PUBLIC AND PRIVATE ART FUNDING IN BRAZIL

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ABSTRACT

Tax incentives to fuel corporate sponsorship for the arts have been introduced in many countries, during the 80’s and 90’s. Brazil is one of them.

To better understand symbolic, political and economic interests involved with such support, this article emphasizes both macro and micro perspectives. From a macro perspective, it examines the impact of neoliberalism on the Brazilian society, and also how economic and political life shape a climate appropriate to business sponsorship. From the micro perspective it analyses the pros and cons in the debate involving artists, public and private cultural managers, and other groups.

Using Weberian categories, and avoiding naïve enthusiasm toward business in the arts, the article opposes the modern “neoliberal privatization” of culture to the “patrimonial privatization”, as can historically be seen in the socially restricted, unaccountable and often low effective government performance in the area.

KEY WORDS

Corporate Sponsorship; Art Funding; Privatization of Culture.
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Fernanda Montenegro, 70 years old, theater, movies and TV consecrated actress [the first role in the film Central Station] tells a newspaper reporter (January 1999) about the present conditions of raising funds to theater with private corporations:

“I usually visit 30 or 40 firms, taking them my theater projects. Everyone thinks that the corporations open their doors to me and give me whatever I want. This is absolutely not true! Neither is it for Tônia Carrero nor Paulo Autran, Marília Pêra, Antonio Fagundes [Brazilian actress and actors as consecrated as herself]. Every one of us has had to hear 30 “nos”. Seldom do they answer clearly “no”. Contacts are often friendly, you drink a lot of coffee, you have long conversations, you give autographs to the whole family of employees and managers. You keep waiting. You have to put up with lots of minor bureaucrats who like using whatever power they have. You have to go through lots of people before you reach the big boss. (Jornal do Brasil, January 3, 1999)

Maria Beatriz Henriques, Manager of Events and Art Sponsorship of Banco Real. Budget: US$ 6 million to culture in 1997; request: 150 projects on average per month. Speech in a Seminar on Cultural Marketing, S. Paulo, May 1997:

“The private enterprise is not a charitable entity, it will never be and I hope that cultural people will not use this argument to raise funds. They should get money for competence […] Culture is part of this marketing, that wants to communicate something about the enterprise to the population. Because of this the project must be a competent one” […]“As long as the private sector and the population do not see culture as anything fundamental and of importance to the private enterprise, the incentive laws will be useless. As soon as an incentive is given to make more profit from planting coconut in the Amazon, the enterprises that were investing in culture because of incentive laws will plant coconut instead”.

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**I. INTRODUCTION**

Substantial advances have been taking place in the Brazilian cultural field in the 1990s. The country’s return to democracy (1985), after two decades of military authoritarianism, has done away with the pressures of political censorship. Events offered to the public are increasing in number and diversity. Purchases of electronic equipment for home cultural use are setting new records. This was facilitated by the opening to imports, which dropped prices, and by the containment of inflation (in mid-1994), which reinforced the purchasing power of medium- and low- income social strata. As a consequence, the sale of tapes, records and books also expanded rapidly. Art museums, classic music concerts and book-shows have (at least at State Capitals) much better attendance than previously. Restoration of public buildings with some historical or aesthetic significance has been increasing, as has the quality of spaces for arts and cultural leisure. A recent publication by the Brazilian Ministry of Culture relates these and other facts systematically, without failing to indicate chronic needs and frailties, that are harder to diagnose and overcome. [Weffort and Souza, 1998]

Throughout the decade, something new has been marking debates on arts and cultural policy in Brazil. This is the partnership between the government and the private sector. This partnership doesn’t start, *de rigueur*, in this decade as a few large-sized public and private corporations (both domestic and foreign) have long financed events, restored buildings, etc. And there effectively was, at the federal
level, a first fiscal incentives to arts law, which entered into force since July 1986 -
the so-called "Lei Sarney," and enabled the collection of 110 million dollars, but
was revoked in March 1990.

The new factor is the federal government’s effort to extend the partnership with
fiscal incentives — enabling, from 1995 on, major contributions by state-owned
corporations.¹ Even though the purpose of tax incentives to the arts is to develop,
among private enterprises, the habit of financing cultural projects, a paradoxical,
though realistic, fear arose in the artistic world that, with the privatization of a great
many state owned companies, especially telephone utilities, the contribution of
private sector to the arts would drop.

Also new is the passing of similar legislation in some States and Cities, in order to
attract more companies and resources. Although, considering the fact that Brazil is a
federative republic and has 26 States and around 5,500 townships, the fact that such
laws exist in only 9 States and 14 Cities indicates how much is still to be done.

The new financing mechanism has, in fact, enabled many projects, as will be
addressed presently; but it is evident that the enthusiasm over this sort of
partnership is fed by the climate of international glorification of economic
liberalism and of the beneficial (sometimes downright magical) effects this ideology
awards the market. It is also based, in Brazil, upon a particularly delicate situational
scenario: governments pressured by the need to control public deficit, to maintain
currency stability and to carry out an administration reform that revolves on
reducing the weight of the bureaucracy. [Diniz, 1998]

Also new are certain positions in the cultural field whose occupants have become,
since the decade, go-betweens for the government, artists and public as regards

¹This made the Minister of Communications, Sérgio Motta, a sort of Gray Eminence in the incentives system, as
he was able to ensure that federal and state telephone utilities took a high position among sponsors. The Ministers of
Mining and Power and of Planning were also given the same task by the President.
cultural financing. Politicians who created incentive laws, governmental technicians that operate such laws, managers for the greatest and oldest corporate budgets and some entrepreneurs who have only now entered into sponsorship programs. The Ministry of Culture came to the point of promoting meetings with the entrepreneurial class from all over the Country in order to publicize the new laws.

Cultural marketing professionals or cultural producers who have left government positions to open project firms also took part in these meetings. In addition, such debates are also attended by museum managers, TV executives and representatives from other agencies under the governmental umbrella. The latest are people who were only able to keep their institutions alive after drastic budget cuts as a result of corporate sponsorship, often sought for under desperate conditions. A case in point is Fundação Padre Anchieta’s (created by the State government of São Paulo), who retains the leading noncommercial television station in Brazil — TV Cultura. Of course, in such debates one may also see artists and "cultural theorists" from the academic world — philosophers, anthropologists, sociologists or communications professionals.

II. OBJECTIVES

This article was prepared during the author’s stay in New York, in the first half of 1999 as a grantee by the Rockefeller Foundation, within the Privatization of Culture Project for Research on Cultural Policy, organized by a team of researchers from three universities (New York University, New School for Social Research and City University of New York), under the coordination of Professor George Yúdice.

