democracy, started to gain ground and be incorporated with other economic and social goals. (Mitchell & Heiskanen 2011).

Since the late 1990's, there has been a gradual transformation of Finnish society and Finnish commitment to the basic principles of the welfare state. Mitchell and Heiskanen continue:

[This development has] somewhat decreased the role of the state and municipalities in the governance of culture and as direct financiers of artists, cultural services, voluntary organisations and cultural production. At the same time, the role of the public authorities in providing capital investment for cultural buildings and facilities and for professional education in the arts and culture has become increasingly prominent. In other words, public authorities invest in infrastructure and highly trained and qualified manpower but expect that cultural and art organisations and institutions finance an increasing share of their current costs with their own income or revenues from other sources. (Mitchell & Heiskanen 2011).

This means that it is justified to expect that the development sketched by Skot-Hansen and Johannisson would fit into the Finnish case as well. Against this background, we can now define the research questions of this article as follows. In what way does Finnish urban cultural policy in

the early years of the new Millennium reflect these general findings? Can we speak of the coexistence of different rationalities and discourses? Has the local cultural landscape experienced fundamental changes?

Local cultural policy in the Finnish context

Finland is a unitary state without strong administrative regional units, as there are in Sweden and many other countries. In the Finnish political system and welfare state, local authorities however play an important role. The Constitution guarantees local self-government which is based on individual local communities, municipalities. Generally speaking, the *Local Government Act* (1995) stipulates that local authorities shall strive to promote the welfare of their residents and sustainable development in their areas. In practice, municipalities carry out many tasks of the Finnish welfare state as they are responsible for arranging several services to citizens, including e.g. day-care and schools, health centers and dental care, and social welfare services. In 2011, there were 336 municipalities in Finland. Some of the municipalities are called cities, but legally speaking all municipalities have the same rights and duties, and the same position vis-à-vis the state. (Cf., Pesonen & Riihinen 2002, 189–200.)

Over the past four decades, the number of municipalities has decreased significantly through mergers. According to the programme of Prime Minister Jyrki Katainen's government that started in 2011, the system of local authorities will undergo extensive reforms. In urban regions, the objective has been to create strong municipalities based on functional entities. In regions where the establishment of a strong municipality is not feasible, local authorities should join forces to create district municipalities. As a result of these reforms, the number of municipalities is expected to decrease markedly.

The highest decision-making organ in a municipality is the local council which consists of directly elected delegates. The main administrative organ is the municipal executive board which reflects the political power structure in the local council. The provision of public services is coordinated by specific committees, the main tasks of which are education and culture, social welfare and health care, and environment and technical infrastructure.

Finnish municipalities have nowadays large rights to decide upon their own system of decision-making, public administration and service production. In the field of culture and the arts, local authorities often have specific committees of cultural affairs. In other places, especially in smaller municipalities, cultural affairs are dealt with together with other sectors such as sports, leisure, youth work and/or education. Furthermore, committees with exactly the same name sometimes have very divergent responsibilities. It is, in fact, difficult to find two local communities where cultural affairs would be coordinated and decided upon in a precisely similar way. Needless to say, this diversity renders comparative research on local cultural policies quite problematic.

Mitchell and Heiskanen (2011, p. 10) have characterized the Finnish cultural policy system as both highly centralized and highly decentralized. The main responsibility of the state is to maintain the central system supporting the arts, the national-level cultural and arts institutions, international cultural co-operation, and cultural and arts education at the university level. Municipalities, in turn, provide the elementary infrastructure for local cultural and arts activities, including libraries, museums, theatres and orchestras, and institutions for basic arts education. In addition to local

authorities themselves, the state contributes to the maintenance of these institutions and providers of cultural services through a complicated system of state transfers and subsidies.

As mentioned above, the regional level of public administration and service production has historically been relatively weak in Finland, also in Finnish cultural policy. Regional administration in Finland is divided into state regional administration and municipality-based regional councils. Both regional authorities have undergone several reforms during the last few decades, the state regional authorities in particular. Neither of the authorities has been able, or willing, to take a strong role in cultural policy issues.

Cultural services are nowadays generally considered basic services that every citizen should be entitled to. However, whereas local inhabitants have a subjective right to services such as day-care, basic education and many health services, they do not have a similar right to most cultural services. The *Library Act* nevertheless directly obligates municipalities to provide library services. The *Municipal Cultural Activities Act* also obligates local authorities to promote, support or provide cultural activities, but this obligation leaves much room for interpretation and realization.

Finnish municipalities are thus relatively free to decide upon the local cultural policy and cultural services in their area. In spite of this leeway, cultural infrastructure in Finnish municipalities grew strikingly homogeneous in the post-war period. Larger cities, in particular, commonly decided to provide their inhabitants with, in addition to the law-regulated public library, also an arts museum, a historical museum, a city theatre and a symphony orchestra or a smaller ensemble. The largest cities often had more than one of these institutions, in smaller cities there usually was only one for each field of activity. Furthermore, there are usually one or more institutions or organizations providing basic arts education for children, especially in the areas of music and the visual arts.

