

Culture Matters

A report for the
Ministry of Research, Science and Technology

by

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EXECUTIVE SUMMARY

Chapter 1: Cultural industries and creative industries

This chapter surveys the history of support in the Western world for cultural activity in terms of changing paradigms from ‘high culture’ to commodification theories to ‘creative industries,’ and reports on Maori perspectives. This survey provides a context in which to view the current situation in New Zealand. The report concludes that a separation between ‘creative industries’ and ‘cultural industries’ is artificial and not helpful.

Chapter 2: The benefits of cultural activity

In this chapter the instrumental and economic impacts of cultural activity are discussed, together with theories of social impact. The implications of taking a wide definition of the word ‘culture’ are explored. The report concludes by proposing a definition for the cultural sector appropriate to New Zealand: *“those activities which have their origin in creativity, skill and talent, which recognisably contribute to the reinforcement and renewal of cultural understanding and identity, and which thereby contribute significantly, both directly and indirectly, to social and economic development.”*

Chapter 3: The funding situation

This chapter explores the complex channels through which government support is currently provided for cultural activity. It highlights some significant anomalies and duplications, acknowledging that these have arisen from the ad hoc development of policy and funding provisions. The relative roles of central and local government are touched upon, and the issue of funding in the context of cultural diversity. The report concludes that creative chaos is not the best model for the exercise of funding cultural activity.

Chapter 4: The funding process

This chapter explore the mechanisms for funding cultural activity. The role of agencies is discussed, including the dangers of ‘arts bureaucracy.’ Comments received from consultants in the sector are included. The report concludes by offering some principles that can contribute to a review of processes.

Chapter 5: International perspectives

This chapter points out the limitations of comparing New Zealand with other countries. It outlines common directions of cultural policy development, and funding policies in selected countries, and identifies some ideas that may be beneficial to New Zealand. Cultural tourism and international cultural outreach are discussed. The report concludes that the two-way internationalisation of culture is beneficial to all parties.

Chapter 6: New contexts, new paradigms

This chapter identifies significant developments in the contemporary world that must be taken into account in the formation of cultural policy: diversity and the democratisation of culture, the development of the knowledge economy, the management of change, digital technology, globalisation and sustainability. The report concludes that the perception of culture is undergoing a shift from ‘commodity’ to ‘community.’

Chapter 7: The way forward

This chapter recapitulates and brings together the significant points made in previous chapters and adds further comments from our consultants. The following recommendations are made:

Recommendation 1

That a process be put in place to develop a National Cultural Strategy.

Recommendation 2

That the Strategy provide a statement or statements about the function of cultural activity in New Zealand that will inform the policies and processes of the whole of government.

Recommendation 3

That the Strategy provide a statement or statements about the role of government in supporting cultural activity that will inform the policies and processes of the whole of government.

Recommendation 4

That the Ministry of Education be involved in the development of the Strategy on the basis of the essential role of early childhood, primary and secondary education in the development of the benefits of cultural activity and of capacity-building in the sector.

Recommendation 5

That government tourism policies and strategies include cultural activity in a key role.

Recommendation 6

That, as part of the Strategy, consideration be given to bringing Culture and Heritage and Sport and Recreation together formally in a single Ministry.

Recommendation 7

That the Strategy clarify the roles of central government and regional and local authorities in relation to support for cultural activity.

Recommendation 8

That, as part of forming the Strategy, mechanisms of supplying funding to the cultural sector should be investigated that recognise the particular characteristics of the sector.

Recommendation 9

That the provisions of the National Cultural Strategy take account of, and be integrated with, the provisions of the National Digital Strategy.

Recommendation 10

That, as part of the development of the National Cultural Strategy, and in cooperation with the National Digital Strategy, the issue of intellectual property in relation to cultural activity be investigated and appropriate recommendations made.

Recommendation 10

That a taxonomy of cultural activity in New Zealand be developed.

Recommendation 11

That the Final Report of Scotland's Cultural Commission, *Our Next Major Enterprise*. . . be closely studied for the help it can give us in developing a National Cultural Strategy for New Zealand Aotearoa.

INTRODUCTION

1. Scope

This research project was established to “examine issues facing the development of NZ’s cultural industries & the role of government in supporting their development and ongoing sustainability.”

The expected outcome was a detailed report which

- Documents what has been achieved to date in the cultural industries in New Zealand, including investigating the range and policy objectives of current government support for cultural industries development (Chapters 1, 3 and 4)
- Articulates the different roles and responsibilities for a range of government agencies supporting the cultural industries area (Chapters 3 and 4)
- Provides an analysis of international models of cultural industries development and support where they are salient to the focus of this project, which is forward looking within the New Zealand context (Chapter 5)
- Provides an assessment of the balance of social, cultural and/or economic contributions (qualitative and or quantitative) of the cultural industries in New Zealand (Chapter 2)
- Identifies any issues or challenges with respect to the performance of the cultural industries and how public policy supports their performance in New Zealand, (Chapter 6) and
- Sets the scene for further work on how the New Zealand cultural industries may be supported by government policy (Chapter 7)

The project was also interested in the way the cultural industries intersect with the creative industries (Chapter 1).

While the report is prepared for the Ministry of Research, Science and Technology, discussions have from the start included the Ministry for Culture and Heritage, the lead Ministry in the cultural sector. New Zealand Trade and Enterprise, which leads the government’s involvement with the creative industries, also has an interest.

2. Approach and method

The research team was encouraged to take a ‘Humanities’ approach to the topic. The background to this can be found in the 2005 report to MoRST entitled *The Humanities - Charting a way forward*, which indicated that “the study of humanities provides tools for understanding through conceptualising, recording and interpreting ideas, theory and narratives in the full range of media.” (Munro 2005:6) We have taken this to mean that a ‘critical thinking’ methodology was required. The processes followed have been

- a search of the international literature (printed and web-based) on policy in the cultural sector, and an analysis of the ideas, theory and narratives it contains that are relevant and salient to the New Zealand situation;
- an investigation and analysis of current government support for the cultural industries, carried out for the research team by Orange Consulting;

- a consultation exercise in which representatives of funding bodies and recipients were invited to share their narratives and ideas, carried out by Orange Consulting under the direction of the research team; and
- an investigation and analysis of relevant overseas policy models.

3. **Limitations**

In Scotland the equivalent exercise (the Cultural Commission) took two years to complete its work and produced a final report of 540 pages. In the few months available to undertake this project, the research team acknowledges that it could not carry out as detailed an investigation of the cultural sector in New Zealand as it would have liked, particularly in view of its complexity. In our more modest exercise there will inevitably be situations, views, and experiences within the realm of cultural activity that have not been included or taken into account, and we have not been able to undertake the collection of new data. Nonetheless we believe we have learned enough to have a well-informed overview and to be able to make useful comments and proposals.

John Drummond
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Dunedin, June 2008

CHAPTER ONE

Cultural industries and creative industries

If we wish to understand where to go and how to get there, we need to understand where we are. If we wish to understand where we are, we need to understand how we got here.

1. Cultures high and low

The term ‘culture’ has developed a multiplicity of meanings. One meaning, which goes back to the writings of Matthew Arnold and others in the second half of the nineteenth century, associates it with arts forms and practices. From this meaning emerged the distinction between ‘high culture’ - representing the relatively more complex arts forms and practices belonging to and appealing to an educated social elite - and ‘low culture’ - representing the relatively less complex arts forms and practices of other less advantaged members in society. This distinction has political connotations, and the terminology of ‘high’ and ‘low’ carries with it the value judgment that ‘high’ is better than ‘low’. (The terminology was obviously devised by members of the ‘high’ culture elite.) Another meaning, developed in the twentieth century in the disciplines of anthropology and cultural studies, defines culture as the belief system and behavioural practices of a particular community. In this sense, everything we do or think or say is ‘cultural.’ Both of these meanings are current in New Zealand, and we have developed a local, third meaning, which makes reference to the culture (tikanga) of the Māori people. In common parlance, a cultural group is one engaged in Māori performing arts. In this country, therefore, the term ‘cultural’ can refer to ‘the arts’, to ‘national identity’, or to the tangata whenua.

2. The Frankfurt School

2.1 Commodification

The term ‘culture industry’ emerged from the first meaning of culture, and it was coined in the mid-1940s by Adorno and Horkheimer of the so-called Frankfurt School to describe the development of large industrial corporations in film, radio and publishing. In their view, the intrinsic value of a work of art, given it by its creator, was “undermined by its subservience to external economic rationality.” (O’Connor 2002). They argued that the commodification of the arts into ‘mass culture’ removed artistic freedom and individuality, leading to standardisation and the exploitation of both artists and consumers (see During 1993: 29-43).

2.2 Art and commerce

Adorno and Horkheimer’s perspective usefully drew attention to the impact on culture of nineteenth-century industrial processes, but it also demarcated even more sharply a distinction between supposed high-value non-industrial creative arts practice and low-value commercial arts practice. It had two flaws, however. Firstly, it did not acknowledge that high-value creative arts practice

has always had a commercial element (even the greatest creative artists need to eat), and that interesting and valuable creative work can often flourish in the context of a commercial enterprise. In setting up a dichotomy between the ‘artistic’ and the ‘commercial’ it reaffirmed the spurious Romantic vision of the artist as a starving genius, and it set up the expectation that ‘great art’ will always be synonymous with ‘market failure.’ Secondly, it failed to distinguish between the product and its distribution. There can be no doubt that the development of the music recording industry, for example, and the mass production of LPs and CDs of Western Classical Music, brought ‘great art’ to a far wider audience than live performance could ever have done; furthermore, this process led to more people attending concerts and recitals.

2.3 The market-failure argument

Be that as it may, the ‘great art = market failure’ argument provided the basis for the State to support certain kinds of cultural practice. The assumption came to be made that ‘low culture’ was industrial and commercial and therefore economically self-supporting, while ‘high culture’ was non-industrial and non-commercial and therefore required, and deserved, financial support by the State.

3. The UK contribution

3.1 Popular urban culture

This paradigm was challenged in London in the 1980s, in the environment of a left-wing Greater London Council. A new view emerged, which saw ‘popular culture’ as a significant expression of culture in the widest sense. While the European high-culture heritage could still make a claim on the attention of the wider population, Modernist and avant-garde high culture had, in the view of many, lost all touch with the needs and aspirations of ordinary people. What the State was supporting in terms of new creative work was both irrelevant and self-indulgent, and it was therefore a misuse of public money. (Of course, the justification for supporting it was that it was ‘high culture’ which, by definition, meant it had no popular appeal.) The development in the UK since the 1960s of popular music, fashion, literature and art, on the other hand, showed that ‘ordinary culture’ as it existed in urban contexts had “provided some of the most powerful, complex, innovative and disturbing cultural products of the last 40 years. It never received a penny of direct public subsidy and operated completely outside the circuits of official culture.” (O’Connor, 2002) It was therefore too simple to draw a clear line between on the one hand, State-subsidised high culture with social and aesthetic value, and on the other, commercial arts practice inflicting worthless products on dominated consumers. Indeed, the greater value appeared to lie with the practitioners of popular culture currently working within the commodified arts market. At the same time, as O’Connor points out, most of them were working not as part of large media conglomerates but locally and independently.

3.2 The birth of the creative industries

A new understanding of culture was emerging, one which moved beyond issues of ‘high’ and ‘low’ and considered ‘popular’ cultural activity to be the creative edge of culture in its widest sense. But it also saw no problem with the notion of commodification: cultural activity and products obviously have

economic value, to creator and consumer alike. The concepts of ‘culture as the expression of national identity’ and ‘culture as a negotiated financial transaction’ were being brought together, and a third element was added: the argument that, in a rapidly changing world, survival and prosperity depend upon ‘innovation’. Innovation meant research and development, which linked clearly to the idea of creative thinking, and examples of that could obviously be found in the worlds of music, fashion and design. Out of this mix was born the idea of the ‘creative industries,’ adopted as a ‘Third Way’ policy by the Blair Government and subsequently adopted in full or in part by many countries around the world, including New Zealand. The term ‘creative industries’ was deliberately favoured by New Labour over ‘cultural industries’ because it was a ‘unifying’ and ‘democratising’ notion making a bridge between ‘high’ and ‘low’ culture and between ‘art’ and ‘industry.’ (Galloway and Dunlop 2007:2); the UK was re-branded as ‘Cool Britannia.’ (see McGuigan 1998)

3.3 Defining the creative industries

In 1998 the UK’s Department of Culture, Media and Sport wrote a Mapping Document which defined the creative industries as “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property”. The creative industries were listed as advertising, architecture, the art and antiques market (although the only creative element in antiques is, presumably, the making of carefully aged replicas), crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio. By 2001 the listing had added ‘close economic relationships’ with other sectors such as tourism, hospitality, museums and galleries, heritage and sport. This definition was remarkable in several respects.

- It privileged the market aspect of arts and culture activity and thereby marginalised other aspects of that activity such as personal development, social purpose, aesthetic expression, and community identity.
- It blurred the distinction between cultural practice and leisure or entertainment or sports activity, thereby marginalising any other functions for cultural practice.
- It threw an emphasis upon intellectual property at precisely the time when technology was calling into question the traditional nineteenth-century notion of IP.
- By presenting cultural activities as industries it confined them in a nineteenth-century Fordist/smokestack model.

This development was driven more by political considerations (the need to find a ‘new approach’ both to an ailing economy and to the cultural sector) than by anything else. While the analysis of the current state of the cultural sector undertaken by the young Turks of the GLC was useful, the opportunity was missed to develop policy that reflected cultural activity in all its aspects. (See Flew 2002 and Galloway and Dunlop 2007)

4. The New Zealand experience

4.1 Our own creative industries

In 2000, influenced by what was happening in the UK, the New Zealand government identified five potential Creative Industries sectors that could be worthy of government investment: music, screen production, design, digital media and publishing. Following research, the next stage was to establish, within the government's Growth and Innovation Framework, a Creative Industries sector with a focus on the potential economic development of screen production, fashion, textiles and apparel, digital media, design and music. The New Zealand Music Industry Commission had been set up in 1999/2000 with a five-year brief, and two further taskforces were established, in Screen Production and Design. It should be noted that, meanwhile, cultural production in screen media and in music was also being supported as a non-commercial activity through the Ministry for Culture and Heritage.

4.2 The Creative Sector Engagement Strategy

The next development occurred in 2004 when New Zealand Trade and Enterprise developed a Creative Sector Engagement Strategy which broadened the 'creative sector' still further to include manufacturing, wood processing, food and beverages. More recently the focus has shifted to Creative Branding, Entertainment, Designer Lifestyles and Better by Design. These shifts and changes illustrate not only the difficulty of determining exactly what is meant by 'a creative industry' but also the difficulty in identifying which cultural activities in New Zealand will best meet the criteria for "wealth and job creation through the generation and exploitation of intellectual property," and the problems encountered nowadays in claiming intellectual property rights and income.

4.3 Māori Perspectives

A different set of perceptions exists in the Māori world. Tikanga, based on kaupapa, represents the way the past influences the present. All cultural activity takes place within the context of tikanga, expressed in the customs and traditions of the people. Some aspects of tikanga are generic to the Māori people as a whole, and some are tribal. Traditional cultural practices are recognised to have the highest value, and these include both pre-European practices and those associated with the revivals that took place in the early twentieth century. More modern practices, especially those devised by urban Māori youth, have a relationship with tradition but are seen to be influenced by other cultures, with, to some, a consequential loss of purity.

Te Puni Kokiri's policies recognise a link between culture and economic development, in the framework of tino rangatiratanga. It's Strategic Outcome of 'Māori succeeding as Māori' includes the goals of 'Māori leveraging off their collective assets for economic transformation', 'Māori utilising their skills, knowledge and talents for increased innovation,' and 'a flourishing Māori culture and Māori identity.' The Māori Potential Approach "affirms that Māori have the capability, initiative and aspiration to make choices for themselves, in ways that support their cultural identity, while contributing to exceptional life quality." It recognises "that Māori are diverse, aspirational people with a distinctive culture and value system" and the contribution that

“the Māori community and their indigenous culture” makes to “the identity, wellbeing and enrichment of New Zealand society.”

Māori perspectives suggest an overarching framework. Whether cultural activity is regarded as industrial or not, its real value lies in the extent to which it affirms identity and tradition.

5. **Creative and cultural industries**

The briefing document for this research proposes an organization of the creative/cultural industries sector into two groups, with a recognition that overlap exists between the two. It speaks of the ‘creative industries’ as “those that focus on creating and exploiting intellectual property products; such as the arts, films, games or fashion designs, or providing business-to-business creative services such as advertising or industrial design.” ‘Cultural industries’ on the other hand refers to “libraries, museums, music, screen, performing arts, literature and the visual arts,” activities which “are most often publicly funded and are more concerned with delivering other kinds of value to society than simply monetary values such as artistic value, cultural wealth or social wealth, although they may also have significant value for the economy.” Clearly, a number of activities belong in both categories, and the difficulty encountered in defining roles and making such lists is to be found in other documents too. (See, for example, Caves 2000:1 and Hesmondhalgh 2002: 12. Government websites listing creative or cultural industries in the EU, UK, South Africa and Canada all have different lists.)

In one of its documents, for example, UNESCO suggests that “the term cultural industries refers to industries which combine the creation, production and commercialization of creative contents which are intangible and cultural in nature. The contents are typically protected by copyright and they can take the form of a good or a service. Cultural industries generally include printing, publishing and multimedia, audiovisual, phonographic and cinematographic productions as well as crafts and design. The term creative industries encompasses a broader range of activities which include the cultural industries plus all cultural or artistic production, whether live or produced as an individual unit. The creative industries are those in which the product or service contains a substantial element of artistic or creative endeavour and include activities such as architecture and advertising.” (UNESCO culture/en/files/30297/11942616973) Here the term ‘cultural industries’ is closer to what in New Zealand are termed the ‘creative industries’ and vice versa.

