

# Cofog after Covid

## Comparative Eurostat data on public financing of culture, 2004-2021

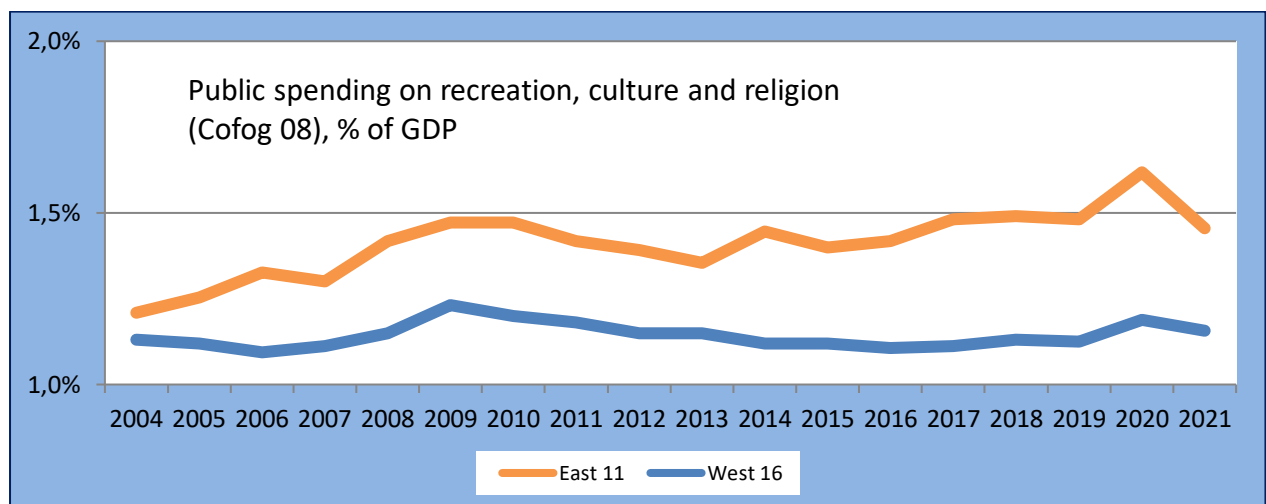
Each spring Eurostat updates its Cofog (Classification of the Functions of Government) data, and I extract cultural statistics with a focus on post-communist countries in the EU. You can read about methodology and find more detailed commentaries on the previous versions of these diagrams [by clicking here](#). The largest rendition covers the period between 2014-2017. This current paper summarizes only the most notable aspects.

The main question was whether the pandemic has created turning points in public funding for culture in European countries. Besides Covid, the other fatal development was Brexit: as of 2020, the group of “western” countries has shrunk from 17 to 16.

As said above, you can find in-depth interpretation by [clicking here](#); there is also a [more concise](#) variant. Including, among other things, the explanation of the uses of “east” and “west”.

### Diagram 1

Cofog 08, “recreation, culture and religion” is a mixed bag that is often superficially identified as “culture”, which is one of its components.



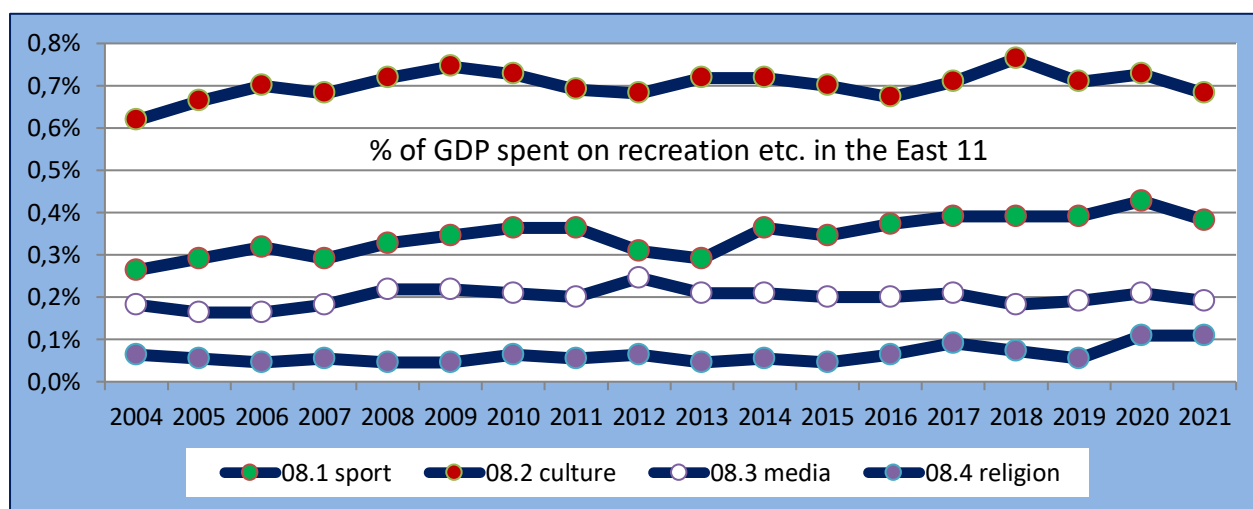
The final section of the curves is interesting. In relative terms, public spending on Cofog 08 has increased in the first Covid year. This is most likely due to the emergency measures in favour of the sectors particularly hard hit by the lockdowns. By 2021, that thrust has melted in the east, while some of the momentum has remained in the west.

Until 2019, Cofog statistics included the United Kingdom. Great Britain has been retrospectively removed from the schedules created after 2020. Regardless of UK size, this has not changed the cumulative data significantly.