Among other themes, the present paper aims to assess the impact and consequences of globalization on a wide range of aspects of cultural life. Contact with the ample literature available and the exchange with North American and foreign researchers
enabled the author to delve deep into matters of cultural policy and cultural economics.

These specialties have existed for twenty to thirty years in the university circuit of industrialized countries where they have generated much empirical research, theoretical speculation and comparative studies. In Brazil (not to speak about Latin America as a while), however, debates on cultural policy still stumble on the absence of systematic, reliable and socially shared information, and such debates are usually gelded by the confrontation on ethical and ideological principles. By the way, this is to the liking of many traditional academics and politicians. When such debates are not affected by the above factors, they quickly drop towards very immediate and private wishes, in a give-and-take of requests and demands.

To widen the scope of debates, the objectives of this article are threefold:

1. To provide the reader from countries with high income and education levels, a stable economy and, in most cases, a strong private maecenates tradition, with information on the experience of a country with a different scenario and where books and articles on cultural economics and cultural policy are not often the subject of study.

2. To give the reader from Brazil and other “emerging” or undeveloped countries an idea about the series of cultural policy issues, and about the financing of culture, discussed in the specialized “first world” literature.

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2 The number of countries in this circuit is so limited that they can be mentioned by name: the US, Canada, the UK, France, Italy, Spain, Germany, Holland, Finland, Sweden, Denmark and Norway, Japan, New Zealand and Australia. These are countries that sport one or more of the five following features: high per capita income and high education levels, professional and segmented academic field, complex state and corporate activity in arts funding, good census data infrastructure (particularly social data) and some sort of delicate intraterritorial ethnic co-habitation situation.
3. To engage in a deeper criticism of consequences of corporate sponsorship to culture (which may be the best expression of the “post-fordist” stage of contemporary capitalism), by comparing it with other older and more entrenched forms of privatization, arising from clientellism and patrimonialism. These roots go very deep in Latin America.

*In other words, when one comes to it, one must not judge neo-liberal privatization as either good or evil, but rather to see what it maintains or modifies as regards a preexisting reality, as uneven as it is, or more. In addition, to take this assessment as a basis to propose solutions to improve the efficiency and equitability in government decisions regarding the cultural field.*

In order to deal with these issues, I discuss here a broad span of different dimensions of cultural processes in Brazil. I am forced to skip to and from among macro and micro aspects, with the aim of showing the present difficulties in the Brazilian cultural field. On the other hand, I attempt to respect the publisher’s and reader’s space and time limitations, respectively.

**III. UNIQUE BRAZILIAN FEATURES IN THE CULTURAL FIELD**

The fact that France and the US are regarded as cultural policy benchmarks makes the effort of explanation by similarity and difference much easier. [Urfalino, 1989, Botelho, 1998, Mulcahy, 1998]

As is widely known, the US has the world’s highest levels of private support for the arts, either through corporations or individual sponsors. In other countries such as France and Brazil, the government has had most of in promoting arts.
In Brazil especially, the federal government has played the leading role, either through the creation of public institutions or through participation in funding private ones. The same applies concerning the most important state and local governments. One must stress that there is no continuity in the government presence in the cultural area. Governmental commitment to cultural institutions did not assure continuing good administration and steady and sufficient resources for them. [Durand, 1989]

To better understand the difference between Brazil, the US and France, for example, it's necessary to first consider the historical patterns of relationships between government, civil society, patrons and market.

Brazil, differently from the US, has entered the corporate arts sponsoring era without passing through the phase of the wealthy individual and family support.³ Differently from France, Brazil didn’t have a strong tradition in high culture.

Therefore, the Brazilian educational system does not have the same key importance in imposing the high culture hegemony over society. In its stead, commercial TV, which came rapidly to Brazil (in 1950), has been playing the major role of symbolic national integration force. Commercial TV has greater impact on collective imagination than in other countries, at equal or higher development levels. Due to a high illiteracy rate (15% country average), Brazil has a high reading deficit.⁴

It is also a country where folk culture is rich, as a result of the multiple ethnias that make up the Brazilian civilization, spreading across the country in diversified

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³ Only a (still to be carried out) analysis of the relationship the several segments of the Brazilian ruling class have with culture may provide a more certain answer to this issue. As long as, of course, such an analysis is based on the social history of this class and on the position taken therein by the several ethnic components it comprises: Italian, Jewish, Arab, German, in addition to luso-Brazilian. As regards the US, Q.v., the interesting book by Francie Ostrower, Why the Wealthy Give? The Culture of Elite Philanthropy. Princeton U. Press, 1995.

⁴ Brazilian book production is 2.4 per capita/year, while French is 7 and US 11. If schoolbooks are removed from the Brazilian average, this will drop to 0.8. De Fiori, Ottaviano, "As políticas do Livro", in Weffort e Souza, op. cit., p.42.
regional contexts. The main regional celebrations have begun to be promoted through the cultural industry’s “spectacularization” techniques. Chief among these celebrations, and best known of all, is Carnival.

Regarding the country’s political organization and the relationships among state and enterprising class, one must note that the latter, throughout its history, built dependency ties with the government, inducing a passive stance of expecting the state to provide all initiative and funding of “social” areas. In fact, the enterprising class always expected, during a century of republican life, the State, through exchange and tax policies, foreign loans and even inflation to make funds available for manufacturers and farmers to invest, often keeping risk at bay from their own estate. [Cardoso, 1964]

Therefore, the “developmentalist” State (1930-1985) lent even greater stress to the provider function, because during this stage government in Brazil and in several Latin American countries, had been leading the industrialization process. [Hobsbawm, 1994] Finally, when one observes more general conditions leading countries to have a more explicit and resourceful cultural policy, it must be said that Brazil is not among them, as in Brazil or among Brazil and its neighbors no threats of wars, separatist movements, border disputes, explicit ethnic conflicts or linguistic or religious disputes exist. In sum, there is no need to use cultural policy instruments to pacify or mobilize the masses, as takes place in Colombia.5

In conclusion, it should be kept in mind that Brazil’s per capita income is one-fifth the US’s and that income is highly concentrated both socially and geographically; that individual and family patronage of the arts are minuscule and the government’s is insufficient and unstable. Even though social — and, mostly, spatial —

5 Ana Maria Ochoa Gautier, from the Colombia Ministry of Culture, showed, in a Seminar at The Privatization of Culture Project how popular and regional music serve the government’s peace program, as it counts with the sympathy and support of the forces that share power in the country. The Seminar was entitled “The Rhetoric of the Regions – Decentralization and the Politics of Authenticity in Colombia”.

differences are decreasing, they are worth mentioning to enable better understanding.