Stuart Cunningham suggests that “there are undoubted continuities between cultural and creative industries, but I would posit that the trend differences can be summed up as creative industries is trying to chart an historical shift from subsidised ‘public arts’ and broadcast era media, towards new and broader applications of creativity. This sector is taking advantage of (but is not confined to) the ‘new economy’ and its associated characteristics.” This appears to be suggesting that ‘creative industries’ is merely the old cultural industries working in new media. In another document, UNESCO moves closer to this position by suggesting that “cultural industries may also be

referred to as ‘creative industries’, sunrise or ‘future oriented industries’ in the economic jargon, or content industries in the technological jargon.” (UNESCO culture/admin/ev.php?URL_ID=18668)

6. Conclusion

While the distinction between ‘creative industries’ and ‘cultural industries’ has been adopted in countries like New Zealand, others see no significant difference between the two. Māori perspectives would tend to suggest, too, that distinguishing between the two is not particularly useful. What defines the group as a whole, in UNESCO’s words, is that they “combine the creation, production and commercialisation of contents which are intangible and cultural in nature. . . They are knowledge and labour-intensive, create employment and wealth, nurture creativity – the ‘raw material’ they are made from – and foster innovation in production and commercialisation processes. At the same time, cultural industries are central in promoting and maintaining cultural diversity and in ensuring democratic access to culture. This twofold nature – both cultural and economic – builds up a distinctive profile for cultural industries.” (UNESCO culture/admin/ev.php? URL_ID=18668)

It is doubtful whether many people engaged in creative/cultural activity in New Zealand would know which category they belong in, or care very much about it. Perhaps this is a situation similar to that described in John Byrom’s epigram:

Some say, compar'd to Bononcini
That Mynheer Handel's but a Ninny
Others aver, that he to Handel
Is scarcely fit to hold a Candle
Strange all this Difference should be
'Twixt Tweedle-dum and Tweedle-dee!

In the absence of convincing evidence of a real distinction between the ‘creative industries’ and the ‘cultural industries’ – except on the basis of historic categorisations – it may be sensible to speak simply of a cultural-activity sector; some parts of it may be capable of development for commercial purposes, but even when this happens it may not be the primary purpose of the activity.

CHAPTER TWO

The benefits of cultural activity

If culture were unimportant we would be able to stop doing it.

1. Instrumental and economic value impacts.

The introduction of the ‘creative industries’ in the 1980s divided the cultural sector into two groups: the first supposedly possessed the potential to generate wealth and jobs, while the other was defined by its inability to pay its bills (‘market failure’). The latter group has traditionally received government support through arms-length funding agencies (in New Zealand the QE2 Arts Council and subsequently Creative New Zealand); the former group now received new support in order to realise its economic potential. In both cases it is necessary to measure the economic impacts arising from the activities, either to discover whether the potential was being realised, or, in the case of the second group, in order to see the extent to which market failure is actually occurring. Measurement is also necessary in order to see if public money is being properly invested. In effect what is actually measured tends to be simple metrics such as how many people attended a concert, a theatre performance, or an exhibition, or entered a museum, with possibly an attempt being made to evaluate the satisfaction arising from the experience.

1.1 Direct and indirect economic impacts

Economic impacts are broadly classified into direct and indirect effects. Reeves (2001:28), borrowing from the European Task Force on Culture and Development, summarises this in the following way.

Direct economic impacts

- The arts and culture serve as a main source of contents for the cultural industries, the media and value-added services of the telecommunications industries.
- They create jobs and contribute significantly to the Gross Domestic Product.
- Cultural institutions, events and activities create locally significant economic effects, both directly and indirectly through multipliers.
- Works of art and cultural products have their own autonomic ‘value-adding’ markets (eg, gallery sales and fine-art auctions), which often give them good investment potential.

Indirect economic impacts

- The arts are ‘socially profitable’ in that they offer cultural credit or esteem for people and institutions (eg, financiers, sponsors, collectors or connoisseurs).
- Works of art and cultural products create national and international stocks of ideas or images which can be exploited by the cultural industries (eg, in advertising or cultural tourism).
- Works of art can enhance and so add value to the built environment (eg, by adorning buildings and in urban design).

1.2 Limitations of economic assessments

Many of these impacts are difficult to measure and capture on a routine basis. What is normally recorded and reported are sales and financial data arising from cultural production. This tends to include the inputs (costs and people employed, for example) as well as patrons and revenue. The wider economic impacts are more problematic and though methods exist to record and assess the economic impacts of events these are costly to implement and almost impossible to generalise from. In particular, it is important to assess not only the revenues but the ‘leakages’ from the system. For example, two theatres producing a similar size production and attracting similar audience sizes may have widely different economic impacts depending on whether the play was locally sourced or not and whether copyright fees had to be returned overseas.

While reports and analyses of the economic impacts of their work is generally required from cultural practitioners and organisations by funding agencies, considerable doubt has been raised about the efficacy of such reports. “The authors of a recent report from the National Museum Directors’ Conference state that ‘The [UK] D[e]partment of] C[ulture,] M[edia and] S[port] have confirmed that there is no ready-made and reliable methodology in place for calculating the economic impacts of cultural institutions.’ This is a startling admission and undermines much of the rationale for current methods of collecting and using data.” (Holden 2004:17) The Ministry’s scepticism might be influenced by some of the factors identified by Peacock (2004): institutions and other culture providers have such a range of different forms and structures that different forms of analysis are required each time; funding-distribution bodies, like funding receivers, have their own agendas which make objective quantification difficult; opportunity costs can seldom be taken into account and are usually ignored; data are often too simplistic to allow an effective analysis; culture providers resist economic analysis on the grounds that other aspects of their work is more important; culture providers are often good at marshalling political support to counteract or influence economic reports; those commissioning economic analyses often expect more than can be delivered. As Holden reports (2004:18), “current methods of assessing impact and outcomes are increasingly being questioned, both in terms of the utility of the methodologies employed and the extent to which the results illuminate our understanding.”

There is no doubt that considerable data have been assembled over the years to measure the economic impact of cultural sector activity. However, in interpreting this information, much depends on the methods used to collect and analyse the data. Longitudinal studies, which could show significant long-term impacts, are usually impossible because of the time-frames of those requiring the data.

Economic and other instrumental reasons for supporting cultural activity may be attractive to governments, especially when they seek to follow neoliberal policies, but, as the European Task Force on Culture and Development recognised, “there is a need for a consistent approach to cultural policy which accepts that culture has its instrumental uses, but also recognises the limits to which this can be applied without endangering it.” (ETFCD 1997:25)

2. Social impact

If measuring economic impact is difficult, the measurement of social impact may be marginally easier. This became an important issue in the UK in the 1990s as arts organizations became increasingly alarmed by the domination of economic impact reports. (Reeves 2002: 15) It was argued that arts activity, especially participation in the arts, was personally and socially beneficial, and in ways which must be measurable in some way. The first significant research was undertaken from 1995 to 1997 by Comedia, resulting in a report which provided powerful evidence of social impact, summarised in the statement that “participation in the arts is an effective route for personal growth, leading to enhanced confidence, skill-building and educational developments which can improve people’s social contacts and employability; it can contribute to social cohesion by developing networks and understanding, and building local capacity for organisation and self-determination; it produces social change which can be seen, evaluated and broadly planned; and it represents a flexible, responsive and cost-effective element of a community development strategy.” (Matarasso 1997:6)

By 2001 Jermyn could list the ‘claimed impacts of the arts’ as follows, citing the work of six different research projects:

- develops self-confidence and self-esteem;
- increases creativity and thinking skills;
- improves skills in planning and organising activities;
- improves communication of ideas and information;
- raises or enhances educational attainment;
- increases appreciation of the arts;
- creates social capital;
- strengthens communities;
- develops community identity;
- decreases social isolation, improves understanding of different cultures;
- enhances social cohesion;
- promotes interest in the local environment;
- activates social change;
- raises public awareness of an issue;
- enhances mental and physical health and well-being;
- contributes to urban regeneration;
- reduces offending behaviour;
- alleviates the impact of poverty; and
- increases the employability of individuals. (Jermyn 2001:13-14)

The subject of Matarasso’s research for Comedia, and most of the projects covered by Jermyn, was participation in arts activity at the community level. It did not cover either professional activity or the consumption of arts products and experiences. By focussing on ‘the arts’ it took a traditionalist view of what constitutes cultural activity. To broaden this issue we need to shift our perspective.

3. Cultural activity as activity within a culture

Before the appearance of neoliberalism, support for cultural activity was justified on the basis that it is a ‘public good.’ This was in turn based upon two nineteenth-century arguments: firstly, that participation in, and experience of the arts would bring social benefits, as it was a ‘civilising’ influence in which the moral impact of the experience was greater than the artistic one (see Russell 1987:17), and secondly, that it was actually the intrinsic aesthetic element of the cultural experience that would be a “means of our getting to know, on all the matters which most concern us, the best that has been thought and said in the world. . .” (Arnold 1869). This vocabulary has lost its currency in the contemporary world: as a result of changing political circumstances we no longer see the European arts as a means to civilise the world, and as a result of the parallel development of ethnography and cultural studies we no longer consider the intrinsic value of culture as something separate from its context.

The advent of anthropological and more recently cultural-studies approaches offers a new way to look at the value of cultural activity. The old adjectives ‘cultured’ and ‘cultivated’ have now been superseded by the adjective ‘enculturated.’ Cultural activity can be regarded as an expression of, or a contribution to, the culture of a community – its beliefs and understandings about the world. Cultural products and experiences often have no clear meaning outside their cultural context. A Japanese Nō drama is likely to seem incomprehensible to a Westerner, and a Bach unaccompanied violin sonata can sound hilarious to a group of Pacific islanders (personal reference). This perspective allows us to consider the value of cultural activity in a different way.

Given the breadth of meaning attaching to the contemporary term ‘culture,’ it might be supposed that anything anyone does at any time can be described as ‘cultural activity.’ Clearly there must be a way to differentiate some kinds of activity from others. The Anderssens (2006) argue that cultural activity is essentially designed to provide experiences for the consumer, and suggest the term ‘experience goods’ to define the products or outcomes made in creative/cultural sector activity. Experiences, they suggest, are intangible and their value to the consumer cannot be predicted in advance.

3.1 Intangibility and symbolic meaning

“The tangible can only be interpreted through the intangible.” (Pérez de Cuéllar 1996:34) The UNESCO *Convention for the Safeguarding of the Intangible Cultural Heritage* defines ‘intangible cultural heritage’ as “the practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups, and, in some cases, individuals recognize as part of their cultural heritage.” It goes on to stress that this heritage is transmitted through generations, is constantly being re-created and renewed, and provides communities with a sense of identity and continuity. (UNESCO 2003: Article 2). This definition usefully draws attention to culture as a continuum: heritage includes both the preservation of the past and the creation of new or renewed products and experiences. The use of the word ‘intangible’ refers to the fact that the main value of the heritage is not a material value. The materials

contained in Michelangelo's David, or Stonehenge, or a printed copy or recording of Paul McCartney's 'Yesterday', or the Harry Potter novels, or a whare on a marae, may have some kind of monetary value, but the value attached to them by those whose culture includes them is very different. They have a 'symbolic meaning:' that is, they are understood within the culture to add to the community's beliefs and understandings. The way in which they do this not easy to analyse, since the process occurs within our heads.

Bradd Shore speaks of "culture as a dimension of the mind as well as part of social reality." (Shore 1996:311) It may have an external life, in the form of cultural practices, but it exists most powerfully within our personal consciousness. It is a form of knowledge, which is always being refined and adjusted, while new knowledge can always be added. It is a framework of meaning, a lens through which we understand the world; our sharing of cultural perspectives with others in a community grouping is a sharing of agreed meanings.

Hesmondalgh writes that "the cultural industries are involved in the making and circulating of products – that is, texts – that have an influence on our understanding of the world." (2002:3) What makes cultural products and experiences (texts) distinctive is that they have an impact on the way we think about the world. They have what several writers call 'symbolic meaning' (Galloway and Dunlop 2007:4). Meaning is not something inherent in a cultural product or experience (although the person who creates it works within a cultural construct of meanings), it is awarded by the person receiving the product or experience (see Throsby 2002). The reception process involves interpreting what is experienced in terms of whatever cultural knowledge is already possessed. When we receive a cultural text it may merely confirm our existing knowledge-base; alternatively, we may find the process has the effect of challenging or extending our previous knowledge, the model we have for understanding/giving meaning to the world or some aspect of it. The impact is on the inside of our heads, and cultural texts have, in Throsby's term, a 'disembodied' value (Throsby: 'Determining the Value'): their worth is not a material one, but an intangible one. This is not to say the value is low; indeed, what happens inside our heads may be more important than anything else that happens to us.

A cultural product or experience triggers an enhancement of meaning in our minds because we are engaged in some way with it. It communicates with us, receives our attention, maybe even consumes our entire being. That process is often an enjoyable one. It is fun. Indeed, engagement in cultural activity, whether as a producer, a participant or a consumer, is one that gives us enjoyment and satisfaction. As human beings we are, it seems designed for this. Perhaps it is part of the mechanism that allows us to learn, to be adaptable, and therefore to survive. Certainly, cultural activity seems to be ubiquitous, and ubiquitously pleasurable.

3.2 Cultural value

It may seem tautological to suggest that cultural products/experiences/texts have cultural value. However, given that the cultural text has the effect of

modifying the meaning-decoding mechanism of the individual that receives it, then its reception by a number of people can create changes to a wider, group or community understanding of meaning. Al Gore's *An Inconvenient Truth* (whether true or not) has altered whole groups of people's understanding of our relationship with the natural environment.

In the case of many cultural products or experiences their value (their ability to influence in some way the understanding of a community) has already been determined since they are part of an existing heritage. The processes of enculturation we go through as we grow up involve our becoming acquainted with large numbers of these. They have gained values which are subsets of cultural value: historical value or social value or spiritual value (see Holden 2004: 31-39). In each case the community has accorded appropriate meaning to it – perhaps an 'official' meaning. But individuals encountering the 'text' for the first time, in a process of enculturation or education, may well react to it in a new way, or find a new meaning in it. Heritage is continually being re-evaluated, as part of the ongoing continual renewal of a culture.

The continuing evolution of a culture also results from the creation of new products and experiences, and the impact they will have is never predictable. "The new product is based on symbolic knowledge often expressed as intuition. . . . As such this intuitive symbolic knowledge is very risky. . . . It is sticking your neck out and riding on self-belief." (O'Connor 2002:8) Nor do cultural products and experiences have the same impact on everyone. As Hesmondhalgh points out, a cultural 'text' is polysemic, able to be interpreted in a (usually limited) number of ways. (Hesmondhalgh 2002:37) Furthermore, since the impact is on the mind, the consequences of a change to the way an individual constructs the world, as a result of contact with a cultural text, may not be immediately evident. We may speak of the 'potential value' of cultural texts: their potential to have an effect downstream, at a later date, or through further mediation. This may be the reason why so many people who do not even access cultural products or experiences wish to see them continue to be made available (Creative New Zealand 2005). Cultural products and experiences are like viruses: they are constantly evolving, they have a life of their own, and they can have an impact on anyone at any time. Some people are more susceptible to them than others; some people react more strongly to them than do others. But they tend to be persistent, clinging to the memory and resisting any attempt to control or remove them.

4. Functions and purposes of cultural products

Cultural products and activities (texts) have a significant function to perform: they communicate, reinforce, renew, and modify our understanding of the world we inhabit. They do so through inviting us to consider meaning. Usually they present us with images using some medium or another, images we must interpret; as we seek to do so the decoding mechanisms inside our heads change and develop. This is their primary function, and it is not an insignificant one, for it is the way in which cultural identity is discovered and developed on the individual level and on the community level. It enables growth.

But these texts can perform other functions and purposes as well. They can have the purpose of earning money for those who create or share them. This can only happen if there is a financial transaction between provider and receiver (producer and consumer). If such a transaction takes place, then the text is a commodity. (Adorno's complaint about the industrial commodification of culture ignores the fact that such financial transactions have always taken place, if not quite on the same scale.) But just because a text is a commodity does not mean that it has no other value other than a financial one. A lettuce may be bought and sold but its primary function is nutrition. Indeed, its purchase facilitates it carrying out its nutritional purpose.

4.1 Intellectual property

One of the mechanisms through which a culture-text can be a commodity is intellectual property. This requires a financial transaction to take place before the text can be accessed, or before permission can be granted by the owner to access the text. IP developed in nineteenth-century Western culture in a context where ownership ('property') was a significant cultural value and it only has meaning where that cultural value is present. In a setting where property is communal, IP makes no sense: 'community copyright' is the attempt to extend 'IP protection' (ownership values) to such communities. IP has been the cornerstone of the 'creative industries' initiatives, where it has had the effect of elevating the importance of the commodity value of a culture-text, perhaps even to the level of its primary function. It is ironic that this occurred precisely at the time when technological developments, especially the emergence of the internet, were reducing the significance of IP as a recognised cultural value. What the internet has done is to extend significantly what public libraries have done for over a century, which is to make pieces of information (a.k.a books) widely available without any financial transaction being involved (other than a possible general access fee for a library card). Libraries did so because they were founded at the same time as compulsory and free education was established; the culture-value 'education' overrode the culture-value 'property.' Nowadays, as the use of the internet shows, a number of other culture-values override 'property': entertainment, pleasure and health for example. One question that will need to be addressed is whether the value of 'cultural enhancement' also overrides the culture-value 'property'. Noting that radio listeners can access Radio New Zealand Concert free-to-air, and the Arts Channel on SkyTV as well as arts videos from their local library for next to nothing, and can enter their local museum and art gallery for nothing, it would appear that this has already happened.

4.2 Secondary purposes

Cultural texts can also have an indirect commercial purpose: that is, they can be used (or re-used) in other commercial contexts. Existing music can be used for advertising. An abstract design can be turned into fabric for clothing. A library can have a book sale, and so can a theatre. This can have the effect of altering the meaning of the original product. (Many people now associate the music of Vivaldi's *The Four Seasons* with the National Bank, or, through a further connotation, with cricket. It can be argued, in that particular case, that an immigrant cultural heritage item has now been indigenised, and that this is a normal process of cultural development. This was (presumably) not the

intention of the National Bank, and it may be complicated by the fact that the Bank is an Australian one, or by the fact that the association of the music may, for some, now be with another appropriated symbol: a black horse. Cultural products are indeed polysemic.)

There are also examples where something which is meant to have a different function may take on a cultural value. The Sydney Opera House is a case in point; while its primary purpose was originally to provide an arts venue, in the end the visual aspect of the building has, in the minds of many, come to dominate its utilitarian function. There are other examples of buildings in which a similar shift has occurred, and some other examples in the design world combine, or sit uneasily between, cultural and non-cultural functions. This gives rise to an important question, which Flew asks: if we define cultural activities as producing symbolic content, can we exclude any activity or product which includes some symbolic content? (Flew 2002:13) Lines of demarcation are difficult to draw, and especially so in the case of cultural activity. Given that cultural texts are polysemic, or, in Geursen and Rentschler's words, "cultural value is a multidimensional construct represented by different stakeholders in ways convenient to their individual purpose," then it must be the case that cultural meaning may be found in texts that do not primarily set out to contain it. The Buzzy Bee was designed to be a children's toy but has become a part of 'kiwiana' – an expression of national identity.