## Diagram 2

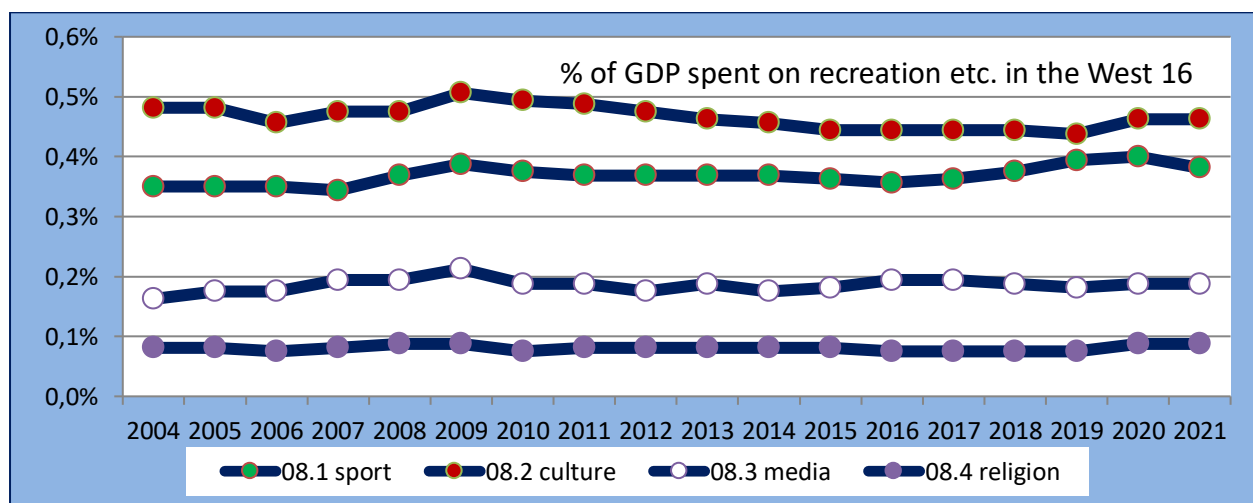
The diagram shows the degree to which culture proper (Cofog 08.2, commonly referred to as “arts and culture” in some countries) dominates Cofog 08. The leading position of culture is particularly evident in the eleven post-communist countries in the EU.

Decomposing Cofog 08 into its four components shows that the pandemic did not reinforce culture's privileged position: the above-mentioned emergency funding was more generous in all three other subcategories than in culture. Maintaining momentum, religion appears to be the winner of the coronavirus crisis.



## Diagram 3

The biggest difference in the diagram of the western spending on the four Cofog 08 categories relates to culture, which – unlike in the east – was able to maintain its level in the 16 old democracies in 2021.



(A technical note: the values in the diagram are derived from the average of national percentages. This is methodological nonsense; the correct figures would be the aggregate public financing amounts divided by the total population in the 11 or 16 countries respectively. They, however, would still be close of 0.68% and 0.46% of GDP for culture. Against this background, the current numbers are sufficiently representative of the issue.)

Diagram 4

Hungary and Iceland: so similar yet so different! Average spending on “recreation, culture and religion” reached 3% of the GDP each year in both countries. For Ireland, Eurostat is aware of half percent in all three years. Both extremes raise many questions. What a challenge for a thorough comparative analysis!

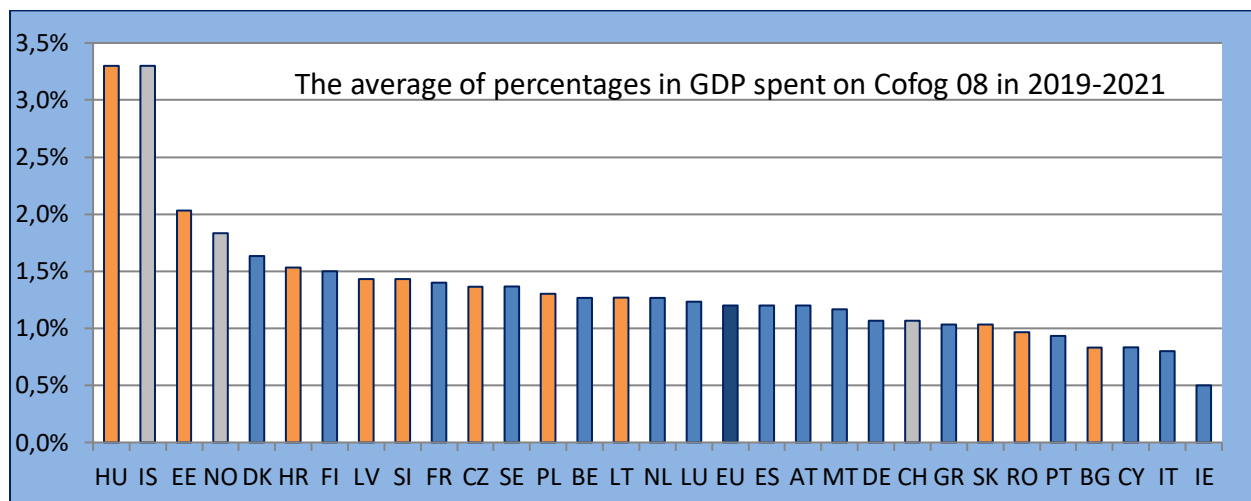


Diagram 5

Since culture (Cofog 08.2) is the dominant component within Cofog 08, the patterns of public financing on cultural services are very similar to the previous diagram. Hungary and Iceland stand out to a lesser extent, and Ireland cedes the unfortunate last place to Greece and Cyprus.

The two champions are above the mystified 1% mark in public financing of culture. Warning: this is about percentage in GDP and not in the budget. In addition, it includes both national and lower-level governments. And another kind of warning: the more is not necessarily the better.

A note on the EU average of 0.5%. The low percentages of large countries like Germany, Spain and Italy pull the European average closer to the lower end.

