

Considerations about a European Cultural Index

This paper by Péter Inkei (assisted by Júlia Hentz) was prepared as an input to an expert meeting, organised by the European Cultural Foundation in September 2013 in Amsterdam, on the eventuality of creating a European Cultural Index. Providing an overview of the most relevant practices and tools for measuring from across Europe, from the USA (in particular the National Arts Index) and from international organisations, the paper analyses the state of affairs and outlines key obstacles and opportunities for a common set of cultural indicators for Europe.

Introduction

An Arts Index “is a tool to stimulate public dialogue about the value of the arts as well as improve policy and decision-making” (Kushner & Cohen, Americans for the Arts, 2012). It includes a wide range of indicators that reflect a full picture of arts and cultural field (public, non-profit, business organisations, individual artists etc.). The cultural and socio-economic contexts in Europe differ a lot from country to country, so do their approaches to collecting data and measuring their cultural sectors. The attempts for synergising and harmonising statistics at EU level progressed, but little is done for an integrated indicators’ tool that could shed light on the vitality of arts and culture in Europe over a reasonable time span. What tool, or index could address the European culture sector and provide an explicit, but also realistic information on at least these four dimensions, borrowed by the National Arts Index (NAI) of the USA: financing, capacities, participation, competitiveness with other sectors?

The National Arts Index of the United States

The **National Arts Index** (NAI) was developed by the Americans for the Arts organisation as – in their words – a tool that is able to stimulate public dialogue about the value of culture as well as to improve policy and decision-making. One that can provide a common currency of language, a way for more people to talk in an informed manner about culture, using similar information and terms, about why change is occurring, where things are going in the future, and how culture in the USA can stay vital.

The index – a composition of a set of indicators – embraces all sectors: non-profit organisations, for-profit businesses, individual artists, as well as amateur levels of activity.

Different aspects of culture are involved which can be discussed individually too, as various “dimensions” of culture and related domains of society.

The NAI is indeed a single index. The term “index” is used in the strictest sense, meaning the relation to an earlier point in time. That benchmark is 2003 = 100. The latest NAI is for 2010 = 96.7. This implies that in 2010 the health and vitality of American culture was a few percent lower than in 2003, though slightly higher than in 2009.

NAI is composed of **83 indicators**, many of which are also built from several primary data. Thus for example Indicator Nr.72 “Population share attending Broadway shows” consists of two numbers: data in New York City and attendance figures on tour. **194 basic statistical data** are used for NAI.

All the 194 were identified by the American team as meeting the following **eight criteria**:

1. The indicator has at its core a meaningful measurement of arts and culture activity.
2. The data are national in scope.
3. The data are produced annually by a reputable organization.
4. Seven years of data are available, beginning no later than 2003 and available at least through 2009.
5. The data are measured at a ratio level (not just on rankings or ratings).
6. The data series is statistically valid, even if based on sample.
7. The data are expected to be available for use in the Index in future years.
8. The data are affordable within project budget constraints.

Between the 194 primary data and the one composite National Arts Index the position of culture can be analysed on two interim levels.

The 83 indicators are each presented and discussed in the annual reports. Thus Indicator Nr.72 (Broadway shows) received a full page with a diagram and a table with all details of the two constituent primary data accompanied by a short commentary.