It is important to recognise, therefore, that while most cultural products and experiences have a cultural purpose and function, some may acquire a cultural function at a later date. In both cases, what defines them is that they are recognised as adding to the understanding we hold in our heads of who we are and where we are. Throsby (2001) argues that the chief purpose of the core activities of the creative and cultural industries is to generate/communicate meaning about the intellectual/moral/spiritual behaviour of the individual and/or the beliefs, values, norms and other expressions of groups in society. This is serious business, and it contributes like no other to the serious matter of enabling human beings to relate successfully to the world in which we find ourselves.

The consequence of this thinking is that the significance of cultural activities lies in the outputs they produce, and the effect of these outputs. It was the potential commercialisation of outputs that gave rise to the 'creative industries,' but this extends the notion of 'output' into many more dimensions. This has important implications for funding policies.

5. Economic benefits, from a new perspective

The Ministry for Culture and Heritage speaks of cultural well-being as "the vitality that communities and individuals enjoy through participation in recreation, creative and cultural activities; and the freedom to retain, interpret and express their arts, history, heritage and traditions." (MCH 2007:1) On an everyday level, many people use cultural activities (as active or passive participants) to achieve a state of well-being in their lives, either as casual recuperation or as deliberate self-development.

Well-being has an economic impact. People who feel good about themselves and their environment are more focused, more creative, more collaborative, and more productive. (see MCH 2007:2) The economic benefits of cultural activity may not only be direct ones, in the ways predicted by the creative industries initiative, but indirect ones in the sense that they create well-being in the community, whose members are better placed to work successfully in economic enterprises. Quality of life contributes to standard of living. Well-being is a communal as well as an individual matter. A cultural community (large or small) which feels good about itself and has high morale will perform better than one which doesn't. This is what lies behind the Strategic Outcome and Role of Te Puni Kokiri. Cultural activity enables a community to express who or what it is, and that self-confidence generates energy; it is the means to turn 'national identity' into 'economic transformation.'

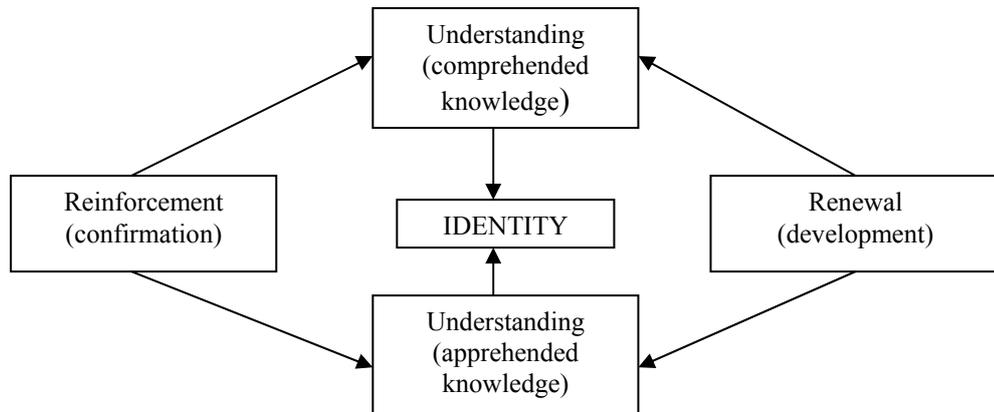
6. **Towards a definition for the cultural sector**

We might therefore use the model of the UK definition of creative industries to develop a New Zealand definition for the cultural sector: *"those activities which have their origin in creativity, skill and talent, which recognisably contribute to the reinforcement and renewal of cultural understanding and identity, and which thereby contribute significantly, both directly and indirectly, to social and economic development."* This wording brings together both pakeha and Māori perspectives, as well as the various activities that take place under the heading of 'creative industries' or 'cultural industries.' It recognises both the tangible and the intangible. It sees culture as a process including both the preservation and transmission of heritage and creative activity. It acknowledges professionalism, and it also states the importance of cultural activity to the individual and society as a whole.

'Understanding' in this definition can be obtained in two ways: through a left-hemisphere-based comprehension of information such as might be acquired through reading a history, or through a right-hemisphere-based 'apprehension' of information such as might be acquired when watching a dance or music performance, or viewing a painting. Both forms of information-processing are powerful in the development of understanding through cultural products and experiences.

While cultural activity can have an economic impact, and can generate economic growth, its primary function lies elsewhere. Operating by providing goods (products and experiences, 'texts') and services (which may or may not be like other commodities) it articulates, explores, and/or challenges the beliefs, understandings and behaviours of the cultural group it belongs to. It does this by creating 'symbolic meaning' which is interpreted inside our heads. Its impact is therefore first and foremost on an individual's understanding of the world. This can spread among individuals through a sharing of the same experience, or by further re-formation into new experiences, and it thereby creates cultural renewal. It comfortably operates on its own, but it can contribute to other activities in a positive way. The process can be illustrated in a diagrammatic way. The cultural experience (however derived) either reinforces/confirms or renews/develops our understanding. That understanding

may be a left-hemisphere intellectual understanding, or a right-hemisphere intuitive understanding. Both kinds of understanding contribute to our sense of self-identity. The model works on an individual level and on a group level.



CHAPTER THREE

The support structure

“I s’pect I just growed. Don’t think nobody never made me.” Topsy, in Uncle Tom’s Cabin (Harriet Beecher Stowe)

There is no doubt that the cultural scene in New Zealand is vibrant and healthy. We have well-established and well-run organisations in all fields, and talented and creative individuals and teams make significant contributions to the reinforcement and renewal of our cultural understanding and identity. New Zealand punches above its weight in cultural activity, as it does in many other areas.

Evidence for our cultural health can be seen in data from the Ministry for Culture and Heritage and Statistics New Zealand. Evidence of the government’s commitment to culture can be seen not only in the funding provided but in the Local Government Act of 2002.

1. Data

A number of documents have been produced which analyse the extent to which the people of New Zealand support cultural activity.

1.1 Creative New Zealand Survey (2005)

This survey of attitudes, attendance and participation in the arts indicated that “87.5% of New Zealanders aged 15+ are involved in the arts as attendees and/or participants” and that “more than half the people who don’t attend arts events are favourably disposed to the arts.” (Creative New Zealand 2005:12). The arts activities identified in the survey were visual arts, music, dance and theatre. The survey also indicated that 76% of those surveyed agreed that “the arts help define who we are as New Zealanders” (including 53% of people who do not attend arts events) and 78% agreed that “the arts are supposed to be good for you” although that was a curiously ambiguous statement. (Creative New Zealand 2005:19-21)

1.2 Statistics New Zealand: *A Measure of Culture* (2005)

Evidence for other parts of the culture sector is provided in this survey which reported that 48% of New Zealanders aged 15 or more attended a museum or art-gallery in the previous twelve months, and 54% of people in the age-group 35-44.

1.3 Statistics New Zealand and MCH: *Cultural Indicators for New Zealand* (2006)

This document provides detailed information about employment in the culture industries as well as other useful data. It indicates continued growth in employment and access to cultural experiences.

2. **The 2002 Local Government Act**

One way in which government has supported the cultural sector, and indicated its importance, is through this Act which requires all local authorities to promote community well-being in four areas: environmental, social, economic and cultural. It is a significant document, although it is interesting to see that regional authorities do not have the same requirement, and nor does the Ministry for Culture and Heritage itself. Nonetheless the Ministry has worked hard to produce documents, and engage in dialogue, in order to assist local governments understand what ‘cultural well-being’ might mean and what actions they can take to fulfil the requirement. This is an important part of its mission. Many of the arguments put forward by the Ministry in respect of the significance to the community of cultural activity are similar to the ones offered in this report in relation to the nation as a whole.

3. **Funding by central government**

Explaining the current way of disbursing government funds for cultural activity is extremely difficult. A plethora of different agencies and bodies exist, and they distribute funds or spend them in different ways. Some merely receive funds which they spend on cultural activity, others receive funds and distribute them to others to spend on cultural activity. Some receive funds and distribute them to others to distribute. Some are active and also distribute to others. Some receive funds from only one source and some from more than one. Some are statutory bodies responsible to a Minister (or in some cases two); some are agencies which are contracted by government to supply cultural services. Some are Crown entities while others engaged in similar activities are not. Some have a very focused area of cultural activity to support and others support much more widely across the sector. Some are active in the creation of culture and others are not. No two bodies seem to be the same in structure, purpose, function and resources. One of our consultants described the situation to us as Byzantine.

3.1 **The Ministry for Culture and Heritage**

The lead agency for disbursing government funding for the cultural sector is the Ministry for Culture and Heritage. Vote Arts, Culture and Heritage supports a very wide range of activities. The Ministry is also responsible for administering Vote Sport and Recreation, and some independent trust funds. The Ministry’s mandate focuses on the most efficient use of public resources “to maximise understanding and appreciation of, access to and participation in New Zealand culture, and to promote the enhancement of New Zealand’s cultural identity.” In carrying this out (as in the year ended 30 June 2007) it

- Undertakes activities itself, such as
 - Heritage work (war graves and other graves, monuments and commemorations)
 - The websites and publications relating to Te Ara, NZhistory.net.nz and NZLive.com
 - Cultural Diplomacy
- Administers government funding to a number of bodies (Crown Trusts, charitable trusts and the like) which undertake cultural activity, and manages the Crown’s relationship with them:
 - New Zealand Historic Places Trust*

- New Zealand Symphony Orchestra*
- Te Papa*
- Radio New Zealand International
- Television New Zealand (TVNZ)*
- Regional Museums, through the Regional Museums Policy for Capital Construction Projects
- Administers government funding to statutory bodies which distribute funding to others who undertake cultural activity:
 - Creative New Zealand*#
 - New Zealand Film Commission*#
 - NZ On Air*
 - SPARC#
- Administers government funding to bodies which undertake work related to cultural activity:
 - Broadcasting Standards Authority
- Administers government funding to bodies which have little or no relation to cultural activity:
 - New Zealand Sports Drug Agency
- Manages the Crown's relationship with agencies which, in return for government funding, provide cultural activity:
 - Te Matatini Society Inc
 - Royal New Zealand Ballet
- Manages the Crown's relationship with agencies which, in return for government funding, undertake work related to cultural activity:
 - New Zealand Film Archive*#
 - National Pacific Radio Trust
 - New Zealand Music Commission
 - Antarctic Heritage Trust
- Manages, or assists in the management of, the Crown's relationship with other organisations which are engaged in cultural activity:
 - National War Memorial Council
 - Te Māori Manaaki Taonga Trust
 - The Pukaki Trust
- Manages, or assists in the management of, the Crown's relationship with other organisations which undertake work in relation to cultural activity:
 - Advertising Standards Authority

The Ministry classifies some of these bodies as National Cultural-Sector Agencies (indicated above with *), although it is not entirely clear what this honour denotes, and why these particular bodies have been chosen rather than others. The NC-SA classification also includes the Māori Language Commission, Learning Media, and Māori Television and Te Māngai Pāho (see below), as well as Radio New Zealand which is funded through NZ On Air. Some of the bodies listed above also receive substantial funding from the New Zealand Lottery Grants Board (indicated above with #): since 1991 the Board has paid a guaranteed percentage of its income to SPARC, Creative New Zealand and the New Zealand Film Commission as distribution committees (under section 116J of the Gaming and Lotteries Act 1977). The New Zealand Film Archive receives a guaranteed percentage through the New Zealand Film Commission.

Other government ministries and departments support or have supported cultural activity:

- Department of Internal Affairs, through the Lottery Grants Board and through its Community funding schemes
- National Library of New Zealand
- Department of Conservation, in relation to cultural sites on DOC land
- Te Puni Kokiri
 - Te Māngai Pāho which supports Māori broadcasting
- Ministry of Education, through the provisions of the Curriculum
 - Tertiary Education Commission, through funding to universities and other tertiary providers who train teachers, performing artists, arts administrators, historians and other heritage professionals, and provide libraries and in some cases galleries
- Ministry of Economic Development, in relation to broadcasting spectrum management
- Ministry of Youth Development: projects in making videos.
- Department of Work and Income, and Child Youth and Family, to support Te Rakau Hua Te Wao Tapu
- Ministry of Social Welfare: Vincent's Art Workshops
- Ministry for Pacific Island Affairs
- New Zealand Trade and Enterprise, in relation to creative industries
- Archives New Zealand, in relation to the preservation of government documents relating to cultural activity

(Source: MCH website, augmented)

To this list should be added particular projects such as the Smash Palace collaboration between scientists and creative artists supported by Creative New Zealand in partnership with the Ministry of Research, Science and Technology,

In addition to administering funds, the Ministry for Culture and Heritage also has an advisory role, for example in working with local authorities to implement the 2002 Local Government Act.

Given the complexity of central government's funding arrangements, in addition to which funds are available from local government in different ways, as well as from a large number of trusts and foundations, it is not surprising that finding out who funds what, why and when has become a task requiring skill and time in New Zealand, as elsewhere. Whether those engaged in cultural activity can be expected to have the necessary expertise or time is another matter. The view was shared with us by one provider of funds that only those who can find their way through the funding labyrinth deserve to be funded, but this is not a view we endorse.

3.2 Major funding agencies

Several of the bodies listed above have as their primary function the further distribution of government funds. The three largest are NZ On Air, SPARC, and Creative New Zealand.

3.2.1 NZ On Air's “job is to promote and foster the development of New Zealand’s culture on the airwaves by funding locally-made television programmes, public radio networks and access radio, and to promote New Zealand music by funding music videos and radio shows.” In the 2006-7 year it received over \$106m from Vote Arts Culture and Heritage to carry out this task. Its funding is awarded in three categories

- Television: in 2006-7 909 hours of local content was provided at a cost of \$70m. This includes 103 hours of drama or comedy, 104 of documentaries and information programmes, 490 hours of children’s programmes and 212 hours of special interest programmes. These allocations included support for Maori television programmes, which is also provided by Te Puni Kokiri (and Te Mangai Paho). NZ On Air identified 54 of the 909 hours as having an Arts/Culture classification. It is not clear what criteria were used to reach this conclusion; adopting the definition offered at the end of Chapter 2 might lead to a higher number.
- Radio: in the same period support for Radio New Zealand totalled nearly \$28m, while Access and Pacific Island Radio received \$2.3m. It is interesting to note that Radio New Zealand International, which broadcasts into the Pacific region, is funded separately and directly from MCH.
- New Zealand Music: over \$5m was spent on supporting New Zealand contemporary music, including the making of 20 record albums.

Comment

It is interesting to note that in the same period Creative New Zealand also supported contemporary musicians to record songs and albums, we are told for different reasons, as did Te Māngai Pāho in cases where the music had a Maori text. There does not appear to have been a requirement that funding from NZ On Air or Creative New Zealand depended on the text not using Te Reo.

3.2.2 SPARC is “charged with improving the wellbeing of New Zealanders through sport and physical recreation – this includes the physical, mental, social, cultural, environmental and economic benefits offered by participation in sport and physical recreation.” In 2006-7 SPARC received over \$53m from Vote Sport and Recreation and over \$30m from the Lottery Grants Board.

SPARC coordinates Mission-On in partnership with the Ministry of Health and the Ministry of Education and with support from the Ministry of Youth Development. Mission-On is “a broad-based package of initiatives to give young New Zealanders and their families the tools to improve their nutrition and increase physical activity.” It currently funds two cultural activities for young people: Stage Challenge and J-Rock, on the grounds that these are fitness activities.

Comment

Two important but different issues are pertinent here. The first is whether Sport and Recreation should be regarded as cultural activities: the relationship between Sport and Recreation and Culture and Heritage will be alluded to in Chapter 7. The second is whether the multimedia events on a theatre stage and the rock music presentations created by young people, should be regarded as ‘fitness’ activities. This is a much more dubious proposition. The definition of

cultural activity offered at the end of Chapter 2 does not include the ideas of improving nutrition or increasing physical activity, and nor, we believe, should it do so.

3.2.3 Creative New Zealand (the Arts Council of New Zealand Toi Aotearoa) is a major provider of cultural funding. In 2006-7 it received over \$15m from Vote Arts Culture and Heritage and over \$22m from the Lottery Grants Board. It describes itself as “the national agency for the development of the arts in New Zealand.” It lists its purpose as “to encourage, promote and support the arts in New Zealand for the benefit of all New Zealanders.” The Strategic Plan 2007-2010 lists the following priorities:

- New Zealanders are engaged in the arts.
- High-quality New Zealand art is developed.
- New Zealanders have access to high-quality arts experiences.
- New Zealand arts gain international access.

Creative New Zealand’s predecessor was the Queen Elizabeth II Arts Council of New Zealand (1964) which itself followed the establishment of an Arts Advisory Council in 1960, and which was modelled on the UK Arts Council with an aim of supporting traditional European high culture (see Chapter 1). The 1994 Act which established the present body takes a wider view, noting that “arts includes all forms of creative and interpretative expression” and requires the organisation to “recognise the cultural diversity of the people of New Zealand.” The adoption of the name ‘Creative New Zealand’ caused some consternation at the time, but it can be seen as a move to ally the organisation with the emerging concept of ‘creative industries.’ The 1994 Act lists the following principles for the organisation’s goals: “participation, access, excellence and innovation by supporting activities of artistic and cultural significance which develop the creative potential of artists and art forms.”

Creative New Zealand allocates funds in two ways: as recurring grants to major organisations, and in response to applications. Probably because of its own heritage, and despite the wide definition of the arts included in the 1994 Act, the present Arts Council has a focus on supporting the traditional European arts. Its recurring grants for the year 2007 provided a total of \$15.2m, of which all but \$2.1m went to providers of European arts experiences. It allocates funding in response to applications through three bodies: the Arts Board, the Pacific Arts Committee, and Te Waka Toi. In the year 2006-7 the Arts Board allocated around \$6m, Te Waka Toi allocated around \$1.5m, and the Pacific Arts Board allocated around \$0.5m (see Grants Reports). Some forms of Maori and Pacific cultural activity are supported through other agencies, such as Te Matatini and Te Māngai Pāho, but it should be noted that funding to Toi Māori is included in the recurring grants noted above.