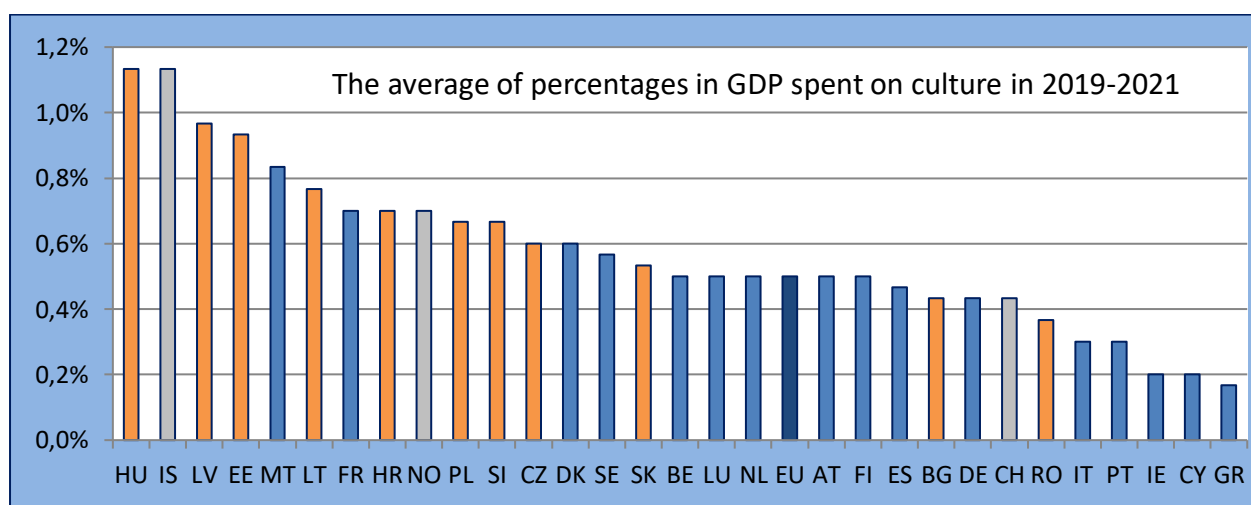


Diagram 6

The reason to give combined figures for the latest three years in the previous two diagrams was to exclude contingencies in individual years. Which do happen, as the dynamic between the latest two years demonstrates on this diagram.

It remains to be seen whether the spectacular changes reflect differing responses given to the coronavirus or they signal shifts in government priorities independent of the pandemic. A striking question is the disparate behaviour of two Baltic neighbours. In Latvia (also in Bulgaria), Eurostat detected a huge leap forward, while in Lithuania there was a decisive step backwards. From the size of the unexpected drop in Hungary one incurs abnormally high figures in 2019 and 2020 to produce the top position in Diagrams 4 and 5.

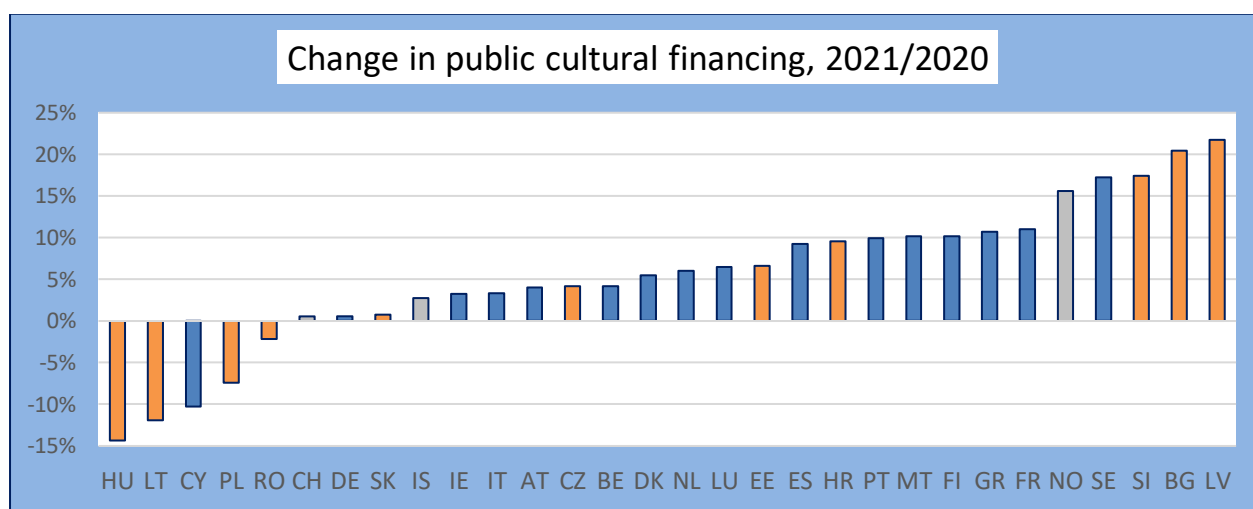
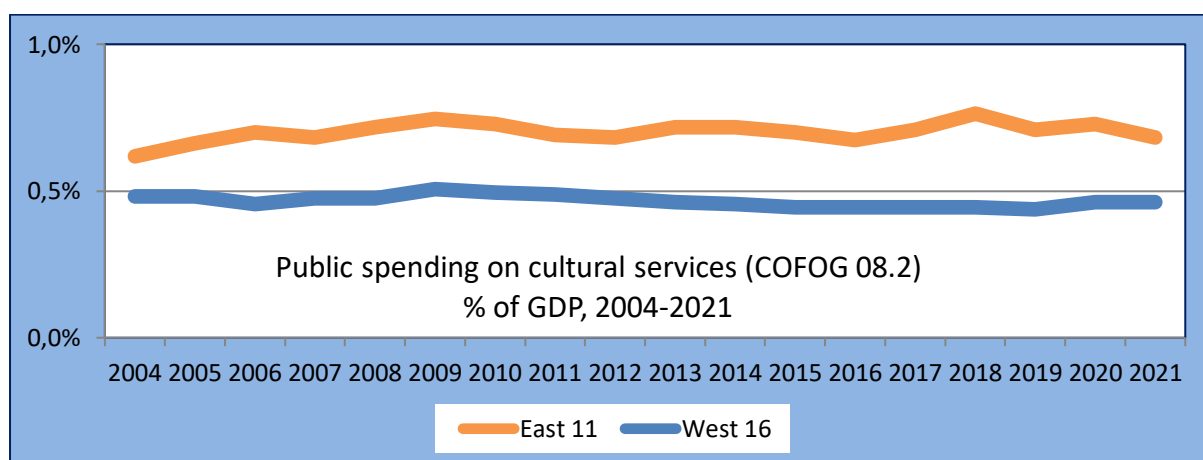


Diagram 7

It is culture is that really separates eastern and western public spending patterns. That was already the case in the starting year 2004, and the gap has grown. Partly due to higher shares in eastern budgets, but mostly because western governments (including local governments) consistently lowered the percentage of financing “cultural services” – up until the pandemic years, when the two groups of countries converged on that score.