This structural homogeneity was, no doubt, partly a product of the Finnish legislation that guaranteed state funding for these institutions. The specific legislation concerning museums, theatres and orchestras guaranteed regular and non-discretionary state funding for the local institutions in the form of statutory state transfers if they fulfilled certain criteria.⁴ The central government has thus guided local cultural policy development rather through financial support than legal obligation.

The historical roots of many of these arts and cultural institutions are in the Finnish civil society and in the dual process of nation-building and democratization. The two linguistic communities, Finnish-speakers and Swedish-speakers, established in the latter half of the 19th century their own network of arts organization and institutions. Later on, the ideological conflict between the political Left and Right also took shape in the field of culture as the socialists founded, for example, own theatre companies and music ensembles, in addition to sports, leisure and other associations and organizations.

Finland became independent in 1917. The young Republic was a deeply divided society, but the most severe conflicts soon started to abate and a sphere of mutual solidarity and consensus began to get shape. After the post-war reconstruction, the Finnish version of a Nordic welfare state was initiated, including an explicit cultural policy that strove for both cultural democracy and the democratization of culture. In this process, many arts and cultural institutions joined their forces under a politically neutral flag. (Helminen 2007; Sallanen 2009.) In many cases, the solution was that

the local authority incorporated the museum, theatre or orchestra into its own organization whereby the municipality started to produce these services. This process is called *kunnallistaminen* (municipalization) in Finnish language.

In the next sections of this article, we shall present an overview of the contemporary situation in Finnish local cultural policy and in the local production of cultural services. Because of the focus in the empirical studies we apply in our analysis, our presentation concentrates upon urban circumstances. (For a more diversified approach, cf. Kangas and Ruokolainen, forthcoming.)

Arts and culture in the Finnish urban development

Cultural policy research institute Cupore carried out some years ago a research project on cultural policy in Finnish cities (Saukkonen & Ruusuvirta 2009). The study focused on the role of culture and the arts in urban development, on the local decision making and administrative structures, and on the production of cultural services in 23 towns, representing the largest cities in Finland and other regionally important cities.⁵ The material was gathered from city strategies, local cultural strategies and other relevant documents, and from interviews with local cultural directors or other officials responsible for cultural affairs. In addition, the research project made use of the results of a survey on the public expenditure on culture in the same group of cities. We shall return to the findings of this survey in the next chapter.

In the future visions of many cities, culture, the arts, or creativity play a very visible role. The Helsinki metropolitan region⁶ describes itself as follows:

The Helsinki Metropolitan Area is a dynamic world-class centre for business and innovation. Its high-quality services, art and science, creativity and adaptability promote the prosperity of its citizens and bring benefits to all of Finland. The Metropolitan Area is being developed as a unified region close to nature where it is good to live, learn, work and do business. (<http://www.helsinginseutu.fi>.)

Of the other cities, Tampere aims at becoming an international growth center known for the good quality of its services, know-how and creativity. Turku, in turn, strives for building up a nationally and internationally attractive city of culture and a competence center providing an excellent quality of life and an innovative environment for work. In addition to these relatively large urban communities, the culture-embracing rhetoric extends to some smaller cities as well. The eastern city of Kajaani emphasizes creativity, know-how and easy-going everyday life, whereas Rovaniemi in the north stresses international expertise and culture. Salo, in the southwestern part of Finland, aims at being a green city where creative technology, rich cultural life and active countryside meet each other. Similar statements can be found from many other cities, too.⁷

In these strategic documents, culture mainly appears as an instrument to reach other goals. The focus is especially on the positive impact of culture upon the city image and allure, but there are also references to health and well-being, on the one hand, and to the local economy and (creative) industries, on the other hand. The arts and creativity therefore seem to have both a welfare function and an economic function whereas references to the intrinsic value of culture or its educative meaning (*Bildung*) were strikingly rare.

Culture and related concepts were, however, hardly ever properly defined, nor was it concretized what do these terms in this context actually imply. Therefore, it is very difficult to know what the

decision-makers behind city visions and strategies actually mean when they talk about culture and creativity. Are they only buzzwords that are deemed belonging to an up-to-date city strategy without much attention to what it might mean in practice?

Documents such as city strategies do not, of course, allow for much conceptual elaboration. However, the problem with the lack of clarity and concretization is that the steering role of the strategy simultaneously diminishes. Local authorities do not have to feel obligated to implement any real reforms nor to increase financial resources, and the practical value of the notions of culture, the arts or creativity remains obscure. People working in the field of culture and the arts may end up having false expectations which, in turn, produce future disappointments.

