

# Conference READER

## **Gambling on Culture State Lotteries as a source of funding for culture - the arts and heritage**

14<sup>th</sup> - 15<sup>th</sup> November 2002,  
Rome, Italy

The Reader was compiled by Diane Dodd  
and edited by Dorota Ilczuk and Carla Bodo

# Index

<b>Part I: Messages of welcome</b>	<b>Pag. 3</b>
President of CIRCLE, Dorota Ilczuk Vice-President of Associazione per l'Economia della Cultura, Carla Bodo	
<b>Part II: Programme</b>	<b>Pag. 5</b>
<b>Part III: Participants list</b>	<b>Pag. 7</b>
<b>Part IV: Introduction and overview of the survey results</b>	<b>Pag. 12</b>
<b>Part V: Country replies</b>	<b>Pag. 17</b>
Austria, Veronika Ratzenböck Belgium, An Knaeps Bulgaria, Biliiana Tomova Croatia, Matko Mestrovic Denmark, Per Voetman Estonia, Eike Eller Finland, Ritva Mitchell France, Gilbert Labelle Germany, Andreas Wiesand and Regina Wyrwoll Greece, Glykeria Anyfandi Hungary, Dóra Balázs Ireland, Mary Cloake Italy, Arch. Maria Grazia Bellisario Lithuania, Viktoras Liutkus Netherlands, Cas Smithuijsen Norway, Georg Arnestad Poland, Dorota Ilczuk Russia, Alexander Rubinstein Slovak Republic, Oskar Novotny Spain, Jordi Pascual i Ruiz Sweden, Gudrun Vahlquist and Göran Wessberg Switzerland, Christoph Weckerle Yugoslavia (Serbia and Montenegro), Dimitrije Vujadinovic United Kingdom, Graeme Evans	
<b>Part VI: Questionnaire</b>	<b>Pag. 63</b>
<b>Part VII: Bibliography</b>	<b>Pag. 66</b>
<b>Part VIII: Background Information</b>	<b>Pag. 72</b>
CIRCLE Associazione per l'Economia della Cultura	

# Part I: Messages of Welcome

## Foreword from CIRCLE president, Dorota Ilczuk

Welcome to the 15th CIRCLE Round Table. CIRCLE is a European network of individual people and institutions concerned with cultural policy. The network's main activity is an annual round table event, prior to which, an extensive mapping out of current research, scholarly debate and policies is conducted. This year we decided that the main theme of the Round Table will be *financing of culture from state lottery funds*. For many old European democracies funds assigned from lotteries to culture are a popular and verified source of financing. Also new democracies are either seriously considering introducing this solution or have already done it, especially in a situation when the state is withdrawing from its financial commitments towards culture. This form of financing of culture is known far beyond Europe, that is in the United States of America and in Canada. If the scope of funding culture from lottery revenues is so broad and its share in financing of culture is in some countries so big, we can no longer call it a supplementary source and it seems high time for a serious debate concerning this issue.

This debate does not solely take into consideration the range and character of the phenomena. Along with colleagues we have also asked ourselves and our local experts, who brilliantly undertook the effort of answering our questionnaire, questions that not only concern if we ought to apply this solution but if so, how the funds from lotteries are gained and distributed in the sector of culture. Additionally, we took interest in the influence of the use of lottery revenues on the development of culture, through financing new areas of culture but also complementing traditionally developed trends.

The state lotteries create new opportunities and forms of financing of culture but at the same time may create threats. The first of which is the phenomena of *substitution* as Mark Schuster points out, which can lead to diminishing expenditures on culture by the state. Unfortunately, there are other threats which will certainly be discussed later on.

Assigning funds from lotteries to culture has its admirers/followers and opponents. Countries that are debating *if* and *how* to introduce this solution take special interest in arguments *for* and *against*. I myself am a representative of one of such country. I have made efforts for many years now so that also in Poland lotteries could become a source of funding for culture. To make this possible a political will was essential. Fortunately, this year we have found the will and an understanding. This pleases me as personally as I think that the answer to the question IF introducing such a solution is worth the effort, is YES. And the question HOW – well, first of all CAREFULLY! I sincerely hope that the discussion at the round table will not make me change my point of view on the matter. I would then have to change the name of my five-month-old puppy that was named LOTTO – just for good luck for the solutions that are now being considered and debated in Poland!

This round table has a special significance to the members of CIRCLE. For the first time it has been organised after the CIRCLE founders (Ritva Mitchell, Rod Fisher and Carla Bodo) departed from the board. We must have been born under a lucky star because they are still with us and are taking an active part in the conference. And with no doubt without the wonderful and irreplaceable Carla Bodo we would not be here at all. Carla, Bravo! Thank you dearly from all of us.

As this is not the first round table held in Italy we are even more grateful that we can be here in Rome. We would not be able to organise this encounter without the financial support of the Council of Europe, the European Cultural Foundation and the Boekman Foundation in Amsterdam. We are also grateful the municipality of Rome for the beautiful venue. The main sponsor of this conference is the Italian Lottomatica. We are grateful for that. I finally want to thank the Municipality of Rome, for offering us such a beautiful venue.

Enjoy the conference, Rome and go and play Lotto at least once!