IV. NEOLIBERALISM AND "POST-FORDISM" IN BRAZIL

When the neoliberal wave began, in the early 1980s, Brazil’s industrialization was already self-supporting. Foreign companies, particularly American ones, were already hegemonic among the country’s installed industry.

As the industrialization model implemented between 1955 and 1980 was strongly founded on the mass production of durable consumer goods, by the end of this period marketing and advertising already had consolidated positions in the entrepreneurial field. Such competitive tools introduced by foreign companies spread out fast.

North American influence made itself felt in all aspects of this universe: in business management teaching, in the recruiting of managers and directors, in business literature, advertising consumption and audience surveys, etc. The advance of commercial TV, in turn, led by Brazilian entrepreneurs sold audience to the corporate clientele, covering virtually all the national territory. Thus, all releases of relevant products underwent a mass-media campaign whose leading and most expensive point was space in prime time TV.

In the 1980s the “developmentalist” state begun to decline”. [Salum, 1988, Diniz, 1998]. In the field of commercial competition, mass marketing such as established in the US in the post W.W.II days, begun to be replaced with publicity aimed at specific segments and was complemented by countless sales promoting instruments. Roughly it can be said that these factors appeared in Brazil one or two decades later than in the US. Their character was also be different. For instance, market
segmentation in Brazil does not necessarily presuppose the integration of the country’s entire population into the capitalist consumer market.

The new mottoes for marketing in Brazil in the 1980s, introduced by translated American books, include market segmentation and the decline of traditional advertising campaigns [Meyer, 1991, Ramos e Marcondes, 1995]. Arts sponsorship became a tool in this new entrepreneurial repertoire. Meenaghan observes that the escalating costs of advertising media, its decreasing efficiency due to the “zapping” effect, and the new opportunities afforded by the increase in leisure activities are reasons for the world sponsorship boom in the 1980’s. [Meenaghan, 1991]. Also reflecting global capitalism trends, the service industry became pivotal for the reproduction of capital, pervading all spheres of the polity and civil society. The financial sector became hegemonic over others and the competition between the main banks led to marketing strategies borrowed from the consumer goods' industry. In short: money became a “product”. [Herscovici, 1995]

In addition to the macroeconomic factors mentioned up to now, reflecting the Brazilian version of long-term changes in the capitalist system, one must note that relationships with the state and society also change when the country goes from military authoritarianism to democratization. The long popular campaign to stop the authoritarian military regimen (1964-1985) inserted a lot of “new rights” into the 1988 new Brazilian Constitution. Political scientists were surprised by the intensity of demands for consumer rights, environmental protection, restrictions to both tobacco and alcohol advertising, women and minorities’ rights and so on⁶. [Lamounier, 1991]

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⁶ Proposals to restrict advertisement during the Constitutional Assembly were many. "An attack front arose against advertisement, with certain proposed laws aiming at censorship to advertisement of cigarette, beverages, children products, medication, health treatments and pesticides." Ramos & Marcondes, 1995, p.129 Meio & Mensagem magazine, ed. 2.11.1992 states that there were, at the time, 18 projects in Congress to introduce restrictions to advertisement.
Although many of the multinational corporations have long had Brazilian subsidiaries, only recently have they felt the need to professionalize their lobby teams to protect interests before the Brazilian Congress and other centers of political power. These structural factors above are present in any market economy. What varies, however, is the timing in which they occur, their strength and the way in which they are interrelated.

Since the main reason for corporations to finance culture is to improve their image among consumers, society and government, *it can be said that the stronger these groups and institutions are in a given country, the more will cultural marketing and other instruments be used to reinforce the image of corporations.*

In conclusion, federal, state and local governments arrive at this “post-fordist” phase very debilitated in their ability to afford social expenses. Whereas “post-fordist” structural factors raised demands for state intervention in the cultural area, they were such as reducing the financial capacity of the government to meet them.

V. FISCAL SYSTEM AND TAX INCENTIVES EXPERIENCE

It is also important to note that the system of fiscal incentives created by the “developmentalist” state is now in decline and faces extinction. The fiscal reforms necessary to modernization threaten to eliminate all tax incentives to corporations. Budget deficits are a constant threat the artistic community cannot avoid. The minuscule share (under 1%) of cultural incentives in the universe of federal fiscal incentives, makes it easier, in theory, for the government to deem this area as a “exceptional” and save incentives to the culture from drastic suppression. More than

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7 A US company that surveys the sponsoring market - IEG Sponsoring Report - forecasts that Latin America will sport the highest growth rate (19%), while world average should be 11%. This region stands for US$1.5 billion in a global market for US$19.2 billion. Of the grand total of sponsorships, sports stand for two-thirds and arts for 6%. *Marketing Cultural*, n.20, February 1999, p.8.
once President Fernando Henrique Cardoso’s Minister of Culture had to pacify the artistic community in this regard. In such times he invokes the President’s sensitiveness, himself a sociologist and cultivated man.

Among the great many taxes in force in Brazil, the municipality taxes urban property (IPTU) and services (ISS), the state taxes production and distribution (ICMS), and the union taxes the corporate profits (IRPJ) and individual income (IRPF). Among the taxes used, IPTU is the most favorable to the application of incentives as it is paid throughout the year and is less liable to tax evasion. The amounts also involved aren’t as variable as those under IRPJ and IRPF, which vary according to corporate profitability and market surges and are paid on only during a short period in the whole year.

These are the taxes on which cultural incentives are based. At the federal level, incentive law (Law No. 8.313, 1991) also provides for donations and investments. The Audio-Visual Bill (Law No. 8.685, 1993), which incentivizes the movie industry, also provides for corporate investments. In the latter case, trading is mandatorily carried out by means of the stock exchange accredited brokers, under the supervision of the federal agency that governs them - Comissão de Valores Mobiliários.8

Municipalities and States also have some autonomy as regards the preparation of several facets of their incentive laws. In general, some long lead-time exists from the initial presentation of a bill at municipal or state assemblies to the final moment when culture departments are equipped to receive and evaluate projects and carry out tax rebates.

8 Newspaper O Estado de S.Paulo (ed. 29/3/98) comments that a half-dozen brokers dominate the market. The total 91 million reais released in 1997 was placed by them. Two brokers gained a privileged position in this small marketplace. Supra placed 12 million reais in film quotas in 1996 (standing for 20% of funds); in the following year, this rose to 19 million (or 23% of funds). Sagres is also well positioned. It had, according to the paper, quotas on 20 scripts for sale in 1997 and, in 1998, maintained quotas on twelve films. The two brokers hold, jointly, almost half of the entire market defined by the Audiovisual Law.
To provide a bird’s-eye view on this, it is important to note the common traits among such laws, identified in a comparative study made by Fundação Getulio Vargas’s CCSC/Culture and Consumption Studies Center, in S. Paulo. [Durand, 1996b]

They presuppose a technical examination of projects. Judgment is based only on whether the project has a cultural character and whether it is feasible. In other words, the law forbids the committees to reject cultural projects on the basis of an assessment of merit. The law prohibits relationships of social proximity between members of the evaluation committees and authors of projects. Some laws take care to avoid consumption of any significant part of the resources by mundane events and advertising.