Most cities also had a specific culture strategy, even though the form of this policy document differed a lot from city to city. Some of them were full-scale documents consisting detailed information, others were a few sentences incorporated into a budget proposal or a larger sectoral strategy. Some of these strategies had consciously been prepared as implementation sections of the city strategy whereas the preparation of others had rather provided an open platform to promote discussion and to express hopes and wishes. (Cf. Purontaus 2008.)

A conspicuous, and peculiar, feature in the general city strategies was the lack of local originality. Many city visions and future objectives were almost completely interchangeable, that is, there was nothing that couldn't apply to another city as well. Because many documents expressed the urgent need to succeed in a fierce competition between cities and regions home and abroad, the monotonous and also somewhat dull character of city strategies was a strange finding indeed. All the more because one could have expected that culture, in particular, could have been used to point out differences between cities.

There was more variety among the culture strategies. Nevertheless, it is fair to say that also this text corpus rather demonstrated lack of imagination than creative strategic thinking. Almost all documents mentioned the same points of departure or operational goals: domestic and international reputation, appreciation and allure, local originality combined with openness, tolerance and diversity, high quality and accessibility of cultural services that reflect wishes and expectations among local inhabitants, and the impact of culture and the arts on health, well-being and welfare. Again, what the local originality actually consists of, was seldom revealed.

Sure, all these goals, objectives and basic principles deserve merit. The problem, however, is that even culture strategies often remained strikingly silent about the practical meaning of these notions. Admittedly, there were some exceptions to the rule such as the culture programme of the city of Porvoo. It even had a separate action plan including a timetable, resource needs and possible partners. Needless to say, this kind of a document makes it possible to control which objectives have been realized and which have remained empty words or lip service. Can it be that many city authorities do not want to take this risk of ex-post review?

Unsurprisingly, the social and cultural consequences of cultural activities played a more prominent role in cultural strategies than in city strategies, and the intrinsic value of creativity was also mentioned. References to economy, in turn, often had a pessimistic rather than an optimistic undertone. In many cases, the need to reform cultural policy has been generated by local austerity measures.

The strategic working method in city planning does not have a long history in the Finnish public sector. Many of the interviewed culture directors also mentioned that this is still work in progress and that one has to learn from the experiences so far. Some of them found that the process of preparation had been useful and that it has already had positive results. Others, in turn, were skeptical or even openly critical to strategic planning in general and its application in the field of culture in particular. (Saukkonen & Ruusuvirta 2009, 117–118.)

If we succeed in communicating this well, then it appears that what we have done already for a long time, is actually local welfare policy. And then the strategy should not state that it is the task of arts institutions and the cultural office to develop culture and promote children's culture and youth culture. Rather, this should be the city objective, with arts institutions then doing something as a consequence. (Ibid.) What do you do with a strategy, if it cannot be implemented. That is the fact. (Ibid.)

Culture is a field full of personal devotion and passionate feelings, and many leaders of arts institutions, for example, are charismatic figures and strong local personalities. During the interview sessions, it also became evident that people working with arts and culture are often quite reluctant to take part in the preparation of strategic documents (cf. Purontaus 2008, p. 299). Some of them also have highly negative ideas and attitudes concerning the instrumental use of culture and creativity to achieve political, social or economic goals. There may be sound reasons for this criticism and opposition. However, as it was expressed in many interviews, the participation of all actors in the local culture is important for the treatment of different cultural policy issues in the local policy process.

All in all, the position of a local director responsible for cultural policy and cultural services seems to be an interesting, albeit also a challenging place to work. The field of culture and the arts is, especially in the larger cities, a very large area with very many different actors and activities. The move towards the information society, and the increasing interaction across all kinds of borders have made the local cultural life larger and more diverse than ever before. At the same time, the organizational basis of many arts institutions is nowadays very heterogeneous. In addition to public administration, the culture director in charge also has to understand the principles and practices of the private and the third sector. Placed in-between the multiplicity of pressures, expectations and developments, the position of a cultural director often did not sound enviable at all. In return, however, a skilful administrator has a privileged position to follow and to influence urban development.

Production of cultural services and public spending on culture and the arts

In the following, we shall present a brief overview of the findings of the surveys on the local public expenditure on culture. Under the projects mentioned above, data on the revenues and expenditures for cultural activities were collected from the final accounts of the participating cities⁸. The following areas of cultural activities were surveyed: 1) art and cultural institutions, 2) public libraries, 3) cultural houses and centers, 4) art schools and basic art education and 5) other cultural services provided by the local department of cultural services or some other municipal unit or department.⁹

Cultural activities in Finnish municipalities are in transition. On the one hand, the field of municipal cultural services is getting more diversified, and on the other hand, the ways of producing these services are changing. Traditionally, the cornerstones of local cultural policy and publicly produced

or funded cultural services in Finnish cities have been the public library, arts museum and historical museum, city theatre and the classical orchestra. More recently, the cultural infrastructure has become larger and more diversified. Many cities have established or started funding cultural centers such as concert and congress centers, cultural houses or centers, children's art and cultural centers and regional dance-, film-, and photographic centers. Another growing field has been the area of publicly organized or subsidized events, happenings and festivals. The field of institutions and organizations providing basic art education for children has also been extending to new areas of activities such as circus, handicraft and audiovisual arts.