Creative New Zealand also provides financial support to local communities through the Creative Communities Scheme. Each of New Zealand’s 74 local authorities is given a base grant of \$5,000 plus per capita funding at \$0.60 per head to support arts and cultural activities at the community level. This

funding is locally contestable and cannot be directly used by a local authority to implement the ‘cultural well-being’ requirements of the Local Government Act, even though the funds originally came from the Ministry which advises local authorities on how to meet those requirements.

Comments

Because Creative New Zealand uses the term ‘the arts’ in its work there must always be a temptation to understand the term in the limited sense of European art-forms and practices, rather than in the wider sense described in the 1994 Act. We shall return to this topic in Chapter 7 of the Report. The funding of 60c per capita for Creative Communities may be compared with the 45c per capita funding for the whole of New Zealand awarded to the Auckland Philharmonia, and the 37.5c awarded to NBR New Zealand Opera; neither the orchestra’s concerts nor the opera company’s major productions are seen outside the North Island.

3.3 Anomalies

Any analytical approach to the current situation in central government funding exposes anomalies. TVNZ has been funded directly by MCH but it now to be funded jointly by MCH and NZ On Air, while awhile Radio NZ is funded via NZ On Air. The National Library is a government department, but Te Papa is not. The NZSO and Te Matatini (one a Crown Entity and the other an incorporated society) are funded directly by MCH while other ‘national’ music providers and organisations (SOUNZ, Chamber Music NZ, Choirs Aotearoa, NBR NZ Opera and the NZ String Quartet) are funded via Creative New Zealand, as is the NZ Book Council. There is a Regional Museums Policy for Capital Construction Projects but no similar policy for theatres or concert halls. There is a NZ Music Commission to promote contemporary music-making, and a NZ Film Commission to promote NZ film-making, but no NZ Theatre Commission to promote NZ playwriting. Creative New Zealand provides recurring funding for four regional orchestras but not for four regional museums. SPARC manages Mission-On funding for Stage Challenge and J-Rock while Creative New Zealand supports the Smokefree Rockquest.

Regional museums are chiefly supported by local government, and only a little by central government agencies (except for capital expenditures). The opposite is true for regional orchestras. Entry into regional museums is usually free, while entry into regional orchestra concerts is not.

3.4 Policy Terminology

The closest thing we have to a national policy for cultural activity is the list provided in the Ministry for Culture and Heritage’s announcement of its mandate:

- Maximising understanding and appreciation of New Zealand culture
- Maximising access to New Zealand culture
- Maximising participation in New Zealand culture
- Promoting the enhancement of New Zealand’s cultural identity.

None of the bodies mentioned above specifies all these elements. ‘Understanding and appreciation’ cannot be found in any other document. It may be implied that this will somehow automatically happen if access is provided and participation occurs – which may be an unwise assumption to

make, or it may be that many consider this is the job of the education sector. ‘Participation’ is mentioned only in the documentation relating to Creative Communities, although CNZ mentions ‘engagement’ which assumes access but falls short of participation. ‘Access’ is mentioned more widely, and phrases relating to New Zealand identity are quite common.

However, many bodies use different terminology, such as ‘high-quality’ or ‘high standard’ or ‘international standard’ (Creative New Zealand, NZSO, Royal NZ Ballet, TVNZ, Māori TV, Radio NZ). The word well-being occurs in several documents, as do other terms that suggest a wider social impact for cultural activity: ‘helps us to connect as a society’ (NZ On Air), ‘enrich the present and meet the challenges of the future’ (Te Papa), ‘build the capacity of Pacific communities’ (National Pacific Radio Trust), or ‘enrich the cultural and economic life of New Zealand’ (National Library). Many agencies, on the other hand, are singularly focused on a very narrow area of activity and their descriptions do not rise above those immediate needs. Perhaps they take the bigger picture for granted.

3.5 Ad hocery

These policy differences, together with the anomalies and the duplications that have been mentioned above, are not the result of the exercise of strategic policy: they’ve just happened. Our policies and practices have developed ad hoc, with no real overview. Often, decisions to set up pools of funding in different ministries and departments and agencies have been the result of reacting to a perceived need in the area for which that body is responsible. There is not necessarily any harm in that, provided public funds are being used, as the Ministry for Culture and Heritage requires, in the most efficient way. However, duplication of funding roles may lead to duplication of funding infrastructures. Anomalies may lead to inconsistencies, gaps and further duplication.

4 Local government

Libraries and museums are barely mentioned in the list of cultural activities supported by central government. The National Library is itself a government department, and has established national networks linking libraries together. But other libraries are funded by local authorities (73 of them), or by universities or other institutions. They are clearly important to the cultural life of New Zealand. “The public library, the local gateway to knowledge, provides a basic condition for lifelong learning, independent decision-making and cultural development of the individual and social groups. (UNESCO Manifesto for the Public Library).

Te Papa is directly funded by the Ministry for Culture and Heritage, which also administers the Regional Museums Policy for Capital Construction Projects. Other museums are regionally and/or locally funded. Te Papa has as one of its functions “to cooperate with and assist other New Zealand museums in establishing a national service, and in providing appropriate support to other institutions and organisations holding objects or collections of national importance.” The relationship between Te Papa and regional museums has not always been easy.

In addition to supporting libraries and museums local authorities also support other cultural activities, according to their policies and strategies. The required commitment to cultural well-being has already been noted. While it is beyond the scope of this report to investigate their policies in detail, a brief summary of the policies of some of the main centres illuminates local authority perceptions.

- 4.1 Auckland City's** policies speak of 'arts and culture' as separate things. In Auckland the two are tied together in terms of benefits: the Arts Agenda has as a goal to "develop a high level of support and awareness of arts and cultural activity and arts enterprises in Auckland which are valued for their significant contribution to the economic cultural and social wellbeing of Auckland City." Actions include "identify the potential for arts and cultural tourism to contribute to Auckland City's economic and cultural development," and "encourage increased central and local government support for arts and culture." Auckland's overall strategy also has a 'Cultural Outcome': "Auckland is creative and vibrant. Our city is vibrant and full of energy. It has a strong identity of culture and heritage. Innovation is celebrated and art and artists are encouraged. The city forms a national and international hub for creativity."
- 4.2 Christchurch City Council** separates 'arts' and 'culture' completely. It summarises its Arts Policy and Strategy with the words "the arts play a vital role in improving the lives of citizens and should be encouraged for their social and cultural value as well as commercial potential." This Policy and Strategy dates from 1999 and states: "Arts are defined as: those activities which allow for the expression of life, creativity and culture, and which may be expressed through participation, performance, display, and exhibition, by all people in both professional and non-professional capacities." This definition reflects the one in the 1994 Arts Council Act. The Council has a separate policy called Cultural Canterbury which relates to cultural diversity, in response to the Local Government Act. Included in a number of outcomes are the statements "council delivers/facilitates arts programmes and events with and for ethnic groups" and "council also funds the development and management of some community cultural festivals." In addition, the Christchurch Community Arts Council, supported by the City Council and other authorities and foundations, has as its first prime objective to "encourage and promote the practice, appreciation and enjoyment of all forms of artistic activity in Christchurch." It is not clear whether this includes activities undertaken within the Cultural Canterbury policy.
- 4.3 Wellington City Council's** Culture Strategy (2001?) takes a wide definition of culture which includes 'arts' but also highlights diversity and speaks of "the expression of Wellington's place and people in terms of our past, present and future." Over the years the targets have shifted somewhat. The Annual Plan for 2003-4 states that "the Council's Culture and Arts activities support our strategic vision by celebrating diversity, culture, heritage and creativity, and by promoting Wellington as a city with events, a 'happening place'." By 2005-6 the Annual Plan says "our aims are to support a wide range of cultural and

artistic activity, and to foster a lively and creative city that offers rich and varied cultural experiences to residents and visitors.” The Plan for 2007-8 includes a section now entitled Cultural Wellbeing, which mentions support for Galleries and Museums and Heritage, and Community Arts and Cultural Support. Within the last category the statement is made that “Wellington’s community arts scene is thriving. A buzzing local arts and festival scene is important in many ways. It ensures there’s always plenty to see and do, and that the city’s atmosphere is lively and vibrant. It also provides other benefits, such as the chance to celebrate Wellington’s many cultures. By sharing our experiences through art and performance, we’ll build stronger, more cohesive communities. We contribute by providing opportunities for artistic and cultural expression.”

- 4.4 Dunedin City Council’s Arts and Culture Policy** dates from 1997. Its Guiding Principles include the statements that “Arts and Culture are essential to the health and well being of society. Like any essential service they should be available to all citizens regardless of circumstance, income or race. The artistic and cultural life of Dunedin is a central feature of its character and identity and is responsible or attracting permanent residents and many of the city’s tourists and visitors. The activities of an active artistic and cultural life permeate all sectors of the community. Local Government can play a key role in the support and encouragement of such initiatives. There is an increasing interdependence between heritage and cultural policy, employment and economic development to the extent that a vital, co-ordinated heritage and cultural programme is integral to Council policy.” The implementation of this policy is now embedded in the Council’s Long-Term Community Plan (2006-7 to 2015-16) in a section called ‘Culture and Learning,’ with a vision statement that Dunedin is “a city that celebrates and supports culture and excellence in the arts and education.” It goes on “the arts and our rich historical heritage, including that associated with tangata whenua, are treasured as adding depth to our sense of place and belonging. Council will continue its active role in preserving, adding to and profiling these cultural assets for the benefit of all.”

4.5 Local government: some comments

The policies of these main centres show two things. The first is the lack of a clear-cut understanding about the meaning of culture, and whether arts and culture are different or the same. In this respect they reflect the same issues and lack of coherence displayed by the different funding agencies and cultural providers. The second is that the introduction of ‘cultural well-being’ into the mix seems to have confused local government rather than enlightening it. The efforts of the Ministry of Culture and Heritage to help are clearly needed.

Local government is also in the situation of having an unclear relationship with central government in relation to funding in the cultural sector. It has a clear responsibility to fund libraries; it funds museums, although they may also be funded by regional authorities, and central government has a role here too. It has a role in supporting art galleries. It often administers Creative Communities funds supplied by Creative New Zealand. In a main centre it probably supports a regional orchestra which is also supported by central

funds, and it may receive applications to support from its own funds other cultural activities which are already being supported from central funds. It probably also supports cultural activities which do not receive central funds. In other words, its framework of responsibilities is incoherent and muddled, in much the same way as is central government funding.

5. Funding cultural diversity

In recent years more support and attention has come to be given to the cultural activity of the tangata whenua and the tangata pasifika.

The recognition of Treaty obligations has led to the development of funding agencies and programmes specifically to support Māori cultural activity, and to the development of a Māori perspective in other funding agencies as well as among cultural providers. Within the Māori cultural sector support is provided to traditional activity (for instance through Te Matatini) as well as to contemporary activity (for instance through Te Māngai Pāho. Support for Maori language through Te Puni Kokiri and the Māori Language Commission, and for broadcasting in te reo through Māori television, has augmented existing broadcasting on TVNZ. Māori theatre, dance and visual arts are supported through Creative New Zealand's recurring grants as well as through awards to applicants. In education flourishing kohanga reo, kura kaupapa and wānanga continue to spread the language and the culture of the tangata whenua. The impact of these developments is becoming very evident, whether it is in the form of the inclusion of te reo on Morning Report on National Radio, or the success nationally and internationally of a wide range of Māori music products and events.

The cultures of the various Pacific communities in New Zealand are also receiving support, though in a more limited way. Through its Pacific Arts Committee Creative New Zealand supports a range of cultural activities across a range of forms, although only one organisation, Tautai Contemporary Pacific Arts Trust, appears on the list of recurring receivers of grants. The Ministry for Culture and Heritage provides funding for the National Pacific Radio Trust and the Ministry of Pacific Island Affairs supports the Pasifika Festival as well as language initiatives.

Although New Zealand's Asian population is larger than its Pacific population, government support for Asian cultural activities has been slow in developing. The Wellington Dragon Boat Festival, for example, is supported by local sponsors but does not appear to receive any government funding. The Diwali Festival of Light is supported by Auckland and Wellington City Councils, and by the Asia: New Zealand Foundation. While the latter does receive government support from MFAT and NZTE, its primary role is to develop relationships between New Zealand and the Asian region, not to support arts activities in this country, for which other agencies have responsibility. Creative New Zealand has undertaken research on Asian Aucklanders and the Arts and is now developing two initiatives: Spotlight on Diversity and Opening the Door. This indicates a more positive direction. Recent funding for Asian cultural activity has been extremely meagre.

6. Conclusion

The overall impression gained from this survey of New Zealand's cultural sector at the present time is of a highly active group of people, busy successfully 'doing their own things', with no one lifting up his or her head to take a look at the big picture. There doesn't seem to be much consensus about what we should be funding, and why. Diversity and multiplicity are, of course, features of cultural activity, which is also often individualistic, impulsive, and inspired rather than planned. However, the corollary of this is that a successful outcome cannot be predicted. It is therefore doubtful whether the principle of creative chaos can be usefully applied, or should be applied, to the exercise of funding cultural activity.

CHAPTER FOUR

The Funding Process

“So why did you become an arts bureaucrat?”

“Basically, for the same reason you did. To make more money than I could as an artist.” (Quoted in Niedzviecki, 2000)

1. **Accountability and selection**

The space between the government providing funds and the culture practitioner receiving it is filled with a process that is determined by a number of factors. The government is charged with the responsibility to spend taxpayer funds wisely, and is accountable to the public. In order to discharge this responsibility it must set up appropriate checks and safeguards. To protect itself against accusations of cronyism it may set up arms-length agencies, as has happened here although, as we have noted, some providers of cultural products and experiences and services are directly funded from Vote Arts Culture and Heritage through MCH. The agencies have the responsibility not only to support the cultural sector, but to do so in a way that meets the government’s requirement for responsibility. The need for checks and safeguards leads quite properly to processes of rigorous monitoring. Whoever receives funding must be able to show that the money will be properly spent, and has been properly spent.

There is a further particular problem in the culture sector. On occasions a culture product or experience can challenge normal conventions of behaviour, or propriety. Cultural activity not only reinforces our cultural understanding and identity, it renews it, and often the process of renewal happens in what is perceived to be a confrontational way. At times like this, media eager to attract attention by stressing the sensational will often present the situation in terms of whether public money is being well spent. Those providing the funds are likely to come under fire as much as those providing the cultural product. The desire to avoid this can lead to playing safe, and the accusation that funders are only supporting cultural mediocrity. Sometimes funders can find themselves in a no-win situation.

Government funding is always inadequate to meet needs. The cultural sector always wants more money - not because cultural providers are greedy, but because they are vocationally motivated and are always coming up with ideas for new activities. Since demand exceeds supply, processes have to be put in place to select some people for funding and reject others. Setting appropriate processes in place is very difficult. Influences include

- Definitions of what is and what is not cultural activity;
- Policies for what are the priorities in allocating funding;
- Wider government policies and philosophies;
- The demand emerging from the cultural sector itself.

Complications can arise when an arms-length agency’s definitions or policies do not coincide with those either of the ministry funding it or a cultural

provider seeking funds from it. We have noted that the policies and priorities of our funding agencies in New Zealand are not perfectly aligned with those of MCH; this is a systemic problem resulting from ad hocery. When applications for funding do not align with the policies of a funding agency, worthwhile activities may be unable to gain support.

Processes of accountability and processes of selection have different purposes. The purpose of selection is to determine what activity is most deserving of support; the purpose of accountability is to ensure that the money has been well spent. Occasionally these two purposes can be confused.

An agency may decide that the best way to meet its own accountability requirements is to base its selection processes less on the cultural value of applicants' proposals than on their ability to meet accountability requirements. This may lead to an emphasis on the applicant's financial or business skills, and to the requirement to provide evidence more geared towards accountability reporting than towards estimating the cultural importance of the activity. It was put to us by one of the people we spoke to that a rigorous process of application for funding was a good way to sort out those who deserved to be supported. Without denying the importance of accountability, we are not convinced that selection for cultural funding should be based on showing the ability to meet accountability requirements.

Furthermore, if the accountability of the agency is influenced by the extent to which it conforms to wider government policies, this may lead to those policies becoming the criteria by which the agency determines whom it will fund. Hypothetically, if 'the development of national identity' is a government policy, and a ministry is required to follow that policy, then an agency funded by that ministry may well prioritise its support to activities which contribute to the policy, even though its own policies may not specifically speak about national identity at all. While, therefore, an arms-length policy is in place, in practice life may not be that simple.

2. The funding negotiation

The process of providing funding for cultural activity involves a negotiation between funder and fundee, which takes place in the context of policy, accountability and selection. That negotiation involves questions of value, which are often subjective, and it involves people who approach the process with different perspectives.

2.1 The applicant

The applicant for funding (it may be an individual or a group or an organisation) has a particular perspective. He/she/it has particular goals, either personal vocational ones or institutionalised policies, aims and objectives, which have to do with the supply of cultural goods and services to the public. The applicant may or may not have spent much time considering the external or instrumental benefits to be derived from the activity, but is in no doubt that it has value. The priority is to provide the goods, and the funding process is merely a means to that end, much less important than the goods themselves. Once the goods are provided, their value has become clear, but it is never

going to be easy to measure and explain. Indeed, to pin the value down to facts and words may devalue those goods in the mind of the applicant.

2.2 The funder

The agency supplying the funds has a different perspective. It has a set of funding policies and processes which it is obliged to implement. It expects applicants to conform to these, and establishes procedures to enable that to happen. It employs people to carry out implementation, to negotiate with applicants, and to ensure that its policies and processes are understood. The priority of the agency, and of its employees, is to make good funding decisions, ones that will fulfil its purposes and aims. The employees may have a good understanding of the area in which the applicant works (one hopes so!), and may well be personally sympathetic to the aims and objectives of the proposed activity. But the task at hand is one of fulfilling the agency's own aims and objectives.

The agency's task of selection is made easier if all applications can be considered in the same way. Having a standardised process of application, and having the selection made by a single body of people, makes the task easier. In some areas of government funding this is a simple and effective method to employ. Unfortunately the cultural sector is a complicated one (as we have noted), so the application forms will inevitably be complicated too, perhaps so complicated that they are difficult to complete without advice from the employees of the agency. Finding a single body of people who can evaluate the work of all the different parts of the sector may be difficult too, so there may need to be several tiers of decision-making providing recommendations to feed up the system. This will add to the length of time it takes to process applications and reach conclusions.