Laws compel companies to mobilize at least 20% of the total cost of a project. That is, they limit the fiscal incentive to no more than 80% of the projects. Government cannot transfer to incentives their current expenses on payrolls, cultural programs or on the maintenance of cultural centers. The payment of specialists in drawing up, producing, managing and raising funds for cultural projects tends to be accepted. In debates had among artist unions and open sessions where the first bases of such laws are discussed, the following means of control were proposed: a) to treat the municipal agency as a foundation in order to provide greater agility in managing the law, enable receipt of funds from other sources and assuring greater independence from the mayor or governor; b) to ensure a minimum 50% members elected by their peers among the cultural community, to assemble project evaluation commissions; c) to ensure similar participation into the assembly of municipal culture councils, with powers to establish the wide direction of the municipality or state in this area.\(^9\)

\(^9\) A São Paulo NGO, Instituto Pólis, dedicated to studies and consulting on municipal management, published some guidance texts for municipalities where these suggestions may be found. Q.v. “50 dicas’ Idéias para a Ação Municipal” and "Projeto Cultural para um governo sustentável".
VI. NOTEWORTHY RESULTS (1985-1998)

FEDERAL LEVEL

The federal cultural incentive law ("Lei Rouanet"), was amended in 1995. The allowed limit of rebates rose from 2% to 5% from the income tax owed by corporations, in addition to the simplification of procedures and the permission to compensate the work of professional go-betweens. From then on the number of sponsor companies started to rise considerably: 72 in 1994, 235 in 1995, 640 in 1996 and 1,125 in 1997. The projects submitted also rose in number: 425 in 1994, 1,255 in 1965, 2,450 in 1996 and almost 4,000 in 1997. Amounts rose from 14.4 million dollars in 1994 to 57.7 million in 1995, 104 million in 1996 and peaking at 165 million in 1997. The resulting "cultural assets" rose from 80 in 1994 to 193 in 1995, 466 in 1996 and 719 in 1997.[Weffort e Souza, p.421 and seq.]. The chart below shows the growing weight of state-owned companies in funds.

State Owned and Private Corporations Expenditures with Culture – Brasil – 1990-1997
(in $ 1,000 reais average 1996)

Source: Fundação João Pinheiro/Minc. in Weffort and Souza, p.429
In 1998, this growth was affected by the impact caused by the global recession triggered in Asia. In a country where sports, and soccer particularly, have very strong popular appeal, the World Cup in France, 1998, is an event that deviates companies’ attention from cultural to sports sponsorship. But results indicate that 1998 was at a par with 1997. As to Ministry’s budget, it has been increasing since 1995, not only in nominal terms, but also as a result of the decreasing share of management expenses on the total budget.

STATE AND MUNICIPAL LEVELS

State and municipal laws were enacted after federal ones. They were created in the nineties, over a long time.

According to available data there are laws in force only in nine states\(^{10}\) (Bahia, Ceará, Mato Grosso do Sul, Minas Gerais, Pará, Pernambuco, Rio Grande do Sul, Rio de Janeiro e São Paulo). There are four States inserting changes in theirs (Acre, Alagoas, Brasília-DF e Paraíba).

Although the states where the law is being applied vary both economically and in size, the data show considerable growth in resources. Amounts rose from 13,3 million dollars in 1996 to 23,8 million in 1997 and 38,2 million in 1997.

Municipalities were ahead of states as regards incentive laws, as the latter are supervised by an agency\(^{11}\) which keeps strict vigilance over the use of this mechanism to avoid “fiscal wars” provoked by the process of giving advantages to private corporations. There are laws in force in the following municipalities: Aracaju, Belo Horizonte, Curitiba, Florianópolis, João Pessoa, Londrina, Porto

\(^{10}\) Survey by phone and fax carried out by the CCSC/Culture and Consumption Studies Center, da FGVSP, de janeiro a abril de 1999.

\(^{11}\) This agency is the Conselho de Administração Fazendária/CONFAZ, joining all the State Treasury Secretaries.
Alegre, Recife, Rio Branco, Rio de Janeiro, São Paulo, Teresina, Vitória e São José dos Campos.

At the local level, incentives attract mostly companies in businesses that incur heavy urban real state property taxes (such as parking lot networks, bus companies and car dealerships). Also affected are areas in which payroll is the basic cost item such as private schools, hospitals and health-insurance companies, private security firms, public cleaning companies and contractors. One might also include small-sized businesses who produce and trade on raw materials or instruments used in artistic work and who, therefore, regard the law as an opportunity to relate to their clientele. The most obvious situation is that of photographic exhibitions funded by photographic materials stores.

Quantitative results on municipalities show as a general trend the increase in demand and amounts sought. The gaps among the amounts provided from one municipality to another are huge. In general, the percentage use of tax surrenders has been increasing. Amounts rose from 8.9 million dollars in 1994 and 1995 to 16.4 million dollars in 1996, to 25.7 million in 1997 and 24.5 million in 1998. However, the “cultural assets” rose from 132 in 1995 to 330 in 1998.

Unlike data on federal tax incentive laws, which could be found in many publications and in the Internet, the state and local ones are not available. It has been suprisingly difficult the simple task of collecting information by phone and fax, even by a respectable academic institution as Getulio Vargas Foundation. The request had to be repeated several ways; the questionnaire had to be sent twice or more; the official's engagement with deadlines were rarely respected. The most eloquent impression let by this experience is that almost nobody realizes they are managing public money and therefore they should respect the need to make available and to divulge data. Certainly, this is a very good exemple of public servant behavior unwillingness to democratic accountability, as analyzed above as a patrimonialist oriented attitude.
VII. TAX INCENTIVES: PROS AND CONS

There have been numerous debates about the desirability of tax incentives as a public policy instrument through which the government attempts to strengthen the participation of private enterprises in certain geographic regions or areas of activity, regardless of which these may be. A more generic criticism to this instrument of economic and tax policy argues that any incentives placed should be for a limited term. It is assumed [by economists and policy makers] that in the longest term businesses will no longer need fiscal incentives because they will have learned that investments in a given activity or a region are beneficial to them. Nevertheless, the historical examination of tax incentives in many countries indicates that results do not tend to generate the desired adherence by entrepreneurs. The fear, backed by ample experience, is that when fiscal advantages cease, companies usually withdraw from the area supposed to be promoted. A second criticism, also generic in character, argues that fiscal incentives must be orchestrated with other public policy instruments according to a minimally clear strategic outlook to generate the desired effects. In the peculiar case of the cultural area, we must finally note that the public/private partnership is a more generic trend, common to most countries. [Sauvanet, 1999]

