Rethinking the Role of Public Incentives for Amateur Arts

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Abstract: It is considered that amateur artists perform or produce strictly for their own satisfaction and quite often that of other members of the local community, while making their living some other way (Elkington and Stebbins 2014). However, researchers have discovered that amateur art has significant social (Matarasso 1997), educational, cultural, and even economic impact (Bronner 2009). So who is responsible for financing amateur artists: state, region, municipality, or is it the third sector? Moreover, what are the most efficient public incentives to sustain social and economic effects in the long-term? The overall aim of this study has been to analyse public incentives for amateur arts and to assess their impact on the development of amateur art in the long-term. First, we look at social and economic impact of amateur arts, as well as arguments that can be used for justification of introducing public incentives to support amateur arts. Second, we briefly analyse fiscal measures, which can be applied to amateur arts in Europe. Third, we discuss in detail participation in amateur arts in Latvia and fiscal measures that are applied on a national and local level. Finally, we discuss the most efficient public incentives to sustain social and economic benefits in the long-term.

Keywords: Amateur Arts, Cultural Participation, Public Incentives for Culture, Fiscal Measures for Culture

Introduction

Many presume that amateur artists perform or produce mainly for their own satisfaction and quite often that of other members of the local community, while making their living some other way (Elkington and Stebbins 2015). However, researchers have discovered that amateur art has significant social, educational, cultural, and even economic impact (Matarasso 1997, Bronner 2009). Even though one could consider that the main focus of cultural policies in Europe is on professional art, findings show that priorities are rather diverse. The study “Financing the Arts and Culture in the European Union” suggests that in line with European Community objectives, the member states prioritise creativity, heritage protection and promotion, and focus on creative industries. Moreover, it reveals that participation (social focus) is recognized as a priority in two thirds of European countries (Klamer et al. 2006). The increasing importance of amateur arts in European cultural policies is also because the concept of cultural policy is broadening, introducing new horizontal priorities and integrating cultural issues in other policies. One of the fundamental contributions to the debate on culture and development in Europe “In from the Margins” (Council of Europe 1997) proposes four principles which are to be applied to the policies of culture and which are relevant to amateur art as well: promoting cultural identity, cultural diversity, creativity and participation. In addition, transversality of cultural policies is more often recognized as a direction for the development of cultural policies. The “UNESCO Intergovernmental Conference on Cultural Policies for Development” has formulated this already in 1998:

Cultural policy, as one of the main components of endogenous and sustainable development policy, should be implemented in co-ordination with policy in other social areas, on the basis of an integrated approach. (UNESCO 1998, 13)

Thus, culture goes beyond the mission of the ministries of culture, as it tackles such issues as social inclusion and social cohesion, sustainable development, job creation, development of the
knowledge based society, and lifelong learning. Amateur arts by having a great social, educational, and economic impact, link cultural policy with social, economic, or education policies.

Public funding for professional art organisations, such as museums or theatres in European cultural policies has a long historic tradition. Moreover, it is justified by cultural economists as a way to rectify market failure (Frey 2003). Introducing public incentives for support of amateur art is a more complicated case, as leisure time activities are to be carried out and sustained by individuals and community members who are direct beneficiaries of these activities. The justification for deploying fiscal policy can be expressed as a means of pursuing artistic or cultural (Throsby 2010), or even social objectives. Fiscal incentives for amateur arts are an understudied issue. We study this phenomenon within the context of European cultural policies and, more concretely, highlight the case of Latvia where participation in amateur arts is a popular activity in communities and at the same time is institutionalised and supported through various fiscal measures on the national and local level.

Purpose

Specifically, we address four issues. First, we look at social and economic impact of amateur arts, as well as arguments that can be used for justification of public support for amateur arts. Second, we briefly analyse fiscal measures, which can be applied to amateur arts in Europe. Third, we discuss in detail participation in amateur arts in Latvia and fiscal measures that are applied on the national and local level. Finally, we discuss the most efficient public incentives to sustain social and economic benefits in the long-term.

Methodology

The overall aim of this study has been to analyse public incentives for amateur arts and to assess their impact on the development of amateur art in the long-term.