Despite of this development, traditional arts and cultural institutions still form the unquestionable backbone in the urban cultural life. This becomes evident if one looks at how public spending on culture is divided into different areas of cultural activities (Figure 1). In 17 municipalities out of 25, the spending on museums, theatres and orchestras constituted more than 40 per cent of municipals total net operating costs in 2010. If public library is included, the data collected tell that these forms of cultural activities form an overwhelming part of the expenses of cultural activities in the cities in question. (Ruusuvirta et al. 2012.)

As such, this finding is probably neither special nor surprising. The point in this context, however, is that these institutions received surprisingly little attention in the city strategies and cultural strategies analyzed in the previous chapter. City theatres and city orchestras are hardly mentioned at all, even though their position in monetary terms in the publicly organized or funded cultural landscape is very prominent. There is thus a clear structural discrepancy between official local cultural policy discourse and the cultural spending by the local community. This only adds to the message already delivered that one should not take strategic documents at face value without further analysis.¹⁰

After saying this, one can pay attention to the fact that cultural houses or centers also play a significant role in some cities. In a couple of cases, basic art education also takes a relatively large share of the total sum of public expenditure.¹¹ In the city of Porvoo, for example, the expenditure of art schools and basic art education composed almost 40 percent of total cultural expenditure in 2010. There are two relatively large publicly run art schools in this southern city of some 50.000 inhabitants that offer education for the city and for surrounding communities. In some other cities, the basic art education is organized totally by private organizations. Other cultural services provided by local department of cultural services or some other municipal unit or department form usually a relatively small part of the total public cultural expenditure.