## Foreword from Carla Bodo, vicepresident of Associazione per l'Economia della Cultura.

Along with a strong presence in research and publishing activities dealing with cultural economics and cultural policy issues in our country, the organisation of national as well as international conferences on the same issues has always represented one of the main fields of action for the *Associazione per l'Economia della Cultura*. As far as international conferences are concerned, though, CIRCLE has always been for us a privileged partner.

Our first joint venture took place on the island of S. Giorgio in Venice in 1993, at the eve of the implementation of the Single Market: its impact on the exchange of cultural goods and on a wide range of cultural activities were extensively analysed during the round table *Harmony or Confusion for Culture in Europe?*, and then published in a jointly edited book. .

Employment issues had been chosen as a priority for the Italian presidency of the European Council in 1996, at a time when the fight against unemployment was becoming for most of our countries an extremely hot social and economic challenge. Our second joint round table on *Culture as a New Frontier for Employment in Europe*, which took place in Spoleto in the framework of that presidency, was the first in a long series of conferences about the same issue, subsequently organised by most of the following presidencies. The results of that round table were published as well.

We are presently undergoing severe economic constraints for public finance all over Europe, with heavy cuts affecting cultural budgets virtually everywhere. In the search of additional funding sources for cultural activities, no wonder that dedicated lotteries have recently acquired a more and more prominent role for several national governments - and for a few regional ones - in Western Europe, while Central and Eastern European countries are looking with a very high interest at this new and fast outspreading phenomenon. Aware as we soon became of the total lack of updated reciprocal information and knowledge on the state of the arts on cultural lotteries at the international level (not to speak of comparable research and statistical surveys), our Association proposed to CIRCLE to organise once again a joint round table to tackle at least some aspects of this intriguing issue.

Needless to say that the proposal was enthusiastically accepted by the network, whose acknowledged scientific expertise and extended and branched organisation was of invaluable help in the preparation of the event. In this respect, also on behalf of our Association, I want to thank CIRCLE's newly elected President, Dorota Ilczuk, Diane Dodd, CIRCLE coordinator, Mark Schuster, Ritva Mitchell and Rod Fisher, who joined us in the scientific committee of the round table, and all CIRCLE members – and some non members, like the Italian representatives of the Ministry for Culture – who devoted much of their time in replying to the questionnaire. I am also grateful to Marco Causi of the Department of Economics of the Università Roma Tre, and to Lottomatica, the Council of Europe and the European Cultural Foundation, who allowed this conference to happen through their financial support.

And here we are all convened in Rome, to debate about lotteries and culture. Can we measure the contribution of lotteries to the financing of the cultural field in the different countries? In how many situations these funds are used to replace budgetary allocations? Who runs the lottery system, how is it organised, who distributes the lottery revenue to cultural activities, and with which criteria? What is the social and economic impact of lotteries on cultural life? I am sure the debates will be worth a new jointly edited book.

I want to thank, finally, Gianni Borgna and again Marco Causi, commissioners of the municipality of Rome, for housing this round table in such an historical venue, and to remind you that our Mayor, Walter Veltroni, has also been, in 1996, in his former role of Minister for Culture, the inventor of the Italian Cultural Lottery system. Furthermore, you may not know that the conference hall is located next door to the beautiful *Musei capitolini*, a municipal archaeological and fine arts collection stemming from a previous papal collection with this peculiarity: it was the first museum founded by a Pope on behalf of lottery revenues.

I hope that these symbolic coincidences will be of good wish for our round table.

# Part II: Programme

**Thursday 14<sup>th</sup> November 2002**

- 13h45** Registration
- 14h30** ***Welcome and introduction***  
Walter Veltroni, the Mayor of Rome  
Vittorio Ripa di Meana, President of Associazione per l'Economia della Cultura  
Marco Causi, Università Roma Tre  
Gaianni Borgan, Commissioner for Culture, Municipality of Rome  
Vera Boltho, Council of Europe  
Dorota Ilczuk, President of CIRCLE
- 15h30** **1st session**  
Chaired by Carla Bodo, Vice-President of Associazione per l'Economia della Cultura
- Setting the scene***  
Key note speech made by J. Mark Shuster, Massachusetts Institute of Technology, USA
- CIRCLE cross-country analyses***  
Presentation by Diane Dodd, CIRCLE's Co-ordinator.
- 16h30** **2<sup>nd</sup> session**  
Chaired by Gottfried Wagner, European Cultural Foundation
- Case studies from the field***  
Felice Sereno, Ministry of Culture / Giorgio Tino, State Monopoly, Italy  
Graeme Evans, London Institute, Great Britain  
Regina Wryroll, Kunststiftung NRW, Germany  
Patricia Quinn, Arts Council, Ireland  
Cas Smithuijsen, Boekmanstichting, the Netherlands  
Sharon Jeannotte, Department of Heritage, Canada  
Waldemar Dabrowski, Minister of Culture, Poland  
Oskar Novotny, Matheus Bei University, Slovakia
- 18h10** ***Discussion***
- 18h40** ***Close of session***