In the literature and cultural policies, there are several terms, which are associated with amateur arts: voluntary, amateur, grass-root activities and participation in arts, the latter being the most popular definition, which might comprise rather diverse activities. Participation in the arts has several dimensions, such as production of art, participation in decision-making in the arts, passive consumption of the arts and active consumption of the arts (The Arts, Cultural Inclusion and Social Cohesion 2007). In our study, we discuss production of art in particular. Moreover, we look at the individuals or groups, who participate in the production of arts at the amateur level, which means, these people do not depend on the income from an activity, but mainly pursue it as a leisure with little or no remuneration (Stebbins 2007).

The particular tasks of the study include the following: (1) to evaluate the rationale behind the fiscal measures for amateur arts, (2) to discuss fiscal measures available for amateur arts in Europe, (3) to examine the participation in amateur arts in Latvia and fiscal measures that are applied at the national and local level, and (4) to define common issues for the development of amateur art in the long-term.

Authors will use the classification of fiscal measures proposed by Throsby (2010) to track public incentives for amateur arts in Europe and in Latvia. He suggests distinguishing (1) direct provision of cultural goods and services; (2) subsidies and grants to cultural producers; (3) tax concessions; and (4) assistance to consumers. For the purpose of the study authors have reviewed cultural policies and fiscal measures for amateur arts in forty-two European countries based on their profiles presented at the Council of Europe/ERICarts “Compendium of Cultural Policies and Trends in Europe” (Council of Europe and ERICarts 2016).

The authors have applied a mixed research methodology. Quantitative and qualitative data have been used. Secondary sources on the models financing amateur arts have been studied to collect information and to assess different types of public incentives for amateur arts in Europe. A case study of amateur art financing in Latvia has been performed by both analysing documentation,
available quantitative data and conducting four focus group discussions with stakeholders in the amateur art sector. According to the Constitution, Latvia is a unitary state, made up of four cultural regions (Vidzeme, Latgale, Kurzeme and Zemgale). Focus groups “Nationwide Song and Dance Celebration: problems and future scenarios”\(^1\) (Research Centre of Latvian Academy of Culture 2015) were conducted in all the cultural regions, specifically in towns of Kuldiga (September 25, 2015, six respondents), Rezekne (November 11, 2015, ten respondents), Jelgava (September 18, 2015, nine respondents) and Valmiera (October 2, 2015, six respondents). The selection criteria of the participants in the focus group discussions were as follows: one-two representatives working at cultural and/or education department of the municipal authorities (city council or equivalent); one-two coordinators of the process of the Song and Dance Celebration; one-two artistic leaders of the amateur art groups (choirs and dance groups); one-two teachers who are artistic leaders of children and youth amateur groups; one-two directors of cultural centres. Where possible representatives were selected also taking into account gender balance, different age groups, and the size of the represented municipality. In each focus group discussion six to ten participants took part. Anonymity of the participants was guaranteed and explained to the participants; it was respected during the transcription and analysis of the results. Analysing results, regional differences were not taken into account, moreover, the opinion of all participants were perceived as a whole group of local stakeholders of amateur art process, more concretely of the Song and Dance Celebration. Therefore, in the discussion part their opinion is presented as opinion of a group, not as of an individual representative with specific affiliation.

The study was aimed to identify and to assess public incentives for amateur arts in Europe and in Latvia. It does not present in depth analysis of proportions of each funding source for amateur art sector.

**Short Overview of Cultural Statistics: Situation in Latvia**

The Latvian cultural policy model is centralized around the Ministry of Culture, which is the main institution formulating and coordinating the state cultural policy. There have been some changes towards decentralization and involvement of non-governmental organizations and the civil society in the cultural field, delegating a number of specific functions. One of the priorities of the Cultural Policy Guidelines 2014–2020 “Creative Latvia” (LR Kultūras ministrija 2006) is outlined as a preservation and development of cultural capital involving community members in cultural processes. It means that cultural policy officials have recognized the importance of the participation in the arts, mainly in terms of social impact, as a tool to improve quality of life and boost creativity of individuals and communities. Participation of Latvian inhabitants in amateur art groups since 2000 is stable: around 3 percent of the population. In 2014, there were 64,400 participants in amateur art groups in Latvia (see Figure 1).

\(^1\) In the framework of National Research Programme of Latvian Academy of Culture “Habitus: Sustainability of Latvian cultural traditions in an innovative environment” (2014–2017).
Those amateur arts groups, which are established by the local authorities, are mostly located at the culture centres, which operate under the jurisdiction of municipalities; therefore they have direct administrative and financial support and are publicly owned and operated. The survey of amateur arts groups’ leaders shows that 78 percent of amateur art groups are established by the local municipalities. Just some of the amateur art groups operate as non-governmental organizations established by their participants, self-financed and independent.