The agency quite properly has its own accountability goals to meet. This may lead to it requiring everyone it funds to provide evidence to meet this requirement. Again, the simplest way to fulfil this is to have standardised forms, which again may need agency advice to be completed 'correctly.'

The agency is, furthermore, a permanent institution, often more permanent than those it funds. It develops its own culture. It becomes aware of its own power. It can begin to see itself as a more important player in the culture sector than the providers of cultural products and experiences; indeed, it can start to take credit itself for those activities. These trends all lead to the establishment of what is often called the 'arts bureaucracy,' the domination of the culture sector, or some part of it, by a funding organisation.

The remark made to us by an informant, referred to above, that a rigorous process of application for funding is a good way to sort out those who deserved to be supported, might indicate a bureaucratic approach, although there is no evidence to suggest that the situation here matches the one described by Pick and Anderton (1995:14). "Arts bureaucrats in Britain will now quite openly say that it is they, the bureaucrats, who are deciding 'audience priorities'. . . Increasingly the trend is for bureaucrats to determine what is art, and to prejudge and to standardise what the public response

‘ought’ to be.” When funders’ actions seem to work against the interests of fundees, there will be “increasing disquiet and frustration on both sides of the funding equation because neither funders nor funded seem able to talk about what they really do. Many artists feel that they are made to jump through hoops and that they create art in spite of the funding system. Their ability to ‘play the game’ and write highly articulate funding proposals is more important than the work they make or facilitate. In turn, people inside funding bodies feel themselves ever more remote from the work they are funding. They spend far more time on bureaucracy than they do engaging in critical debate with artists and practitioners” (Holden 2004:15)

In Canada, according to Niedzwiecki (2000), those applying for funds suffer from ‘ABA – Arts Bureaucracy Angst’ which is “the cloud under which we create. It is invisible, unnoticed, ever present. It is characterised by angst, anxiety, insecurity, resignation, and, finally, defiance.” This unpleasant psychological condition is caused by a mismatch between the way arts practitioners view their world, and the way the ‘arts bureaucracy’ views the same world. It may lead to a situation in which the funder says ‘if you can’t measure the value in the way we prescribe you won’t get the money’ while the applicant says ‘if you can’t recognise the real value I don’t want your money.’ Neither attitude is beneficial to the goal of a flourishing cultural sector.

3. **Consultants’ commentary**

As part of the research for this report we contacted a number of people involved in the cultural sector, some involved in providing funding support and others involved in receiving it. (The full list is provided in Appendix 1.) Their comments have informed our thinking, but not dictated it, and we do not necessarily agree with them all. They are important for two reasons: they reflect the perceptions of people active in the cultural sector, and there was a large amount of consensus. Some of the comments we received relate to the larger picture of cultural activity in New Zealand, and they will be included in Chapter 7. Others relate to the issue of funding, and are included here.

- Bureaucracies are not good at reacting to change: new government policy is needed to address this.
- Infrastructure, allowing continuity, stability and the retention of expertise, needs to be funded and supported more thoroughly.
- Central government has a role in driving and brokering support from local government and other potential funders in the private sector.
- Funding tends to be allocated to sustain in the short term, and carry out short-term projects, at the cost of investment in growth and longer-term plans.
- Compliance in application and reporting places heavy demands on providers. It is described as ‘stifling,’ ‘very costly,’ ‘Byzantine’ and often requiring too much effort for too little reward. The wrong questions are asked in the attempt to ascertain value, and inappropriate requirements are made in the attempt to add value.
- The cap-in-hand approach is demoralising. It is felt that funders should ‘get out more’ and learn more about the activities they fund, rather than expecting providers to conform to their (ignorant?) image of what cultural

activity is or should be. Accountability should be to the community, not to bureaucrats. On the other hand, cultural activity organisations seeking public funds must be willing to meet the proper requirements of that process.

4. Addressing the funding issues

In every country where government supports cultural activity the same issues are being grappled with. The negotiations between accountability and the freedom to be creative, between standardisation and individuality, and between differing value systems, are always difficult and we should not expect to find easy solutions. The first thing is to acknowledge that there are problems, and that better solutions, processes and procedures may need to be found. The following suggests some principles on which we might base our approach, and some ideas that we could usefully consider.

4.1 Policies and processes

The processes we use to determine selection and allocation should be based on agreed cultural policies. If (and this is an example not a recommendation) we agreed that ‘the acknowledgment of diversity’ were to be a cultural policy, then an agency or agencies would need to have their own policies in alignment, and should have the responsibility to encourage applicants whose cultural activity would contribute towards the implementation of that policy. Some priority of funding might be given to such applicants. Application would need to take a form which allowed for diversity: it could, logically, not only be in English, and it could not necessarily expect all applicants to have the same organisational structures, nor the same ways of explaining themselves, nor the same particular purposes for which they were requesting funding. If (and this too is merely an example) we agreed that ‘the development of community participation in cultural activities’ was to be a cultural policy, then we would need to devise application procedures that would best suit those engaging in cultural activities that would further this goal. On the surface, these two policies (acknowledgment of diversity and community participation) might appear to be the same, but taking that view would reduce the options for supporting applicants. There are ways to acknowledge diversity without involving community participation, and there are forms of community participation which emphasise unity rather than diversity.

4.2 Sustainability

Institutional providers of cultural goods and services need some long-term security of funding in order to be able to plan successfully. Service contracts, and recurring grants with some measure of guarantee, are ways to address this. Limitations are placed through the fact that government plans its budgets annually, and by the fact that a government only serves for three years. On the other side, it may not be wise to make funding for a particular provider permanent. As Mason points out (2004:184) “a comparison between the list of Britain’s top business thirty years ago with the list today would reveal little similarity.” Furthermore, the more funding that is committed to recurring grants the less is available for new initiatives or for non-institutional activities. Creative New Zealand in 2007 gave around twice as much funding in recurring grants as it gave in response to applications: it is not clear whether

this was the result of a careful calculation about relativity or whether it just happened that way.

In some countries national cultural institutions are moved into a particular category, and their funding is treated separately. In New Zealand we fund some such organisations directly from Vote funds, others from Creative New Zealand recurring grants, and others in response to applications. Consistency would be logical and beneficial to all.

The simplest long term-funding model is one in which a rolling three-year or five-year plan is in place, with funding guaranteed for the immediate year, strongly indicated for the next year, and forecast for the third and succeeding years. To shift the funding status is not simply the result of the passage of time, but it is subject to the firming-up of plans, and continuing indications of the success of the institution (in whatever terms are agreed).

4.3 The arts bureaucracy

No one wishes to create a bureaucracy – in which those tasked with supporting the sector end up running it, or at least spending more time and effort on their own work than in supporting others. Administrations tend to become bureaucracies when they reach a certain size, and the more demanding the selection and compliance requirements, the more the administration has to grow to deal with them.

In a time of rapid change, such as the one we are living in now, it is important to be able to adapt quickly, and to be able to develop new ways of moving forward. The cultural sector is regarded as an important participant in the development of creative skills and innovative ideas and practices. The other sector viewed this way is the IT sector: computer companies are seen to be organised in such a way as to maximise creativity, responsiveness, flexibility and versatility. It would be ironic if the cultural sector were hamstrung by bureaucracy when its very nature suggests it should be operating with the flexibility of the computer industry. The ‘careful administration’ system arises because public money is involved, but, again, it would be unfortunate if the provision of public money to support the creative and cultural industries meant that the ability of those industries to deliver effective results was reduced.

Several principles might guide us as we consider how to administer public funds for the cultural sector:

- The KISS principle: Keep it Simple, Stupid!
- Keep it flexible, too. One model doesn’t fit all, and you never know what good idea will turn up next. It might be appropriate to invite a leader from the creative IT sector to advise on ways to run an organisation that supports creative people.
- Know the business. What if our cultural agencies were staffed by people from the cultural activity sector, on a funded rotating secondment basis?
- Recognize plurality. Mason (2004:181) speaks of ‘excellence in context’ – an excellent amateur performance is necessarily the same as an excellent professional performance, and excellence in kapa haka

may be measured by criteria different from excellence in English choral singing.

- Transparency. If assessment of applications is carried out according to criteria, not only the criteria but the measurement of an applicant's performance against those criteria could be made available.
- Horses for courses: might it be possible to invite any applicant for funds to choose whether to be evaluated in terms of economic outcomes, or social outcomes or cultural outcomes, or any combination thereof?

In developing these ideas, we note that Creative New Zealand has developed a new process for funding applications, but we have not been able to access it.

5. Conclusion

Our cultural-funding processes in New Zealand face the kinds of challenges faced everywhere. Issues of accountability and selection can easily become confused. Arts bureaucracy is an ever-present danger. Because funders and fundees have different perspectives confrontation can occur.

The overriding principle must be that the award of funds to carry out cultural activity will fulfil the overarching goals and principles we have for this activity. Without such a framework we are likely to find anomalies and discrepancies occurring within the actual funding allocations. The second principle must be that the processes for awarding funds are sympathetic to the needs of cultural practitioners. In our view there is merit in our seeking to devise simpler and more coherent systems for allocating funding. The Netherlands Government, for example, has set up an Institute for each sub-sector in cultural activity, as a channel for government funding. Would this be a viable option for New Zealand? We shall return to these matters in the final chapter.

CHAPTER FIVE

International perspectives

*Maori always, New Zealander sometimes,
world citizen occasionally.*

Our cultural activity relates to the wider world in three ways. Firstly, all countries have cultural activity, and all governments have cultural policies. There may well be useful ideas out there that can contribute to our own discussions about policies and directions for government support for culture. Secondly, our cultural activity is witnessed by visitors from overseas, whether they come specifically as cultural tourists or merely as tourists who happen to witness some cultural activity. Thirdly, we can and do use cultural activity to deliberately project an image of ourselves to the rest of the world, whether that be through ‘green New Zealand’ marketing techniques or through the international cultural diplomacy initiatives of the Ministry for Culture and Heritage. In this section we explore each of these international perspectives in turn.

1. The limitations of external comparisons

Most countries in the world have cultural and cultural heritage policies; these, and their implementation, vary according to the resources available, overarching policy perspectives and the national experience. To a degree, there are global similarities, such as recognition of the role of culture in national identities; there are also differences, such as the extent of the linkages that should exist between culture, sport, creative industries and job creation and regional development. In searching for models of cultural policy, from which New Zealand might learn, and examples of best practice that might be considered for adoption, it is important to retain a sense of the national context in which such policies and practices exist. Simply because a policy or funding regime works well in a particular country does not mean, of itself, that it is appropriate for New Zealand.

We are unique in the combination of our circumstances. Unlike European countries or states in Australia and the USA we are not part of a larger political entity, with access to external funding. Despite the globalisation of transport and communications we remain geographically isolated from large population bases with their thriving cultural sectors. Our own geography and settlement pattern creates challenges for ‘national’ cultural activity. While many countries have indigenous communities, the Māori people occupy a special place in our nation. While we are relatively wealthy, we cannot easily afford the infrastructure developments available in countries with larger populations and resources. Where many European countries have a long history, with significant constructed monuments, our European settlement has been comparatively recent, and our major attractions tend to be environmental rather than built.

While, therefore, we might be tempted to look for models to a country like Ireland, which appears to be not entirely dissimilar in size and population, the

differences are significant. Ireland is a member of the EU and has benefited enormously from this in terms of trade and subsidy. It is also on the doorstep of a market of more than 500 million, with unconstrained rights of movement and within an hour's flight of many. Similarly, the vast diaspora of Irish people to the New World and North America in particular has led to an enormous pool of affluent and sympathetic, one might almost say romantic, investors more than willing to establish economic activities in the 'Old Country'. New Zealand has none of these advantages and thus economic parallels and derivations must be treated with great caution. Similarly, Norway, another source of comparison, lies adjacent to, but not within, the EU; its considerable oil wealth (and wise expenditure of the revenue) again means that little comparison is possible, despite similar population size and some environmental similarities (as well as enormous differences).

With the above caveats, however, it is possible for us to learn something from the experience of other countries. Many have been through the same processes as ourselves, moving from the 'high culture' paradigm to the 'creative industries' paradigm. Many have been exploring the relationship between cultural activity, heritage, sport and tourism, and seeking to deal with the challenges of plurality and the digital world. What follows is an overview of policy and practice among a selected range of international examples. In each case we can draw something useful from the perspectives they offer.

2. Policy development: selected examples

2.1 The European Union

The EU has always seen culture as an integral part of the 'European Project' and furthered this through the creation of a European Agenda for Culture in 2007. The Council for Europe has identified four central themes:

- Promotion of identity
- Support for creativity
- Respect for diversity of expression
- Democratisation of culture through participation in cultural life.

Following this, the European Agenda laid out three over-arching objectives:

- Cultural diversity and inter-cultural dialogue
 - The focus here is on cross-border mobility.
- Culture as a catalyst for creativity
 - The focus here is on creativity as a means to generate both social and technological innovation, with an economic impact.
- Culture as a vital element in international relations
 - The focus is on culture in the context of international relations.

The European Union Treaty requires the Union to take culture into account in all its actions so as to foster intercultural respect and promote diversity.

Comment

The four principles of identity, creativity, diversity and democratisation are a step forward from the MCH's understanding/appreciation, access, participation and identity. Our equivalent to cross-border mobility might be cross-community dialogue.

2.2 The United Kingdom

To a greater or lesser extent, these objectives have percolated down to member states and have been modified to suit their particular experience. Thus, in Britain, the Department of Culture, Media and Sport sees its role as being to improve the quality of life through cultural and sporting activities, to support the pursuit of excellence and to champion tourism, creative and leisure industries. This is done through five strategic priorities involving:

- Enhanced access to culture and sport for children and young people and the opportunity to develop their talents
- Increased impact of culture and sport on communities, thereby strengthening and improving them
- Maximising the economic contribution of tourism and the creative and leisure industries
- Modernising delivery systems so as to more effectively meet the needs of individuals and communities
- A safe and successful Olympics experience

These objectives clearly reflect the twin concerns of economic development and social inclusion. The latter has come to be a powerful imperative so that, typically, the Arts Council's exploration of public expectations, *What people want from the Arts* overwhelmingly displays imagery of ethnic minorities and ethnic events and festivals. However, this concern has not wholly displaced a sense of national identity, based upon cultural and artistic heritage; the aim is to expand the concept into that of a more inclusive, multi-cultural self-perception.

Comment

The bringing together of culture and sport is something we are beginning to toy with in New Zealand, and it is something worth exploring further, though with care. The emphasis on young people is certainly a policy we could develop further here.

2.3 Scotland

Scotland's Cultural Policy Statement, articulated by the First Minister Jack McConnell in 2003, contains the following vision:

- Culture – it defines who we are
- Our devolved government should have the courage and faith to back human imagination, our innate creativity, as the most potent force for individual change and social vision.
- We will establish Scotland as a vibrant, cosmopolitan, competitive country and an internationally recognised creative hub. We will do it by building an effective, sustainable infrastructure for our arts, heritage, screen and creative industries. We will invest in the innate creativity of our young people and energise a new generation by creating an environment that encourages them to realise their cultural potential.
- Cultural activity is central to all aspects of our lives – it can revitalise us individually and as a community. Its role in all areas of education is vital and must be fully integrated.

Comment

The keywords here are identity, creativity, young people, education and the concept of the importance of cultural activity in people's lives.

The consequence of McConnell's Statement was the setting up of a Cultural Commission whose final report is referred to in our recommendations.

2.4 Australia

In April this year the Australia 2020 Summit was devoted to Creative Australia, a discussion on the main challenges and opportunities facing the country in relation to the cultural sector, and the choices to be made in addressing them. The background materials include the following points.

- Education in creativity starts from our earliest years, but often falls away as school continues.
- Creative industries have significant economic value to Australia.
- While our film industry appears to be growing, domestic successes have recently eluded us.
- Digital technology is changing the industry rapidly and democratising content creation.
- Australians embrace culture through a wide variety of activities . . . but some Australians experience barriers, both practical and social, to engagement.
- Indigenous art is a particularly important sector.
- Our public broadcasters . . . also play important roles.
- The current role of government in the arts and culture is highly fragmented.

The document ended with a series of questions:

- What role does government have in supporting traditional art forms, and in promoting innovation?
- How can the cultural sector better balance the desire for creative output with the intrinsic worth of the artistic process?
- How can we foster a population with wide-ranging intellectual and creative curiosity?
- What forms of innovation are critical to maximise outcomes for the community and the economy?
- What can Australia do to encourage experimentation, innovation and creative thinking in a changing environment?
- What skills does Australia need in emerging creative industries (for example, those which draw heavily on digital content)?
- What benefits can new communication technology provide for arts and cultural organisations?

Comments

The statements emphasises education, economic value, digital technology and indigenous culture, and identify a lack of coherence or coordination in government policy. The questions explore heritage and creativity, the opportunity of the digital world, and community involvement. These are all issues pertinent to the current situation in this country.

2.5 Summary

These examples indicate that cultural policy is being debated internationally. Many countries are ahead of New Zealand in developing overarching policies which reflect the changing conditions of the contemporary world. In the next section we shall pick up on these issues and suggest what they might mean for

New Zealand. For the moment it is evident that certain terms and concepts, many of which are absent from our overall policies though present in the policies of some agencies, are ones worth exploring further:

- Identity, related to diversity, inter-community dialogue, and democratisation
- Education, related to the development of creativity, and economic value
- The opportunity presented by the digital world

3. Funding policies

Funding policies across the world are concerned with achieving a balance between different elements: public and private funding, national and regional funding, tax-based and lottery funding, funding to institutions or project funding, the funding of professional development or public participation, and so on. Many countries have schemes designed to encourage private sector support for cultural activity. Each country must find the balance that works best for it, and there is no single model that works for all.

3.1 Central and regional funding

Within the ‘high culture’ paradigm, with its emphasis upon professional performers providing cultural experiences to the masses, the tendency was for central government to be the main funder of ‘arts’ activity. In some countries this meant the national government, in others the State government was the chief provider. The democratisation of culture, and the growing awareness of the validity of community cultures, has led to a decline in the contribution of central government in many countries, and an increase in regional or local funding. (In Europe the introduction of European Union funds has complicated the issue: a three-tier situation of European, national and local funding has emerged.)