Addressing Brazil in particular, the positive aspects of fiscal incentives are the following, according to the importance level assigned by the author. First, the mere existence of fiscal incentives force artists or cultural producers to seek out funds from companies, in a tiresome quest, which increases pressures for direct state financing in the cultural medium. That is once it is realized (in a certain municipality or state) that incentives have already generated some practical experience among technicians in their cultural agencies and that applicants already learned to format feasible projects; and once it is also realized that collection remains disproportionately low as a result of corporate lack of interest, a situation is created propitious to the creation of a fund kept by the government and kept at the applicants’ disposal. This argument states that the frustrating experience of fruitless
knocking on companies’ doors stimulates requests for the creation of funds in parallel to sponsorship.\textsuperscript{12}

The second aspect is that of the perception, by politicians, of the artistic field as an important electoral marketplace. Thus, politicians who cause a bill (which may carry the politician’s name) to be approved, and who causes dissatisfaction because collection is too difficult, will be the first to be interesting in offering amendments to the law by means of the creation of a fund, that is, the second aspect relates to the first.

The third aspect is that entrepreneurs live in a culture in which all actions must be thought of for cost and benefit. This relational aspect of entrepreneurial reasoning reinforces the need for quantification and causes, at a more ample level, awareness over the need for numeric data on cultural markets. And, as a consequence, dissemination of cultural agents’ concern over public volume (audiences).

A fourth aspect is that the market focus inherent to corporate sponsorship causes artists and cultural producers to regard the work of art as an "augmented product". In marketing jargon this means attention to several aspects exogenous to the effectively cultural value offered, but often crucial to the public’s decision on whether or not to enjoy it. In the author’s words “The [augmented product] is not a simple thing: rather, it is a complex blend consisting of a core need-satisfying offering, a set of tangible characteristics, and a set of augmented benefits”. [Kotler and Andreasen, 1987, pp.426/7]

A fifth aspect is that the struggle to approve projects with commissions and the subsequent search for companies for funding develop a minimum competence

\textsuperscript{12} The new Rio de Janeiro State Culture Secretary, Adriano de Aquino, is proposing changes to the law. Companies willing to sponsor will donate up to 0.5% of the ICMS owed to a Cultural Development Agency. This ends the sponsor’s compensation (which was 20%) and the need for artists to go looking for sponsor companies. The São Paulo State law already includes such a disposition, operating on an ICMS percentage that is distributed directly by the State Secretariat of Culture to the authors of approved projects.
among artists in the preparation of projects and budgets. Also in this respect the creation of funds is facilitated as they also operate on the basis of the technical appraisal of projects.

Another virtue of the government and corporate partnership is that it attenuates the negative effects a hostile governmental decision may have on cultural life. A sad example occurred in 1990, when president Fernando Collor, stating that culture was a matter to be dealt with by the market, determined the dismantlement of federal cultural agencies at the same time as he revoked the first fiscal incentive's law. This was when the federal budget for culture dropped to its lowest point in the 1985-1998 period. I maintain that the dismantlement of the cultural area promoted by the Collor administration would have caused fewer damages had there been, then, a network of corporations able to bear greater loads.

Several **negative aspects** of fiscal incentives to culture have surfaced in debates during the present decade.

First, fundraising imposes exhausting efforts on artists and producers as can be seen in Montenegro's statement.

Second, corporations attempt to extricate themselves from paying their share. In other words, on perceiving the applicant’s efforts in raising funds for something vital to him/her, many entrepreneurs try to transfer to the applicant the project’s entire economic burden. This betrayal of the spirit of the law and the philosophy of partnership takes on despicable guises. For instance, when entrepreneurs suggest that the applicant raise the cost of the project by 20% and return them the corresponding amount when the dues are received. In this way the company is exempted from any present contribution from its treasury. Another embarrassing

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13 Fernando Collor de Melo, was the first President elected after the Militar Regime; he was moved from power after a Impeachment process by corruption (1992). In March 1990, by means of Executive Orders, he stinguished the Ministry of Culture, the seven main Foundations under the Ministry and the “Sarney Law” of tax incentives.[Poerner, 1997, pp. 99-100]
situation occurs when artists and promoters from a certain area, on realizing that what will make an entrepreneur come to a decision is the ability to not actually spend anything, start to demand “full” sponsorship from the government, that is, 100% of the total amount invested in the project. The weight of this variable was drastically proven when the federal government, giving in to demands by the interested cultural community, extended, by means of Executive Order No. 1589, the 100% deduction, until then restricted to audiovisual works, to four additional areas (“scenic arts, classic and instrumental music, books and the collections of museums and public libraries”), suddenly raising their collecting rates.¹⁴

The impulse to turn everything into advantages (companies realize this very easily as a result of the number of projects they receive, often in excess of available funds) turns the entire support system into an advantages auction, sometimes illicit. Sometimes projects stipulate excessive compensation for go-betweens. Considering the fact that many companies refrain from taking categorical positions as regards applications, one might say that they are also completely exempted from the moral burden. To leave an application unanswered, in fear of resentment and image attrition, is the utmost in answer ability exemption. By the way, an educative action by the Ministry with such companies might solve this difficulty.

A third aspect pertains to the selection criteria maintained by corporations who choose to finance a project. Considering the fact that this kind of expenditure, in the eyes of the company, is justified as reinforcement of a positive image, concerns over the quantification and return are such as to cause the main point of results evaluation by the company to be the volume of “spontaneous media” return. That is, square inches published on the event in the editorial area of newspapers and magazines, or spoken mentions in electronic media, as compared to the cost of the

¹⁴ Marketing Cultural magazine compares the ranking of the 20 top investors in audiovisual works, showing that the total funds placed by them dropped from RS$36 million in 1997 to 16.6 million in 1998. In sum, in a year marked by global recession that started in Asia and that shook Brazilian economy rather badly, movies had losses that were neutralized in other areas, as the total amount invested remained at around 200 million reais.
same space had it been bought at the prices quoted by the means of communication in point. More experienced cultural producers usually collect copies of all mentions in the press (clipping services) to show to the sponsor. From this standpoint, project financing is no more than a advertising expense. As a consequence, priority is given to highly visible projects, which becomes a true obsession. When an event that provides a good media return is too expensive for a single company, the division of the cost into quotas represents a resource to reduce risks, even if the outcome has to be shared with other companies.