## Friday 15th November 2002

- 09h30**            **1<sup>st</sup> session: Substitution or Additionality**  
Introduced and chaired by Anthony Everitt, Nottingham Trent University  
Rapporteur: Rod Fisher, International Intelligence on Culture
- 10h45**            **2<sup>nd</sup> session: Distribution of lottery revenues (mixed or not with general budget revenues; distributing organisation)**  
Introduced and chaired by Ritva Mitchell, Finnish Cultural Policy Observatory  
Rapporteur: Péter Inkei, Budapest Observatory
- 12h00**            Coffee/tea break
- 12h30**            **2<sup>nd</sup> session: Impact of funding culture from the state lotteries (on the development of particular fields of culture, on particular type of expenditure, new programs, etc)**  
Introduced and chaired by Paolo Leon, Associazione per l'Economia della Cultura / Università Roma Tré  
Rapporteur: Sanjin Dragojeviæ Zagabria University and Lidia Varbanova, Arts and Culture Network
- 13h45**            Lunch
- 15h45**            **Closing session: Current debate and dilemmas regarding the funding of culture from state lotteries. Recommendations for the future.**  
Chaired by Dorota Ilczuk, President of CIRCLE and Carla Bodo, Vice-President of Associazione per l'Economia della Cultura
- Reports from rapporteurs**
- Conclusions**  
J. Mark Schuster, Massachusetts Institute of Technology, USA  
Giorgio Ruffolo, European Parliament Culture Commission

## Saturday 16th November 2002

- 11h30 – 13h00** CIRCLE annual general meeting

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## Part IV: Introduction and overview of survey results

The round table event, *Gambling on Culture: State Lotteries as a source of funding for culture - the arts and heritage*, has been planned to provide not only a general overview on national lotteries that are being used to provide a share of their profit to support the cultural sector, but to also study the perspectives, problems and future scenarios of this type of mechanism for funding culture - the arts and heritage.

The issue of funding for the arts is probably the most discussed and argued of all areas of cultural policy. Despite this, until now, very little research-based attention has been given to the effects and repercussions of introducing lotteries to help fund cultural activities. In fact, very little was known about the scale and character of lottery funding and a number of questions relating to the pros and cons of lottery funding for culture needed to be asked.

CIRCLE is accustomed to conducting surveys across Europe in order to set the scene for our round table discussions. Each year, CIRCLE has sent a survey, concerning the topic of discussion to its members and this year was no exception. With the generous input of Carla Bodo, Rod Fisher, Dorota Ilczuk, J. Mark Schuster, Ritva Mitchell, a questionnaire was devised. The questionnaire can be seen in Part VIII of this reader.

The questionnaire was carefully devised to find out which countries had any type of state lottery and of those that did, which lotteries gave money in part or in full to culture from its revenues. In addition, we wanted to know (from the countries with a lottery in place that provide funding for cultural activities) if it is possible to identify measures taken to ensure the stability of cultural financing when dedicated lottery revenues are used. This point being very important as lottery resources are susceptible to fluctuations as lottery revenues may go up and down and /or state expenditure might be reduced. Secondly, we aimed to establish what the general social, cultural, employment and economic impacts of lotteries have been in each country. Thirdly, we wanted to establish what institutional framework lotteries are more commonly operated and managed under and what is the most suitable model. Fourthly, we set out to clarify which are the best methods for distributing lottery revenue to culture and finally, we hoped to identify to what extent lottery money is additional to state financing of culture or to what extent it replaces state financing of culture.

This section of the reader will attempt to provide a brief overview of the first results from CIRCLE's survey, which we hope will be discussed in more depth during the round table meeting.

### **Context and scope of cultural lotteries**

CIRCLE members, representing 29 different countries in Europe, have responded to the questionnaire and first indications are that many more countries than originally anticipated have state lotteries which use a share of their national lotteries as a way of financing culture. To be precise, our data suggests that 26 of the respondent countries have some sort of state regulated lottery (only Andorra, Lithuania and Russia provided a reply that they had no state controlled lottery). Of the 26 countries that have a state or national lottery, 16 replied that some revenues were dedicated to funding for culture - the arts and/or heritage.

Although not all countries were able to complete the full questionnaire we were interested to learn about arguments for and against state lotteries for culture from

countries that might be debating or discussing this issue. Before we discard the countries without a state lottery or without a state lottery that provides funding for culture, we should note that several of these have experienced some sort of public debate in recent times on the subject or are in the process of implementing a lottery. This is, for example, the case of Croatia which has recently passed new legislation allowing revenue from state lotteries to be used for the funding of culture and the case of Poland which is waiting for similar legislation to be passed.

Replies from all countries are interesting, many reflecting the current political and historical climate of the respective country and therefore they have been included in this conference reader. One of the most interesting replies came in the form of a paper discussing the *former* lottery in Hungary; the only known country to have had a state lottery which provided money for culture and then to have disbanded it.

### **Operating and Management Framework**

The questionnaire aimed to identify the way in which institutional frameworks operate and manage lotteries. 10 country respondents reported that public operators handled the lottery – however, a number of these respondents also acknowledged that the actual management work was farmed out to “companies”. 4 respondents noted that private companies conducted the management and operation of their respective lotteries – however the implication in some cases, being that the companies operated under strict guidelines set by the respective Ministries. Germany’s federal structure allowed for multiple models to be applied.