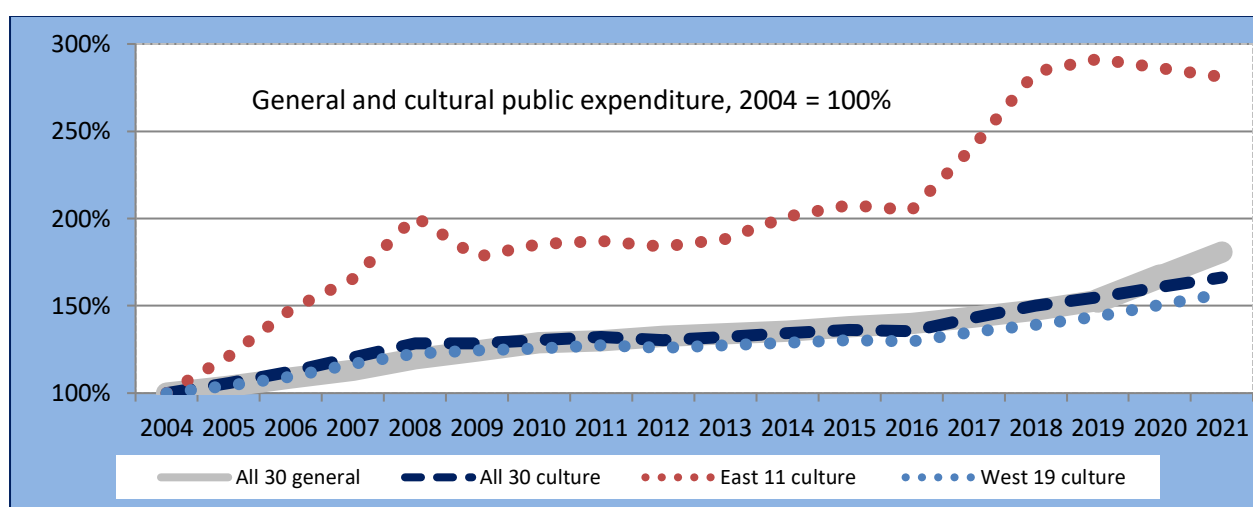


### Diagram 8

The two lines on Diagram 7 above refer here to a common starting point in 2004, as well as to the dynamics of the grand total public spending in the 30 countries (fat grey line) and total cultural expenditure (east and west combined). The eleven eastern countries had a head start: in 2008 they spent twice as much euro on culture as in 2004.

After 2008, decreasing relative spending in culture in the west has pulled the overall trendline below the dynamics of total public spending, which the eastern upsurge could not upset.

2020 is the next turning point. By abolishing the ceilings on government budget debt, states increased public spending. This upward movement was only partially copied by cultural expenditure – and not at all copied in the eastern countries.



### Diagram 9

This graph helps to understand why the dynamic zigzag of cultural financing in the east was only moderately reflected in the common trendline of the 30 countries.

For several reasons (one being west-east EU transfers) post-communist countries have continued to experience robust growth, including in their cultural expenditure. And yet their combined size is still not sufficient to fundamentally determine the European sums. In 2004, the public spending on culture in the eleven states together (3,538 million euro) was less than in Italy or Spain. In 2021, these two together spent more on cultural services than the eleven eastern member states.

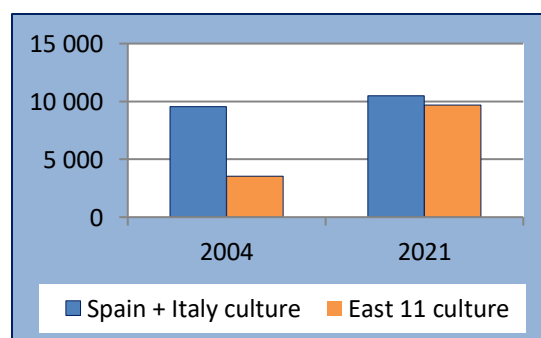


Diagram 10

The Hungarian government is the undisputed champion of central public cultural funding. In the three latest years, culture accounted for 1.5% of the total expenditure of the respective ministries and government institutions. (Cofog figures reflect facts. They are based on countries' reports on spending. These can differ significantly from the planned figures originally approved in the annual budgets.)

In Spain and Belgium, the very low share of culture in central expenditure (0.2% and 0.1% respectively) is due to the federal system of the countries. In Portugal, Romania, and Greece the explanation lies somewhere else.

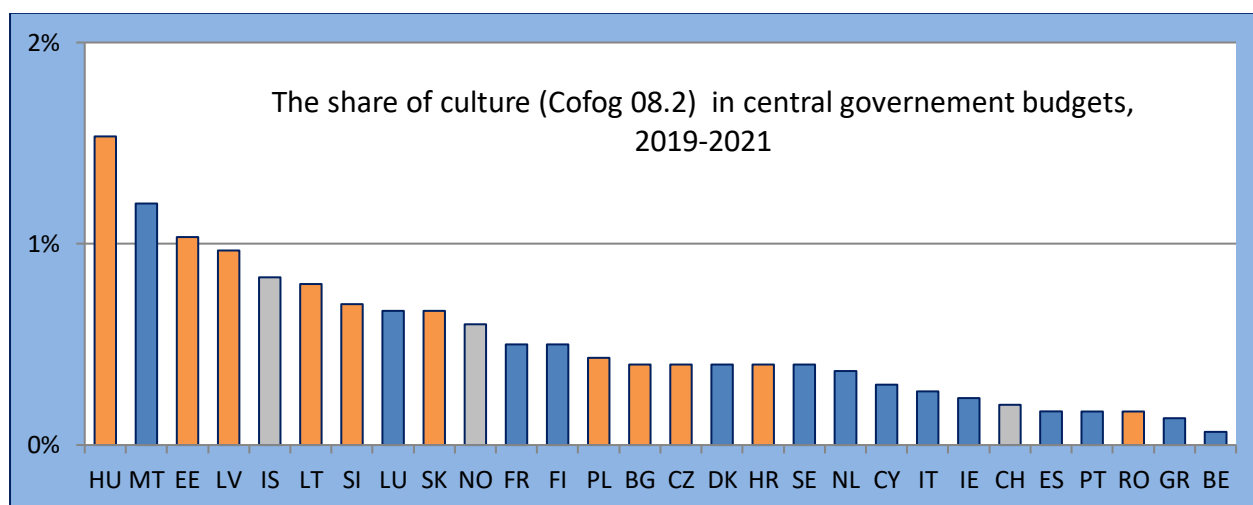


Diagram 11

Due to the intricacies of statistics (and definitions), in French cities one does not necessarily feel that the municipal expenditure on culture is three times higher than in Italy (1.8% and 0.6%).