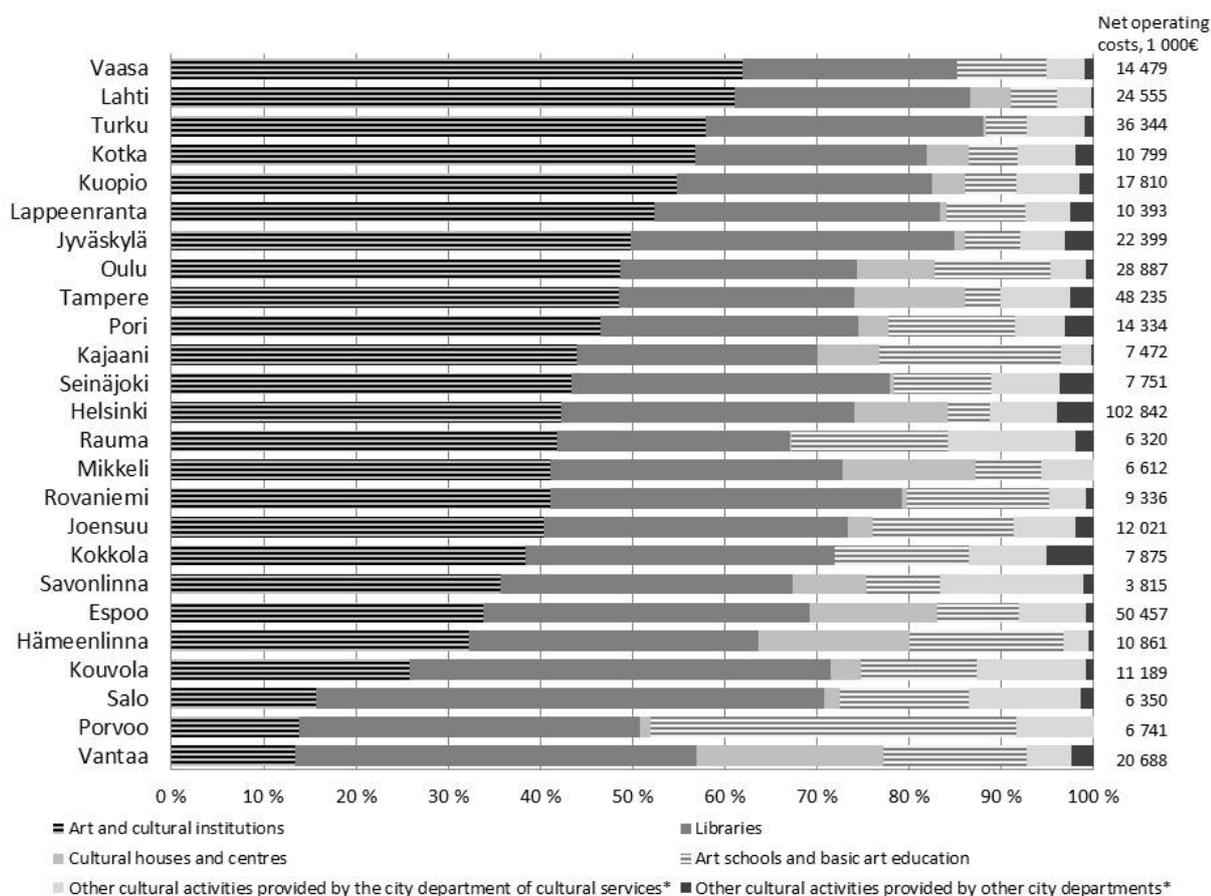


Figure 1. Municipal net operating costs divided by cultural activities 2010, %, 1.000 €

Cities also differ greatly in how they provide cultural services. During the post-war period, many previously association-based cultural actors such as orchestras and theatre ensembles were gradually taken over by the municipality (Helminen 2007; Sallanen 2009), as was already discussed above. The general rule in the Finnish welfare state was that basic services should be produced by the public sector, either by the state or the local authority.

During the last few decades, the tide has again turned, and many cities have “privatized” their service-producing institutions, including those providing cultural services. Privatization here means that theatres, for example, that have been an integral part of the city organization, have been re-established in the form of an association, a not-for-profit company or a foundation. These new organizations have, however, then received an annual subsidy from the municipality to run their activities. Many of these have still remained under full public control.

The Finnish legislation (*Local Government Act*) obligates local authorities to perform the functions laid down for them by law either alone or in cooperation with other local authorities, or by securing the services from other service providers. These forms also apply to non-obligatory local services. Services can be directly purchased, or the service provider can receive an annual grant or subsidy for the provision of certain services, for example.

Some of the analyzed cities provide most services themselves while other local authorities have chosen to rather support financially private actors such as foundations, associations or limited (not-

for-profit) companies. In many cities, some services are also purchased from private organizations. Oulu, a municipality of 140.000 inhabitants in northern Finland, for example, organizes cultural activities mainly through publicly run organizations. In 2010, this city had a public library, an art museum and a historical museum, a city theatre, a city symphonic orchestra and two publicly run cultural houses. Basic art education was organized by two public art schools: no subsidies at all were given to private art schools.¹² The city of Seinäjoki, in turn, the capital of the province of Southern Ostrobothnia with 58.000 inhabitants, applies a very different model in service provision. The publicly run organizations in 2010 were the public library, a historical museum, a regional art center for children and young people, and the Art School for Children (Oiva). Theatre and orchestra were private organizations that the city of Seinäjoki supports with subsidies. The city also subsidized several private art schools.

Figure 2 below gives indication of the relation between publicly produced cultural services and those services that are produced by private actors that receive subsidies from the municipality. Of the 25 municipalities that participated in the 2010 survey, city expenditure on culture directed to activities that took place within the city organization formed more than half of the total expenditure in all cases. The percentage was higher than 90% in seven cities, reaching the peak in the cities of Kajaani (98,1%) and Oulu (97,2%). In turn, this means that subsidies to private actors formed less than 50% in all cities. In four towns, subsidies constituted 40-45% of the total cultural expenditure of the city. Generally speaking, the majority of the municipal cultural funding is thus targeted at cultural services produced by local authorities (Figure 2).¹³ (Ruusuvirta et al. 2012.)