### **Allocation and Distribution of Funding**

With regard to the allocation or distribution of funding the favoured model seems to be that existing government agencies act as the distributing agency. Estonia, Sweden and the United Kingdom each created new government agencies to carry out distributing tasks. In Germany, the Netherlands and Switzerland pre-existing non-profit organisations were designated as the distributing agency. 6 respondents noted that government decisions directly earmarked funding for specific projects regardless of the distributing agency. Only the Netherlands noted that the Lottery Company itself also made decisions on the allocation of funds.

### **Distribution of net lottery revenues**

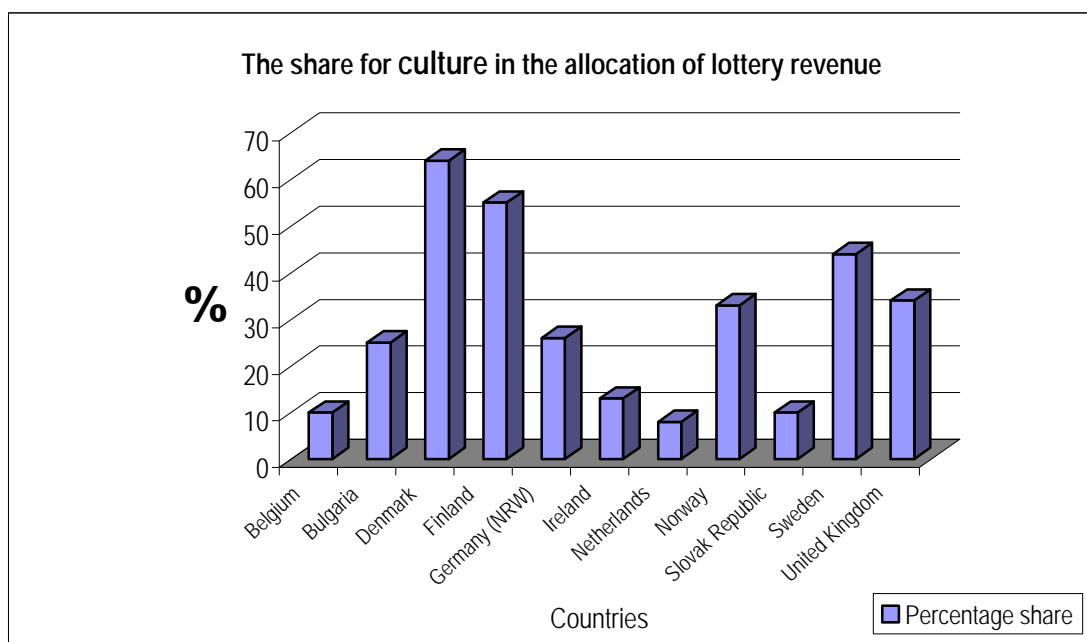
There are two main ways for distributing lottery money to the cultural sector: a) lottery revenues that are dedicated to culture are mixed with general budget and then channelled to culture or; b) lottery revenues that are dedicated to culture are distributed through designated agencies that distribute the money for that purpose. Responses were divided fairly equally between the two models and in some instances a combination of both methods are applicable.

Of the 14 respondents to the question relating to whether lottery funding is distributed in the same way as tax revenue, 5 responded that distribution is the same (however, changes have been taking place in Sweden that will mean lottery revenue will be distributed differently in future). This means that 9 countries apply different criteria for the allocation of funds from lottery revenue to that of general tax revenue. Some of these differences were identified in the responses we received and included the specific earmarking of projects, the time-scale for funding of projects, the use of the money for capital expenditure or the use of funds for high-risk expenditure etc.

8 countries admitted that restrictions were placed on the allocation of cultural funding but the examples cited had more to do with setting criteria for eligibility within funding programmes i.e. only heritage and/or capital projects funded or projects must ensure public access etc.

### The share for culture in the allocation of lottery revenue

In most countries culture gets a small share of the lottery revenue. The Danish and Finnish lotteries both give generously to culture, 64% and 55% respectively. Few countries made the distinction between culture, arts and heritage and so if we block those three areas together under the heading culture – the percentage share of the country lotteries looks like this:



Other sectors benefiting from lottery revenue include welfare, health, science, developing aid, education, sport, youth and recreation.

### Types of expenditure

Only 5 countries were able to give estimates on the types of expenditure provided in the fiscal year 2000. The data suggests no specific trends but rather a reflection of cultural funding requirements identified by each respective government.

	Project Based Funding	Ongoing Operational Costs	Funding for Capital Projects
Estonia	80	0	20
Finland	0	80	0
Italy	0	0	100
Slovak Republic	0	50	50
United Kingdom	16	0	84

Belgium, Italy, the Slovak Republic, the United Kingdom and the NRW region in Germany provided a breakdown of cultural sectors according to the Eurostat classifications.

In Belgium, significantly greater funding is given to performing arts (72%), followed by social cultural work (12.5%) and museums (including visual arts) (9%).

In contrast in Italy, heritage and museums receive the greater portion of lottery revenue (72%), followed by libraries (15%) and archives (11%); visual arts and performing arts receive marginal amounts of funding.

The Slovak Republic provides a broader spread of funding, with performing arts again receiving the most funding (32%), followed by Museums (24%), interdisciplinary activities (15%), and libraries (10 %). Visual arts, literature, cinema, media and audio-visual also receive smaller percentages, as do other miscellaneous activities.