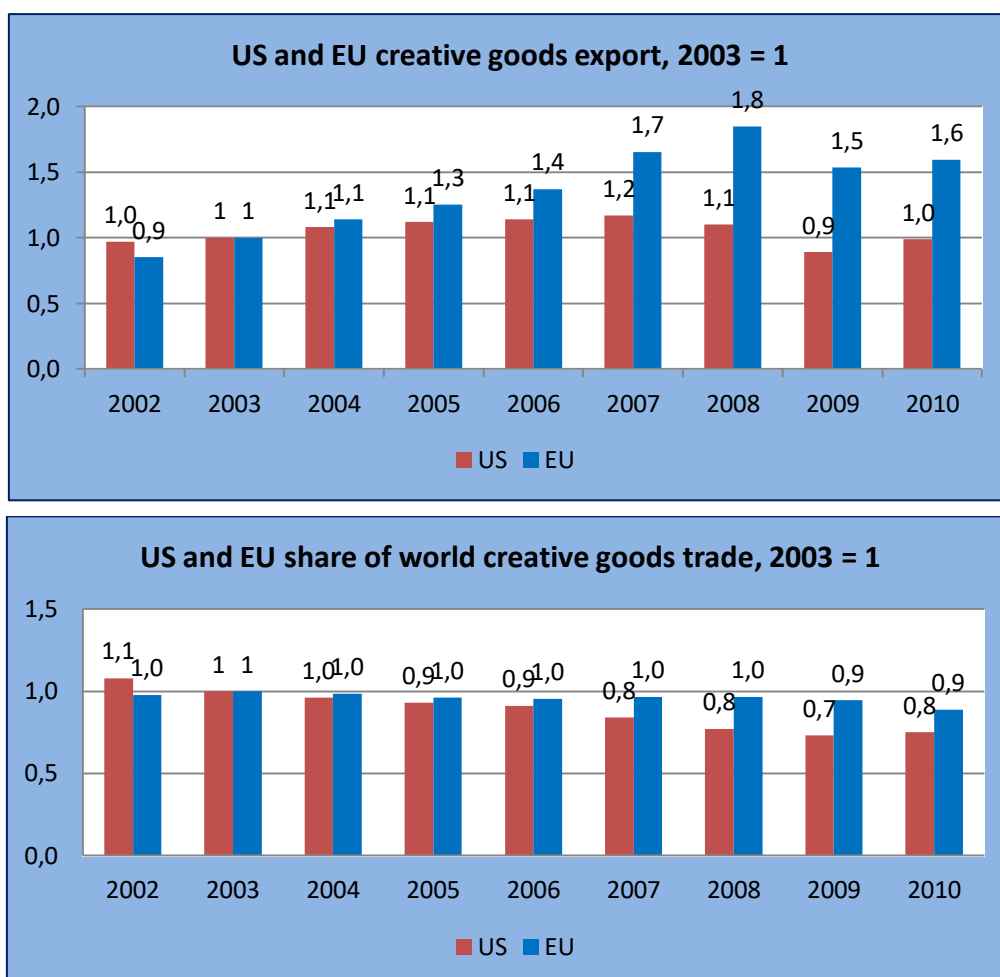
On a broader level the 83 indicators are grouped into **four dimensions**:

- financing
- capacities
- participation
- the competitiveness with other sectors

Each dimension adds up to a respective index which is explained and analysed in the report. The evolution of the four indexes along the years portrays the trends that collectively determine the “health and vitality” of US culture. The latest edition of the NAI signals that by 2010 financial position has been weakening in spite of the increasing capacity of the sector. Even more disturbing is the decline in competitiveness. NAI, the main index therefore shows a slight decrease against the 2003 benchmark. (Participation has remained fairly equal.)

We must give voice to our amazement about the abundance of data. It is facilitated by the homogeneity of the field, common language, identical concepts and definitions across the 50 states. Yet favourable conditions do not produce statistics by themselves, the devotion of people must also be honoured.

To cut the comparison short, we have identified two indicators only that meet the NAI criteria in Europe. The UNCTAD database on world trade¹ is the only direct overlap between NAI and ECI sources. We have generated the European figures that match NAI Indicators Nr.10 and Nr.80; the first signals “financing”, the second “competitiveness” of culture. (1 is used instead of 100 to fit the diagram better.)



No interpretation or analysis this time: the two indicators serve for illustration only.

The case in Europe

When we say Europe, as a first approach realistically the European Union and the states in closest conjunction should be considered, in the hope of gradually extending the scope to the geographical entirety of the continent.

