

# THE VALUE AND VALUES OF CULTURE

Executive Summary



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## CREDITS:

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## EXECUTIVE SUMMARY

Culture Action Europe, in collaboration with the Budapest Observatory and other CAE members and partners, have joined forces to collect relevant evidence substantiating the impact of culture across a range of EU policy fields.

There is a great variety of approaches to quantify the contribution of culture to the realisation of the objectives of the European project. During the process of collection and analysis one common thread nevertheless emerged across all sources: the independent value of cultural and artistic practices as the core that nourishes and enables impacts in other domains. Culture is better understood as an ecosystem, where all its parts need to be supported adequately to enjoy the economic, social and cultural impacts that it generates. Reviewing previous attempts to summarise the wide-ranging contributions of culture we still find a lack of systematic, large scale and longitudinal research that can serve as the ultimate evidence base. At the same time, there is sufficient quantitative and qualitative evidence on culture's impact on strengthening European identity and democratic participation, advancing a future-oriented education, contributing to the overall quality of life and wellbeing, beyond the well documented contributions to a changing economic landscape.

## CULTURE AND DEMOCRACY

The 2017 'Future of Europe' Eurobarometer asked European citizens to identify the most important factors helping European societies face global challenges. Cultural diversity and openness to others was mentioned almost as often as free trade and the market economy. In a political context where European fragmentation, challenges to democracy, peace and stability are rising due to economic tensions channelled through cultural arguments, dedicated EU action in the field of culture is imperative. Substantial evidence exist on the positive effect of intercultural dialogue and participation in civil society. Encountering those of different backgrounds and challenging preconceptions, has a demonstrated positive result on democratic patterns, trust and the accumulation of social capital.

The 2017 Eurobarometer shows an increasing weight of culture in citizens' perception of belonging to a European community. Indeed, culture is considered as the most important contributing factor, followed by values and history. Culture and values have been identified as co-constitutive elements of shared beliefs informing democratic participation. The 2017 Council of Europe 'Indicator Framework on Culture and Democracy' has documented a strong correlation between culture and democracy. Cultural participation offers exposure to multiple viewpoints, experiences, and ideas beyond those of their immediate social circle. As a result of this, cultural participation contributes to greater tolerance, openness and respect for others, and the reinforcement of democratic principles and values.

## **CULTURE AND EDUCATION**

40% of employers report that they struggle to find people with the right skills for them to grow and innovate. In addition, future changes in the job market and emerging structures reshaping social communication call for the development of interpersonal and creative skills, increasingly seen as a basic requirement. The EU Dice project convincingly proved that theatre and drama provided significant support for key competences, including communication in the mother tongue; learning to learn; interpersonal, intercultural and social competences, civic competence; entrepreneurship and cultural expression. Furthermore, critical thinking, media and visual literacy will continue to be essential to maintain healthy, democratic societies and combat disinformation, as the majority of experts agree that the information environment will not improve in the next 10 years.

Education in the arts creates cross-disciplinary effects. An OECD study demonstrated that artistic education develops verbal skills, geometrical reasoning, skills in observing scientific images, and visual-spatial skills. Artificial divides between the arts and the sciences mask their real world interactions, with a strong links having been demonstrated between cutting-edge scientific contributions and cultural practice. Consequently, there is increasing political awareness of the need to move forward from a STEM approach to STEAM (Science, Technology, Engineering, Arts and Mathematics).

Research has demonstrated the effectiveness of museum outreach projects, which facilitate access to culture in areas with high levels of deprivation, resulting in children being more inspired to learn, to acquire skills and knowledge. This kind of work breaks down barriers as education levels have been shown to correlate with higher levels of interest in culture and income. Thus, the development of transversal skills through cultural participation aids in the achievement of various goals, improves employability, prepares individuals for the future, improves democratic health and is also a good in and of itself.

## **CULTURE, SOCIAL COHESION, EQUALITY AND DIVERSITY**

A European Commission ex post evaluation of Cohesion Policy programmes in the 2007-2013 framework, focusing on the European Regional Development Fund, found that the majority of stakeholders held a positive view of the effectiveness of ERDF funding of culture. In particular, it led to noticeable benefits in terms of infrastructure and services, to greater numbers of visitors, jobs, income, demand for cultural products and development of new products. Similar data is not available for the 2014-2020 cycle of the programme. Through new methodologies such as the Value-Based Approach (VBA) cultural events have been found to create spillover effects in social cohesion, solidarity and diversity. This result is mirrored in other impact studies of cultural events where beyond its primary objectives, social cohesion was recognised as a wider outcome by the majority of attendees.