In other words, an initiative that “yields media” will go on as an attractive opportunity for incentivized sponsorship, even if it has lost the function for which it was created. Under such circumstances, the energy spent will be innocuous to the specific cultural area. Lack of attention to the contribution of the initiative for the peculiar cultural area it is supposed to support. It is fair, however, to note that in many cases artists, critics and many other agents in the cultural field are accomplices — at least by omission — to this deviation.

From the standpoint of sponsorship-related decision-making by means exclusively of cultural marketing, a theater play is equal to a painter’s vernissage; in a more realistic scenario, it also equals a soccer match or an environmental control program. This means that the sponsor company will not ask about the properly cultural meaning of the activity it finances much less about the priority level of the...
supported activity among the set of needs in a given cultural area. So much so that a Canadian software is being sold in Brazil whose purpose is to enable the company to establish a scoring system to assist it in deciding whether or not to finance a given project.\textsuperscript{16} We must note that not all subsidies to arts coming out of companies’ pocketbooks abide by the logic of marketing as they sometimes represent a discretionary decision by the CEO. As such, it can be compared to an act of individual or familiar maecenate, as described above.\textsuperscript{17}

One must also remember that companies’ cultural sponsorships tend to take place in the regions where they operate or where their mean marketplace is. Therefore, spatial distribution only reinforces geographic inequities as regards access to culture. In addition, as the least advanced Brazilian regions already benefit from incentives to regional economic development, companies in the Northern and Northeastern regions may not benefit from fiscal incentives to culture. To compensate for spatial concentration, the Ministry of Culture corrected the situation using resources over which it has exclusive control — the resources of the Fundo Nacional de Cultura/FNC. Thus, between 1993-1997 when these resources grew from 4 to 12 million reais, the part destined to north-northeast grew from 5 to 41%.

[Wefforte Souza, 1998, 442]

A final aspect regards the mode of participation chosen by some major banks. As they are simultaneously major contributors to federal taxes (income tax particularly) and interested in reinforcing their public image, they hold a privileged position from which to propose “closed” participation to the Ministry of Culture. That is, through the cultural institutes they have created, they manage their own fiscal incentive budgets, causing the Ministry to approve each year, an “Activities Plan” that optimizes fiscal and marketing advantages. In years when the limit of exemption allowed by the government is low in face of the amount “legal entity” taxpayers

\textsuperscript{16} Marketing Cultural magazine reports that this new product – PerforMind, supplied by the Sponsorium International Incorporation - costs 8 thousand dollars.

\textsuperscript{17} Mr. Jens Olesen, chairman of the Brazilian branch of McCann Erickson is Nordic in ascent. He invokes this as reason to sponsor Nordic art in Brazil.
may rebate, the priority given to “closed programs” that take up sizable amount of the funds available is criticized by artists and cultural producers, who raise funds by going door-to-door, and need to secure funds from companies who don’t implement “closed programming”. Few large-sized sponsors secure the privileges. Some also voice the point that the building costs such banks bore to build sites or remodel their cultural institutes’ offices were also covered by incentives. This criticism is based on the fact that the government asked for no guarantees that such areas would be permanently used for cultural purposes. Once incorporated into the banks’ assets, what assurance can there be (at a possible moment when they can no longer finance annual activities by means of the same incentives) that they will continue to house cultural activities and not be assigned, at their owners’ discretion, to commercial or management purposes?

A relevant incentivizer, in countries such as the US, is the individual taxpayer. This is where a sizable portion of the funds raised comes from. In Brazil, the Ministry of Culture has surveyed data that indicate that, of the 163.8 million reais secured by Lei Rouanet from January through November 1998, only 0.67%, that is, RS$127,000.00 came from individuals. The upside is that this amount was significantly higher (45% increase) than in the previous year. In Londrina, a city in the State of Paraná, little more than a thousand taxpayers destined, in 1998, a total R$280,000.00 of their IPTU, which corresponds to 24% of the total incentives revenues from January through October. Marketing Cultural magazine [n.20, February 1999, p.53] also states that 1,660 individuals from Barbacena, State of Mines Gerais, destined RS$140 thousand for a local theater group. The former Ministry of Culture’s Secretary for Cultural Support, José Álvaro Moisés, lays great hopes on individual contributions as they may be decisive if there is the end of corporate incentives.
VIII. ARTS AND CULTURE: PATRIMONIALIST AND NEOLIBERAL PRIVATIZATION

The greatest trap that can be laid on the path of someone trying to understand the relationships between economics and symbolism in the contemporary cultural world is to believe that the capitalist mercantilization opens an era of gaps and mean interests in what should be the most precious space for human expression. The force of this belief is great; by basing itself on Marxism - a theoretical school that erected the broadest, severest and most contesting view of capitalism — the Frankfurtian criticism of mass culture uses a very dangerous idealization. This consists in supposing, by omission, that before capitalism cultural life would exist free from power relationships, without a context of domination and subordination. Therefore, in the name of a theory that claims to speak for the working classes, some take on an exclusionist perspective that tends to regard with suspicion and contempt all that is culture and entertainment produced under the reasoning of the cultural industry. This trap is due to a grave mistake: It uses the wrong Marx. Instead of the theory of ideology's Marx, the Das Kapital Marx should be used. Only in this way may one realize how the power of his explanatory method assists in understanding the dynamics of culture and communications according to the laws of the extended reproduction of the capital. [Herscovici, 1995]

One way of avoiding this trap and prevent the demonization of the corporate sponsorship of the arts [Ottmann, 1998] is to compare the current form of privatization (which, for the sake of ease, we will call “neoliberal”) with another, which can be called “patrimonial”. [Weber, 1958]. This is especially needed in the Brazilian and Latin-American context, due to the strong patrimonialist base that provides the foundation to the relationships between ruling social class and State, and between political society and civil society.