In New Zealand this is an issue that requires discussion and resolution, for we have different balances for different parts of the cultural sector. We probably need to find our own solution, and it is unlikely that a single international model could be imported. In developing a funding model which balances central funding and devolved funding we need to negotiate a number of issues: the issue of national identity and community identities, for instance, and the issue of the wider roles of central government, regional authorities and local authorities.

Pertinent to this is the difference between decentralising both income and expenditure (i.e. supporting culture through rates or some such local revenue) and decentralising the distribution of central revenue (as with our Creative Communities scheme). In the UK, for instance, after a process that began in the late 1980s with the Arts Council of Great Britain setting up a Community Arts programme, to encourage cultural diversity and community participation, the government established in 1999 YouthMusic, a government-funded organisation operating outside both the traditional arts funding mechanisms and the education system. It is now a highly successful, totally local programme working with large numbers of young people all over the country. Each of its projects is local. This is the kind of option it would be worth

exploring in New Zealand: a centrally funded but highly devolved cultural-participation programme with clearly defined objectives, but allowing flexibility at the local level to meet particular project needs. The projects in the UK use trained musicians, so provide them with work. The social, cultural and other benefits of the projects are recorded in the literature.

3.2 Tax relief and social welfare

Few trained cultural practitioners are in full-time employment in the cultural sector. Many are forced to work in other employment and take cultural opportunities when they can. Where cultural funding is provided on a project-to-project basis employment is always going to be casual. It can be argued that the trained cultural workforce is capable of more productivity if ways and means can be found to enable it to deliver more, either through increased support for activity or through some way of allowing culture workers to avoid having to take employment elsewhere. In many countries support is provided to culture workers through some combination of tax relief and social welfare policies.

A few countries have specific legislation to this end, such as the German *Artists' Social Insurance Act 1981* and the Dutch *Artists' Income Scheme 1998*. Even if specific laws do not obtain, many countries offer tax benefits to artists; many EU countries offer exemptions or reduced levels, including Ireland, Germany and France, while Canada does the same. One useful device offered by many European countries is the ability to average earnings over a period of time, typically three years. This has the effect of eliminating the extremes of income for tax purposes. Some states also make overseas earnings or prize money tax exempt. A number of countries have special unemployment status for artists; these range from Azerbaijan to Ireland. Most European countries provide a measure of pension support as well. Bulgaria and Finland provide support in every area and Russia provides a wide range of tax and pension support facilities.

Many governments provide tax exemptions for books or direct support for publishers. Neither Britain nor Norway charge VAT on books, although their general rates are 17.5 and 25 percent respectively. Portugal levies a five percent rate, which is a quarter of the normal, but Denmark makes no exemption at all. Similarly, many governments provide subsidies to the price of books, France and Germany being examples, while direct subsidies to publishers are found in such diverse states as Russia, Spain and Canada. The Scottish Cultural Commission's final report (2005:120-1) indicates twelve countries in which some kind of social security status or tax/GST benefits are provided to those working in the cultural sector: Australia, Austria, Canada, Croatia, Denmark, Finland, France, Germany, Ireland, the Netherlands, Sweden and Switzerland.

Any consideration of adopting such measures in New Zealand needs to include a number of issues:

- To what extent should culture workers' awards and subsidies, like those provided by the Arts Foundation and the Humanities Academy, be left in the hands of the private sector, and to what extent is the

activity of these culture workers a contribution to the cultural wealth of the nation, of benefit to the community as a whole?

- If training in culture work is an investment in the cultural wealth of the nation, what is the best way to ensure a return on the investment?
- Given the small size of the country, and the tendency of our talented culture workers to go overseas to find employment, are we missing out on benefits that could accrue if we introduced different policies?
- Given the nature of creativity, and the often unexpected and unpredictable way in which it works, what can be done to maximise the opportunity for creative people to use their skills and talent for the benefit of the community as a whole?
- Are there particular areas of cultural activity in New Zealand Aotearoa which are marginalised or struggling, and which could be supported or revived through the judicious use of government tax or social support?

3.3 Indirect sources

Government support can be provided through more indirect sources. In New Zealand we currently allocate portions of specific taxes to specific projects (petrol tax towards roading, for instance). Lottery Funds in many countries including New Zealand are used to support cultural activity. Austria levies a ‘cultural schilling’ on broadcast licences, while China levies three percent on recreational and other consumptive activities such as golf fees. In many countries, private and corporate donations are supported by Government schemes that either supply matching funds or else provide tax and other incentives. Perhaps the most successful of these has been the British *Business Sponsorship Incentive Scheme*, which has provided annual revenue of over £450m for cultural activity. In Canada, museums and the performing arts have recently benefited from around C\$150m per annum, while French sponsors provided 183 million euros, through the Ministry of Culture, and Switzerland managed an extraordinary 320 million euros. This is not a strange idea to New Zealand: the Leading Thinkers scheme for universities has been based on dollar-for-dollar government support for funding raised independently, up to an agreed ceiling.

Current discussions overseas about new ways to recognise Intellectual Property in the digital age include the idea of imposing a levy on ISP subscriptions, or mobile phone subscriptions and payments, to provide copyright income. The digital world creates both challenges and opportunities for funding cultural activity.

The New Zealand government has been generous in the funding it allocates to cultural activity. The sector will always demand more, and our government may need to think of institutionalising ways of encouraging the private sector to provide more support.

4. Singapore: a case study

In the mid 1990s the Singapore government commissioned a SWOT analysis for its cultural sector. The analysis revealed the following information, and much of it would be equally applicable to New Zealand.

Strengths:

- A cosmopolitan and relatively sophisticated local market
- A good investment in arts infrastructure

Weaknesses:

- Lagging investments in software
- A small domestic market
- High business costs
- Low private sector partnership and sponsorship

Opportunities:

- Cultural tourism
- ‘Fusion entertainment’ – the fusion of arts, business and technology to create unique experiences for consumers
- Singapore content and brand
- Proximity to huge Asian market and cultural resources

Threats:

- Increasing regional competition

Following this analysis Singapore developed a number of Strategies. The overarching goals were perhaps predictable: Build Creative Capabilities; Stimulate Sophisticated Demand; Develop Creative Industries. More interesting, perhaps were some of the lower-level objectives identified in this process.

- Embed arts, design and media within all levels of education
- Establish a ‘percent-for-the-arts’ scheme to promote public art
- Work with agencies to develop ‘creative towns’
- Develop a virtual cultural resource network,
- Arts and cultural entrepreneurship, including
 - Cultural tourism
 - Arts and heritage consultancy services

5. **Cultural tourism**

Tourism is an important industry in New Zealand. As noted above, we do not, unlike Italy, China, France or Britain, have a long pedigree of constructed sites that tourists like to visit. Our attractions are more in the natural world. However, we do have a unique culture in Māoritanga, and we do have significant cultural institutions. Furthermore, many tourists are attracted by community cultural activity: craft trails and wine trails, homestays, exhibitions by local painters and the products of local potters.

The New Zealand Tourism Strategy to 2010 spoke of “investigating opportunities to develop cultural tourism products in a manner and time frame that will differentiate New Zealand in a global marketplace.” Since the strategy was developed we have had the experience of *Lord of the Rings* tourism, which would seem to be a strong indicator of the potential of cultural tourism, even if it was narrowly focussed. It is disappointing, therefore, to see no mention of cultural tourism in the latest version, the New Zealand Tourism Strategy for 2015.

It is even more disappointing bearing in mind that the Rugby World Cup comes to New Zealand in 2011, and that Martin Snedden the organiser speaks

publicly of the need to make this both a sporting and a cultural experience for visitors. A website already set up to provide information for potential visitors has this to say: “What to do and see in New Zealand for the Rugby World Cup 2011. With some of the world’s most beautiful scenery as your backdrop, you can enjoy a wide range of outdoor activities, tourist attractions, cruises, Maori culture, arts & crafts and world class wines. Find places to eat, drink and be entertained.” The website visitor can click on a region, and on a category of information which includes “Arts & Crafts/Culture & Heritage.” The entry for Wellington (as an example) is flimsy, failing to mention Te Papa or any of the arts and culture activities that regularly take place in the capital. (see www.nzrugbyworldcupinfo.com/)

We may presume that the opening and closing ceremonies of the Cup will involve cultural activity, and will showcase the cultures of New Zealand Aotearoa. But an opportunity is already being missed to use this event to develop cultural tourism in this country. The benefits go in both directions: the visitor enjoys the many different cultural experiences we have to offer, and our providers of cultural experiences are not only in work but are showcasing themselves to international audiences - without leaving the country.

6. International cultural outreach

The Ministry for Culture and Heritage works with the Ministry of Foreign Affairs and Trade and other government agencies to use cultural activity for international diplomatic purposes – to establish or raise New Zealand’s image and profile, either as a general exercise or to support another initiative. This is a soft approach that compares with the harder approach of the creative industries initiative.

There is no doubt that, just as cultural activity contributes to an understanding of national identity at home, so it communicates a national identity overseas. A fundamental question to ask, however, is what kind of national identity to we wish to project? We may, of course, not be able to control our image: circumstances may define that for us.

6.1 New Zealand identity

Our national identity is defined significantly by the Treaty of Waitangi. But it exists through the interaction and interplay of the many cultural communities that exist in this country. Indeed, it is a melange of identities, just as we as individuals are members of different identity groupings. When we present ourselves abroad, we need to think carefully about what we wish to say about ourselves.

Certain icons have become internationally established: the silver fern, the All Blacks, ‘clean and green’, adventure sports, to name but a few. Some of these are unique to New Zealand, and others are not. Adventure sports can be undertaken in many countries; what might give them a particular New Zealand flavour is that Hamilton invented the jetboat and A.J. Hackett invented bungy-jumping. However, you can bungy-jump in Japan and take a jet-boat ride in Chile, and the point of origin is probably lost to the participant in those

countries. Cultural ownership is transferable. Indeed, bungee-jumping is based on the land-diving ritual on Pentecost Island in Vanuatu.

While, therefore, cultural activity may have a specific role to play at home in the reinforcement or renewal of understanding that contributes to a sense of identity, it may have more complex meanings internationally. Kiri te Kanawa is a New Zealand icon, but when she gave a brilliant performance of an aria from Italian opera she was actually reinforcing or renewing an understanding of Italian culture and identity. It would be absurd to suggest that she was only a significant cultural figure when she sang *Pokarekare Ana*.

When discussing what should be included in a cultural programme for international consumption, then, it is not necessary to restrict it to products and experiences which are totally unique to New Zealand Aotearoa. Frances Hodgkins' paintings of European scenes and people would not be automatically excluded from an exhibition of New Zealand paintings, and Katherine Mansfield's stories about English people or set in the South of France would not be excluded from a course on New Zealand literature. Part of our national identity is the contribution we have made and continue to make to our heritage cultures, European, Polynesian, Asian or any other.

6.2 International cultural practice as cultural renewal

In the modern world, creative people feel free to make use of any and all materials that come to hand. Māori have been 'borrowing' tunes from elsewhere for a long time, adding new words and musical arrangements and performing practices that come from Māori culture. In so doing they renew the culture from which the tune came, and also renew their own culture through the use of the external material.

Indeed, cultures have always tended to renew themselves through contact with other cultures, with mutual borrowing, sharing and exchange taking place. New Zealand English is the richer for the inclusion of Māori words and phrases. Don Selwyn's movie *The Māori Merchant of Venice* renews our understanding both of Shakespeare's play and of whanau relationships. A Te Papa exhibition of Scottish culture contributes to two national identities.

7. Conclusion

Our cultural policies can benefit from contact with international models, and there are interesting ideas out there that may well be relevant to our situation. But care needs to be exercised, for our situation is unique. It is part of a natural process of renewal to interact with other cultures, and this lies at the heart of cultural tourism, and of the outreach we engage in as we share our own cultural activity internationally.

CHAPTER SIX

New contexts, new paradigms

*“Will you walk a little faster?” said a whiting to a snail,
“There’s a porpoise close behind us and he’s treading on my tail.”*
Lewis Carroll, *Alice’s Adventures in Wonderland*.

As we move towards the second decade of the twenty-first century, we must take into account some of the significant changes occurring in our local world, and in the wider world we inhabit. Our funding models, and our policies have developed in an ad hoc fashion, and this has led to the confused and confusing situation in which we find ourselves. New developments and changing paradigms have the potential to make the situation even more confusing. However “in such a climate, it is ever more necessary to cultivate human creativity, for individuals, communities and societies can adapt to the new and transform their reality only through creative imagination and initiative.” (Perez de Cuéllar 1996:23)

1. Diversity

1.1 The importance of cultural diversity

Our world is a rich one, both culturally and ecologically. Impinging on the awareness of most people nowadays is the realisation that humans have already inflicted considerable damage on our natural environment, and we are in danger of causing even more serious harm unless we take a more caring attitude to the planet. Crucial to the survival of the environment is the need to preserve biodiversity, for it is out of that diversity that species adaptation can take place. The ecosystem is fragile and interdependent, and any loss damages it all.

The same may be said to be true for our cultural world. Nearly every nation in the world now embraces a plurality of cultures. All of those cultures have been through many processes of growth and adaptation, sometimes as the result of internal renewals, but more often than not as the result of interactions with other cultures. Like biological species, cultures grow and change in response to their environments. Also like biological species, cultural growth and interaction cannot occur without sustainability. Cultures need both to be nurtured and to be given the opportunity to renew themselves. As Holden puts it, a broad spectrum of living and fecund cultural species is required to ensure future growth and adaptations. “A healthy cultural ecology provides a habitat where both [preservation and renewal] can thrive.” (Holden 2004: 39). If government has a responsibility in cultural matters, it must be first and foremost to nurture a healthy cultural ecology. This means understanding and acknowledging the role that culture and cultures play in society (too many biological species have been lost as the result of lack of understanding of their role), and it means understanding and acknowledging the complex cultural biosphere of plural societies.

1.2 A challenge

In the world of ‘culture’ in the old sense, this causes challenges. Cultural activity based on Western European models has been the dominant one in New Zealand, as in many other countries; this was a natural consequence of the domination of European culture and institutions as a whole. Many New Zealanders have a continuing commitment to that culture, and the cultural activities associated with it. However, “in complex, culturally diverse societies, there is no single hierarchy of cultural values in play of the kind that was supposed in the earlier development of western cultural policies. This is now widely recognised in official cultural policy discourse. . . as the shift from a culture and democracy perspective (striving to equalise conditions of access to an accepted standard of high culture) to one of cultural democracy (aiming for dispersed patterns of support based on an acceptance of a parity of esteem for the aesthetic values and tastes of different groups within culturally diverse societies).” (Bennett 2000:4)

1.3 Cultural democracy

Certain conditions are required if cultural democracy is to be practised, and cultural plurality recognized and nurtured. The multiplicity of a community’s voices must be heard if they are to be sustained and are to be able to interact with others. A wide range of cultural texts must be able to be accessed, so that they can have their influence on our understanding. This leads to the conclusion that a flourishing cultural environment requires a commitment to freedom of expression. The UNESCO *Convention on the Protection and Promotion of the Diversity of Cultural Expressions* (2005) states in Article 2 that “cultural diversity can be protected and promoted only if human rights and fundamental freedoms, such as freedom of expression, information and communication, as well as the ability of individuals to choose cultural expressions, are guaranteed.” The Universal Declaration of Human Rights (UN 1948) states that “Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers” (Article 19) and “Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.” (Article 27) Smiers goes further: “From the democratic perspective it is axiomatic that cultural diversity must be allowed to develop. Many voices should have the right to be heard, and people should have the chance to be confronted with different kinds of images, theatrical imaginations, literary texts and musical landscapes. Not only is this diversity crucial; it is also important to ensure that it is generally accepted and that people will develop intercultural competence.” (Smiers 2003:240-241, and see Galloway and Dunlop 2007:12)

Parker speaks of the need to “democratise the creative and cultural industries.” (Parker et al 2006:2) “Cultural diversity and intercultural competence are values that do not exist automatically. . . cultural policy entails forging the conditions in which cultural diversity can flourish, including making regulations to dismantle all forms of market domination . . .” (Smiers 2003:241) Cultural policies, and funding mechanisms, must take into account

the plurality of society, and take the greatest care not to privilege or marginalise the cultural activities of constituent communities. All must feel socially included. “For groups and societies, culture is energy, inspiration and empowerment, as well as the knowledge and acknowledgment of diversity.” (Pérez de Cuéllar 1996:11)

1.4 Education for intercultural competence

As United Nations and other documents aver, the recognition of cultural diversity, and the acceptance of other cultures, begins in early childhood and continues through the years of formal education. “The young need to be initiated to the complex workings of personalities and cultures, to the multiplicity of forms and means of expression, to the infinite diversity of individualities, temperaments, aspirations and vocations. Only through a clear understanding of this complexity – this creative diversity – can they understand both the oneness of humanity’s experience and the long historical record of interrelations between human groups.” (Pérez de Cuéllar 1996:33)

Education for intercultural competence ideally begins at an early age, when opinions about ‘the other’ are first formed. It is in *Te Whāriki*, the curriculum document for early childhood education where the grounding should be found. The document is now twelve years old, and this may explain why only one of the 91 educational outcomes listed in the document refers to this topic: children will form “positive judgments on their own ethnic group and other ethnic groups.” Of course early childhood teachers may well be placing knowledge of and respect for other cultural practices higher on their agenda than this would suggest, but there is clearly a need to update the official document.

In primary and secondary education this has been an important theme for many years. The 2007 New Zealand Curriculum specifies a vision for young people “who will work to create an Aotearoa New Zealand. . . in which all cultures are valued for the contributions they bring.” This cultural validation can be achieved within the Arts Curriculum: in music education, for example, our curriculum encourages participation in, and the study of, many musics of the world, including the musics to be found in our local communities, and in this it acknowledges cultural diversity more than do the curricula in many other countries, which tend to focus on European art-music to the exclusion of other musics. How this level of intercultural competence is to be achieved is another matter, much discussed in the international literature (see, for example, the publications of the Cultural Diversity in Music Education network and the International Society for Music Education Commission on Community Music Activity). Some resources for teachers are listed on the TKI website (www.tki.org.nz) under ethnic music and ethnic dance, although there is very little designed in New Zealand for New Zealand children. There would, presumably, be more available if the goal of intercultural competence were to be rated more highly.

2. Creativity

Many countries, including New Zealand, recognise that we have moved out of the Industrial Age into the Information Age. Terms such as ‘the knowledge

economy' and 'the knowledge society' are used by governments to shift productivity into new areas. 'Innovation' was seen to be essential to success in competitive markets, and the connection between 'innovation' and 'creativity' was easy to make. The 'creative industries' initiative was an attempt to use the creativity inherent in the cultural sector to stimulate new industrial growth.