Amateur art activities are extremely diverse in essence. Survey on cultural consumption in Latvia suggests that doing sports, photography, filming and handicrafts are the most common participatory activities of Latvian people (respectively 23 percent, 18 percent and 16 percent are involved). Other amateur art activities involve just 2–7 percent of respondents each: participation in interest clubs, playing a musical instrument, singing in a choir, engaging in visual arts (painting, drawing, etc.), dancing modern dance, contemporary dance, dancing folk dances, making creative work with computer (home pages, design creation, etc.), writing poetry, stories, participating in amateur theatre, writing articles in the press or internet, singing in a group, playing in an orchestra (Culturelab 2014). Despite relatively small numbers participating, choir singing, the dance and folk ensembles are the most significant activities of amateur art sector in Latvia. Once per five years, the best amateur choirs and dance groups are selected to take part in the Nationwide Latvian Song and Dance Celebration, which is among the most important cultural events of the country. It is included in the Representative List of the Intangible Cultural Heritage of Humanity by UNESCO. The last festival took place in the summer of 2013 gathering about 40,000 participants that is more than 60 percent of all amateur artists affiliated to one of the collective amateur art groups (data from the Central Statistical Bureau 2016). The Nationwide Latvian Song and Dance Celebration is made possible by the huge and stable framework support by the municipalities. Moreover, there is a state authority implementing cultural policy in this field: the Latvian National Centre for Culture, which carries out national cultural policies in the field of intangible cultural heritage and its associated fields of amateur arts.

Impacts of Amateur Arts

It is considered that amateur artists perform or produce mostly for their own pleasure, but actually the processes of amateur arts activities are much more complex and create many positive effects and impacts not only for a particular individual who joins the amateur art activities, but also for social groups, local communities and even state. Participation in arts-based activities for their own sake could also improve mental health and well-being of individuals. Some participants have made
the transition from amateur arts to paid employment in the creative industries. Improvements in educational attainment and functioning in the work-place were also reported as positive outcomes. Amateur art activities have positive economic effects on local communities, e.g. through the hire of village halls, the management of local assets, equipment hire or the employment of professional artists in, for example, preparing for performances (Ramsden et al. 2011). These effects and impacts have been discussed in academic and grey literature and in cultural policies over the last two decades with increasing intensity, and might be classified in different categories. The authors offer an overview of the most important effects amateur arts create: social, educational, cultural (aesthetic) impact, and economic impact. These impacts usually serve as justification for assigning public support to amateur art activities though different financial schemes, which are to be discussed later in the article.

**Social Impact**

A writer and consultant in community arts development François Matarasso with his team in the core research “Use or ornament? The social impact of participation in the arts” (1997) has come up with a list of fifty different social impacts participation in arts can produce. He starts with more personal ones (e.g. increasing people’s confidence and sense of self-worth), and ends with community changing ones (e.g. making people feel better about where they live). All of these impacts have been divided in six themes: personal development, social cohesion, community empowerment and self-determination, local image and identity, imagination and vision, health and well-being (Matarasso 1997). American researcher Simon J. Bronner adds “maintaining civic pride, gaining a sense of belonging, conserving and adapting folk knowledge and skills, and democratizing cultural participation” to this list (Bronner 2009). To continue, this leads to strengthening social capital and is associated with higher economic growth, greater social equality, and increased levels of well-being and life satisfaction (The Arts, Cultural Inclusion and Social Cohesion 2007).

There are also some arguments against the positive social impact amateur arts create, for instance:

> Participatory arts projects can fail or underachieve for a variety of reasons, including inexperience and under-resourcing. Since they are part of a continuum of experience, positive outcomes can turn sour if the work is not built on. It must also be recognised that people can experience personal costs, (e.g., in relationships) especially where their lives do change and growth puts existing situations under pressure. (Matarasso 1997)

Barriers for participation in culture in general are usually associated with economic costs, poor transport, lack of literacy, and social and psychological barriers (The Arts, Cultural Inclusion and Social Cohesion 2007). In the authors’ opinion this can easily be associated with amateur arts as well. A salient argument, suggested by Tong Soon Lee in a study of Chinese Opera (xiqu) tradition in Singapore, is that, if amateurs pay to perform, members must have enough money to do this. This reinforces class distinctions. Hence, members are well educated and work in white-collar occupations (Lee 2007). Although this might not be applicable to crafts or other forms of amateur arts, it may apply more directly to the performing disciplines (choirs, folk groups, dancing groups, etc.), suggesting the need for further discussion with regard to the justification of financial incentives for amateur arts.