The United Kingdom prioritises heritage (28%), museums (25%) and performing arts (20%) but also provides more marginal funding for all other arts sectors.

The German case is too complicated to provide statistics for the whole state but instead has provided a regional information sheet that at least shows that priorities are similarly spread across disciplines. In this particular case visual arts lead (50.6%), followed by Music (22%).

These results, although limited, at least serve to show that there is probably no set trend in lottery revenue destinations as far as cultural sectors are concerned.

### **Stability of cultural funding**

Regarding whether measures to ensure the stability of cultural funding have been put into place, we can see from the replies that generally such measures are not in place or are not identifiable. 12 countries confirmed that no such measures were in place and only the Netherlands, Sweden and the Slovak Republic claimed to have measures to protect cultural funding levels. Nevertheless, other countries such as Finland indicated that the state provided “fill up” grants to meet shortfalls. The only identifiable measure for protecting cultural funding levels (provided by the questionnaire replies) is the fixing of a sum for culture and the setting up of a reserve fund for emergency cases. Italy provided such a case where a fixed sum for heritage has been met annually, however, it is interesting that this fixed sum represents a ceiling amount (restricting percentage increases) rather than a measure to protect cultural expenditure levels from dropping. Some respondents expressed scepticism as to how far measures were necessary given that also state budgets were subject to fluctuation.

### **Additionality or substitution**

The question of additionality or substitution needs to be monitored in order for the cultural sector to respond to precarious changes in funding practices. The questionnaire was designed to establish some trends in state support and lottery support for culture. The results will not be conclusive for some years but already trends can be seen to be emerging.

What seems to be the indication is that in a number of countries, while state expenditure for culture is increasing, the share of lottery revenue is increasing at a greater pace. A slow form of substitution can therefore be identified. This is true in the case of Bulgaria, Finland, the Netherlands, Norway and most dramatically demonstrated in the case of the United Kingdom (the lottery share increasing from 19% in 1996 to 38% in the year 2000).

The Slovak Republic reported both decreased government expenditure and lottery revenue in 2001. However, the percentage lottery decrease was less than the percentage government decrease thereby possibly following the same trend as the above mentioned countries.

In Denmark, the same trend could be said to be true from 1990 – 1998 but the latest figures for the year 2000 show increased government spending and a drop in lottery revenue.

Estonia does not comply with the above mentioned trend, government expenditure for culture increased significantly in the year 2000, this was at the same time as lottery funding slightly decreased in real terms.

Italy does not comply with this trend either. Lottery revenue for heritage in Italy has a fixed ceiling rate and therefore with increased government expenditure the percentage lottery revenue can be said to be decreasing.

### **Impact of the Lottery**

So finally, what can be concluded about the general view of the social, cultural, employment and economic impacts of the lottery? Several respondents declined to give an opinion due to the absence of any impact studies. Despite the notable absence of studies some respondents offered their own opinions that were generally positive. With the exception of Hungary no country respondent highlighted or spoke of negative impacts of the lottery. It seems that there is a general acceptance of the role lotteries can play in financing culture and as long as revenue does not decrease, or better said that money from lotteries for culture is seen as a “plus”, the cultural sector is not grimacing. It remains to be seen if the slow process of substitution will become a threat in the long term.

The facts and figures supporting this overview are detailed in this conference reader. This preliminary overview of the findings cannot be considered a full analyses which would require further exploration, statistics and impact studies but it will, at least, provide a background starting point for the round table discussions.

**Diane Dodd**

Co-ordinator of CIRCLE




## Part V: Country Replies

### **Austria: Veronika RATZENBÖCK**

Internationales Archiv für Kulturanalysen und Kulturdokumentation  
e-mail: kulturdokumentation@kulturdokumentation.org

1. Does your country have a national or regional government lottery/lotteries?

 **No** Austria does not have a national lottery for culture.


We have a very passive state secretary for culture. They are afraid of every new discussion, maybe that is the reason we do not have a public debate on a national lottery for culture.




### **Belgium: An KNAEPS**

Ministerie van Cultuur / Cel voor Cultuurbeleid  
E-mail: an.knaeps@wvc.vlaanderen.be


1. Does your country have a national or regional government lottery/lotteries?

 **Yes.** Belgium Flanders

2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

 **Yes**, there is a national regional lottery/lotteries whose profits are dedicated **partially** to culture.


4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?

 **No.** But once you have received some, you have a pretty good chance to receive it for years..., but you have to ask for it again every single year.


5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?

Some impact, not spectacular


6. Under what institutional framework is the lottery operated and managed?

 A Public Lottery Operator (a public agency): governmental (federal)

7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?

 **Other:** since 2002 the national council of lottery presents a proposition to the Council of ministers who dedicates the money to the Dutch, French, German Communities and to the Community of Brussels in Belgium. The community-governments (Ministers of Finances) decide upon the specific use of the money in their community. Before 2002 the money was divided on a national level and not by the communities.

8. Which of the following statements best describes how the net lottery revenues are distributed?

 **Other:** the lottery revenues are recognisable as such in the budget and in the payment of the organisations that receive some money from the lottery and they are accountable to the general council of the lottery for the use of this money.