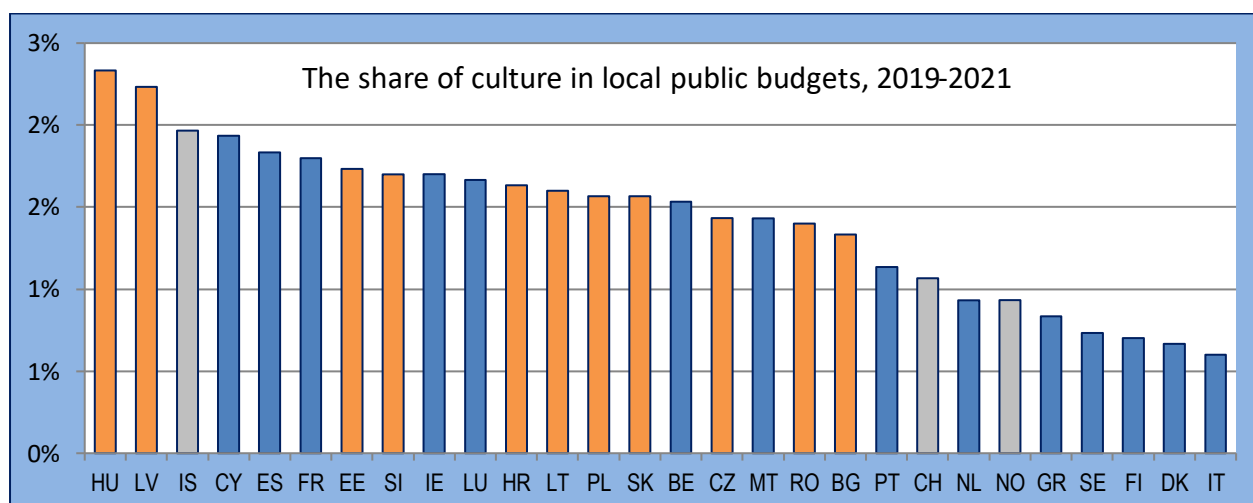


Diagram 12

28 countries are represented here, and not 30; Austria and Germany are missing. They cannot fit their numbers into Eurostat's logic of central-local split.

Remember Diagram 8? Counteracting the dynamic upsurge in the east, total public cultural expenditure followed a monotonous upward trend until 2019. By dissecting the trend into central and local, this graph shows that the burden was carried by cities and regions. Central administrations reacted to the credit crunch of 2008 with serious cuts. The cumulative absolute numbers of the central public cultural spending remained below the level of 2008 until 2017.

The pandemic crisis was different. Cities and regions gave way and cut cultural expenditures, but not central governments. In 2020 and 2021, these latter made a spectacular upward revision, bigger than what local administrations could afford.

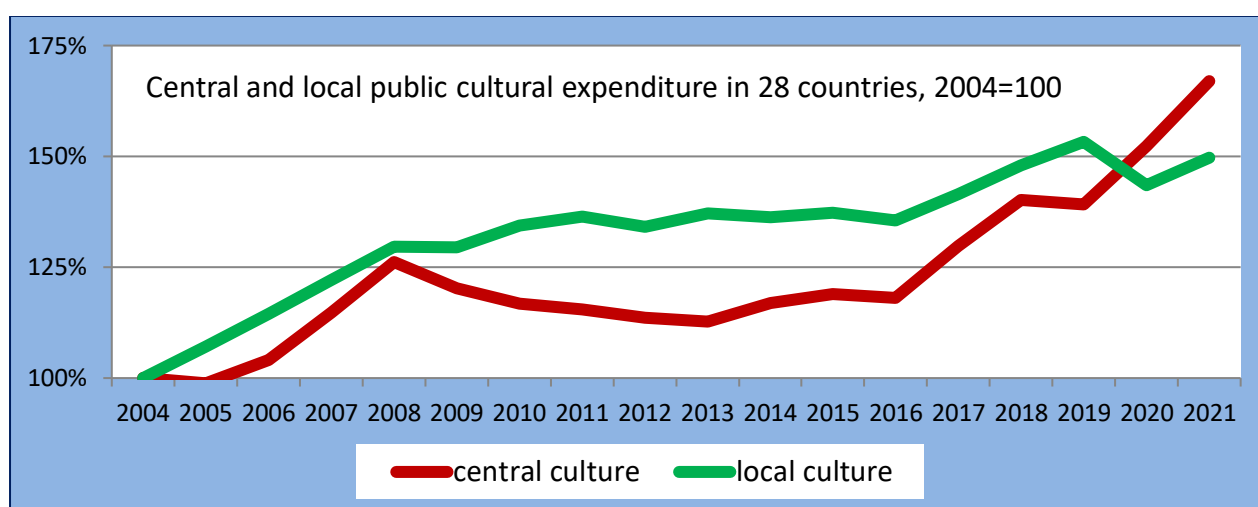


Diagram 13

This graph focuses on **central** cultural expenditure, the money that cultural ministries and other government agencies spend on culture; the red line in Diagram 12 is divided into east and west. We can see the devastating aftermath of the 2008 and 2020 crises on central cultural spending in the east. The 17 old democracies reacted in exactly the opposite way to the pandemic, along with general public funding, western governments have increased the percentage of central cultural expenditure.