**Educational Impact**

Participating in amateur arts requires a certain educational level of a participant – ability to value cultural heritage and tradition, skills or at least a willingness to sing or dance, etc. Moreover, participation in arts not only requires, but also improves the level of education both for an
individual participant and for the group or the local community. Much evidence exists in support of the positive educational effect of participation in arts activities. For example, observations demonstrate that participation develops learning performance in formal settings demonstrating an increase in literacy, verbal and communication skills, leads to the development and creation of knowledge and technical skills and potentially employment, develops opinions and skills in argument and debate, and develops skills in improvisation and experimentation frequently resulting in new discoveries and innovation (Ramsden et al. 2011).

**Cultural and Aesthetic Impact**

Most likely, the regular participants of amateur arts are the potential audience for different cultural events and professional art. That means funding amateur arts might indirectly educate and foster the next culture consumers and create a long-term positive effect (Ramsden et al. 2011). Such artistically and aesthetically educated and open-minded society could be the goal of the policy makers. Stimulating participation in amateur arts might be a good instrument for achieving this goal.

**Economic Impact**

There are different indirect economic effects amateur arts may cause. François Matarasso was one of those who addressed the economic dimension of participation in arts in his research, suggesting that “the invisible voluntary labour of all the people who make participation in the arts possible” provides significant contribution to the local economies, sometimes directly and sometimes through expenditure savings (Matarasso 1997). American folklorist, ethnologist, historian and educator Simon J. Bronner offers a different perspective to the economic dimension of the amateur arts, as he suggests that folk culture and traditional art are often blended with commercial elements, and folk events or festivals may have significant economic and cultural role to play in the region (Bronner 2009).

As discussed above, participation in amateur arts can influence an individual, local community or a state in different ways. These impacts may serve as a justification for public incentives to finance amateur artists and their activities. Positive effects of returning investments in amateur art sector are witnessed in Sweden. The authors of Swedish cultural policy profile (Council of Europe and ERICarts 2016) suggest that easily available music training and public facilities for rehearsals might be an explanation for Sweden's internationally successful music scene, moreover, it is pointed out that the prevalence of cultural group activities such as study circles and singing in choirs can explain the cohesiveness and high levels of trust in Swedish society.

**Review of Funding Models in Europe**

Traditionally amateur arts are a community driven process, including community sharing and individual contributions. However, nowadays we can witness rather diverse types of support from public authorities on either a national, regional, or local level; and commercialization of amateur art events which involve sponsorship or income.

Cultural economist David Throsby (2010) distinguishes five groups of policy tools that governments can use to pursue the economic and cultural objectives of cultural policy: fiscal measures, regulatory measures, industry assistance measures, labour market intervention, and trade policy. We are particularly interested in fiscal policy that refers to measures that are put into effect through government expenditure and/or through raising the public revenue through the tax system (Throsby 2010). The fiscal measures are among the most important and popular cultural policy tools, as many cultural policy objectives require support by government. Throsby (2010) suggests several types of fiscal measures, which the authors will take as a framework for tracking public incentives for amateur arts in Europe and in Latvia.
1) Direct provision of cultural goods and services (e.g. public ownership and operation of cultural facilities, such as museums, etc.). In this case, fiscal allocations relate to both the capital requirements and the operating expenditures of institutions. Often publicly owned and operated organisations are able to raise revenue from other sources, including sale of goods and services. As Throsby remarks, despite the type of institution, it has ultimate dependence on the fiscal policy decisions of the government for its financial well-being.

2) Subsidies and grants to cultural producers. This is the most popular instrument for implementation of arts policy, financial assistance could be assigned to both individual artists and arts organisations. The justification for deploying fiscal policy in this way might be expressed in terms of rectifying market failure or as a means of pursuing the purely artistic or cultural objectives. In this case, the level and quality of output of artistic goods and services is the target.