9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year **2001**

Culture + arts + heritage	10%
Education	0.3%
Sport	7%
Other (please identify)	
welfare/health/sciences/developing aid	

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

Lottery revenues are distributed to culture in the **same way** that tax revenues were distributed to culture prior to the lottery.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

**No.** Every organisation for public advancement that is recognised by the government has a chance and can present a dossier.

13. If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity (EUROSTAT classification)

**(ONLY FOR FLANDERS the Dutch speaking part of Belgium - Flemish Community)**

Heritage	0%
Museums + visual arts	9%
Visual Arts	0%
Archives	0.6%
Libraries	0%
Literature	3%
Performing Arts (music included)	72%
Cinema, Media, Audio-Visual	1%
Interdisciplinary Activities	1.5%
Administration	0%
Other (please identify)	
culture participation and education	0.4%
social cultural work	12.5%

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

**ONLY FOR FLANDERS (the Flemish Community):**

	1990	1992	1994	1996	1998	2000
<b>Total government expenditure for culture + youth</b>						288 million*
<b>Lottery funding for culture</b>						5,852,364**
<b>Lottery as a percentage of total</b>						2%

\*VRIND 2000

\*\* *Kabinet Anciaux: Trees De Wever*

Before 2000 the lottery money was divided on a national level. Starting in 2002 it was divided by the communities.


**Bulgaria: Biliana TOMOVA**

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1. *Does your country have a national or regional government lottery/lotteries?*

 **Yes.** A national government lottery

2. *Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.*

 **Yes,** there is a **national** government lottery and a **part of the profit** is dedicated to culture.


4. *One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?*

 **No.**


5. *What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?*

In Bulgaria there is a new liberal Gambling Law (year 2000) – anyone, not only the state, can establish and development a hazard business. For the present we have only one lottery – the state lottery. Since the year 2000, the state lottery has dedicated the final net profit equally 25% between – culture, health, education and the social sector. The amount is insignificant, but it is a starting point.


6. *Under what institutional framework is the lottery operated and managed?*

 A Public Lottery Operator (a public agency). State enterprise, Trade Law /art.62/ registered - “State money-material lottery” or well-known as “Bulgarian State lottery”

7. *If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?*

 **Other.** The State Lottery channels the amount to the Government Budget – like “aim resources”. After that the Ministry of Finance allocates the money for culture.


8. *Which of the following statements best describes how the net lottery revenues are distributed?*

 Lottery revenues that are dedicated to culture are distributed through designated agencies that distribute the money for that purpose. The State Lottery channels the amount to the Government Budget – like “aim resources”. After that the Ministry of Finance allocates the money for culture.

9. *If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year.*

Culture	25%
Arts	0%
Heritage	0%
Education	25%
Sport	0%
Other (please identify)	
health	25%
social sectors	25%

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

 Lottery revenues are distributed in a manner that is *different* from the distribution of general tax revenues to the arts and culture. The type of the Lottery revenues is “aim resources”. They are distributed separately from general tax revenues. The Ministry of Culture proposes “how” (depending on the present needs) and the Ministry of Finance takes the final decision.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

 **No.**

12. If possible, please indicate what percentage of the lottery funding dedicated to culture was used in fiscal 2000 for each type of cultural expenditure:

Project Based Funding	0%
Ongoing Operating Support (Revenue Funding)	100%
Funding for Capital Projects	0%

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

	1990	1992	1994	1996	1998	2000*	2001*
<b>Total government expenditure for culture</b>						72 million €	74.7 million €
<b>Lottery funding for culture</b>						0.04 million €	0.057 million €
<b>Lottery as a percentage of total</b>						0,05%	0,08%

\*Total government expenditure for culture= Republican budget, function “culture”;

The preparation of the answers from Bulgaria would not have been possible without information support from the head of a “Hazard department” of the State Lottery and the head of “Sector Culture” of the Ministry of Finance.



**Croatia: Matko MESTROVIC**  
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The Croatian parliament has drawn up a law regarding Gambling and Fortune Games which has not been published yet and, therefore, has not yet come into force.

This law will provide criteria and a way of sharing profits from fortune games in order to finance culture and other unprofitable activities which will be regulated by a special legal act. In order to finance those activities it is stipulated that 25% per year is taken out of profits from fortune games in casinos, 25% from gambling and 25% from preparing fortune games on automates in automat clubs.

**Denmark: Per VOETMANN**

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1. Does your country have a national or regional government lottery/lotteries?

**Yes.**

2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

**Yes**, there is a national regional lottery/lotteries whose profits are allocated to culture, sports, youth work, social work etc.

4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?

**No.**

5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?

Very positive

6. Under what institutional framework is the lottery operated and managed?

A Public Lottery Operator (a public agency). A public limited company. Shareholders are the state and sports organisations

7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?