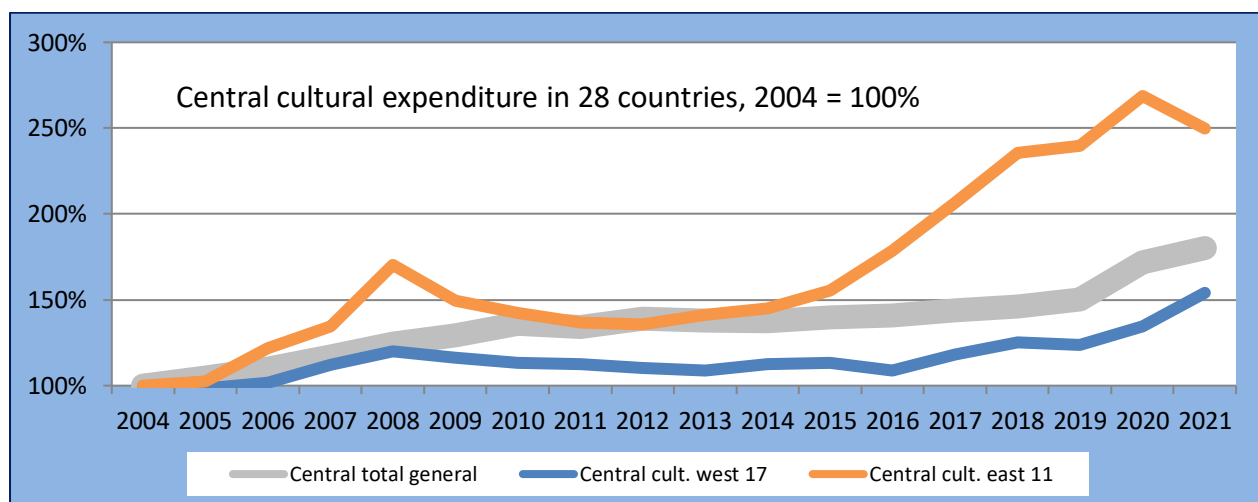


Diagram 14

This graph breaks down **local** spending on culture (the green line in Diagram 12) into east and west. The previous graph showed that for a while, eastern local funding was the main driver of increasing public cultural expenditure in Europe; now centralisation is the main agenda. In the 17 western states, local cultural funding has lost relative importance in municipal and regional budgets since 2013; the Covid crisis has accelerated this negative trend.

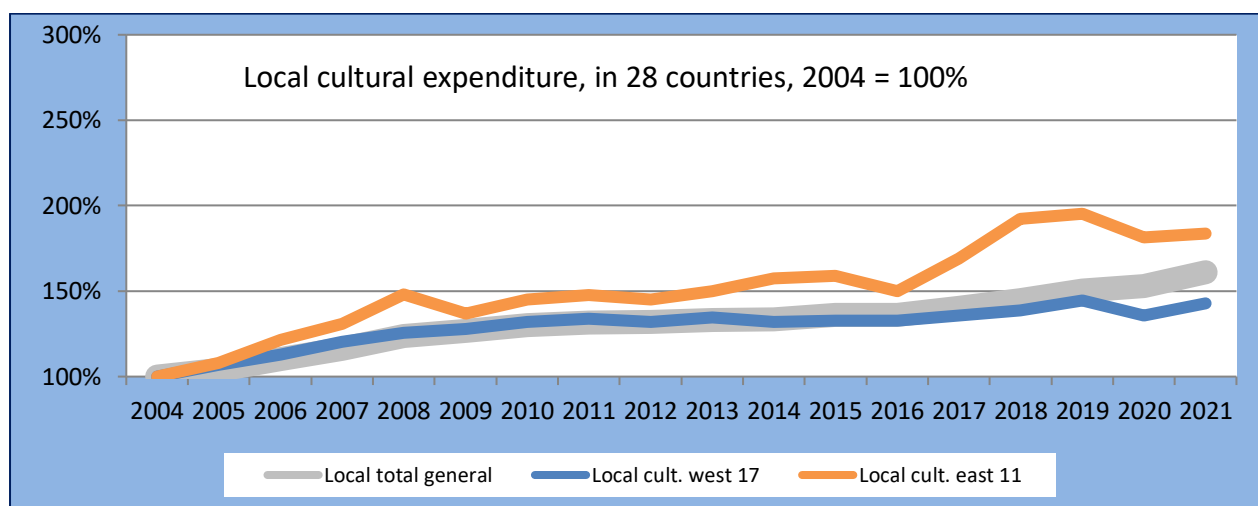


Diagram 15

Diagram 12 appeared to suggest that by 2021 central cultural expenditure would exceed local cultural funding in the 28 countries. However, this only applies to the dynamics. In fact, ever since 2004, European cities and regions have spent significantly more on culture than central governments. This graph shows how much more.

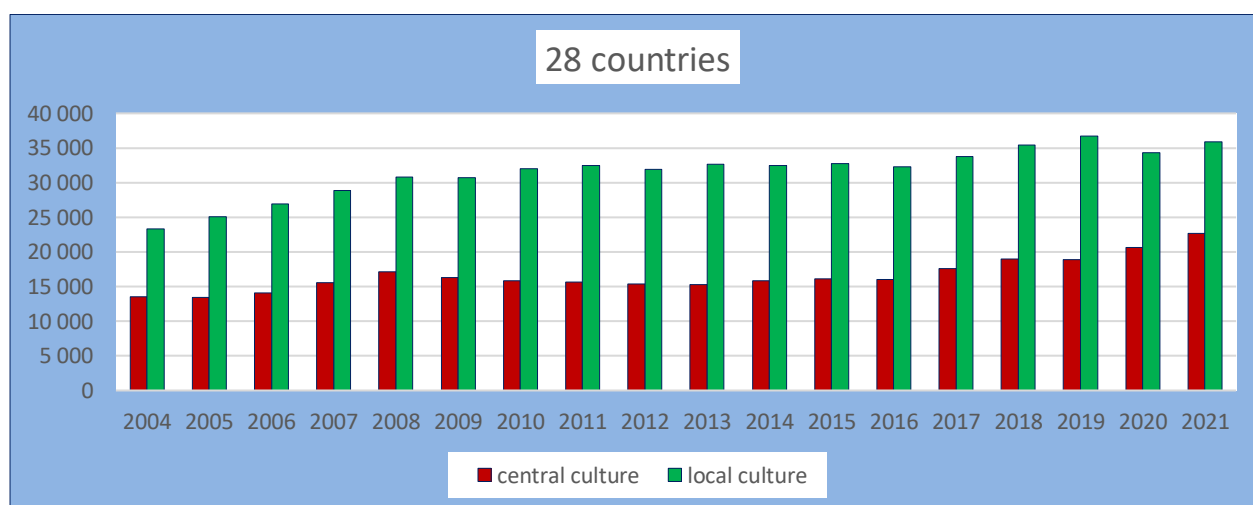




Diagram 16

Excluding Germany (which disqualifies along with Austria as explained above), France has the greatest weight: see the nearly 12 billion euros spent locally, by cities and regions on culture in 2021. The central-local division resembles the average pattern of the total of 28 countries.

