

SITRa

#Kulttuurivos

THESES AND FUNDING PRINCIPLES

Phase 1 of the funding reform for the performing arts
and museums

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KulttuuriVOS Theses and funding principles:

Phase 1 of the funding reform for the performing arts
and museums

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Foreword

Finland's artistic and cultural life change and evolve in step with the world around them. The support structures of the arts and cultural heritage therefore need to be re-evaluated from time to time.

Central government funding of museums, theatres and orchestras has been in place for many decades, yet the world is very different from what it was when the system was originally established. The recent reforms were initiated as a reflection on the nature and breadth of the change needed. The current system has served Finland well, but proposals for a better system have been put forward. Finland has a fairly large cultural sector in proportion to the size of its population, and the scope of the support system may never reach everything that would deserve support. Support should nonetheless be allocated as efficiently and adequately as possible.

In this publication we present an overview of the current state of Finland's cultural sector, the changes needed, the objective aimed at as well as the financing methods that would support these objectives. The overview is broken down into eight theses and four funding principles. These eight theses include the key topics that the funding reforms, or other measures, can and should influence.

The theses and funding principles were inspired by the discussions around the funding of the arts and cultural heritage, facilitated by Sitra in the autumn of 2016.

Sanni Grahn-Laasonen, Finland's Minister of Education and Culture, started this work with the aim of gaining a broader picture of the sector as a premise for the reforms.

A working group of 20 experts appointed by the Ministry of Education and Culture contributed to the work's core content.

The process lasted nearly six months and involved countless discussion, in the experts' own workshops as well as in various events held by the cultural sector. The process also involved gathering data and clarifying open questions related to the theses. The expert working group's excursion to Stockholm allowed its members to familiarise themselves with the strengths and reform objectives of the equivalent Swedish system. Selected responses from the January 2017 survey and from the feedback received in the workshops are quoted in this publication. These quotes do not necessarily represent the view of the expert

working group, but have been chosen to represent the diversity of voices in the sector. The process is further explained at the end of the publication.

The theses focus on government funding reforms. Nonetheless, they also take into consideration factors that contribute to the success of art and cultural heritage but cannot be directly influenced by funding. The theses' subject areas and the funding principles have been identified, elaborated and defined in collaboration with the expert working group.

We would like to thank the members of the expert working group for their work throughout this intense process. Such a contribution on short notice demonstrates particular commitment and flexibility. The members of the expert group bore most of the responsibility for preparing and implementing the content of the stakeholder workshops. Sitra's team facilitated the work of the expert working group and organised the stakeholder workshops with the aim of optimal time use and widespread participation.

We would like to thank all the people who participated in one or several workshops last autumn, who expressed their views regarding the way forward and shed light on the challenges presented by the current state of arts and cultural heritage funding. We can conclude, based on the feedback received, that the stakeholder workshops have been a success and that participants feel they have genuinely been able to contribute to the final outcome. The expert working group also received feedback and ideas from Facebook discussions. We thank everyone who participated in it as well. A special thank you goes to the Lahti City Theatre for providing an excellent venue for the first autumn stakeholder workshop.

We would like to express our thanks to the Ministry of Education and Culture for encouraging this novel and original way of approaching legislative reform. The officials of the Ministry actively participated in this effort with their expertise of legislation and legislative development.

The work of the expert working group continues in 2017 under the direction of the Ministry of Education and Culture and in co-operation with Sitra. In the second phase (1 February 2017 – 31 October 2017), the working group will draft its proposal for reform of the funding system and the required legislative reform proposals will subsequently be prepared.

Helsinki, 13 February 2017

Jaakko Kuusisto, Chair of the expert working group
Helena Mustikainen, Project Director, Sitra

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Introduction

The task was to get as clear an overall picture as possible, with the future of Finland in mind, in the autumn of 2016.

In August 2016, Minister of Education and Culture Sanni Grahn-Laasonen appointed an expert working group of 20 people to reflect on the reform of funding (VOS) of museums, orchestras and theatres (including dance and circus). In addition, three important stakeholder events -- open to anyone with an interest in the arts and cultural heritage -- were held in the autumn of 2016. The KulttuuriVOS (reform of funding of museums, orchestras and theatres) Facebook page also served as a forum for discussion.

The Ministry of Education and Culture invited musician Jaakko Kuusisto to chair of this expert working group and a wide range of people representing the cultural sector to be the members. In addition to operators receiving state subsidies system, the endeavour strove to include non-institutionalised sectors of the performing arts, in other words representatives of performing arts organisations that are not covered by the VOS act (the act of state subsidies system). The members of the expert working group were not selected on the basis of any particular agenda, and the group was tasked with getting the best possible overall picture of the funding of museums, orchestras and theatres (including dance and circus) in the autumn of 2016, with the best interest of Finland's future in mind. Sitra commissioned reports on themes important for the reform in order to support the expert working group in its task. In addition, students from Metropolia University of Applied Sciences completed three student assignments on topics related to the reform.

The discussions conducted last autumn were incorporated into principles that will serve as the blueprint for the second phase of the funding reform. The expert working group will, in the second phase (1 February 2017 – 31 October 2017), draw up a proposal for reforming the funding system and will prepare the required proposals for legislative reform.