Social cohesion is a prerequisite for societal, political and economic development. Social capital has been found to play an important role in social inclusion, and conversely lack of social capital exacerbates inequality and negatively impacts social cohesion. Participating in cultural activities has been shown to enhance social capital. In turn, when cultural activities are specifically designed to foster mutual understanding as in the 2008 European Year of intercultural dialogue, the effects are reinforced. A survey undertaken to evaluate the initiative found that 73% of participants had learned about people from different cultures; 73% had a more positive view of the contributions of different cultures to society; 70% had acquired an increased respect for people from other cultures; and 46% had developed friendships with people from different cultures or communities. An increasing number of studies converge in their findings with respect to the positive role of cultural participation and intercultural dialogue in promoting integration, including in the case of migrants and refugees.

## CULTURE AND CITIZEN'S WELLBEING

Culture's contribution to European citizens' wellbeing was captured by a Eurostat survey, in which it emerged that once basic needs are fulfilled, social factors, including cultural life, play a key role in life satisfaction and happiness. Indeed, the special Heritage Eurobarometer shows that 71% of interviewees agreed that "living close to places related to Europe's cultural heritage can improve people's quality of life."

These results are supported by an in-depth study in Spain, showing that attending cultural spaces with others has a positive effect on life satisfaction and confirms that, beyond a certain threshold, more income does not mean greater happiness. In addition to the above, an Italian study matching psychological wellbeing with the frequency of participation to cultural activities concluded that cultural access ranks as the second most important determinant of psychological wellbeing, immediately after the absence of diseases, and preceding factors such as job or income. Health is also positively affected by cultural practice and participation. The Scottish Household Surveys among other similar studies, show that those participating in cultural activities reported substantially higher health levels than those that did not.

In general, artistic practice is associated with higher levels of life satisfaction, a positive self image, less anxiety in changing environments, more tolerance and openness, and a strong correlation with subjective wellbeing.

## CULTURE AND THE ECONOMY

Culture, on its own or through the creative industries, is an asset for the economy. They represent 4.2% of the European GDP, within which culture represents about 40%. Employment in the sector amounts to 8.4 million people across the EU (3.7% of total employment). Eurostat data shows that, while other sectors lost employment during the economic crisis, jobs in the cultural sector were stable or increased slightly between 2011 and 2016. Additionally, cultural employment represents a significant point of entry to the labour market for young people in a significant number of eastern countries.

The cultural trade balance with the rest of world grew from a surplus of 4.3 billion euros in 2011 to 8.7 billion euros in 2016, according to Eurostat. This growth derives from a substantial increase in exports, reflecting the attractiveness of European culture at a global level. However, intangible international trade is not included in EU trade statistics, hence these figures certainly underestimate culture's contribution to trade flows.

Cutting edge economic areas rely on cultural added value to maintain their competitive advantage in an increasingly globalised market. Cultural involvement has proven to improve communication within organisations, boost better design solutions and improve technological uptake and the overall spread and speed of circulation of innovation. A well-known case of EU cultural action leading to indirect impacts is the European Capitals of Culture. Academics have concluded that GDP per capita in hosting regions is 4.5% higher compared to those that did not host the event. Moreover, the effect persists more than 5 years following their year as Capital of Culture.

Europe is a superpower in the field of cultural tourism. Globally, cultural tourism accounts for an estimated 40% of the total amount of tourism revenues. The heritage sector's contribution to tourism has been estimated in 9 million direct and indirect jobs. However, a study on the Economic Value of Museums notes that 'when it comes to tourism, museums actually receive less than 4% of the revenue they generate, with tourism expenditure going towards accommodation (21%), restaurants (20%),

travel tickets (20%), and shopping (11%). These figures suggest that cultural organisations can be seen within the scope of public goods, given the challenge they face to fully capture the revenues generated by their activity. A similar conclusion applies to intangible heritage and contemporary creation. The evaluation of the Edinburgh festival concludes that ‘the economic impact spreads far beyond the immediate cultural economy. In fact, the biggest beneficiary businesses in Edinburgh and Scotland are those in the tourism, hospitality, and leisure sectors.’ Lastly, Eurostat data show an over-concentration in particular tourist destinations, putting pressure on resources and citizens. Against a backdrop of an increasing quest for cultural authenticity and in order to maintain Europe’s leadership in the field, sustainable cultural tourism strategies, cultural investment and decentralisation should be considered within the framework of EU action.