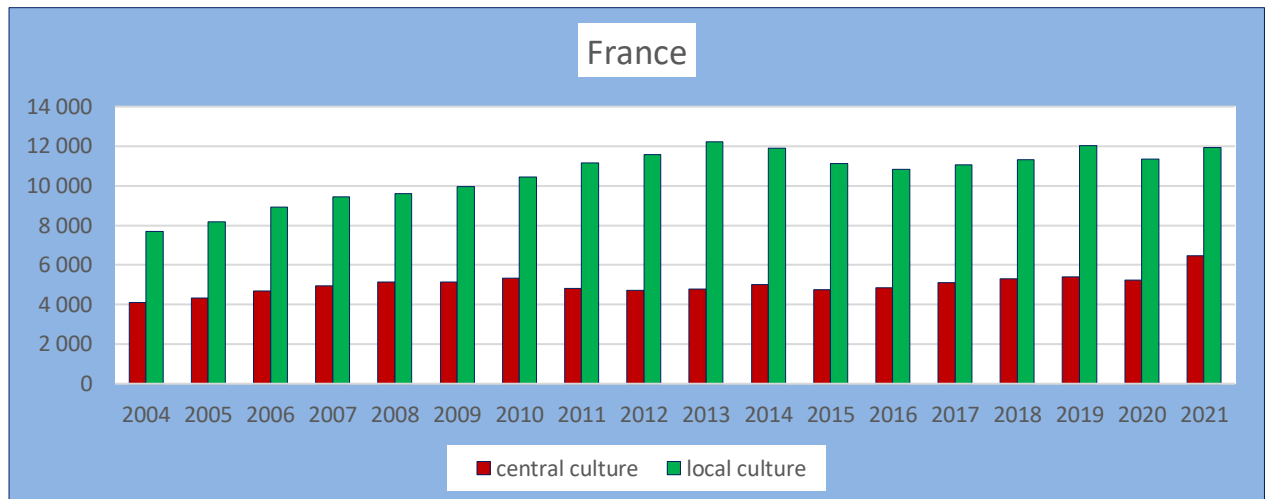


Diagram 17

Croatia is even more decentralised than France. And definitely much smaller: consider the numbers on the left, which stand for millions of euros.

The column in 2014 catches the eye; I wonder what explains the temporary advances of local, and the retreat of central cultural expenditure. The country's accession to the EU in 2013 cannot be the clue.

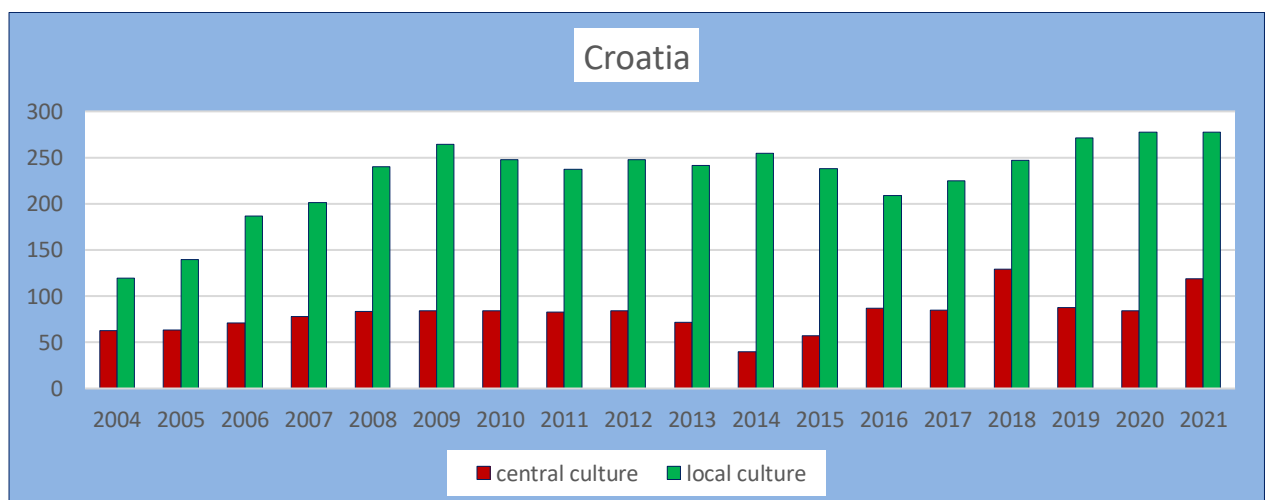


Diagram 18

Finland is an interesting case. In no other country can we find a similar paradigmatic conversion. By boosting central cultural expenditure, not only was the total increased by almost a quarter but has turned a decentralised model into a fifty-fifty structure. Whether temporarily or for good?