It is to appropriate to examine the funding of museums and of the performing arts as separate matters. Museum and the performing arts each have their own requirements and objectives, and the provisions for each are laid down in separate acts. Similarly, the guiding principle for the funding of museums and of the performing arts cannot be entirely uniform. The theses therefore refer to “the arts and cultural heritage.”

* See the presentation of the expert working group on page 8.

Theses and funding principles

The expert working group based its recommendations for the funding principles on theses. These theses describe the expert working group's vision for artistic and cultural policy. These theses take a stand on both funding reform and the larger cultural policy debate. Several international case examples that are of interest to Finland are also introduced at the end of this publication.

The expert working group's view is that legislation cannot on its own stimulate all of the vision arts and cultural heritage. It is therefore important to support a stronger status for the arts and culture in society. The expert working group will propose starting points for discussion over cultural policy in the second phase of the reform.



Why Sitra?

Sitra's role has been to contribute its facilitation expertise, as well as a future-oriented and a citizens-oriented perspective, to the process. Sitra's role in the autumn of 2016 was to communicate on progress and to engage the artistic and cultural sector in the reform work. Sitra organised several expert working group workshops and three large stakeholders events for this purpose, each attracting 150–200 influencers from the arts and culture sector.

Sitra is a politically-neutral organisation under the authority of the Finnish Parliament. It has no political interests or agenda with regards to the cultural sector.

In Sitra's strategy, the arts and culture are seen as a means to reform society. Society cannot renew itself without creativity, and sustainable wellbeing cannot be achieved without a vibrant artistic and cultural sector. Funding of the arts and cultural heritage is an investment towards a civilised and free society capable of renewing itself. This work also enjoys strong popular support: Finns believe it is extremely important to safeguard the availability of the arts and culture, now and in the future.*

As a forward-thinking organisation, Sitra observes today's society from the angle of future generations as well. The elements from our time that will be left to posterity are directly tied to the preservation of cultural heritage. It is essential that Sitra support dynamism in the arts and cultural heritage.

* See for example "Finnish Cultural Fund: Finns' views on culture 2013" (in Finnish), Finnish Cultural Foundation/TNS Gallup 2013.

What VOS?

The current system of funding museums, theatres and orchestras (state subsidies system, VOS) was created in the early 1990s and replaced earlier discretionary funding methods. The system of state subsidies system is based on a mathematical formulae and the size of the subsidies depends on the number of person-years and the unit price of each person-year. State subsidies system is an essential tool in steering arts and cultural policy.

Properly-allocated subsidies ensure the sectors will continue to grow and safeguards the sector's services. A total of 121 museums, 57 theatres and 28 orchestras are currently within the scope of state subsidies system.

STATE SUBSIDIES SYSTEM IS BASED IN THREE ACTS: THE ACT ON THE FUNDING OF EDUCATION AND CULTURE, THE MUSEUMS ACT, AND THE THEATRES AND ORCHESTRAS ACT

State subsidies system is paid to the administrator of the institution in question and towards covering the institution's operating costs. The institution's administrator may be the municipality, a private foundation, an association or a limited company. Municipalities are not statutorily responsible for operating museums, theatres or orchestras, but the principles for state subsidies system is set by law. These principles are based on the Museums Act (Museolaki 792/1992), the Theatres and Orchestras Act (Teatteri- ja orkesterilaki 730/1992) as well as tasks and principles recorded in the government decree on museums. State subsidies system is paid in accordance with the Act on the Funding of Education and Culture (Laki opetus- ja kulttuuritoimen rahoituksesta 1705/2009).

The 20 members of the **expert working group**



Chair of the expert
working group
Jaakko Kuusisto
Musician



Iris Autio
Managing Director,
Tero Saarinen Company



Jussi Fredriksson
Executive Director,
Flame Jazz



Kalle Kallio
Museum Director,
the Finnish Labour
Museum Werstas



Teemu Kirjonen
General Manager,
Lahti Symphony Orchestra
(Sinfonia Lahti)



Kati Kivimäki
Museum Director,
Forssa Museum



Maaria Kuukorento
Executive Director,
Theatre Centre



Jarkko Lahti
Actor



Saana Lavaste*
Professor of Directing,
University of the
Arts Helsinki



Kimmo Levä
Secretary General,
Finnish Museums
Association



Tapani Länsiö
Lecturer,
Sibelius Academy



Päivi Partanen
Director of Museum
Services, Museums of
Lappeenranta



Tommi Saarikivi
Managing Director,
Association of Finnish
Theatres



Aila Sauramo
Executive Director,
Association of Finnish
Symphony Orchestras



Johanna Selkee
Senior Specialist,
Association of Finnish Local
and Regional Authorities



Veli-Markus Tapio
Senior Specialist,
Finnish Cultural
Foundation



Joachim Thibblin
Director,
Espoo City Theatre



Petri Tuominen**
Circus artist



Vice-chair during phase 1,
member during phase 2
Helena Mustikainen
Project Director, Sitra



Member during phase 1,
vice-chair during phase 2
Riitta Kaivosoja
Director General,
Ministry of Education and Culture

* Photo: Tarmo Valmela.

** Photo: Petri Tuominen. Other photos: Robert Örthén



THESES

The main purpose of the autumn 2016 work was to jointly and accurately define the current state of funding of Finnish arts and cultural heritage, and where change is needed. The results of these discussions were summarized in eight theses. The theses were elaborated on at two large stakeholder events, one in Lahti on 3 October and the other in Helsinki on 11 November, as well as during the expert working groups meetings and in online forum discussions.