3) Tax concessions. At times either individual artists or organisations may benefit from tax relief. Sometimes corporate sponsors are encouraged to support art and culture because of government tax concessions.

4) Assistance to consumers. Some schemes are meant for supporting consumers (e.g. vouchers, reduced-price or free admission, etc.). In addition, information and marketing services may encourage cultural participation.

For the purpose of the study authors have reviewed cultural policies and fiscal measures for amateur arts in forty-two European countries based on their profiles presented at the Council of Europe/ERICarts “Compendium of Cultural Policies and Trends in Europe,” which is a web-based and permanently updated information and monitoring system of national cultural policies in Europe (Council of Europe and ERICarts 2016).

Direct provision of cultural goods and services is mainly characteristic to post-soviet countries having networks of cultural centres, which are directly financed and operated by the state or municipalities. Such networks exist, for example, in Bulgaria, Armenia, Azerbaijan, Latvia, Hungary, Russia, etc., and they form the basis for amateur art activities. Though several Western European countries also have different publicly funded associations or centres with socio-artistic work as their primary function, usually these associations are legally decentralised from the state or municipalities. There are national, state subsidized organisations that coordinate amateur art events or serve as umbrella organisations for amateur art groups in many European countries. Such examples include, e.g., the Czech Republic with two state budgetary institutions: National Information and Consulting Centre for Culture based in Prague (which covers most fields and oversees the talent show system) and the National Institute of Folk Culture; or Belgium (Flemish community) where the state assigns subsidies to nine national amateur arts organisations that are providing different forms of support for more than 10,000 groups and 200,000 individual artists in their different sub-sectors.

Subsidies and grants to cultural producers is the most common form of financial support for amateur art. This includes different financial mechanisms, such as subsidies to associations, amateur art organisations or events (festivals, talent shows, craft trades, etc.), and grants distributed through arm's length foundations both to organisations and individuals (e.g., Frifond in Norway, or the Cultural Participation Fund in the Netherlands).

According to the principle of subsidiarity, support for amateur arts has to be the primary responsibility of municipalities; however, review of cultural policies in European countries indicates several countries that provide public subsidies or grants to amateur art from the central government. Example of Croatia reveals some of argumentation for this. Although the Ministry of Culture of Croatia considers that local authorities should take responsibility for amateur activities, it nevertheless provides considerable funding. The reasons for the Ministry's support are difficult financial situation in many local communities, protection of valuable forms of traditional heritage, stimulation of awareness about the importance of culture for the identity and revitalisation of a
town or region and willingness to provide cultural activities in small towns and villages where there is hardly any activity.

Tax concessions and assistance to consumers are rather uncommon forms of financial incentives in the European amateur art field. There are also limited data available on these forms of financial mechanisms. For the most part, tax relief concerns companies that provide sponsorship to cultural organisations, including amateur art groups. These regulations differ from country to country.

With regard to consumer assistance, many amateur art events are free of charge for their audiences. For instance, in Spain the vast majority of amateur activity is offered free of charge and is promoted by town councils or non-profit associations or clubs.

Some countries demonstrate more innovative support mechanisms. In Ireland, the framework of support for amateur arts is based on a partnership approach: there is a cooperation between the Arts Council and the local authorities, the National Youth Council and Udáras na Gaeltachta. Portugal is one of the rare countries that involves agencies other than the Ministry of Culture in support of amateur arts. Under the guidance of the Ministry of Labour and Social Solidarity, INATEL Foundation aims to offer social services, and provides technical and financial assistance to collective associates in the fields of ethnography, folklore, music, theatre and cinema and promotes cultural events such as festivals, conferences and performing arts productions. Several competitions in artistic creativity are carried out annually covering areas such as video, visual arts, choral, philharmonic and orchestral music, new drama, storytelling and ethnography.

The fiscal measures are among the most important and popular cultural policy tools, so one of the challenges for cultural policy makers is to develop schemes that are meant to promote amateur art activities and their audiences. If we follow the classification of fiscal measures proposed by Throsby (2010), we can conclude that subsidies and grants to cultural producers is the most common form of financial support in the field of amateur art. Direct provision of cultural goods and services is mainly characteristic to post-soviet countries. Meanwhile, tax concessions and assistance to consumers are rather uncommon forms of financial incentives in the European amateur art field.