2.1 Education for creativity

While it is recognized by many that all human beings are innately and potentially creative people, it is also considered that education systems play a large part in developing skills useful for creative activity in a changing world. Being able to cope successfully in a rapidly changing world requires certain attributes: the acquisition of generic skills which can be shifted rapidly from one occupation or task to another; open-minded attitudes and approaches; the ability to develop original solutions to problems; and the ability to take existing elements and re-form them into new patterns. These attributes, particularly the last two, can be effectively acquired through participation in cultural activity, particularly in an education context. It is for this reason that Sir Ken Robinson's *All Our Futures* report stressed the importance of creative and cultural education in UK schools. "By creative education we mean forms of education that develop young people's capacities for original ideas and action: by cultural education we mean forms of education that enable them to engage positively with the growing complexity and diversity of social values and ways of life." (NACCE 1999:5) The US Center For Arts and Culture's paper *Creativity, Culture, Education and the Workforce* made a similar point: "creative thinking that results in problem solving can be fostered through education in the arts." (Galligan 2001:7) The international examples mentioned in the previous chapter all emphasise the importance of education in culture/the arts, and of culture/the arts in education. It should be stressed that the 'cultural education' and 'education in culture' referred to here means less the study of the arts than participation in arts and culture activities within the school. It is involvement in cultural activity that, as Jermyn notes, "increases creativity and thinking skills." (Jermyn 2001:13-14) Whether this takes place in school or in the community, such participation has an impact and a value far beyond mere leisure or entertainment.

2.2 The New Zealand situation

The Vision statement in the 2007 New Zealand Curriculum document states that "our vision is for young people who will be creative, energetic and enterprising." Within the curriculum The Arts are an established part of school work, and creative work is part of their recognized with their own curriculum documents, but in the primary classroom they are still undervalued largely because, as the subject associations and many professional commentators continue to point out, there are serious inadequacies in the training of the generalist teachers who are supposed to be able to deliver effective participatory cultural activity. At the secondary level the situation is better, and external competitions such as Stage Challenge and Rockquest and the Chamber Music Contest provide an incentive to students to develop their skills.

What Robinson and others stress is the importance of encouraging the development of children's natural creative skills in their early childhood education, and here we are not faring so well. Our New Zealand curriculum for this sector, *Te Whāriki*, does include this element in its strands and goals, but only one of 91 listed outcomes for early childhood education specifies "an ability to be creative and expressive through a variety of activities." (Ministry of Education 1996:80) Given the amount of research that has come available in the last ten years indicating the benefits to young children of creative and cultural activity, it would be appropriate to revise our curriculum documents in this area.

3. Technology

By far the greatest changes happening in our contemporary world are the ones in the field of information and communications technology: the internet gives access to enormous amounts of information; computer software gives creative power to anyone who wishes to use it; personal telecommunications systems have changed the working and living environment of everyone. There are huge implications for the cultural sector.

3.1 Web 2.0

The introduction of the internet in the form of Web 1.0 meant that information was easily accessible to all; the introduction of Web 2.0 meant that information was easily supplied by all. Information comes in many forms: facts, opinions, words, images moving and still, sounds, dialogues, experiences, virtual worlds. The resulting explosion of information can seem unmanageable (Web 3.0 will be the development of intelligent information-managers which respond to our personal preferences). Already we can access a multitude of cultural experiences via the internet, in an extension of earlier technologies that gave us access through CDs, DVDs, radio and television (and, before that, through print publications). In this context infrastructure to support the web including fibre-optic cabling can be seen as a requirement for the future of culture.

This development is a paradigm shift not only for those who access cultural products and experiences ('texts') but also for those who provide them. What digital technology on the internet does is to marginalise the middle-man. The music industry, for example, has suffered an enormous contraction since the introduction of access of contemporary music via the net. The studios are still needed, but not the distribution mechanisms – and it is the latter that provided the income controls over intellectual property. Traditional copyright was a means to control access to cultural IP, and create its economic value, through a system designed for print publication, live performance, and centrally controlled recording. The introduction of the photocopier, and then the recordable music cassette, followed by the recordable CD and DVD, undermined the system; the internet has dealt it a further blow which it may be unable to survive, at least in its existing form.

3.2 Convergence

There is a rapid convergence of technologies, providing anytime, anywhere access to information and communications. Further forms of convergence are

on their way. Just over the horizon (if not already here) are the following potential cultural experiences:

- Visiting Te Papa while sitting in a chair at Scott Base, and contributing new data to the exhibition;
- Participating in a Cook Island drumming group in Rarotonga on a virtual website;
- Attending a live production of *Hamlet* or a New Zealand play at the Court Theatre, Christchurch, while flying across the Pacific to Los Angeles;
- Taking an art lesson (including painting a picture) from a painter in New York while sitting in a coffee shop in Nelson;
- Composing a piece of music and, as you compose it, hearing it being played on a computer programme which reproduces the sound of the Vienna Philharmonic Orchestra;
- Watching Michelangelo paint the Sistine Chapel ceiling, and trying out bits of it on the ceiling in your living-room;
- Walking the Great Wall of China with a group of friends, and chatting with them, while lying in bed on a Sunday morning;
- Watching, on your living-room wall, with your family around you, the flowers you ordered being put beside the grave-marker of your great-grandfather in a military cemetery in Normandy on Anzac Day;
- Participating in a hui on cultural policy with others located in seventeen different locations in Aotearoa New Zealand;
- Making, and hearing, remixes of your favourite songs performed by others of your favourite groups;
- Visiting your local library online, taking a book down from the shelf, and reading it, then adding your own volume of short stories, or family history, to the library's virtual shelves.

Access to the production and consumption of cultural products and experiences in these formats profoundly changes existing models. Traditional ideas about what a cultural institution is, what a creative artist is, what 'market failure' means, whose culture we are supporting, where the money should go, and who should make decisions in cultural matters, are all challenged by existing and potential developments in technology.

3.3 Digital Strategies

The Draft New Zealand Digital Strategy 2.0 acknowledges this paradigm shift. In terms of the 'creative industries' it notes that "connecting the digital commercial opportunities with New Zealand's cultures and lifestyles to increase both social and economic value is a particular challenge for our creative and media industries" (MED 2008: 42), and that "we also need our performing arts and creative industries, as major local content creators and providers, to find new ways of reaching and connecting with audiences in the digital environment." (MED 2008:44). That environment offers new opportunities for the creation and distribution of cultural products and experiences.

It is significant that the development work on the Digital Strategy is hosted in a cultural institution, the National Library. This signals the potential of digitisation for the cultural sector,

4. **New structures**

Respect for cultural diversity must include respect for different ways of doing things. An attention to creativity must allow for thinking outside the square and responding nimbly to circumstances. The advent of new technologies offers new opportunities for decision-making, communications and other operational activities. All this comes together in the realisation that traditional operational structures may be inadequate to meet the requirements of the contemporary and future worlds.

4.1 **From hierarchies to networks**

As John Naisbitt pointed out as far back as 1982, six years before the internet became commercially available, the trend in successful entrepreneurial groups is away from hierarchies and towards flat structures like networks. Generations X (born in the 1970s) and Y (born in the 1980s) are networkers, with little respect for unearned authority. The creative clusters that have formed in cities around the globe operate successfully through their horizontal interactions, both formal and informal. Knowledge and experience is shared across and between sectors and boundaries. Networks tend to be more innovative, or at least to accept and welcome innovation more enthusiastically. They respond quickly to change, and often create effective change. (see Naisbitt 1982: 196)

Network structures operate quite differently from hierarchical ones. Networks operating in the cultural sector may be elusive, uncontrolled and uncontrollable. They often lack the kind of institutional infrastructure which public funders enjoy and which they therefore like to find in fundees. As indicated in Chapter 4, culture-funding administrations may need to find ways of operating that move away from ‘arts bureaucracy’ if they are to interact constructively with new, perhaps digital, culture-providing networks. This is an important challenge for the cultural sector, and one which will (appropriately) require creative thinking.

4.2 **Towards the Conceptual Age**

If we look further ahead, we may wish to include the ideas of some futurists. Daniel Pink, for example, suggests that we are already moving beyond the Information Age and into the Conceptual Age, from a society of knowledge workers “to a society of creators and empathizers, of pattern recognizers and meaning makers.” (Pink 2005:50) He argues that the future lies with right-brain-directed thinkers - people who are creative, simultaneous, metaphorical, aesthetic, contextual, synthetic, empathetic, artistic, and big-picture thinkers. If that is the case we can look forward to a significant growth in cultural activity, and a further blurring of conventional boundaries defining the cultural sector. We need to consider it how to assist young people prepare for this future through encouraging them more to participate in cultural activity now.

5. **Globalisation**

The pre-internet technologies of recorded sound and movies allowed multinational entertainment industries to create worldwide distribution networks for cultural products. To many people, this seemed (and still seems)

to be a new cultural imperialism based in the USA, in which American movies, television, music, food (McDonalds) and drink (Coca Cola) were coming to dominate the world at the expense of local alternatives. The UNESCO Convention on the Protection and Promotion of Cultural Diversity was conceived as a response to this process, spearheaded by Canada and several European countries.

5.1 Content and means

Globalisation can be split into two components: the globalisation of particular cultural content and the means of globalisation – the technology that allows content to become global. While a prime example of globalisation might be the worldwide circulation of Hollywood movies (American content within an American medium), the worldwide circulation of Bollywood movies from India indicates that a globalising medium can be used for a range of content. Similarly, although MTV may be available in 160 countries, it is not identical in every country; each country has distinct local content. This is further complicated when movies are made internationally: *The Lord of the Rings* was a Hollywood-funded movie, but used a number of English actors and was filmed in New Zealand. All three cultures benefited from the global distribution of the movie trilogy – and the publishing industry in many countries has benefited as cinema audiences turned to reading the original books in whatever is their vernacular language.

5.2 A global opportunity

The means of globalisation (both pre-internet and post-internet) can therefore be used by any culture to announce its presence to the world. The World Music section of the recording industry has spread a vast number of musical cultures to audiences around the world, and has stimulated festivals such as WOMAD (World of Music and Dance). Global and local are not alternatives; they sit side by side.

For this reason there is no need for New Zealand/Aotearoa to fear that its culture will be swamped by a globalising content from elsewhere. On the contrary, we have the opportunity as never before to share our cultural activity with the rest of the world. One danger that needs to be avoided is the inclusion of cultural activity in Free Trade Agreements with other countries, in such a way that we are prevented from protecting, supporting and privileging our own cultural products.

6. Culture and sustainability

The need to develop sustainability in our own cultural sector is discussed in Chapter Four section 4.2. Here the issue is sustainability as a world development issue.

In 1987 the UN World Commission on Environment and Development came up with a useful definition of sustainability: development that meets the needs of the present without compromising the ability of future generations to meet their own needs. This definition was accepted by the UN World Commission on Culture and Development which released its report under the title *Our Creative Diversity* in 1996. (See Perez de Cuéllar, 1996) In Europe, a Task

Force on Culture and Development produced in 1997 the report *In from the Margins* as a contribution to the same debate. Both documents recognize a central role for culture in development, not on the basis of the 'commodification of culture' in a creative industries format, but on the basis that culture is central to the life and well-being of any community. "There is a growing acknowledgment that, if culture - whether understood as the 'whole life of the people' and its values or, more narrowly, as artistic activity of all kinds - is left out of account, sustainable development is likely to fail." (ETFCD 1997:12) Quality of life, as suggested earlier, is indeed an important element in the maintenance of standards of living. "Culture has a role to play in this process [of sustainable development] - not just in relation to such aspects of the quality of life as security, equality of opportunity, human rights and the values implied in the term "civil society", but also as an objective factor of production and an asset for, and an indicator of, positive human growth defined in qualitative terms. Three major aspects are:

- its contribution to the accumulation of human knowledge and understanding (i.e. human growth);
- its economic and social outcomes (with special reference to any changes in value systems);
- its function as human capital and as a means of empowerment and entitlement." (ETFCD 1997: 13)

These ideas suggest that our cultural diplomacy initiatives might be extended into 'cultural aid' initiatives. NZAID focuses primarily on poverty elimination, with other programmes in education, health, governance and economic growth. If flourishing cultural activity contributes, as we have suggested, to the understanding and renewal of individual and social identity, and if, as these UN and EU documents indicate, culture is a significant factor in development, then as a country we could use our considerable cultural resources, knowledge and skills, especially in indigenous cultures, to help development in the Pacific and other focus areas. Singapore's policies include 'cultural consultancies' and we might be able to offer something similar to our regional friends and partners.

7. **Conclusion: from commodity to community**

As we acknowledge cultural diversity and social plurality, so we need to expand our notions of cultural value to embrace a wider range of activities. Mono-cultural institutions must shift their position from one of leadership to one of partnership. As we adapt to the knowledge economy, so we need to recognise the creative potential of the individual, the network and the cluster, rather than the large organisation. When we speak of the 'professional' we must acknowledge that high levels of expertise and experience, knowledge and cultural wisdom take different forms in different cultural communities. As we appreciate the potential of the new technologies, so we must recognize that control over cultural products and services is moving increasingly to those that access them, and that the power to create such products and services lies increasingly in the hands of the individual and the small group. Culture is becoming democratised.

If the twentieth century contributed the word 'commodification' to our understanding of the cultural sector (leading to the climax of 'the creative

industries’) the twenty-first century might contribute the word ‘communification’ – a shift of the focus in cultural activity away from mono-cultural, centrist, institutionalised activities towards culturally pluralist, community activities. (see Matarasso, 2006) The characteristics of our cultural activity-groups in the future may not be permanence and bureaucracy, but versatility, flexibility, adaptability, even impermanence – projects rather than production houses.

Focusing on community encourages the expression of cultural diversity and local identity, and builds the treasure-house of cultural activity which becomes part of national identity. Connecting schools to their communities creates further opportunities for cultural education, and participation by the young in activities which will reinforce and renew their understanding and sense of identity. The new technology offers the opportunity for individuals and communities small and large to share their cultural expressions and to market their live events and performances.

All this flourishing activity is likely to create the demand for much more flexible funding systems than we have at present. We need not only a new vision, but new funding policies, processes and mechanisms.

CHAPTER SEVEN

The Way Forward

*Manaaki whenua, manaaki tangata,
haere whakamua
Look after the land, look after the people,
go forward.*

1. The story so far

In Chapter 1 the distinction between ‘the creative industries’ and ‘the cultural industries’ was explained in historical terms, and the conclusion was reached that the distinction is an artificial one. While the focus of this report is the cultural industries, it has been impossible to avoid discussing them in the context of the cultural sector as a whole. Investigations in Chapter 2 led to the conclusion that, while cultural activity can and does have a direct economic impact, this is difficult to measure accurately. Evidence for social impact can also be brought forward, but the conclusion of the report in this respect is that economic and social impact are both downstream consequences of the impact of cultural activity on deeper individual and social processes. We identified this in the following way: the cultural sector in New Zealand may be defined as *“those activities which have their origin in creativity, skill and talent, which recognisably contribute to the reinforcement and renewal of cultural understanding and identity, and which thereby contribute significantly, both directly and indirectly, to social and economic development.”* This definition brings together current thinking in the Western literature and the perspectives of the Māori community. We believe it forms a useful framework for the development of policy.

In Chapter 3 we identified the (alarming?) complexity in the ways in which government support is provided to the cultural sector. This complexity, with its inevitable duplications and anomalies, has been the result of organic development and ad hoc decision making. There is little correspondence between the overall policies of providers in terms of what ‘culture’ means and which aspects of it justify support. In Chapter 4 we tackled the thorny issues relating to the administration of funding, and suggested some ideas and principles with which we could approach doing the job better.

Chapter 5 indicated both that the policy directions currently being pursued internationally are in accordance with what we are proposing here, and that, while we are a unique country, there are some interesting overseas ideas that it is worth our exploring. Cultural tourism and international cultural outreach are both areas in which there is room for development.

Chapter 6 added external factors to the framework in which we must make decisions. The democratisation of culture, with its emphasis upon community rather than commodity, is reflected in our definition of the cultural sector; the encouragement of creativity, so important to the knowledge economy as well as to our cultural development, must be reinforced in the education sector; new,

nimble models for management are already emerging in the culture sector and will need to be introduced into the ways we administer our cultural funding; developments in the digital world will continue to profoundly affect many aspects of cultural activity.

All this lies at the heart of the following discussion and recommendations, which are directed to the outcome ‘sets the scene for further work on how the New Zealand cultural industries may be supported by government policy.’

1.1 Consultants’ comments

In Chapter Four we introduced summarised comments received from those we consulted on matters relating to this report (see Appendix 1). Those comments related particularly to funding mechanisms. The following are more general, and we have been interested to see they make points similar to the ones we have arrived at during the course of our research.

There is a universal recognition that the actions of the current government and its agencies have been supportive to the cultural sector, particularly in terms of the level of financial investment made. Much has been achieved in the past ten years. But the following views were also held by our consultants:

- Culture needs to be thought of as more than ‘high culture’ and must include all cultures in New Zealand: no culture should be marginalised. It is not something that is ‘good for us’ but something that is ‘part of us.’ It is about the well-being of the community.
- Cultural activity is supported by (too) many government departments and agencies and there should be much less duplication and much more cooperation between them. Greater structural consistency is needed. There should also be more cooperation and less competition between providers.
- The Ministry of Education should be a more important player in the development of the skills and knowledge necessary to successful cultural activity. The Arts Curriculum is good but delivery of it is poor.
- There is need for a whole-government approach to culture. This should be led by MCH, but every Ministry should have a culture policy.
- The roles of central and local government in supporting cultural activity need to be reviewed. Local activities are no less important than national ones – both contribute to community understanding.
- Technological developments offer the biggest challenge and a big opportunity to the cultural sector.
- Cultural tourism is an opportunity we need to take up.
- An economic downturn will have (or is already having) a deleterious effect on audiences and on private sponsors.

2. The big picture: creating a strategy

It is evident to us that the time is ripe, and the opportunity has come, for New Zealand to undertake what many other countries have done: an exercise to develop national cultural policy. We therefore recommend

Recommendation 1

That a process be put in place to develop a National Cultural Strategy.