The theses are the foundation for the expert working group's proposed funding principle (see p. 28-31). The theses justify where change is needed and do not as such take position on funding system itself.

The arts and cultural heritage are the foundations **of a civilised state**

The arts and cultural heritage and their funding are recognized in Finland and internationally as a civilised state's basic function. Finland's cultural policy is grounded in the its Constitution which among many things safeguards freedom of the arts, individuals' right to education, equal rights, freedom of speech and the right to protect one's language and culture. Furthermore, the Constitution argues that cultural heritage is the responsibility of everyone.

The central government funds the arts and culture in all civilised nations, and all of Finland's dominant political movements agree on this premise. Regional and cultural policy take the view that all regions of Finland should support the wellbeing of citizens and allow them to actively participate in their community. The increasing number of new operators in culture sector should therefore also be taken into account in allocating central government funding to culture.

Funding the arts and culture is an investment in a free and open society. The arts and cultural heritage are the starting point for all societal change and growth. Studies prove that investing in the arts and culture generates innovation and consequently more jobs and economic growth. Finland is already an important nation with regards to culture. However the arts, culture and cultural heritage must be given proper appreciation and their contribution to wellbeing and the nation's vitality given more emphasis.

The policy alignment for funding of the arts and culture contribute to the Finland's image abroad. The arts and cultural heritage give an image of an interesting and diverse country. The arts and cultural heritage form the identity of people and communities and give society its diversity and integrity.

All principles resulting from this reform will be based on these cultural objectives.

The starting point for the reform

- The arts and cultural heritage are nationally and internationally recognised qualities of a civilised state. One of the basic duties of the state is to fund them.
- The state has a duty to give everyone a chance to improve their own lives regardless of their wealth.
- A regional cultural offering ensures that everyone's right of access to the arts and culture is guaranteed across Finland. The arts and cultural heritage are an integral part of people's daily life.
- The increasing diversity of operators is reflected in the size of central government funding.

"The increasing diversity of operators is reflected in the size of central government funding."

93%

OF RESPONDENTS * SEE A NEED FOR CHANGE

* A total of 280 people responded to the stakeholder survey in January 2017. The need for change was rated as high by 60 per cent and moderate by 33 percent of the respondents.



PLEASE NOTE.

The case examples mentioned in the following pages can be found on pages 36-39.

- Funding of the arts and culture supports a civilised, free and open society.
- The arts and cultural heritage give an image of an interesting and vibrant country with a diverse culture.
- Investing in the arts and culture supports the creative sector and generates jobs throughout Finland. The arts and culture are a precondition for innovations and lay the foundations for economic growth.
- The arts and culture are growing export sectors.
- Central government funding in the arts and culture encourages other investors to support cultural events.

The arts and cultural heritage resonate widely with the public

The current state and the need for change

Everyone has the right of access to the arts, culture and cultural heritage. The threshold for participation in artistic and cultural services must be kept low, now and in the future.

Finnish museums, theatres and orchestras provide services that are easily accessible. They also carry out high-quality audience development. In the future, more attention must be paid to accessibility requirements, the changing tastes of audiences and the growing proportion of people in our society whose native language is neither Finnish nor Swedish. These aspects must particularly be brought up to date in both the content of services and the goals and practices of audience development.

The opportunities brought about by technological development and digitalisation must also be made better use of.

Artistic and cultural institutions must be required to form an active and engaging relationship with their audiences. The audiences' views on artistic and museum services must be listened to even more carefully. Audience development should be an integral part of the operations of every cultural institution. New methods for engaging the public and opening a dialogue must be developed by all art and by cultural operators.

The aim should be to increase the audiences and widen the audience base (children and youth, for example), and attention must be paid to the changing tastes of audiences. Activities must be based on engagement, availability and accessibility. Attention must be paid to the changes taking place in society, and the diversity of languages and cultures when developing the activities.

The arts and culture have numerous positive effects on people's activity in society and on the community spirit. These social effects can be better supported by means of more effective audience development that encourages accessibility.

**CASE
EXAMPLE:**

Metropolitan
Opera and
digitalisation

The objective

- A threshold for participating in artistic and cultural services is low. Audience views and needs are heard.
- Culture is accessible to everyone: attention is paid to requirements of accessibility and cultural diversity.
- The aim is to attract new generations and a wide audience.
- Artistic and cultural work engages individuals and communities interactively.
- Artistic and cultural services cooperate widely with other sectors.
- Digital services improve the accessibility of the arts, culture and cultural heritage.

"The aim is to attract new generations and a wide audience."

84 %

**OF RESPONDENTS * SEE
A NEED FOR CHANGE**

* The need for change was rates as high by 51 per cent and moderate by 33 percent of the respondents.



Skills make the arts and cultural services possible

The current state and the need for change

The artistic and cultural sector is labour-intensive, which means that it requires work performed by people. It has been estimated that the income and benefits of those in permanent jobs and the income and benefits of freelancers have now taken different directions. The differences are apparent in healthcare and pension arrangements for example.

Artistic and cultural sector operators need competent people who are paid fair compensation for the work they do. The sense of security regarding work and income plays a central role in an individual's wellbeing.