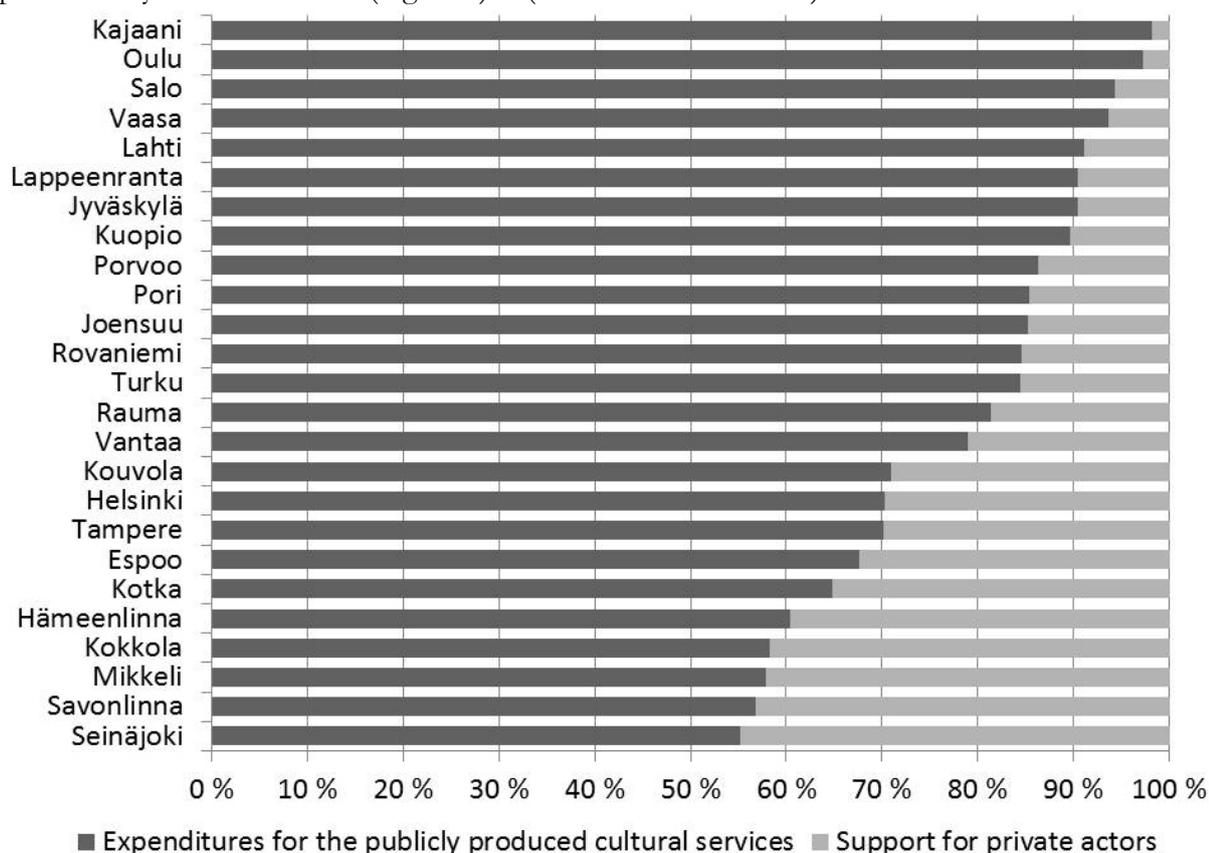


Figure 2. Municipal net operating costs divided by publicly produced cultural services and municipal support for private actors 2010, %.

The great predominance of publicly produced cultural services is partly explained by the fact that municipal libraries are public organizations in all Finnish municipalities. The share of library of all local spending in 25 cities varied in 2010 between 23 to 55 per cent. Most city historical museums and arts museums are also publicly run organizations, even though there are some exceptions such as the Turku Art Museum¹⁴ and the Espoo Museum of Modern Art (EMMA). The classical orchestra was part of the public organization of the local authority in 14 cities, in addition to which 9 cities subsidized at least one privately organized orchestra. The theatre scene is organizationally most varied. In 8 cities out of 25, there was a municipal city theatre whereas the total number of subsidized professional theatre ensembles was as high as 82. In addition, there are large publicly run art education schools and diverse public cultural house activities in some cities.

The local arrangements concerning production of culture services have an impact upon these figures. If cultural services are organized by the local authority, the expenditure includes total net operating costs of the activities (operating expenses minus operating revenues). Whereas if the municipality is providing services by subsidizing a private organization, the only cost that municipal final account includes, is the local subsidy in question.

Finally, one can pay attention to the role of the arts and culture in the local policy in monetary terms. The share of the expenditure on culture of the total city economy¹⁵ was in all towns quite small, and in many cities it had slightly decreased between 2007 and 2010. In the latter year, the percentage varied from 2.0% in the city of Vantaa to 4.7% in the city of Lahti.

In all cities participating in the survey, the net operating costs of cultural activities increased at least slightly between 2007 and 2010. The total spending on culture increased from 416 to 481 million euro, which means that the combined increase of cultural expenses in those 23 towns and cities that participated in the surveys in 2007 and 2010 was about 65 million euros. The percent of increase is 15.7. However, if the total spending on culture in 2007 is indexed to 2010 in accordance with the price index of public expenditure, the percent of increase declines to 8.2.

The largest cities quite expectedly form a large part of the sum total of cultural expenditure. In 2010, the cultural costs of the city of Helsinki were €103 million followed by Espoo (€50M) and Tampere (€36M). In terms of euro per local inhabitant, the expenses were, however, highest in the cities of Vaasa, Lahti and Tampere (€226-243).

The rise in absolute figures between 2007 and 2010 can be explained with three factors. Firstly, there have been municipal mergers. Some cities were in 2010 in terms of area and population much larger than what they were in 2007. Even though the cultural infrastructure in the municipalities surrounding larger cities is often quite unpretentious, these communities have had at least library services which have then been incorporated into the cultural expenditure of the new city. Unsurprisingly, municipal mergers have usually produced a decrease in the overall cultural expenditure per inhabitant.

A significant change for the cultural services and their expenditure has been the reform of government transfers to museums, theatres and orchestras. In 2005, the Parliament passed a government Bill amending the *Act on the Financing of Education and Culture*. The unit prices of museums, theatres and orchestras were to be readjusted every four years from 2008 onwards to

correspond to actual operating costs. As a result of the reform, government transfers to these art institutions increased by an estimated €50 million (77%) between 2007 and 2010.