## **CULTURE AND THE DIGITAL SHIFT**

The impact of the digital shift in the cultural and social domain cannot be overstated. However, capturing this transition poses a substantial challenge. As noted by the 2018 UNESCO report re-shaping cultural policies: ‘In the digital environment, the lack of comparable cultural statistics can have serious consequences. [...] A new gap is thus being created, between the information-rich – large platforms – and the information-poor – public sector and small actors from the creative ecosystem.’

From the side of demand, access to digital cultural content is becoming more relevant. The 2013 special Eurobarometer on cultural participation shows that 30% of Europeans use the internet at least one a week as a means to access cultural content. Five years later, and in absence of new data, this figure is likely to be higher. From the side of supply, the digital transition requires continuous testing of new business models. This process is affecting big and small cultural operators alike. In 2017 the auction house Christie’s concluded ‘the primary advantage of online is not the revenue generated, but the clients we attract through digital’. While big market players have the resources to test new digital strategies, small European players will require additional support.

The potential of the digital economy varies across sectors and markets. In Sweden, streaming revenue amounts to 69% of the market. Meanwhile in Germany, the world’s fourth largest music market, physical sales represent 52% of the total market. In contrast, some sectors thrive in non-digital environments due to its inherent live component, using digital technology to support their practice in new, mixed realities. Increasing studies point to the fact that digital consumption might have negative effects on wellbeing. The demonstrated wellbeing benefits of cultural participation derive from their capacity to bring people together, foster community and socialisation within safe environments that promote shared reflection. As a result, digital technologies should never be seen as a substitute for live cultural experiences.

## **Culture in External Relations**

A 2015 survey on the perception of the EU and EU policies abroad concludes that culture is an area of high visibility, resonating across all countries in external relations, and outperforming security, education, research, science and technology, environment, energy and international development, despite major investments in these fields. Moreover, EU countries are seen as highly attractive in terms of their culture and lifestyle by 70-80% of respondents in all EU Strategic Partner countries. When respondents were asked about their image of the EU, ‘multicultural’ was the adjective chosen most frequently. Results also show that all relevant cultural areas were ranked positively, particularly European monuments and museums, history, arts and design. Culture and values are overlapping domains. EU values emerged as a key attractive factor in external relations in a Southern

Neighbourhood survey carried out in 2017, which concluded that its open societies and fundamental rights are what makes Europe an attractive place to live.

The impact of culture on a range of areas of EU action has been substantiated by the present review and thus, the EU added value of cultural investment has been fully attested. The consequences of neglecting the key contribution of culture to the sustainability of the European Union, given its fundamental role in fostering shared values, democratic principles, quality of life and intercultural understanding among the peoples of Europe should not be underestimated. To this end, joint political and institutional support is required, together with a proper financial foundation ensuring that the desired benefits of culture are realised.

This is an executive summary of “The Value and Values of Culture”. The full paper with related bibliography is available on the Culture Action Europe website: [www.cultureactioneurope.org](http://www.cultureactioneurope.org)

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## About Culture Action Europe

Culture Action Europe (CAE) is the first port of call for informed opinion and debate about arts and cultural policy in Europe. CAE is the biggest umbrella organisation and the only network representing all cultural sub-sectors. CAE represents 80.000 voices of the cultural sector through its 145 members: 31 transnational networks, 33 national networks, 36 private and public organisations and 45 individual members. [www.cultureactioneurope.org](http://www.cultureactioneurope.org)

## About Budapest Observatory

Budapest Observatory observes (present, interpret, compare and analyse) facts and processes. It's mission is to be of help for those who want to know more about the conditions (finances, legislation, governance, policies) of cultural life (cultural activities, products and organisations) in east-central European countries. [www.budobs.org](http://www.budobs.org)