The key questions often asked about employment and income in the culture sector are, for instance, the following: how does the funding system react to the increasingly precarious work of artists? How will artists be employed in the future and to do what? Should the money from state subsidies system be used to support internationalisation? Furthermore, attention should be paid to giving artists opportunities to do long-term work across Finland and making artists' higher education benefit the entire nation. It is not possible to answer these questions by only reforming the funding system, but these are nevertheless central issues regarding the availability of the arts and culture.

The primary purpose of public funding is not to employ artists or other cultural sector professionals, but the realisation of accessible, high-quality art and culture is the starting point of all change.



**CASE
EXAMPLES:**

Teateralliansen,
Malmö cultural
platform

The objective

- The arts and culture sector is grounded in the work of qualified professionals.
- People working in the arts and culture sector are given fair compensation for the work they do.
- Differences in income and employee benefits between artists in permanent employment and those who operate on project work or freelance contracts have narrowed down.
- Arts and culture sector operators are able to carry out long-term work across Finland.
- The growth and career paths of professionals are given proper support.
- Museums engage in collaborative research with universities and other higher education institutions, and encourage scientifically-oriented postgraduates in fields such as museology.
- Foreign artists residing in our country enjoy equal opportunities. Similarly, cultural export generates work and income in the arts and culture sector.
- Adequate working terms and taxation practices make the offering of arts and culture possible.

The scope of operators is redefined, production models are reformed and **opportunities are given to new sectors of the performing arts**

The current state and the need for change

As laid down in the Act on the Financing of Education and Culture (Laki opetus- ja kulttuuritoimen rahoituksesta 1705/2009) “state subsidies system may be granted to the maintainer of a museum, theatre or orchestra towards the operating costs caused by the above-mentioned operations”. The Theatres and Orchestras Act (teatteri- ja orkesterilaki 730/1992) and the Museums Act (Museolaki 729/1992) lay down the conditions under which museums, theatres and orchestras are entitled to state subsidies system.

New sectors of the arts and culture must in the future have better opportunities to access funding. With regards to the performing arts, this means that legislation should not restrict the requirements for funding to specific and categorized sectors of the arts. Instead, legislation should apply to the performing arts more widely.

Greater variation and renewal of the operations and operators within the scope of state subsidies system should be made possible. Renewal may also take place by improving the operating practices of the current operators and reforming structures. The current system has not been deemed to provide new operators with sufficient opportunities to access stable funding.



"The Theatres and Orchestras Act is to be replaced with a new performing arts act."

81 %

**OF OPERATORS IN THE
FIELD OF DANCE SEE THE
NEED FOR CHANGE
AS HIGH**

The objective

- Finland's central government funds professional operators with a strong relationship with their communities, well-managed finances and the ability to specialise when necessary.
- The list of operators who receive regular funding is occasionally renewed.
- The Theatres and Orchestras Act is to be replaced with a new the performing arts act.
- The creation and development of new production models is promoted.
- Operators make strategic choices and create profiles in line with their own policies or tasks.

Central government funding should be used to support operators that work on a professional basis and are able to engage in interaction with their community, cooperate among themselves, maintain balanced finances and, if necessary, specialise in appropriate ways. Current funding does not sufficiently support the creation of new production models or the development of new kinds of production methods.

Choices instead of equal distribution

The current state and the need for change

To secure the high-quality of artistic and cultural services whilst taking into account the societal changes, we must make choices and diversify the types of funding. Due to the central government's financial situation, it is possible that the amount of central government funding to art and culture will not increase significantly in the coming years.

Resources must be divided so that new sectors have better opportunities to access public funding, without older sectors suffering as a consequence.

The current practice is that cuts and increases in the unit price of state subsidies system affect all operators. Furthermore, when new operators are accepted in the system of stable funding, the share received by the others is reduced as a rule, unless the amount of money distributed is increased proportionately.

Continuity, predictability and a certain degree of transparency are the strengths of the funding system based on calculated subsidies. Operators within the scope of stable funding can plan their operations in the long term and provide employment opportunities for professionals of the arts and culture. However, we should investigate what kind of financing choices and practices can be used to encourage higher quality, better management of the organisation or clearer profiling (for example) from operators in the arts and culture sector.

The objective

- Choices are made to ensure high-quality art and cultural services in spite of changes in cost levels.
- The reasons behind decisions made, the decision-making process itself and the criteria, as well as their respective interpretation, are clear and transparent.
- The funding principles balance preservation and dynamism.
- Important decisions result from intensive interaction between decision-makers and operators. Artistic and cultural services are made possible and developed throughout the country by specialisation and co-operation.
- The increasing diversity of operators is taken into account in funding

“The reasons behind decisions made, the decision-making process itself and the criteria, as well as their interpretation, are clear and transparent.

93 %

**OF OPERATORS IN THE
FIELD OF THEATRE*
SEE A NEED FOR
CHANGE**

“The reasons behind decisions made, the decision-making process itself and the criteria, as well as their interpretation, are clear and transparent.

71 %

**OF THE OPERATORS IN THE
FIELD OF ORCHESTRA AND
MUSIC** SEE A NEED
FOR CHANGE**

* The need for change was rated as high by 54 per cent and moderate by 39 percent of the respondents.

** The need for change was rated as high by 44 per cent and moderate by 27 percent of the respondents.

Emphasising the importance of assessing the quality of activities

The current state and the need for change

Finland is a land of culture, in which popular, high-quality art is produced. The quality of Finnish museums is also high and they are popular and internationally renowned. However, the funding criteria do not pay sufficient attention to quality.