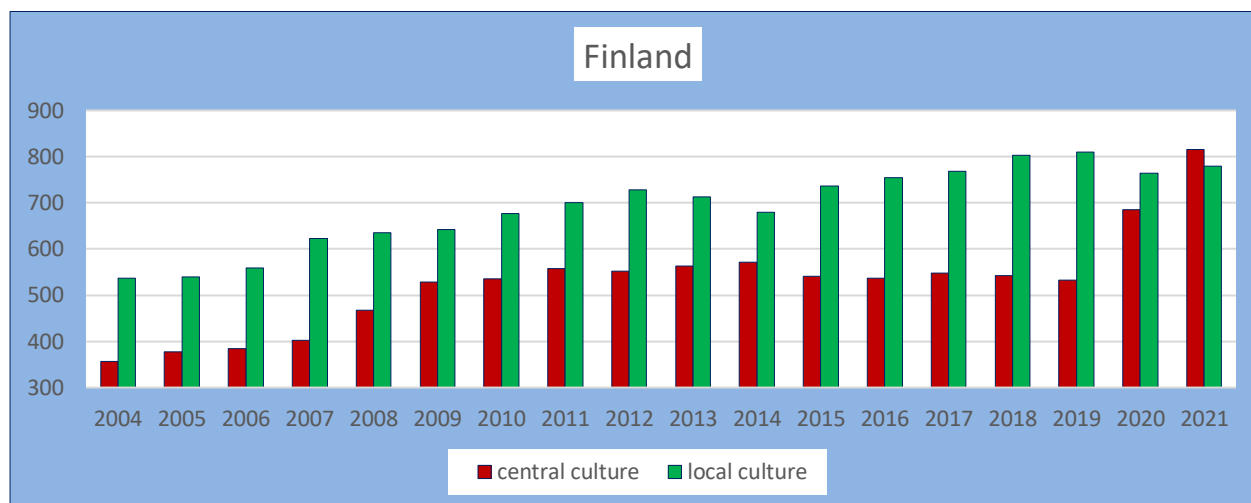


Diagram 19

This graph is on the same scale as Diagram 17. The 252 million euro spent centrally in Croatia roughly corresponds to the 278 million invested in culture by Lithuanian municipalities and counties in the same year 2020.

Diagram 6 demonstrated the 12% contraction that occurred in Lithuanian public cultural funding between 2020 and 2021. One of its neighbours, Poland, saw a similar decrease, but Latvia reported an exceptional year-on-year increase of 22% (with a strong bias towards central government).

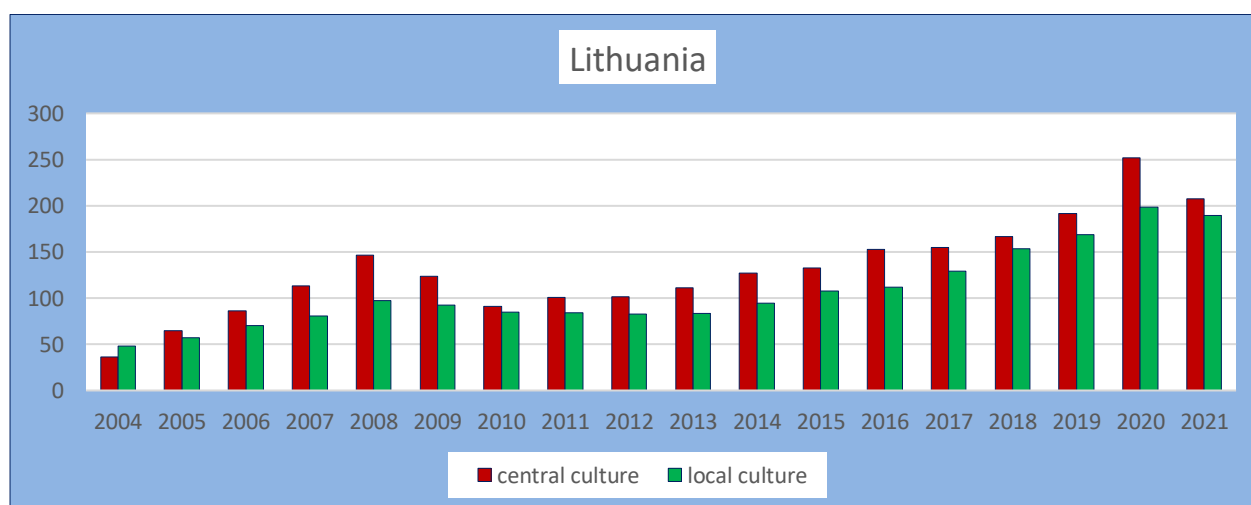
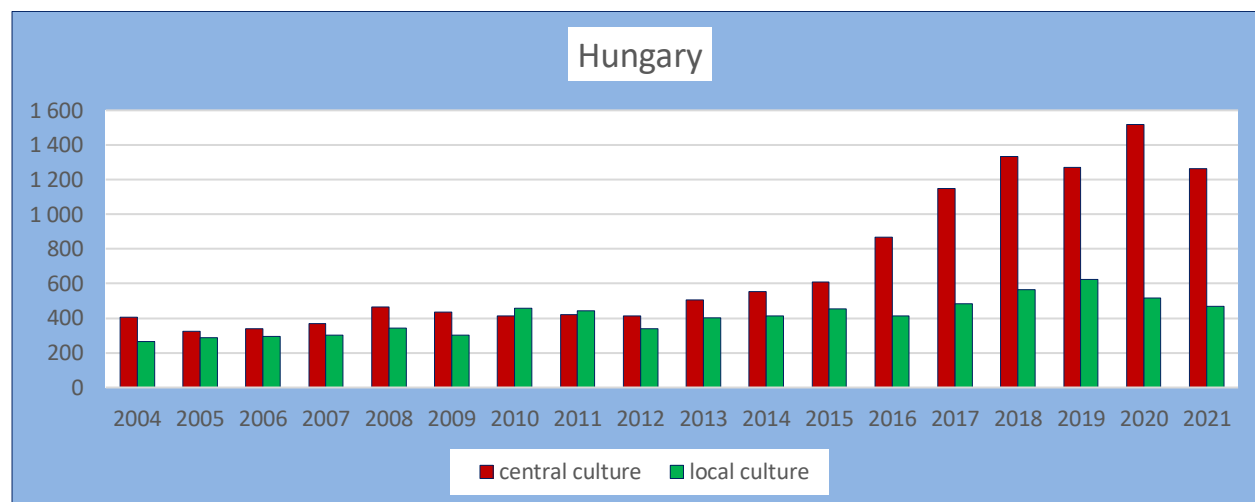


Diagram 20

It is difficult to find words about the centralising rage in public cultural funding in Hungary. Especially since important segments of the sector complain about the scarcity of resources.



The **conclusion** is the same as with all previous Cofog exercises. Numbers are misleading without considering quality and efficiency. A country or city that spends more on culture does not necessarily serve culture better than a country or city that spends less. Collecting numbers is the first step. Cofog is of great help with this.

Such a conclusion might contradict the energy invested in statistical analysis and visualisation in this paper. Indeed, we should care less about the level of funding (in particular, stop mystifying percentages of GDP) and focus on the soundness and effectiveness of funding.

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