The history of Brazilian art in most of the 19th century, when Brazil was already an independent nation, organized as a parliamentary monarchy, is a good indicator of
how decisions depended on the caprice, will and personal taste of the monarch and illustrious names in his court. They decided which individuals, families or groups to favor as regards access to the few artistic teaching institutions. The granting or renewal of “pensions” to Brazilian artists in Europe, throughout the Second Reign (1840-1889), was often influenced by the monarch himself, based, sometimes, on moral evaluations. The republican regimen, which began in 1889, caused little change to this situation as it remained oligarchic and close until 1930. In this period, the mass arrival of European immigrants, many of whom with arts and craft skills, besides the demand for entertainment which rose as a result of urbanization, helped improve opportunities. But it is fair to acknowledge abbreviating this analysis, that until recently, what was taken as public cultural administration in Brazil was State’s mediation in meeting specific demands by artists and intellectuals and in the satisfaction of the tastes cultivated by its political and economic elite. [Durand, 1989]

One may, in this ample historic spectrum, collect several aspects of patrimonialism in the cultural sphere. Such is the case of ministers or secretaries who decide what to finance based on their personal tastes; of ministers and state or local secretaries who accept the position but are only interested in political activities, delegating technical activities to their aides; the same happens when they award little importance to the quality and representativeness of committees that approve projects; or when they decide individually or jointly with diplomats which events and artists to send abroad. Such is also the case with concessions made to socially close individuals as a result of political recommendations. Or with the concentration of funds on consecrated artists, instead of promoting new ones. But there is an additional aspect, perhaps even more serious than this: the cultural manager’s indifference towards the unused capacity represented by equipment, facilities, collections and technical and artistic personnel paid for, directly or indirectly, by public coffers. Related to this later is the indifference towards a minimal equitativeness concerning the definition of initiatives and the allocation of
resources. For example to allow governmental support to culture to be confined to Country’s capital or to a minuscule number of large-sized cities.

I understand that the new environment of demands and expectations regarding culture and governmental management is taking place within a set of significant changes, causing a range of effects more positive than it is negative. I also think that several negative aspects may be circumvented by measures within reach of the sector’s authorities. For instance, the rising cost of scenic and musical presentations as a result of “spectacularization” [Volkerling, 1996] may be partly avoided by means of directives to establish up to which point the government may, directly or indirectly (incentives) agree with the media-inflated prices. The same is true for the several incentives that limit the total amount of financeable projects to better distribute funds: a “deflator” may also be devised to indicate the top prices to be paid. Financing of science, which in Brazil works rather well\(^\text{18}\) under the exclusive responsibility of the government and academic community has its compensations schedule defined among peers, thereby neutralizing media impact. No matter how famous a researcher is, no matter how often his/her name is mentioned on papers and on TV, and no matter it be common knowledge how much he/she charges to take part in a speech or conference, none of this changes the amount he/she can receive as a governmental agency-financed researcher\(^\text{19}\). But the paying of compensation of go-betweens, which doesn’t exist for sciences, but does for the arts, encourages the required intermediation work. While go-betweens do not become mandatory for the submission of projects (this only happens in the investment mode of the Audio-Visual law, as the sale of shares is legally monopolized by brokers registered with the Comissão de Valores Mobiliários), nothing opposes their being paid for their work. In addition, the greater productivity achieved in managing laws by means of information technology resources and other techniques that facilitate the preparation and tracking of a project, its submission to

\(^{18}\) Brazilian public agencies for scientific research support an average of 70,000 scholarships, amounting to over one billion dollars a year.

\(^{19}\) Unlike the US, there is not salary-bargain in the Brazilian academic and scientific marketplace, even in the private ones.
potential sponsors, a control of terms and budgets, a proof of expenses, etc., greatly collaborates to the absence of a need to use go-betweens, and therefore to democratize the use of funds and to have control over the system.

The credibility of the incentive laws also depends on care over the dissemination of that which is effectively covered by fiscal incentives in a given event’s budget. Veja - the leading Brazilian weekly magazine — published in October 28, 1998, that Bradesco [a major Brazilian privately owned bank] was building a huge Christmas-tree (58 m high), in the middle of the Rodrigo Freitas Lagoon, in Rio de Janeiro. The small note only stated that the tree would cost 2 million dollars, an amount to be covered by funds from Lei Rouanet incentives. On reviewing stories on Rio de Janeiro newspaper Jornal do Brasil, one realizes that the initiative encompassed concerts by an international symphony orchestra. This was the activity covered by the incentive. But the attrition cause by the note published countrywide cannot be easily offset by subsequent news, which circulated almost only in Rio de Janeiro. The necessary role of legitimization state must play in arts world [Zolberg, 1996, Durand 1998a] includes avoiding lack of information that could lead to misinterpretation of selection criteria.

The multiplication of incentive laws and the expectations created among artists and intellectuals pose a good opportunity for the quantitative observation of demands. Unlike science, in which qualification for an application is clearly limited to the holders of academic titles with positions in the university teaching system, in the case of arts quantification of the demanding population is almost impossible. The several degrees of amateurism at which arts may be performed and the fact that the core of effective professionals is very limited make it difficult to know whether the status of funds offered is satisfactory. The multiplication of laws and respective regulations, the increasing number of contests, festivals and awards brought about by the entry of companies into the sponsorship market makes the number of applicants grow. Unfortunately, there is no mechanism stimulating the individuals who choose and decide, within such commissions, to discuss and disseminate what they see. Thus, it is impossible to know either the size, social properties and geographic distribution of the demanding clienteles, or the technical
and aesthetic virtues of contestants. This is one result of the state of anomia and individualistic fragmentation of the artistic environment one must recognize as a result of its internal dynamics, not of the presence of corporate support to the arts.

The increasing pressure for expenditures on culture to be seen from the economic standpoint (job creation, tourism dynamification, etc.,) assists in increasing care over quantitative information. Even the numbers in the public culture budget, which used to catch no-one’s interest, are now being surveyed and analyzed to project trends.20

IX. CONCLUSION: TOWARDS A BROAD CULTURAL POLICY PERSPECTIVE

Fiscal incentives and cultural marketing have been the dominating issues in debates on the state’s cultural action in the 1990s. They alleviated the lack of government funds in a situation where it would be almost impossible to stand for financing from governmental sources only. At the international and comparative level, its agrees with the trend towards mixed funding.

But to create a funding instrument doesn’t stand for proposing and implementing public policy. This applies to culture as to any other area and is no more than obvious. But this obviety must be recorded here as none of the government spheres — whether federal, state or municipal — gives public knowledge, with the stress it deserves, of a platform of action that may be regarded as an integrated and consequent strategy.

At the federal level this need is more hardly felt, as can be seen from the organization of the book “Um Olhar Sobre a Cultura Brasileira” (“An Outlook on

20 The Ministry of Culture hired, in the current administration, pioneering studies on the economic worth of culture in Brazil, as well as still ongoing studies on cultural habits, events listings and other surveys. Minas Gerais State Government’s Fundação João Pinheiro prepared a study on public culture budgets since 1985, and, more generically, on “cultural GNP”.

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Brazilian Culture”). In this collective book, published by the current Minister and by the Chairman of Fundação Nacional de Artes, each author is invited to give a bird’s-eye view of a specific cultural genre. This sectorized historic panorama, which includes a roster of needs and challenges, is followed by a list of initiatives implemented by the Ministry in the 1995-1998 administration, showing what was accomplished and what still needs to be done. I think that this document is and must be a reference or starting point for a collective debate, involving the artistic community and civil society, on which points must be chosen as priorities.