The high quality of the arts and cultural heritage work is also a key success factor with regards to the implementation of the regional, wellbeing and industrial policy objectives set for the arts and cultural policy. According to the DeVos Institute in the United States, activities that are ambitious in terms of their artistic qualities and content and accessible to a wide audience base are also the most profitable long-term strategy from an economic point of view. Organisations are in that case required to have an appropriate management system.

The high quality of an organisation's activities are the requirement for it to reach its artistic and content objectives. Although the level Finland starts with is good, it is still possible for organisations to improve and respond better to future needs and societal changes. Many organisations in Finland were founded at a time when demographic and economic circumstances were been different from the circumstances will face in the future. The principles of transparency and good administration will also be increasingly important in the future.

At present quality assessment is not uniform and the assessment methods, criteria and tools vary. Quality assessment could be improved in various ways, such as through self and peer-assessment and by taking into consideration the feedback received from the public in some way. A part of the quality and effectiveness of an organisation's activities can be assessed using quantitative indicators – such as the size of the audiences and funding. The National Board of Antiquities has, jointly with operators, drawn up an assessment model for museums in order to support the development of their activities as well as support them in learning from their own work.



The objective

- In assessing the preconditions for funding, both the quality of the organisation and the quality of the art are considered.
- Quality is assessed according to criteria specific to each sector.
- More attention is paid to the quality of management than had previously been the case

CASE EXAMPLES:

Devos – Institute of Arts Management, Arts Council Quality Metrics

In your opinion, how important is it to pay attention to the quality of the organisation's activities in determining the funding principles?

1. No attention should be paid to them.	4
2. A little attention should be paid to them.	4
3. Some attention should be paid to them.	20
4. A lot of attention should be paid to them.	39
5. They should be one of the core funding criteria.	17

KulttuuriVOS workshop in Helsinki on 11 November 2016)

Co-operation as a requirement for regional availability and vitality

The current state and the need for change

Finland's artistic and cultural policy is based on the principle of regional availability, which means that high-quality artistic and cultural services are safeguarded throughout the country. Regional arts and museum operators provide opportunities for citizens to access high-quality culture. They also maintain the vitality, attractiveness and community spirit of regions, and give people an opportunity to participate in society

Artistic institutions and museums that receive state subsidies system form a strong, clear and comprehensive network in the region. In addition there are many other professionally run organisations that operate outside the scope of state subsidies system in the theatre, dance, circus and music sectors. Some receive discretionary funding. The number of operators in this non-institutionalised arts sector has been increasing.

Co-operation and interaction between artistic and cultural operators must improve. New operating models and practices can be developed through dialogue to ensure art and museum services are available to different population groups at a regional level.

Urbanisation and demographic change such as the ageing population and rising immigration put increasing emphasis on the appropriate future implementation of the principle of regional availability. The current regional government reform may also influence the operating requirements of arts and museum operators. In comparison to operators in the region, the role of provincial capitals may in the future be fairly different from what it is now. Facilities such as theatre buildings should be made available to as many cultural operators as possible.



"Current structures are reformed where needed and activities are reinforced by co-operation and tours."

80 %

**OF OPERATORS IN THE
FIELD OF CIRCUS SEE THE
NEED FOR CHANGE
AS HIGH**

**CASE
EXAMPLES:**

Wales National
Theatre, Circus
and residences

The objective

- High-quality artistic and cultural services are provided everywhere in Finland and are a wealth for their regions.
- Current structures are reformed where needed and activities are reinforced by co-operation and tours.
- A strong regional organisation is also the requirement for tours.
- Provincial museums and local arts museums handle local tasks as one museum with region-wide responsibility.
- Facilities suitable for the arts and culture are used appropriately by as many organisations and as many people as possible.

Another important question is that of how provincial and local arts museum systems can jointly serve Finland as one museum with region-wide responsibility. Higher state subsidies system to provincial museums, local art museums and national specialised museums should be replaced with task-specific funding. Regional tasks should also be better identified and funding should support the availability of equal services throughout the country.

Cultural heritage is **genuinely everyone's responsibil**

The current state and the need for change

Under the Constitution of Finland, cultural heritage is the responsibility of everyone. Museums are an important partner in this task as, jointly with other partners, they ensure that the cultural heritage is visible and properly maintained. Cultural heritage is an essential part of building the society of the future and unifying society.

According to the National Board of Antiquities, there are more than 1,000 museums in Finland. The number of professionally-run museums open throughout the year exceeds 300. The Museums Act states: "Museum activities are aimed at maintaining and strengthening the population's understanding of their culture, history and environment. Museums should promote the availability of information on cultural and natural heritage by recording and storing material and visual cultural heritage for future generations, by carrying out relevant research, teaching and communication of information, and exhibition and publication activities."

The museum of the future preserves, promotes and conducts research on cultural heritage in the public interest jointly with its partners and communities. Collections are and will continue to be at the heart of museum work. Museums also safeguard cultural environments, natural heritage and intangible cultural heritage with high-quality collection work. Rapidly-developing technology and digital material will provide museums with new opportunities to widen audiences and the types of material presented.

Museums enable the creation and development of different networks and encounters with their own materials, knowledge and expertise. The museum of the future strengthens cultural resilience and diversity in society. Audience development, a customer-oriented approach and specialisation are central requirements for successful transformation and are already accepted and adopted principles within Finnish museums.*

* The museum thesis is based on the work of the group working in parallel on museum policy (mupol), as well as the reform of state subsidies system (VOS reform).