**Other.** The surplus is allocated due to a fixed key in the act on lottery

8. Which of the following statements best describes how the net lottery revenues are distributed?

**Other.**

9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year

Culture (including arts and sport)	64,1%
Arts	__%
Heritage	__%
Education	13,1%
Sport	__%
Other (Environment, social affairs etc.)	22,8%

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

Lottery revenues are distributed in a manner that is **different** from the distribution of general tax revenues to the arts and culture.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

**No.**

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

	1990	1992	1994	1996	1998	2000
<b>Total government expenditure for culture</b>	584.2 million€ (4,337 million dkk).	680.5 million€ (5.052 million dkk).	445.4 million€ (3.307 million dkk).	508.9 million€ (3.778 million dkk).	557.2 million€ (4,137 million dkk).	687 million€ (5,1million ddk)
<b>Lottery funding for culture</b>	37.5 million€ (278 million dkk).	92.8 million€ (689 million dkk).	79.6 million€ (591 million dkk).	94.2 million€ (699 million dkk).	119.6 million€ (888 million ddk).	115.2 million€ (855 million ddk).
<b>Lottery as a percentage of total</b>	6,4 %	13,6 %	17,9 %	18,5 %	21,5 %	16,8 %

\*Culture includes fines arts, sport, museums, libraries, voluntary clubs etc.




#### **Estonia: Eike ELLER**


Estonian Ministry of Culture

E-mail: [eike.eller@kul.ee](mailto:eike.eller@kul.ee)

1. Does your country have a national or regional government lottery/lotteries?

 **Yes.** Estonia

2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

 **Yes,** there is a national regional lottery/lotteries whose profits are dedicated totally or **partially** to culture. The Estonian National Lottery Ltd was founded on 01.10.1991 with aim to ensure a professional administration of the lottery and with charitable mission to earn supplementary financial resources in order to support some activity sectors (culture, sports, healthcare etc.) in Estonia.


4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?

 **No.**

5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?

There is no such a study or analyse available for the time being.

6. Under what institutional framework is the lottery operated and managed?

 A Public Lottery Operator (a public agency).

100% of stocks of the Estonian National Lottery Ltd. are owned by the state. The National Lottery Ltd. is supervised by the Ministry of Finance.

7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?

🏠 A new government agency was created to become the distributing agent.

There are two distributing agencies:

1. Gambling Tax Council, consisting of 6 politicians and 3 representatives of the ministries concerned (culture, social affairs, environment), all appointed by the Parliament. Distributes money gathered from lottery and gambling tax.

2. Cultural Endowment of Estonia – legal person in public law the purpose of which activities is to support arts, folk culture, physical fitness and sports by the purposeful accumulation of funds and distribution of thereof in the form of grants. The Cultural Endowment's resources come from a certain percentage of the state budget's, annually collected alcohol and tobacco excise tax and gambling tax. Additional income is derived from the Endowment's own economic activities. The grants of the Cultural Endowment are equal to state grants. The Act to re-establish the Cultural Endowment ([www.kulka.ee/e\\_Seadus.html](http://www.kulka.ee/e_Seadus.html)) was adopted on June 1st, 1994 (originally the Endowment was established in 1925 but ceased in 1941). The Cultural Endowment is comprised of eight endowments which address the following areas: literature, music, fine and applied art, dramatic art, architecture, audio-visual art, folk culture, physical fitness and sport.

8. Which of the following statements best describes how the net lottery revenues are distributed?

🏠 Lottery revenues that are dedicated to culture are distributed through designated agencies that distribute the money for that purpose.

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

🏠 Lottery revenues are distributed in a manner that is **different** from the distribution of general tax revenues to the arts and culture.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

🏠 **Yes.** If yes, what is the nature of those restrictions? May not be used for renovation works, purchase of durable goods or investments.

12. If possible, please indicate what percentage of the lottery funding dedicated to culture was used in fiscal 2000 for each type of cultural expenditure:

Project Based Funding	80%
Ongoing Operating Support (Revenue Funding)	0%
Funding for Capital Projects	20%

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

	1990	1992	1994	1996	1998	2000
<b>Total government expenditure for culture</b>				555 262 000	50 827 550	65 220 900
<b>Lottery funding for culture</b>				3 172 715	4 834 060	4 815 850
<b>Lottery as a percentage of total</b>				8,2	8,7	6,9


In Estonia sports sector is also part of the responsibilities of the Ministry of Culture and therefore if we are talking about the total government expenditure for “culture” it includes also expenditure on sports.

## Finland: Ritva MITCHELL

The Finnish Cultural Policy Foundation

Tel: 00 358 9 6813 4490 / e-mail: [ekvit@saunalahti.fi](mailto:ekvit@saunalahti.fi)


1. *Does your country have a national or regional government lottery)?*

 **Yes**, Finland has a national lottery system.

In Finland the history of using lottery revenues for cultural purposes dates back to the 1920s and in the 1930s when the income from national lottery and slot machine operation were channeled to the Finnish National Opera and Finnish National Theatre as well as to health and welfare organisations. After WW II these modes of gambling have expanded and diversified (to the areas of soccer and lotto pools, sports betting, and roulette) into multi-billion economic activities managed by the Slot Machine Association (a voluntary association) and Veikkaus Oy (a government-owned joint stock company). The profits of the operation of the former (1, 55 billion FIM in 1998) is channeled to associations for health and social welfare, of the latter (1,92 Billion FIM in 1997) to youth work, sports, science and culture. Only a part of the profits of Veikkaus Oy are used to support voluntary associations; the main bulk goes as budget appropriations to support the arts and cultural institutions in the state budget.