The term ‘strategy’ is used because it implies action, as is the case with the National Digital Strategy. The complexities we have identified have arisen through the lack of an overview, but we believe that simply to develop an overview is insufficient. It would be good to avoid Niedzwiecki’s suspicious speculations (2000) about the development of policy - “that nothing will ever be done, that, consciously or not, it’s all about going through the motions, preserving the status quo, providing an image of action in the form of an endless series of consultations that will never be applied to a concerted plan of action.”

We would expect this report to provide a starting point for the process. The Strategy should seek to supply answers to the following questions, to address each of which a Working Party could usefully be set up:

2.1 Function

“What is the function of cultural activity in New Zealand society?”

This report offers an answer to this question: it contributes to the reinforcement and renewal of cultural understanding and identity, and thereby contributes significantly, both directly and indirectly, to economic development. The Local Government Act of 2002 speaks of environmental, social, economic and cultural well-being, and the Ministry for Culture and Heritage has offered a definition of cultural well-being as “the vitality that communities and individuals enjoy through participation in recreation, creative and cultural activities; and the freedom to retain, interpret and express their arts, history, heritage and traditions.” (MCH 2007:1) Chapter 5 refers to a number of overseas models which the Working Party should consider.

Two related matters are crucial to the matter of function: cultural diversity and national identity. The unique plurality of New Zealand, with its indigenous community and its various settler communities, must be central to any understanding of the function of cultural activity. Connected to this is the issue of national identity. What does this mean in a culturally diverse society? As an informant put it to us “I feel a New Zealander sometimes, Maori always, Ngapuhi sometimes, a citizen of the world occasionally.” If we have multiple identities, what do we understand by the term ‘national identity?’

Recommendation 2

That the Strategy provide a statement or statements about the function of cultural activity in New Zealand that will inform the policies and processes of the whole of government.

2.2 Government’s role

“What role should government play in supporting cultural activity?”

Some may consider this a political issue. In our view it is not. The evidence we have assembled in this report, from the literature and from policy development overseas, indicates very strongly that cultural activity plays a central role in the lives of citizens, and therefore of the nation. The democratisation of culture, of which the Local Government Act of 2002 is a symptom, reinforces this notion. We have cited the idea that a government’s

first responsibility is to ‘nurture a healthy cultural ecology’. The benefits of so-doing, socially and economically, are evident in all the literature. The cultural wellbeing of the community is not something that can be left to chance. If the role of government is to enable the community to function as effectively as possible (and in an uncorrupted democracy it would be hard argue against that principle) then supporting cultural activity could be regarded as one of its most important roles.

It follows from this that cultural policy must be a whole-of-government matter. We expect that the National Digital Strategy will require a whole-of-government approach, and the same should be true of a National Cultural Strategy.

Recommendation 3

That the Strategy provide a statement or statements about the role of government in supporting cultural activity that will inform the policies and processes of the whole of government.

2.3 Government structures

“Where does support for cultural activity belong?”

At present in New Zealand our primary department is the Ministry for Culture and Heritage which has also taken on some responsibility for sport and recreation, although it appears to have little voice in tourism development. Other ministries and departments are also involved in supporting cultural activity. We have argued that the Ministry of Education should play a larger role: the development of creative skills at an early age is as important to our future as is the participation of young people in cultural activities of all kinds.

Recommendation 4

That the Ministry of Education be involved in the development of the Strategy on the basis of the essential role of early childhood, primary and secondary education in the development of the benefits of cultural activity and of capacity-building in the sector.

We also expect that cultural matters will be included within government strategies for tourism.

Recommendation 5

That government tourism policies and strategies include cultural activity in a key role.

2.3.1 Culture and sport

In the UK the Department for Culture, Media and Sport aims “to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries.” This is an option which should be explored in New Zealand, not because the three areas of responsibility are the same, but in order to clarify areas of overlap and demarcation between them. That there is overlap it not in doubt: ice skating and synchronised swimming, for example, are judged partly in terms of artistic expression, and national sports teams are certainly

considered to be cultural icons. Without clarification on this issue we may continue curious practices such as supporting Stage Challenge from fitness funds.

Recommendation 6

That, as part of the Strategy, consideration be given to bringing Culture and Heritage and Sport and Recreation together formally in a single Ministry.

2.3.2 Central, regional, local

Across the cultural sector there is inconsistency in regard to the roles of central and local government. These are matters worth resolving. In many countries ‘national’ government supports ‘national’ activities, with regional and local government supporting equivalent activities. Does our geography and demography support that kind of alignment?

Recommendation 7

That the Strategy clarify the roles of central government and regional and local authorities in relation to support for cultural activity.

2.4 Funding mechanisms

In our present system we have many different ways of distributing funds for cultural activity, as noted in Chapter 4. Is this the most efficient way of doing it? In many sporting codes tiered systems have developed in which funding may move up and/or down a system of institutions at local, regional and national level. We have noted the Dutch approach of setting up ‘Institutes’ for various cultural ‘codes’. These ideas are worth exploring by a strategic working party.

We have argued (in Chapter 4) that the mechanisms through which government funding is allocated should be based on the policies we develop. We have further proposed

- that funding processes be simplified and made more flexible
- a circulation of personnel between funding agencies and funded organisations
- greater recognition of plurality in the setting of criteria
- greater transparency in the process
- that evaluation be made more flexible

We have also suggested, in Chapter 5, that (while acknowledging the need for accountability in public funding) culture-funding administrations may need to find ways of operating that move away from ‘arts bureaucracy’ if they are to interact constructively with new, perhaps digital, culture-providing networks. We have noted that many countries provide social security and/or tax benefits to support the cultural sector.

Recommendation 8

That, as part of forming the Strategy, mechanisms of supplying funding to the cultural sector should be investigated that recognise the particular characteristics of the sector.

2.5 The digital world

The impact of developments in the digital world on our everyday lives is very clear. We have noted the references in the draft Digital Strategy 2.0 to the use of digital platforms for the distribution and creation of cultural content. This factor must be taken into account in the development of a National Cultural Strategy.

Recommendation 9

That the provisions of the National Cultural Strategy take account of, and work closely with, the provisions of the National Digital Strategy.

The advent of the digital media has had an impact on traditional methods for protecting intellectual property. We have noted, in Chapter 2, the problems this has created for the creative industries model. We asked whether the value of ‘cultural enhancement’ overrides the culture-value ‘property.’ Complex issues are involved here, and they need to be investigated further.

Recommendation 10

That, as part of the development of the National Cultural Strategy, and in cooperation with the National Digital Strategy, the issue of intellectual property in relation to cultural activity be investigated and appropriate recommendations made.

3 Towards a taxonomy of cultural activity

The difficulty in determining what should be included in the terms ‘creative industries’ and ‘cultural industries,’ together with an appreciation of the complexity of our funding system and a realisation of the impact of new media, has led us to the idea that it would be useful to develop a taxonomy of cultural activity in New Zealand. This undertaking may also help sort out the terminologies of ‘culture’ and ‘the arts’: at times they are perceived to be the same and times they are not. We believe this would be beneficial not only to the creation of a National Cultural Strategy but to its implementation. To develop a complete taxonomy is beyond the scope of this report. Nonetheless a few basic principles can be sketched out, as a basis for further consideration.

3.1 Basic principles

Cultural meaning is to be found in the heritage provided for us by our ancestors (‘who we were’) and in the results of creative cultural activity provided by our contemporaries (‘who we are’), which creates a renewed cultural heritage for our descendants. The meaning is intangible, but it is embodied in tangible cultural products and experiences for which we may conveniently use Hesmondhalgh’s generic term ‘texts’. It is through accessing them that each of us adds to his or her store of meaning. These texts have been created and shared with us in a process.

3.2 The process

In cultural activity a person or persons provide for us a text in a particular medium, and we access that text in a particular space.

3.2.1 Provider

Providers may be involved in the creation of the text or its transmission, and in some cases this is the same process. They will have developed skills appropriate to the task. The provider may be an individual in the past or in the present, a group in the past or in the present, or a whole community in the past or in the present. If a group, the provider may be

- a dedicated professional group – an institution or organisation whose purpose is to supply cultural goods or services, including publishers, retailers, performing artists, film-makers, and so on;
- a non-dedicated professional group – institutions or organisations with different primary purposes who nonetheless supply on occasions cultural goods or services, e.g. ISPs, broadcasters, and so on; or
- a community group, existing either permanently or temporarily.

3.2.2 Medium

Several media can be identified.

- The performing medium offers access to cultural meaning through watching and/or hearing one or more people deliberately create it.
- The visual medium offers access to cultural meaning through seeing the result of creative work.
- The literary medium offers access to cultural meaning through reading words or other symbols.
- The oral medium offers access to cultural meaning through hearing someone speak.

Each of these media includes sub-media – for example, performance includes music, theatre, dance and combinations thereof. Within the sub-media there exist cultural genres – for example, opera and kapa haka are both genres within the sub-medium of combined performance. Each of the media has a number of modes – for example, performance may be live or recorded.

It will be noted that these media are centred on the human eye and ear, the chief senses through which we receive information. (The senses of smell, touch and taste may allow us to access some cultural information but only taste, in the form of cuisine, can make a serious claim to impart information whose primary purpose is the reinforcement and renewal of cultural understanding and identity.) Media here, then, are defined in a very traditional sense as ways of communicating, rather than in the modern sense related to contemporary technology. These media are available to provide meaningful experiences in any culture; they are also available to provide other experiences that do not have as a primary purpose the reinforcement and renewal of cultural understanding and identity (not every book available in a library has this purpose).

3.2.3 Space

We access the text in its genre, in its sub-medium, within its medium, and we do so in a space of some kind. The space may be one constructed or re-constructed for the purpose (for example a museum, library, gallery, theatre or concert hall), or a space constructed for other specific purposes but usable for this purpose (for example a church, a school building, or a sports stadium), or a community space available for many public purposes including this one (for example a street or a park), or a private space (the home, a car), or cyberspace (via the internet).

3.3 **The benefits of a taxonomy**

Developing a more detailed taxonomy along these or some other lines would allow us to re-consider the options for supporting cultural activity. Support could be given for a text, for a medium or a sub-medium or a form, for a mode, to a provider, or to a space. Currently support is provided to all of these, depending upon need and application, but the opportunity is there to develop clearer principles, policies and guidelines that will ensure maximum return on investment. A taxonomy will also enable quality information to be gathered about the sector without resorting to the questionable measurements associated with economic impact surveys. We should of course be wary of developing boxes into which cultural activity must fall, for one of the characteristics of creativity is that it involves thinking outside the box.

Recommendation 11

That a taxonomy of cultural activity in New Zealand be developed.

4. **International help**

In the course of engaging in research for this report we have encountered a number of overseas documents which we believe are particularly pertinent to our situation.

4.1 ***In from the Margins and Our Creative Diversity***

The EU report *In from the Margins* contains many powerful arguments for cultural activity, and useful practical ideas which could beneficially inform the process of developing a National Cultural Strategy. *Our Creative Diversity*, from UNESCO's World Commission on Culture and Development, provides a worldwide framework. If we are to make a contribution, through our own National Cultural Strategy, to international understanding about cultural activity, and we should do that, then it will be important to be aware of the wide context.

4.2 ***Our Next Major Enterprise. . .***

Mention was made in our Introduction of the Final Report of Scotland's Cultural Commission. The thoroughness and depth of this document is impressive. It covers everything from first principles to the machinery of funding distribution, where it offers a number of alternatives. As we review our own situation, and seek to develop our own Strategy, it would be sensible to explore the work under taken by the Scottish Commission; many of its recommendations may be very relevant to our own situation.

Recommendation 12

That the Final Report of Scotland's Cultural Commission, *Our Next Major Enterprise. . .* be closely studied for the help it can provide in developing a National Cultural Strategy for New Zealand Aotearoa.

APPENDIX 1: Consultation

The research team interviewed 30 representatives of organisations involved in the cultural sector, mostly by telephone but in a few cases personally. Two organisations responded in written form. Each person was informed ahead of time of this research project and of the areas in which we sought enlightenment and comment. They were:

- what, as a result of current government policy, have you been able to achieve, and what have you found it difficult or impossible to achieve?
- do current policies in the cultural sector address the important issues?
- are there changes you would like to see made in relation to cultural policy?
- what changes in the economic, social or technological environment are having a significant impact on cultural sector activities, and how should cultural policy change to reflect these?
- do the processes set up around the awarding of government funding to the cultural sector work? Are they effective? Could they be improved, and if so, in what way?
- do you know of any overseas models for cultural policy or cultural funding which you think might work well in NZ?

The interviewees were also informed that their names and their professional positions would be listed in an appendix to the report, but what they told us would not be attributed to them personally or to their organizations. We indicated that we could not promise to include everything - or indeed anything - they told us, but that their expert views would make an important contribution to our thinking as we prepared the final report and made our recommendations.

We are most grateful to all our informants for taking the time to respond to us, and for sharing their thoughts with us.

Those consulted were

Artspace: Brian Butler, Director

Auckland Museum: Dr Vanda Vitali, Director

Auckland Philharmonic Orchestra: Barbara Glaser, CEO

Chamber Music New Zealand: Euan Murdoch, Chief Executive

Court Theatre: Philip Aldridge, CEO

Creative New Zealand: Cath Cardiff, Manager, Arts Development

DANZ: Tania Kopytko, Executive Director

Footnote Dance Company: Deirdre Tarrant, Director

Fortune Theatre: Janice Marthen, CEO

National Library of New Zealand: Penny Carnaby, CEO and colleagues

NBR New Zealand Opera: Aidan Lang, General Director

New Zealand Book Council: Noel Murphy, CEO

New Zealand Film Commission: Ruth Harley, CEO

New Zealand International Festival of the Arts: David Inns, CEO

New Zealand Music Industry Commission: Cath Anderson, General Manager

NZ On Air: Jane Wrightson, CEO

New Zealand Symphony Orchestra: Peter Walls, CEO

Otago Early Settlers' Museum: Bronwyn Simes

Otago Museum: Clare Wilson, Director – Exhibition, Development and Planning

Port Chalmers Museum: Ian Church

Radio New Zealand: Paul Bushnell, Group Manager- Spoken Features
Royal New Zealand Ballet: Amanda Skoog, CEO
SOUNZ: Scilla Askew, General Manager
Southern Sinfonia: Philippa Harris, General Manager
Taki Rua: James Ashcroft, Creative Director
Tautai Contemporary Pacific Arts Trust: Christina Jeffrey, Trust Manager
Te Māngai Pāho: John Bishara, CEO
Te Papa: Seddon Bennington, CEO; Jonathan Mane-Wheoki
Te Puni Kokiri: Tipene Chrisp, Policy Manager
Toi Maori: Garry Nicholas, General Manager

Four other organisations were contacted but were unable to supply informants.

APPENDIX TWO: Broadcasting

1. Introduction

The research team was invited to include broadcasting in its survey. Government's involvement in broadcasting is a complex matter, and it is beyond the scope of a limited research project to deal with it in any useful detail. Other bodies are currently looking at the future of broadcasting and government's role in it. The following remarks should be taken as a contribution to the discussion from the perspective of cultural policy.

2. Broadcasting as media and content

'Broadcasting' is a term that describes the distribution of content through the media of radio and television. That content may include 'cultural' content in the sense of the term developed in this report: that is, content which 'recognisably contributes to the reinforcement and renewal of cultural understanding and identity.' It also includes other content which makes little or no such contribution, at least to the understanding of New Zealanders' own cultural identity.

Before the development of radio and television, access to audio and audio-visual experiences required the listener/watcher to be in earshot or eyeshot; this meant that access could be controlled, through entitlement or through a financial transaction. The emergence of these new media in the twentieth century created a different relationship: access to the content through radio and television became widely and cheaply (even freely) available. The application of the 'high culture' paradigm (that it is 'good for you') led to the development of 'public service broadcasting.' The application of a neoliberal economics paradigm led to the establishment of broadcasting companies as crown entities, expected to deliver a financial return to government. The application of the 'national identity' paradigm led to the funding of certain content through NZ On Air. Whether or not these three paradigms are compatible is a matter that exercises commentators and policy makers within and outside government, and juggling them certainly exercises those who run the broadcasting companies.

The development of a new 'broadcasting medium,' the internet, creates further confusion. It is common now to speak of 'new media' which use the internet and the 'old media' of radio and television and newspapers. Many traditional broadcasting companies now provide their content through the internet or on podcasts, and often the content needs to be re-created to suit these new media. Newsgathering is generated on the internet itself, as a community-based, blog-centred activity which bypasses the industrial news media. Here filtering and control is weak or non-existent. YouTube, MySpace and other sites provide community-created entertainment which rivals, in terms of audience appeal, the professional programmes provided by the media companies. The implications of these technological developments, and ones yet to come, are significant and it is unlikely that the current format for 'broadcasting' will be the same in ten years time.

3. **Government support for broadcasting**

The same complexities found in the cultural sector as a whole can be found in relation to the funding of broadcasting. Government supports both media and content, and this funding reflects the paradigms indicated above.

Media

Funding support is provided directly from MCH to a television provider (TVNZ) and to RNZ International, to Freeview Ltd and to the National Pacific Radio Trust. The Broadcasting Standards Authority is also funded by MCH. Radio NZ is funded through NZ On Air, which is also now to provide part of TVNZ's 'direct' funding.

Content

Funding support to make radio and tv programmes is provided from Vote Arts Culture and Heritage via NZ On Air, whose report for 2006-2007 indicates that out of 909 hours 54 hours were specifically identified as 'Arts, Culture and Performance,' although this definition may be more narrow than the one whose adoption we are encouraging. Te Puni Kokiri through Te Māngai Pāho funds the making of tv and radio programmes in Māori. It is also one of the many funders of music recordings and videos which may be broadcast on television or radio. Performances by the New Zealand Symphony Orchestra (funded directly by MCH), and concerts organised by Chamber Music New Zealand (funded indirectly through Creative New Zealand) are broadcast on Radio New Zealand Concert. Films funded by the NZ Film Commission are sometimes shown on television, either on the state-owned TVNZ on other privately-owned channels.

4. **Conclusion**

The future of broadcasting will be debated in other contexts. There is a clearly a connection with the National Digital Strategy, and we believe that broadcasting will need to be referred to in our proposed National Cultural Strategy. Any moves to clarify, simplify, or otherwise rationalise government support for cultural activity must apply to the broadcasting media too. A taxonomy of cultural activity, utilising the concepts of provider, text, medium, mode and space will need to include the traditional broadcasting media of radio and television as well as the new ones of internet and podcasting.

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