In spite of all diversity there are quite a few composite European indexes in daily use. Media publish absolute figures and growth rates at quarterly or even monthly intervals about innumerable details of the economy and several other sectors (demography, migration, tourism etc.). Besides EU level the individual countries can also be compared from all those points of view. One would therefore expect the same with regard to culture.

¹ United Nations Conference on Trade and Development,
<http://unctadstat.unctad.org/TableViewer/tableView.aspx?ReportId=14772>

Nevertheless this is not the case. Culture is almost totally neglected by the major statistical agencies and projects. In the field of cultural statistics several years' concerted action on the harmonisation of concepts, the consolidation of definitions and the search for common indicators produced a substantial 556-page document in 2012 autumn². The report proves that **a composite European cultural index is unrealistic**, even with huge compromises. The results of the co-operation are recommendations and proposals. Their labour has not produced more statistics. Taking decisive steps towards increasing the amount of consolidated European cultural evidence is clearly not a priority of the member states or the EU institutions and their statistical agency Eurostat. The ESS-net Culture report is of great help, however, in screening the field also with the view of finding European cultural indexes.

It must be stated at the beginning that **harvesting from national data bases**, e.g. official statistical centres, for data to the ECI **is out of the question**. This would entail enormous work with disproportionate and unreliable result.

It is not by error that the ESS-net Culture report does not mention NAI. The approach of NAI is utterly pragmatic, very different from the theoretical and methodological rigour represented by the ESS-net team.

The rationale of creating ECI, one European Cultural Index or a set of indexes, should be similar to that of the American NAI. The NAI is an abstract construct, a symbolic pointer that is nevertheless based on scientifically reliable input. Its value is justified by the impact it has created, the attention in the media and among decision makers. Because of the similarity in approach, the areas ("dimensions") applied at NAI will be followed in the discussion (and not the various structures contained in the ESS-net report, visualised at the end of this paper).

Instead of 2003, the latest large enlargement wave would predestine 2004 as a reference year in Europe.

Financing

At NAI 18 indicators cover the financial aspects of culture, constructed from 35 primary data.

Half of the 18 indicators detect revenues from the market, including foreign markets (exporting). This latter is gained from the above mentioned UNCTAD. Those export-import data, however, are too distant from daily cultural realities and financial concerns, therefore we shall come back to them in a different context.

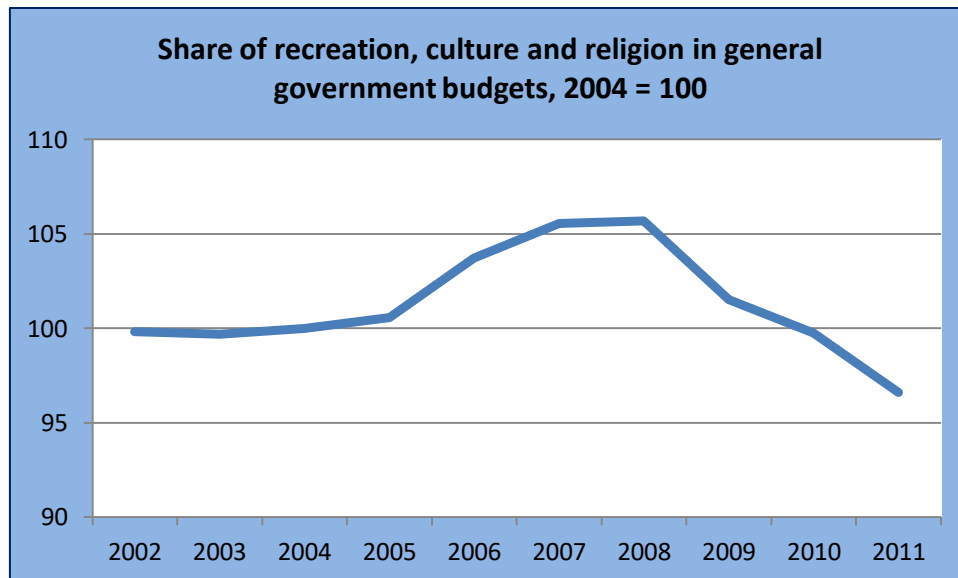
The real market data are based on turnover and revenue figures of various branches: publishing, music sales, concert revenues etc. These are very difficult to get in Europe. Regardless of the frequently cited data about the added value of the cultural (creative) industries to European GDP, most of these are based on one shot research calculations. Continuously fed databases on sales in euro (or any currency) are missing. The Federation of European Publishers (FEP) has collected and published annual data – partly rough estimates – on publishers' revenues since 2006.