Cultural heritage materials are widely available in digital format."

94 %

OF OPERATORS IN THE MUSEUM FIELD* SEE A NEED FOR CHANGE

The objective

- Maintaining cultural heritage is the responsibility of everyone. Museums remain experts on cultural heritage and a partner for its implementation.
- High-quality collection work will remain at the heart of museum work. National co-operation in recording and managing collections will contribute to achieving sector objectives.
- Cultural heritage is a wealth that looks to the future and unites society.
- Cultural heritage materials are widely available in digital format.
- Museums are meeting points and they strengthen the right of communities to their own cultural heritage.

CASE EXAMPLES:

Interesting practices in the museum sector



* The need for change was rated as high by 51 per cent and moderate by 43 percent of respondents.

4

PRINCIPLES

The expert working group drafted the funding principles in the first work phase. A wider discussion around different perspectives on these principles was conducted at stakeholder events in Helsinki and Oulu on December 9th. The funding principles are the starting point for creating a concrete funding model.

The second work phase will define the principles further. The definition, quantity and applicability of categories that recognise the different types of operators will be reviewed in the next phase with, among other methods, test calculations. The funding system described in the principles would combine calculation-based funding and a new kind of discretionary funding. In the second phase, the elements of the new kind of discretionary funding and better recognition of the specificities of operators will be analysed and tested in more detail.

Funding principles

1.

The funding system for the performing arts and museums takes the various cultural needs in society into account.

- The funding system should adapt to the changing needs of different operators.
- The performing arts and museums are supported with both long-term and short-term funding.
- Different forms of discretionary funding are developed in parallel to calculation-based funding.
- The funding system promotes diversity in the performing arts.
- The purpose of the different forms of funding is to encourage the development of activities and structures and to allow for variation among performing arts operators.

2.

Regional availability and diversity of services is ensured.

- The aim of the funding system is to ensure high-quality operation throughout the country.
- Permanent funding for regional operation is reinforced with new funding elements that make co-operation more efficient through visits, tours and collective productions.
- Funding for regional and national tasks of museums is ensured.
A reformed funding system allocates funding on the basis of regional and national tasks.

3.

The reform gathers central government funding into one entity consisting of categories that recognise different types of operators and task-based elements.

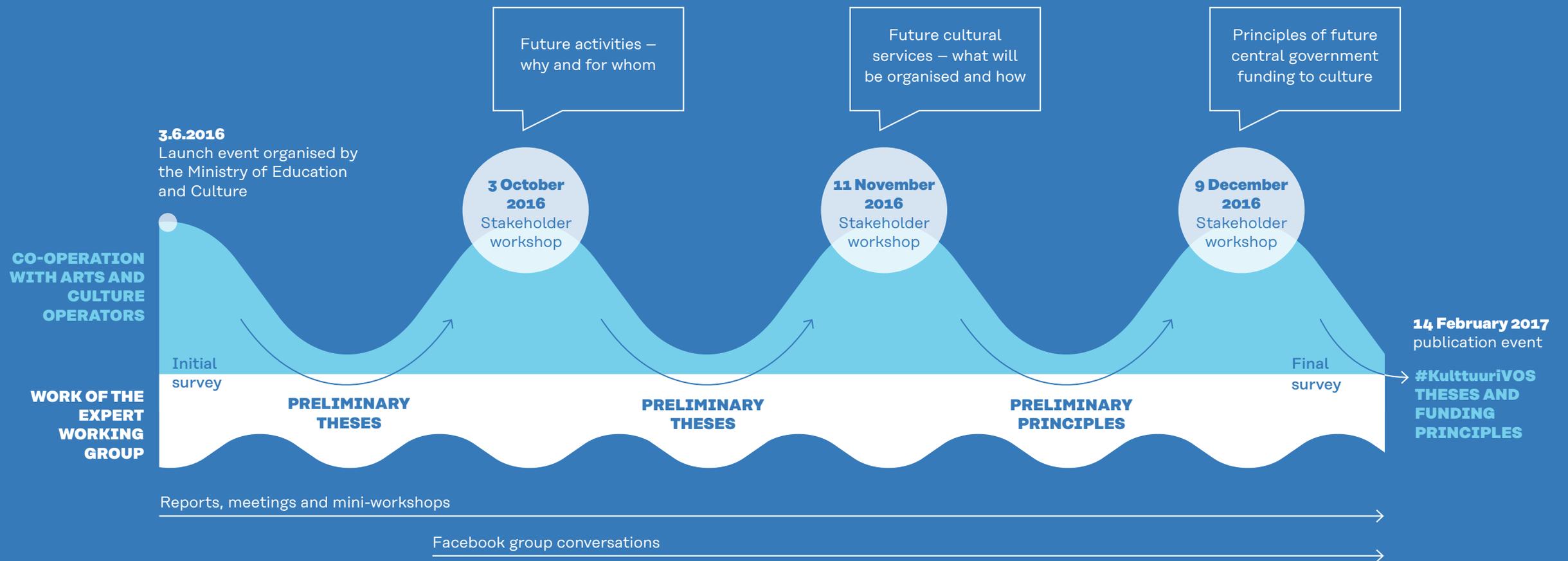
- The new funding entity will replace current state subsidies system to local authorities, related government aids and discretionary funding.
- Specific suitable categories will be defined for the performing arts and museums.
- The entity will include both calculation-based and discretionary funding.
- The structure of calculation-based funding is clear and transparent.
- Calculation-based and discretionary funding of different categories can be combined and their relative proportions may differ from one another. For example, funding for performing arts organisations would typically be a combination of calculation-based and discretionary fundings.
- The system also includes targeted task-based funding in order to implement specialist tasks.