Third factor explaining the rise in absolute figures is the notable increase of cultural expenses in some larger cities. In the city of Helsinki, for example, cultural expenses increased with 16,2 million euro that makes about a quarter of the combined increase of cultural expenditure in the cities that participated in the survey. In Espoo, the increase was about 8 million euro, in the cities of Lahti and Turku about 4 million each.

All this taken together, the public cultural expenditure development described above reveals a trend towards a certain centralization of cultural services. Mainly due to the central government transfer reform of museums, theatres and orchestras, the already traditionally strong and well financed institutions have been getting an even broader slice of combined public financing. Furthermore, the cities that have experienced major increases in public spending on culture are located in southern Finland, and they belong to the larger ones among the analyzed cities. In many cities, the growth of cultural expenditure has been very modest or nil.

The reader should at this point be reminded that by analyzing cultural expenses only it is not possible to draw final conclusions about the local supply or accessibility of cultural services, or about the artistic quality performed or displayed in different urban settings, or about the general cultural mindset in the cities in question. Also, it is crucial to bear in mind that cities are very different, for example, in terms of regional characteristics, economic development, demographic structure or service production models. Many background factors therefore need to be taken into consideration when analyzing the data and especially when making city comparisons.¹⁶

Information about the public local spending on culture, however, forms a good basis for further analysis, and there is an apparent demand for these examinations, too. The expressed hopes and expectations concerning the role of culture, the arts and creativity, and the on-going search for new ways of providing services create a need of reliable information for the municipal decision making.

The surveys showed that information on some operating areas and practices of municipal cultural functions is still not easily accessible. This concerns, in particular, the funding for basic art education and cultural expenditure and revenue in other administrative sections (such as the city departments of sports, youth affairs, social services or health). In many towns and cities, cultural services are produced or purchased also outside the actual department for culture and the arts. Sometimes the general administration (often the municipal Executive Board) has a significant role in the funding for culture.

This all makes the monitoring of cultural expenditures challenging. The budget of the Cultural Committee forms often only a fractional part of the total financing of the culture in the municipality. Differences in accounting practices makes everything even more complicated. Tracing back the cultural costs of other departments and committees might be burdensome. However, it is important work in order to make local cultural activities and financing visible.

Conclusion

One important lesson that can be derived from our recent studies concerning Finnish local cultural policy and its development is methodological: the analysis of written and spoken discourses is

definitely important, but it is not enough. The examination of institutional settings in the cities under scrutiny, and especially the analysis of cultural expenditure, reveal a very different picture of local cultural policy than what we get from reading strategic documents. Strategies, and public cultural policy debates, provide us with good sources to study national and local cultural policy. However, conclusions drawn from these materials only, can be severely misleading.

In the field of culture and the arts, reliable economic data is often notoriously difficult to achieve. In our case, a comparative analysis of cultural spending in Finnish cities, has also had many obstacles to conquer. Municipalities differ a lot from each other in organizational terms, and there is a large variety in preparing balance sheets. Nevertheless, these difficulties should not form an insurmountable hinder for the search for an answer to the question what is actually taking place in local cultural policy. The classic advice of Galileo Galilei should be remembered also here: measure what is measurable, and try to make measurable what is not so.

Turning to the city strategies, the most striking observation was that the position of culture, the arts and creativity was very prominent almost everywhere. The idea of a positive role of culture in city development was widely expressed and strongly articulated. In this regard, there is no doubt that Finland has moved from an industrial to a post-industrial society based on immaterial values and creative economy. This finding has a certain truth value even if we remember that in terms of cultural spending, the development is, after all, much less revolutionary.

The question of why cultural strategies and cultural expenditures do not meet better than they do is too large to answer in this context. One obvious reason lies in the stiffness of the system. Even though there is no legal obligation to organize cultural services in a certain way, the system of state transfers and subsidies causes certain rigidity and resistance to change to the local cultural policy. If the total sum of cultural budget does not significantly increase, it is very difficult to accomplish major institutional reforms (cf. Zan et al. 2012). The determinants of local cultural spending should be analyzed more thoroughly in forthcoming studies.

Against the background of changing cultural policy rationales and discourses presented earlier, we might nevertheless also conclude that the shifts mentioned by Skot-Hansen and Johannisson have taken place in Finland as well. Our studies also confirm that in today's cultural policy, humanistic, sociological and instrumental rationales (Skot-Hansen), and the quality discourse, the welfare discourse and the alliance discourse (Johannisson) also exist contiguously. In many documents, cultural services and artistic activities are approached from many different perspectives and put into a variety of roles.