We are one degree better off about public funding, shown with three indicators at NAI. Eurostat displays annual amount of public subsidy to "recreation, culture and religion"³ from

² ESSnet-Culture. European Statistical System Network on Culture. Final Report. September 2012 Luxembourg.

³ According to the UN Classification of Functions of Government COFOG 08 is recreation, culture and religion. Within this COFOG 08.2 is cultural services.

every member state, both from central and local sources. Unfortunately only several governments report figures on “cultural services” which stands for about 60% of the value of the larger group.



In the US context particularly important are the dollar amounts flowing to culture as donation and sponsorship. No equivalent European statistics are in sight. Related data are sporadic and unreliable also on national level.

Royalties, wages and salaries are the rest in this NAI chapter – also without regular corresponding European data.

Capacity

14 NAI indicators describe the size of the sector, from numbers of artists through the amount of cultural organisations to the capital asset value of infrastructure.

Four indicators cover the workforce. The precise identification of which in Europe has been one important target of the ESS-net team. Nevertheless their proposed adjustment of the NACE⁴ system is not coupled with an increase in accessible data. A further embarrassment is that ILO, the International Labour Organisation applies a different system (ISCO), yet there are no statistical numbers behind those categories either. In fact none of the US indicators have corresponding data in Europe. Since jobs are a central concern for the EU, access to numbers in the respective NACE categories may improve. At present we have data of NACE R: employees – both permanent and temporary – in arts, entertainment and recreation from 2008 (publishers, filmmakers, broadcasters and photographers are in other categories). FEP announces each year the number of people employed by publishers.

Seen from Europe, one is amazed at the level of organisation of the various cultural “guilds” in the USA (Indicator Nr.23). Their membership lists express size of the workforce. Unions and professional associations in Europe are far from being so universal even at national level.

⁴ Nomenclature statistique des activités économiques dans la Communauté européenne.

The Compendium project of the Council of Europe⁵ is making efforts to collect the numbers of various kinds of cultural organisations. Nevertheless the result is still embryonic. Number of UNESCO World Heritage Sites and its annual increase is available but has limited value. Similarly, the number of museums is also subject of the changes of definition in the countries – and Egmus, the museum statistics⁶ site is far from complete even in this respect.

The number of new book releases, as well as all titles on the market (“in print”) is collected and published by the Federation of European Publishers (FEP)⁷ each year as of 2006.

Participation

Participation in culture is the next and indeed the most essential group of indicators, also in focus of most cultural statistical endeavours. 23 NAI indicators are supposed to cover this domain. Besides the obvious attendance and customer statistics there are a couple of inspiring original indicators like the weight of culture among educational subject choices (3 indicators) as well as the frequency of culture-related search terms in major bibliographies!

The cultural behaviour of European citizens, however, is largely terra incognita. Although the favourite target of a large number of investigations, some of them done by huge organisations and with enormous cost and sophisticated apparatus, cultural participation is measured at 3-4-year or even longer intervals only.

One NAI indicator provokes a comment, having also the ECI in mind. Indicator Nr.35, in fact the most extensive of all, consists of 12 data about personal expenditure on cultural goods and services, expressed in dollars. As such, it should rather belong to “financing”, as an important source of cultural revenue. Instead of absolute values in dollar (or euro), the percentage share of culture within all personal expenditure seems to be a more appropriate indicator of people’s “participation”.