4.

The fulfilment of criteria in all categories is examined at intervals of varying lengths. This creates opportunities for both long-term operation and, in the case of performing arts, variation.

- The planning of long-term operation is promoted with funding decisions concerning several years. The eligibility of the operators within the scope of calculation-based funding is also assessed at regular intervals.
- Eligibility for a specific category and funding decisions are based on clear and transparent criteria. Eligibility is assessed at regular intervals.
- Funding encourages assessment, profiling and development.

KULTTUURIVOS ENGAGING PEOPLE



Progress from **workshops to principles**

Participation in legislative preparation implemented on this scale has never been done in Finland, and the experience gained is also valuable for other participatory processes.

The Ministry of Education and Culture invited Sitra to facilitate the interactive part of the reform's first phase. The guiding principle was participation: the aim was to have open discussion about the reform and its objectives between the different cultural operators before the start of the actual legislative preparation. Participation implemented on this scale in legislative preparation has never been done in Finland and the experience gained is also valuable for other participatory processes.

Sitra, which had facilitated similar processes before, built a process that was to be implemented during the autumn of 2016. This process was based on the work of an expert working group and stakeholder workshops open to everyone in the culture sector. A total of 150–200 representatives from the culture sector participated in each stakeholder workshop. In addition, by the end of 2016, more than 1,000 participants joined the KulttuuriVOS group created on Facebook.

The Ministry of Education and Culture launched this work by organising an event for cultural operators at the House of the Estates in Helsinki on 3 June. In August 2016, the Ministry appointed an expert working group, which met in the first workshop facilitated by Sitra on 26 and 27 September to prepare the content of the stakeholder workshop held in Lahti on 3 November.

In the first phase, the expert working group worked together on about 1 1/2 days per month and it was tasked with preparing large workshops for art and cultural operators: in Lahti on 3 October, in Helsinki on 11 November and in both Helsinki and Oulu on 9 December. It was possible to watch these events online in real time and the recordings are still available on the kulttuurivos.fi website. It was also possible to participate in the events by sending comments, questions and by participating in online polls using a web tool.

The workshops moved from the global megatrends of the launching event to concrete principles of central government funding. The backbone of the content were the theses, which were brought to the first stakeholder

workshops in the form of questions to be worked on. The material from the final discussions of the workshops were introduced for discussion to the KulttuuriVOS group on Facebook.

Content for the theses and insight towards the creation of the funding principles were also sought during the excursion to Stockholm, where the expert working group familiarised themselves with the strengths and development areas of the Swedish system, and prepared the November workshop. Eight theses describing the desired future state of culture were formed based on the 15 preliminary theses that had been worked on in the workshops in October and November. These theses are introduced on pages 10-27 of this publication.

The importance of the thesis and the need for change related to the desired state was assessed with a survey sent to stakeholders in the field of art and culture.* Based on the results of this survey, it can be said that the operators and the expert working group mainly agreed about the theses and their importance. Depending on the sector of the respondent, some differences of opinion were seen in a few questions assessing the need for change. For example, respondents in the museum sector found the availability of materials in digital form more important than the others and the representatives of the so-called non-institutionalised field of the performing arts saw a greater need for change in the development of new production models than the other respondents.

The first phase of the expert working group work facilitated by Sitra ended at the end of January 2017. The work will continue under the direction of the Ministry of Education and Culture and in co-operation with Sitra until October 2017. The second phase will continue to use participatory methods both in the work of the expert working group and in the workshops organised for cultural operators.



International case examples related to the thesis

Thesis 2: The arts and cultural heritage resonate widely with the public

METROPOLITAN OPERA AND DIGITALITY

The New York Metropolitan Opera (Met) makes its performances available for a global audience to see and experience in digital format in cinemas or as an on-demand service. These performances are particularly popular in Germany, Austria, France, Britain and Scandinavia.

<http://www.metopera.org/Season/Radio/>

<http://www.metopera.org/Season/On-Demand/>

http://www.huffingtonpost.com/zealnyc/met-opera-general-manager_b_11392306.html

<http://www.kauppalehti.fi/uutiset/kaukainen-rakkaus-ihan-vieressa/LQAtShsd>

http://www.huffingtonpost.com/zealnyc/met-opera-general-manager_b_11392306.html

Thesis 3: Skills make the arts and cultural services possible

TEATERALLIANSEN

Teateralliansen in Sweden provides actors with a unique artist's salary system. The alliance is owned by centralised labour market organisations. The theatre alliance is funded from the national budget – the government makes a proposal which the parliament decides on. The alliance provides freelance actors with a professional, financial and social safety network between the periods of employment and an opportunity engaged in continuous professional work. In addition to Teateralliansen, a music alliance and a dance alliance have also been created in Sweden.