However, a comparison of city strategies and cultural strategies reveals that in the former, culture and the arts is often regarded especially in the light of city allure and local economy, whereas the latter rather stress artistic autonomy, intrinsic values, and the positive impact of culture to individual well-being and collective welfare. A corollary question, then, concerns the power of these approaches to realize visions, to put strategic principles into policy practice. That is also a question that should be addressed in future studies.

The search for alternatives for the public authority based production of basic services has been at the core of the Finnish reform of the welfare state. In the field of local cultural services, we can also find many answers to this quest. New initiatives are often founded as private associations,

foundations or not-for-profit companies that the municipality then subsidizes annually. Also, many previously publicly organized theatres, museums and orchestras have been transformed as private institutions.

Again, however, one might make too far-reaching conclusions on the basis of public discussion and some much-debated privatizations. The Finnish municipality still has a very important role in producing cultural services. A main reason for this is that the main library services are still in the hands of the local authority in all municipalities. In addition, the most notable local museums, theatres and orchestras also often form an integral part of the city organization. Diversity among Finnish cities seems to grow, though: some of them have clearly decided to revise the role of the municipality towards subsidizing private actors. It would be very interesting to study more in detail, what kind of consequences different organizational models have to the local cultural life and to the functioning of arts institutions.

Finally, we can make some tentative conclusions about the direction of Finnish cultural services, from the point of view of cultural spending in Finnish cities in 2007 and 2010. Regional equality is still one of the main objectives of nation-wide cultural policy. There has been quite a lot of debate about how cultural services are diminishing if not completely disappearing from smaller municipalities, but these surveys show that a certain centralization seems to be taking place also among larger cities. Between the two rounds of gathering expenditure data, the increase in local cultural expenditure could for a significant part be explained – in addition to municipal mergers and the reform of state transfer system – by the growth in cultural spending in a limited number of larger cities in Southern Finland. In the forthcoming studies, it will be most interesting to look at whether this trend has continued.

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- 1 The lack of reliable data on public cultural spending has often been generally lamented in studies on the financial dimension of cultural policy, cf. Dalle Nogare & Galizzi 2011.
 - 2 Furthermore, there was a pilot survey that was carried out in 2007. In this survey, the data was collected from 14 towns and the economic data was based on the 2006 final accounts.
 - 3 The next survey is under consideration. If realized the data will be based on the 2013 final accounts.
 - 4 The most important laws are the *Museums Act* and the *Theatres and Orchestras Act*. The *Museums Act*, for example, mentions eight criteria, including a not-for-profit approach, a full-time museum director and a sufficient amount of professionally educated personnel, and a proper venue for all museum activities.
 - 5 Espoo, Helsinki, Hämeenlinna, Joensuu, Jyväskylä, Kajaani, Kokkola, Kotka, Kuopio, Lahti, Lappeenranta, Mikkeli, Oulu, Pori, Porvoo, Rovaniemi, Salo, Savonlinna, Seinäjoki, Tampere, Turku, Vaasa and Vantaa.
 - 6 Helsinki Metropolitan Area consists of four cities. The city of Helsinki, the two surrounding cities Espoo and Vantaa, and Kauniainen, which is an enclave within the city of Espoo. Total population of the metropolitan area is about one million.
 - 7 The exact expressions can be found from Saukkonen & Ruusuvirta 2009.
 - 8 In 2007, altogether 23 cities participated in the survey: Espoo, Helsinki, Hämeenlinna, Joensuu, Jyväskylä, Kajaani, Kokkola, Kotka, Kuopio, Lahti, Lappeenranta, Mikkeli, Oulu, Pori, Porvoo, Rovaniemi, Salo, Savonlinna, Seinäjoki, Tampere, Turku, Vaasa and Vantaa. In 2010, the number of participating cities was 25. That included two new cities, Kouvola and Rauma, in addition to the 23 cities that participated in 2007.
 - 9 Full definitions for these areas can be found from the original reports. The whole cultural economy of the local community is, of course, much broader than the cultural expenditure of the municipal authority. There is a lot of cultural activities that do not get any local funding.
 - 10 An additional dimension of this discrepancy is based on the fact that public art institutions usually do take the city strategies into account in their own planning.
 - 11 In many cases, these large shares are partly explained by relatively modest investments in art institutions. There are cities, where there is no art museum, for example, or the classical orchestra contains only a smaller instrumental ensemble.
 - 12 In fact, the city of Oulu reconstructed the city theatre as a municipality-owned not-for-profit company from January 1 2012.
 - 13 In addition to actual subsidies, the support for the private actors in Figure 2 includes some "subsidy-like" entries, e.g. support given through municipal internal rents or purchases of basic art education services.

- 14 In the City of Turku, there is also a public art museum, the Wäinö Aaltonen Museum of Art.
- 15 Tax revenue and central government transfers.
- 16 In order to fully understand the similarities and differences between cities, the local background information and cultural policy profiles were presented in the original reports.