Financing Amateur Arts in Latvia: Main Findings

Public support for amateur art in Latvia has a history since the first independence period of the Republic of Latvia (1918–1940). Particularly public support for amateur art activities and for the network of cultural houses was intensified during the Soviet period (1940–1991) aiming to control life of the Soviet people, and in addition introducing social considerations, such as improving the quality of life and establishing social structure (Daugavietis 2015).

The rationale behind the public support for amateur arts since 1991 when the independence of the Republic of Latvia has been regained is an aspiration to maintain cultural traditions, particularly to maintain the tradition of Song and Dance Celebration alive and to influence its quality. Moreover, as mentioned before, cultural policy in Latvia supports also social arguments, trying to increase the quality of life through participation in culture.

The authors will again follow the classification of fiscal measures provided by David Throsby (2010). A short description of the fiscal measures applied to amateur arts sector in Latvia is provided. After that we analyse the results of four focus group discussions (Research centre of Latvian Academy of Culture 2015) to understand the main problems from the viewpoint of stakeholders and efficiency of the public incentives for amateur art activities and for the process of Song and Dance Celebration.

Both the Ministry of Culture of the Republic of Latvia and the local authorities assign public support to amateur art activities. Even though amateur arts is participant driven activity, in Latvia the process of amateur arts strongly relies on public support. The survey of the participants of The Nationwide Latvian Song and Dance Celebration indicates rather low individual financial contributions: 50 percent of the participants spend no more than fourteen euros per month for the
participation in an amateur art group (Research Centre of Latvian Academy of Culture 2014b). Results from the focus group discussions reveal that respondents are convinced that state and municipalities are obliged to support amateur arts activities. The following is identified as basic needs: venue for rehearsals, salaries for artistic leaders of amateur art groups, traditional costumes, transport costs for participation in concerts and all costs related to the participation in the Nationwide Song and Dance Celebration that takes place every five years in the capital city Riga.

Local authorities play the key role in organising and supporting the local cultural life and particularly amateur art. “The Law on Local Governments” defines the division of labour and responsibilities between the state and local authorities in providing services, including those in the cultural field. According to the Law, the local governments have autonomous functions to maintain culture and facilitate the preservation of traditional cultural values and the development of creative folk activity (Saeima 1994).

If we look at direct provision of cultural goods and services, there are two types of fiscal measures in Latvia. The local authorities have established cultural centres, they operate under jurisdiction of municipalities, and majority of amateur art groups perform their activities in these venues. Fiscal allocations relate to capital requirements, operating expenditures of the venues, salaries of the managing staff. Another type of support for amateur arts is channelled through the public agencies. The Latvian National Centre for Culture is the most important one (under the auspices of the Ministry of Culture), as it has an overall coordinating role in the field. It also organizes different events, festivities, and seminars involving amateur art groups all over the country, and annual awards, contests or competitions for amateur arts to foster these types of cultural activities. Such activities are organized by the Latvian National Centre for Culture to evaluate the artistic level of amateur arts (significant for The Nationwide Latvian Song and Dance Celebration). Participants of the focus group discussions perceive the financial assistance offered through facilities of municipal cultural centres as an obvious and indisputable financial mechanism. It is important to mention that the network of cultural centres is rather dense; in 2015, there were 557 cultural centres in Latvia (Central Statistical Bureau 2016). Cultural centres are situated even in small rural municipalities providing accessible venues for amateur art activities. The role and support of the Latvian National Centre for Culture was also taken for granted by respondents of the focus groups.