<http://teateralliansen.se/>

<http://www.musikalliansen.org/>

<http://dansalliansen.se/>

MALMÖ CULTURAL PLATFORM

Malmö is a strongly multicultural and dynamic city, in which the idea of a cultural platform provides opportunities for new kind of encounters. The people living in Malmö represent almost 200 different nationalities. Buildings and spaces, such as the new Malmö Live or the old castle of Malmö, are shared efficiently.

http://ec.europa.eu/assets/eac/culture/library/reports/201405-omc-diversity-dialogue_en.pdf
<http://design-chronicle.com/malmo-live-represents-a-new-cultural-city-in-the-city/>
<https://www.designer.com/news/29409>

Thesis 6: Emphasising the importance of assessing the quality of activities

DEVOS INSTITUTE OF ARTS MANAGEMENT

The DeVos Institute of Arts Management (University of Maryland) in the United States specialises in research, education and consulting on management of the arts worldwide. The guiding principle of the institute is that strategic management and management expertise play a central role in the success of artistic and cultural institutions, and we should therefore invest in their quality. The international fellowship programme of the institute is aimed at arts managers across the world.

<http://devosinstitute.umd.edu/What-We-Do/Services-For-Individuals/Fellowship1>

ARTS COUNCIL QUALITY METRICS

Britain's Arts Council England, which administrates the public funding of art and culture, has launched a Quality Metrics project to assess the quality of the arts and culture. The project makes use of self-, peer and public assessment to assess quality. The aim is to help organisations gain an understanding of their operation and their opportunities for improvement, and to compare their operation with other similar organisations (benchmarking). Concept, presentation, distinctiveness, challenge, captivation, enthusiasm, local impact, relevance and rigour have been included in the core quality metrics. Self- and peer-assessment also include originality, risk and excellence.

<http://www.artscouncil.org.uk/quality-metrics/quality-metrics>
Orwellian nightmare or fairer system for all? What Quality Metrics will mean for arts funding, The Guardian, Oct 2016
<https://www.theguardian.com/culture/2016/oct/04/quality-metrics-arts-council-england-funding>

Thesis 7: Co-operation as a requirement for regional availability and vitality

CASE EXAMPLE: WALES NATIONAL THEATRE

The Wales National Theatre, founded in 2010 in Britain, is a strong network of cultural operators with no premises of its own. It is the national theatre of the area of Wales and the youngest national theatre in Britain. Because the community does not have premises of its own, it implements its productions in different facilities across Wales. These may be spaces indoors or outdoors, such as woods, parks or beaches and shores. A variety of culture professionals, sponsors and audience are engaged in the operations of the community. The community also has digital and virtual operations.

<https://nationaltheatrewales.org/>

<http://www.arts.wales> <http://community.nationaltheatrewales.org/>

CIRCUS AND RESIDENCES

Residences for performances, work, teaching, co-operation and accommodation have proven good forms of public support in the operation of circuses. In France for example, residences are available to representatives of circus art and street art, and enable artists and groups to develop their projects in the long term, collaborate and make an impact in the region for longer than the mere duration of the tour. Similar residences are also available to circus artists in the United States.

<https://www.data.gouv.fr/fr/datasets/aide-a-la-residence-territoriale-pour-les-arts-de-la-rue-et-les-arts-du-cirque-2013-idf/>

http://www.circostrada.org/sites/default/files/ressources/files/lieux_residences_france.pdf

<https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/20072/Josh%20Francis.pdf?sequence=1>

Thesis 8: Cultural heritage is genuinely everyone's responsibility

INTERESTING PRACTICES IN THE MUSEUM FIELD

For example, JAMTLI, Louisiana, Ozeanium and Textielmuseum Tillburg, all of which have a particularly strong relationship with the public, are good examples in the field of museums.

- **JAMTLI** is a Swedish open air museum and a living history theme park with a wealth of participatory and functional activities such as role plays and accommodation services. JAMTLI's operation is based on a foundation. Special attention has been paid to children and young people, and to refugees and multiculturalism.
- **LOUISIANA** is a Danish museum of modern art that combines visual arts, architecture and landscape architecture. The museum is known for its internationally important exhibitions that provide new perspectives. Louisiana is privately owned. One quarter of the funding comes from private donors.
- **OZEANEUM** in Germany is an oceanographic museum that combines a traditional museum with huge aquariums. The museum introduces the Baltic Sea and northern seas in a way that is interesting to visitors of all ages, and is also well linked to the Unesco World Heritage Site surrounding it.
- **TEXTIELMUSEUM TILLBURG** covers the history and traditions of textiles as well as modern design. The innovative TextielLab is linked to the museum. Education, live activities and creativity play a central role in the museum's operation.

<http://www.jamtli.com/>

<https://www.louisiana.dk/>

<http://www.hs.fi/kulttuuri/art-2000002696556.html>

<https://www.ozeaneum.de/>

<http://www.textielmuseum.nl/en/>

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Katja Lindroos (not in the photo)



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It's great that the discussion was made possible in the north of Finland too!

Hopefully the decision-makers will equally understand how important this issue is and how wide-ranging its effects are.

How wonderful that the process is carried out this way in spite of the problems and challenges!

Our understanding has increased as to how extensive this issue is and how many different points of view there are, but so did the pain caused by this knowledge.

It is good that the issue is looked at from different points of view and according to a timetable.

Unfortunately, the timetable of the workshops was far too tight.

Peer interaction was very productive in this event as well.

A participatory process for the development of public funding to culture is rare at international level.

This may even succeed.

SITRA