Competitiveness

NAI dedicates the largest section to the issue of competitiveness of culture, to which we would be too unassertive (or introvert?) in Europe. The 28 indicators examine the position of culture in opposition to other sectors, although several are not easy to distinguish from the previous dimensions. Indicator Nr.59 shows the share of university degrees that were in visual and performing arts, and is almost identical with Nr.40 on the share of arts among selected majors at entrance exams. Why not apply the same in both dimensions? Or is there a specific difference between the two? The same questions come up with regard to seven funding indicators (65-71) and seven attendance indicators (72-78) which appear to be interchangeable with similar items in the respective dimension.

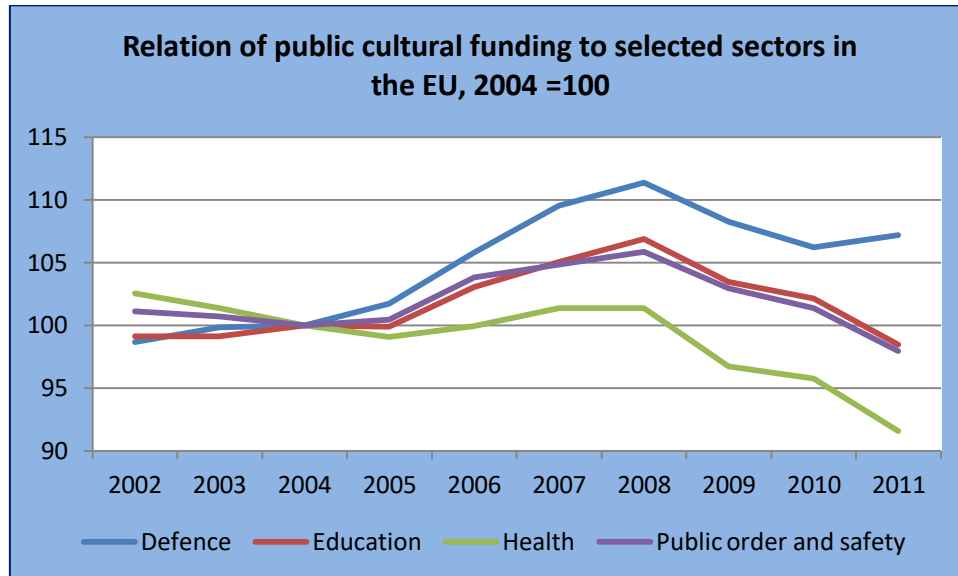
Anyhow, competitiveness appears to be the crux of NAI. This combined index has tumbled from 114.6 in 1999 to 92.4 in 2010 (the latter slightly better only than in 2009). Most responsible for this decay are diminishing share in corporate funding and in philanthropic giving, as well as in certain forms of public funding on federal and state level.

⁵ Cultural Policies and Trends in Europe, <http://www.culturalpolicies.net/web/index.php>

⁶ <http://www.egmus.eu/>

⁷ <http://fep-fee.eu/IMG/pdf/EUROPEANBOOKPUBLISHINGSTATISTICS2010.pdf>

Detecting competitiveness of European culture with other sectors or occupations does not necessarily require specific indicators, enough to apply funding, performance or capacity data that are expressed in percentage of grand totals: as the indicator proposed under finances does. The same source, the “cofog” statistics of Eurostat nevertheless allows for direct confrontations as well. (Explanation: in the 27 EU members – Croatia will be added step by step – the position of recreation, culture and religion vis-à-vis the health sector was 8% worse in 2010 than in 2004. In fact few of the indexes lend themselves to easier perception than this one.)



We have seen the absence of participation statistics in Europe. Similarly dire is the case about sponsorship and philanthropic giving.

Statistics about culture's share in citizen's spending tells a lot about financing, participation as well as competition with other attractions. The Household Budget Surveys (HBS) of the EU are just for this. It is however little more than a label, 2005 marking the latest survey.