Concerning subsidies and grants for cultural producers the Ministry of Culture assigns direct support for the salaries of leaders of amateur art groups as transfers from the central government to the local government. The local authorities distribute grants to cover certain costs of amateur art groups (e.g., salaries of leaders of amateur art groups, travel expenses to take part in festivals or concerts, purchase of costumes, etc.). In addition, the State Culture Capital Foundation (the grant-giving body to secure the diversity of cultural activities all over Latvia) distributes grants for organising festivals, exhibitions, performing arts productions, workshops and other events for the development of amateur arts. Support for participation in cultural life is offered through its project competitions and programmes. In financial terms, subsidies and grants constitute smaller share of total public support for amateur art than direct provision of cultural goods and services. However, focus group respondents admit that state assignments for the salaries of artistic leaders of amateur art groups are significant because it demonstrates symbolic support from the Ministry of Culture and endorses the importance of amateur art. Several respondents criticized the criteria of assigning the state subsidies. Meanwhile, some respondents argued that initially subsidies were meant as a prize for quality, and were assigned to the best amateur groups. They would like to withdraw the current system of modest state subsidies to artistic leaders of amateur art groups. It was proposed to change the assignment criteria in order to motivate the best amateur art groups for achieving excellent results, instead of assigning very small and demotivating salaries. Majority of municipalities contribute additionally to the salaries of leaders of amateur art groups. Still, salaries for amateur art group leaders were considered as insufficient both by the respondents of the focus group discussion and by the respondents of the survey of leaders of amateur art groups, as 61
percent of respondents admitted the need to increase salaries for the leaders (Research Centre of Latvian Academy of Culture 2014a). Other respondents of focus groups proposed introducing a regional index to assign higher subsidies to more distant municipalities, because travel expenses of an amateur art group leader might be higher when coming to a small village as compared to a more centrally located town or city. Concerning the subsidies from the municipalities for the amateur art groups and their leaders, the majority of respondents also addressed the need for clear qualitative criteria in assigning subsidies. Several municipalities2 have introduced the following quantitative and qualitative criteria: achievements (awards in competitions); participation in concerts, events or performances (number); qualification of the leader of the amateur art group; and cultural activity of the amateur art group (taking part in exhibitions, local events, and creative initiatives). However, these criteria dismiss any evaluation from the audience or numbers of spectators in the concerts. Respondents of focus groups proposed that the main problem for the officials of municipality is to decide whether to support all amateur groups equally, or to give more to those who have achieved higher results and popularity. This topic was not analysed in detail during the focus group discussion and may require additional examination. The preliminary observations suggest that local government has no proper instruments to influence the productivity of the amateur art groups.

There was a consensus among the respondents that subsidies (from either the state or municipality) for the salaries of amateur art group leaders were indispensable factor for the successful development of amateur arts in Latvia. Lack of professional artists that could lead amateur art groups was a significant problem especially in more distant regions of Latvia. Focus group respondents saw the lack of financial motivation (remuneration) as a major reason for this. They also mentioned the deficiency of support for costumes and travel expenses to national and international level festivals and competitions, which in other leisure time activities would be considered as a legitimate spending of the participant him/herself. Respondents of focus group discussions suggested that participant of amateur art dance group usually cannot afford to pay for a traditional costume, which might cost at least 500 euros. Therefore, it is considered that municipality has to cover costs of participation in amateur art activities because it contributes to the quality of life and social cohesion. Moreover, artistic groups, such as choirs, dance groups or folk ensembles represent municipality on a national, regional and even international level, and amateur groups serve not only for building local identity and community pride, but also as a marketing tool to form the public image of the municipality.

Tax concessions for amateur art activities are applied indirectly. The Law on Enterprise Income Tax (1995) provides a Tax Rebate for Donors. Tax shall be reduced by 85 percent of amounts donated to certain type of institutions, including budget institutions and societies and foundations, to which the public benefit organisation status has been granted in accordance with the Public Benefit Organisations Law. The tax rebate may not exceed 20 percent of the total amount of tax (Saeima 1995). Usually amateur art groups in Latvia operate as municipal entities; therefore, they cannot benefit from the above-mentioned tax concessions. Respondents of the focus group discussions acknowledged that increasingly more municipal amateur art groups had established another legal entities—non-governmental civic associations or foundations that allowed fundraising from diverse foundations, donors or sponsors and used benefits from tax concessions. However, this is still a tiny part of all amateur art groups in Latvia, as it requires additional skills of entrepreneurship and management.

Assistance to consumers is a side effect of amateur art activities, as the most of amateur art activities, such as concerts or festivals are offered free of charge. Several cities have membership cards or discount cards that also offer discounts for cultural events to increase the consumption of culture. Respondents of the focus group discussions were not aware of consumer or audience segment in the process of amateur art activities, even though the major focus of the study was on performing art activities (choirs, dance, and folk groups) that essentially involved audiences.