At the state and municipal levels, however, one still sees a very unequal situation as to how they deal with this issue. It is unknown how many municipalities have autonomous cultural management as regards education, tourism, sports or other similar activities; it is also unknown how many maintain funds to finance private projects. It is known, however, that many of them lack even a single microcomputer, and that all records are still made by hand or on mechanical typewriters. At state capitals there is frequent juxtaposition of municipal and state governments. There are significant municipalities that consider it enough to let the public know how many events they promote. All done as if the mention of 1,927 events in a month, 2,032 in the following, 2,008 in the third, etc., were enough. As if, in fact, the definition of an event was entirely clear and unarguable. In sum, if decentralization is a cultural policy trend in many countries, it is safe to state that a considerable portion of municipalities (and some state governments), in Brazil, are not capable of sharing responsibilities with other governmental spheres, understanding the aforementioned interdependencies and, therefore, receive passthrough funds. [Pankratz et al., 1990]

It is worth transcribing an observation by Maurício Faria, a City Council Member from the PT – Partido dos Trabalhadores (Labor Party), the leading left-wing opposition group to the Fernando Henrique Cardoso administration. "PT, too, has not yet entirely made a decision over Cultural Policy. PT, grounded on social

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21 Botelho, Isaura, "Notas de aula do Curso de Administração Cultural/ FGV-SP, 1998".
movements, popular movements, in a country with so much material deprivation, such radical inequity, based on a certain culture which, in fact, establishes a false contradiction between social and cultural, and regards the cultural issue as if it represented bourgeois ideology, as a luxury, as a superfluous item”.22 [author’s italics]

The São Paulo State Secretary of Culture, State Council Member Marcos Mendonça, in turn, faced with enormous budgetary difficulties making the state incentive law work as it is supposed to, has made his mark by promoting several major buildings, remodeling and restorations. He justifiably calls these “anchor activities” for cultural management.23 Regarding point I make such initiatives, which are relevant and yield deserved electoral and prestige dividends, helps delay the preparation of a more integrated and longer-term view. To this effect and, in contradiction, besides being an anchor, such buildings and restorations are a rescue float.

Phillipe Urfalino, analyst of French cultural policy, is the one who best calls attention to the importance of major construction works and restorations for cultural management [Urfalino, 1989]. By adapting this author’s "endogenous dynamics" concept, and integrating elements from other analysts, one may state that cultural policy can only exist in the presence of strategic thinking that takes account of interdependencies between the following dimensions of cultural life:

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23 q.v. story.
Between Cultural Medium Agents:
Public Sector (Federal, State, Municipal), Private Sector, The Third Sector, Cultural Organizations and Culture Consumers.

Between Cultural Cycle Spheres:
Production, Dissemination and Fruition

Between Distinct Social and Social/ Economic Segments:
Age, Gender, Educational Level, Income and Ethnic Groups

Between Term for Expected Results to Appear:
Short, Medium and Long

Between Cultural Areas:
Music, Dance, Drama, Cinema, Etc.,

Between State Action Exhaustive Instruments List In Any Public Policy:
Ownership and Direct Maintenance,
Incentive and Disincentive,
Establishment of Quality Measures and Standards,
Rights and Responsibilities Attribution,
Information.

The presentation of this roster is, doubtlessly, very useful for those who never operated in this area, or who, though operating in it, never considered it at a deeper level. In and of itself is a formal and sound enunciate.

Gray [Gray, 1996], however, reminds us that the debate on cultural policy cannot be satisfying with enunciates such as the one above only. To the contrary, it requires a sounder theoretical basis than that which can be provided by human sciences only. A theoretical basis, one might add, capable of simultaneously addressing cultural policy decision-making in regard to the dynamics of the “post-fordist” stage of capitalism and the dynamics of the cultural field where its main characters operate.

Thus, contributions such as those by Volkerling [1996], Oliver Bennett [1995], Urfalino [1989], Herscovici [1995], Boorsma [1998] and Schuster [1998] must be
read to understand the alternatives and deadlocks faced by governmental cultural management in this fin-de-siècle. Among other virtues they point to the difficulty there is in incorporating the “demand side”, that is, finally, the entire population, or most of it, into an area in which governmental attention is historically committed to the “supply side”, that is, clienteles made up of artists. As Volkerling wrote, “high culture is producer culture; production is the problematic and interesting element and consumption is more or less taken for granted”. (p.196). Though much of the marketing literature has no application for what is debated herein, one must acknowledge the contribution made by certain authors who know how to connect, in a mature and intelligent manner, social, economic, demographic and cultural variables to foresee the medium- and long-term future of demands [Colbert, 1997]. When the basic national historic and artistic estate law was passed, in the 1930s, it was justifiable that the State should bear with the responsibility and economic burdens of the preservation thereof. At present, when the chairman of Instituto do Patrimônio Histórico e Artístico Nacional/IPHAN [Campelo, 1998] estimates that a billion dollars is required to recover the thousands of “preserved” buildings in ruins or precarious state, and another 50 million annually for maintenance, it is no longer possible to delay either the study and debate on a sharing of responsibilities between the government and the private sector, or the proposition of alternatives for public fruition of such by means of tourism.

In sum: the tacit agreement between the State and the minuscule producing clienteles can no longer be the exclusive basis or the single justification of governmental action. Collective interests regarding entertainment, employment, urbanism, education for democracy, among others, claim their place in cultural policy. The real question is how to predict the effects, avoiding the negative ones, resulting from new political, social and economic uses of arts. [Yúdice, 1997]

Brazil currently sports much better conditions for developing thought on and practice of cultural policy than it did a decade ago, when culture was a subject of illustrated discourse and academic essays only. The current status indicates that
"purely discursive strategies" of whatever ideological color they may be, are no longer convincing. But much is still to be done in terms of research and information which are effectively useful for decision-making in this area. As Pankratz and collaborators state:

“Most policy choices, of necessity, are made in the midst of uncertainty and under conditions of partial ignorance. Research attempts to narrow the realm of such uncertainty. In so doing, policy research seeks to balance interests of researchers and policymakers; in philosophical terms, it confronts the ancient distinction between theoretical reason, which seeks knowledge, and practical reason, which is directed toward action. Additionally, policies inevitably involve issues of value, preference, and taste. Thus, arts policy research, because of the prominence of such issues, rests precipitously among science, the realm of values, and real-world problems” (p.264).

Among other things, one must give a voice to a character that is virtually absent from debates on incentives and sponsorships: the public cultural manager. Be it at the municipal, state or union level, this professional is the living memory of an institutional experience that must be valued and taken advantage of. [Durand, 1996a] [Botelho, 1996]

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