Competitiveness takes place on global scale as well. Indicators that compare Europe with other regions of the world can monitor this competition. We could see by matching US and EU that UNCTAD statistics can do so. Export of creative goods can be broken down to its components (visual arts, art crafts etc.) whereby we can get five indicators. I repeat, however, their limited relevance to the state of culture. Besides cultural goods, the international trade of cultural services is also monitored by UNCTAD, more specifically audiovisual and related services. (Not without doubts. E.g. Hungary reports 1 204 million USD in 2010, against 1 114 from Germany or 461 from Netherlands. But doubt is the natural attitude about international statistics anyway.)

Local Arts Index

The state of affairs in Europe leaves you flabbergasted at the sight of the **Local Arts Index**⁸, the younger sister of NAI. Its 13 indicators are built on 67 primary statistics, the majority of which describes cultural phenomena in each of the 525 counties of the United States. (A few of them are the same as those used for NAI: it is not clear why there is no greater overlap.)

⁸ <http://www.artsindexusa.org/where-i-live>

Where else to reach for ECI?

With regard to immediate solution for an ECI we must lower expectations and criteria on the one hand, and broaden the scope for search on the other.

Lowering expectation would mean e.g. using less reliable data – if only there were such. Or else, loosening the frequency requirement. The European Social Survey (ESS)⁹ for instance is done every two years – except that we found no indicator fitting to ECI. The first ESS round asked about participation in cultural organisations (as early as 2003), which was dropped from the subsequent four editions.

By broadening the scope innovative items like NAI's educational choice or bibliographic search could be identified. We hoped to come up with some from e.g. education, tourism, media statistics but must admit failure. Covering the majority of EU countries and collecting at least every two years are the hurdles that no indicator could take. Nevertheless if the search is opened wide, it may bring interesting results.

What to do next?

Surveying available equivalents to NAI indicators has proved that nothing close to its concept and ambition is at reach in Europe, or in a few years distance at best. Consequently we must first of all increase the intensity of **insisting on more evidence** about culture. The main directions are along the line that the ESS-net team followed: speeding up the harmonisation of national statistical systems and the **consolidation** of their findings by Eurostat. Furthermore, greater and user-friendlier **access** should be sought to data in related fields, where European integration of collection is at a higher level, such as employment, industry and trade figures, public funding etc.

Fight must be intensified for the **inclusion of culture** when **quality of life, well-being** and other aspects of European life are investigated. Without listing the surveys and databases where we miss culture we limit ourselves to the OECD Better Life Index¹⁰. Although focusing a different set of countries (a few EU members are missing), its impact and a few features are noteworthy. Its interactive mode could be adapted to any such exercise, including an ECI. Namely the Better Life Index site allows one to modify the weights applied in the composite indexes to reflect better each reader's individual priorities.

As stated before, an overarching index about culture concocted from dozens of statistics is bordering charlatanism, particularly in the extremely diverse Europe. This is why concentrating on strictly homogenised cultural indicators in the countries would be a viable alternative. The Compendium programme has been trying this, with limited success. Designating and systematically collecting national indicators (as Eurostat does) is different from the browsing on local websites that we excluded at the outset.

One solution may be upon the model of HDI, the Human Development Index¹¹, advocated by the UNDP. It consists of three indicators, using four primary data. Agreement should be reached about three or four key indicators on behalf of a dimension each. Here is an initial suggestion:

⁹ <http://www.europeansocialsurvey.org/>

¹⁰ <http://www.oecdbetterlifeindex.org/about/better-life-initiative/>

¹¹ http://en.wikipedia.org/wiki/Human_Development_Index

1. Finances: general public finances of cultural services (COFOG 08.2)
2. Capacity: permanent and temporary cultural jobs (NACE R plus C18, G47.6, J58.1.1, J58.2.1, J59, J60, M74.2)
3. Participation: theatre tickets sold + museum attendance
4. Competitiveness: one sponsorship or donation figure that can be matched against total respective giving

As we could see none of these is at a click's reach now but with a little help from the authorities can be made available.

Illustration: The ESSnet-Culture framework of cultural activities