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2 Municipalities of Talsi, Valka, Vecumnieki, Krustpils, Tukums.
Even though the study aims to identify and understand relevance of public incentives in the field of amateur art, we cannot neglect the fact that in majority of countries amateur art is self-financed leisure time activity. The results of focus group discussion show that majority of participants in amateur art activities in Latvia are not very supportive to the need of co-financing their participation in amateur art activities. For the most part, it was perceived as an obligation of the state and municipalities. Respondents also mentioned there were huge differences among amateur arts groups’ participants concerning their ability to co-finance activities. Some of them could afford to co-finance a trip to an international festival, but the majority of the group were not able to pay for it. Some respondents admitted that those amateur artists who had contributed financially to their activities were more accountable for their responsibilities than those who had not. The respondents shared the viewpoint that small individual financial contributions would be necessary.

Similarly as in other post-soviet countries, direct provision of cultural goods and services is one of the most significant fiscal measures in supporting amateur arts in Latvia. Subsidies and grants for cultural producers, which are among the most popular fiscal measures in Europe, is a significant tool in Latvia as well. However, in financial terms it does not make the largest share of financial support for amateur art activities.

There is an increasing tendency that some amateur art groups establish non-governmental associations in order to diversify the funding sources and become more sovereign from any direct provisions from municipalities.

Regarding the above-mentioned, we can see that in financing amateur arts in Latvia all the sectors—the state, the municipalities, the non-governmental and private sector, and the individual contributions from the amateur art participants are involved. The state and the local government still play the main role in financing the amateur arts, but we can see a slow change towards the self-organization and fundraising (at least in the larger cities).

Further research may include in depth analysis of the instruments municipalities could use to influence the quality and performance of amateur art groups. A detailed study on the financial contributions from the state, municipalities and participants is needed to understand the overall picture of financing amateur arts in Latvia and proportion of contributions. Moreover, a more profound comparison between the post-soviet countries and Western European countries could expose more differences in motivation and funding of amateur arts.

Conclusions

Even though it might seem that participation in amateur arts is a private choice and responsibility of an individual, today we witness growing significance of the amateur arts sector in public policies. It is because of the positive effects and impacts not only for a particular individual who joins the amateur art activities, but also for social groups, local communities, and even the state. The most important effects amateur art creates are social, educational, cultural, and economic impact. As the review on the cultural policies in Europe clearly demonstrates, participation in amateur art activities is not only financed through individual contributions for individuals’ leisure time activities, but is heavily supported through different public incentives.

Public incentives in culture are usually justified by the need to rectify market failure, as it is the case of subsidizing professional art organisations, or by the objectives set by the cultural policy. In case of amateur art activities, the reasoning behind subsidies or other forms of support are mainly the objectives set by the cultural policy, such as increasing participation in culture, ensuring equal access to culture, fostering creativity and life-long learning, etc. Amateur arts, having great social, educational and economic impact, link cultural policy with social, economic, or education policies. However, despite the wide horizontal impact on different sectors, support for amateur art in most cases is perceived as a responsibility of ministries of culture, cultural departments at municipalities, or cultural foundations. One of the tasks of amateur art associations and umbrella organisations in
the future could be a campaign for a better understanding of diverse impacts of amateur arts on different sectors and urging other ministries (not only the ministry of culture) to get involved in supporting the amateur art activities. It is obvious that amateur culture goes beyond the mission of the ministries of culture, as it tackles such issues as social inclusion and social cohesion, sustainable development, job creation, development of the knowledge based society, and lifelong learning. Amateur art serves as an important tool for social integration and community building, and public support can diminish social stratification of amateur art participants. Therefore, social arguments for supporting amateur art activities are to be reinforced in political agenda.

When analysing different types of public fiscal measures for the amateur art in Europe, the most common ones are subsidies and grants both on the national and local level. They are distributed either as subsidies to organisations or grants for concrete activities and individuals. Also in Latvia, the amateur art groups may receive subsidies and grants. However, for the most part, in the post-soviet countries, including Latvia, direct provision of cultural services is prevalent. Mainly it concerns the network of cultural houses or centres which host and support amateur art groups and which are established and operated by the municipalities. Due to this Soviet “heritage,” the participants of amateur art groups tend to perceive public support for amateur art as self-evident, while individual contributions and self-organisation are not so widespread. Channelling the public support not as direct provision of cultural services, but mainly in the form of subsidies and grants might be the possible solution. This is a common system in Western European countries, however, this could require also a legal change of cultural centres and amateur art groups. This might require such expertise as entrepreneurship, communal sharing, self-organisation, individual contributions and fundraising among the members of the amateur art groups and increasing their self-confidence and accountability. This could ultimately lead to a more sustainable and powerful amateur art sector in the future.

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