During the recent recession these discretionary funds have been increasingly used to finance statutory state subsidy system and therefore, there are less funds for projects. It also seems that foreign lottery and betting companies, especially the ones using the Internet as their communication medium will soon be cutting some of the profits of 'Veikkaus Oy' - to what extent and with what consequences is yet to be seen.

2. *Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.*

 **Yes**, there is a national lottery/lotteries whose profits are dedicated **partially** to culture.

The share of culture of the lottery revenues has been statutorily defined, but during a couple of past decades the share has been let to rise in the budget process. With the recently acted new legislation it has been lowered from the present level (about 55%) back to the lower level (38.5%). The loss is to be compensated by an increase of "regular" budget appropriations.


4. *One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?*

 **No**. But, as emergency measures, attempts are made to maintain the state lottery monopoly and to have some cultural expenditure moved back to be financed by an increase of "regular" budget appropriations (see Answer 2 above)

5. *What is the general view of the social, cultural, employment and economic impacts that the lottery has had in your country?*

Lottery returns have been truly seen as "dedicated" to the financing of strictly defined purposes (see below) and their social and economic impacts have not been assessed. Yet, they, of course, have had considerable employment effects and their use to subsidise investments (renovation/building cultural and sports facilities) have had even wider economic and social impacts.

6. *Under what institutional framework is the lottery operated and managed?*

 **Public Lottery Operator - a public agency.**

The National Lottery system is operated by Oy Veikkaus Ltd, a State-owned joint stock company, the profits are channelled to the State Budget, and via the State Budget/the Ministry of Education and Culture to the dedicated purpose



7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?

A pre-existing government agency (or agencies) was designated as the distributing agent-

The State Budget, that, in the final analysis, is decided by Parliament, and implemented by the Ministry of the Education and Culture

8. Which of the following statements best describes how the net lottery revenues are distributed?

Lottery revenues that are dedicated to culture are mixed with general budget revenue but then channelled to culture (among and in competition with other dedicated purposes, see below)

9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in **2001**.

Arts and culture, including museums/ heritage	55%
Sport, physical health	21%
Youth work	5%
Science	19%

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organisation?

Lottery revenues are distributed in a manner that is different from the distribution of general tax revenues to the arts and culture.

First, they are statutorily dedicated in the manner indicated above – although Parliament can in its budget process alter the statutory quotas. Secondly, they originally were not to be used for annual cultural expenditure based on legislation (e.g. to statutory cultural transfers to municipalities), but even in this respect Parliament can has also altered in the budgetary process the “rules of game”, using the revenues e.g. to transfers (subsidies) to public (municipal) libraries.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

**Yes.** See the previous answer

12. If possible, please indicate what percentage of the lottery funding dedicated to culture was used in fiscal 2000 for each type of cultural expenditure:

Project Based Funding \_\_\_\_\_ %  
Ongoing Operating Support (Revenue Funding) estimate \_\_\_\_ 80 %  
Funding for Capital Projects \_\_\_\_\_ %  
Other (please identify) \_\_\_\_\_ %

Most of the lottery funding in Finland goes to statutory support to art and cultural institutions (public libraries, theatres, museums and orchestras) and support to the National Opera and National Theatre. The share of project based funding has drastically fallen since 1992.

13. If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity.

No chance - all of the above domains are basically all partly financed by the lottery funding ...but it is difficult and even meaningless to try to calculate the above % shares

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

In million FIM	1990	1992	1994	1996	1998	2000
Total government expenditure for culture	1 483,1	na	1 582,9	1 531,5	1 573,3	1 739,3
Lottery funding for culture	483, 5	na	696,4	858,5	1 100,8	1 241,2
Lottery as a percentage of total	32,6	na	44,0	56,1	70,0	71,4
In million euros	1990	1992	1994	1996	1998	2000
Total government expenditure for culture	249,4	na	266,3	257,6	264,6	292,5
Lottery funding for culture	81,3	na	117,2	144,4	185,1	208,8
Lottery as a percentage of total	32,6	na	44,0	56,1	70,0	71,4

*\*First about the definition of "expenditure".* The figures pertain only to the central government (the State) funding of culture through the Ministry of Education and Culture. They contain the statutory transfers (subsidies) of the central government to municipal/local cultural and art institutions (public libraries, orchestras, theatres and museums) and for the support of non-institutional cultural activities. The figures are mainly current costs and contain only a few capital expenditure items (mainly for renovations/construction of national institutions, such as the National Opera, National Theatre or National Museum), which are actually financed mostly from the lottery funds through the State budget.

*\*\*Then about the definition of "culture".* I have used a "narrow" definition of culture, which does not contain general or professional education in the arts and culture, scientific libraries, national library, or archive system (in Finland these are considered to be part of educational and scientific, not cultural sector). According to this definition the total public expenditure of the arts and culture is divided about fifty-fifty between central government and municipal government.



**France: Gilbert LABELLE**

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Ministère de Culture et Communication  
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In France there had been a debate about the dedication of gambling profits to culture. It was initiated in 1995 by an official report which was made in the same year for the Prime Minister. It proposed a fund of 3,05 million € (200 million francs) supplied by the profits of the Française des Jeux (this is a public firm which has the monopoly of gambling games like Tiercé, Loterie nationale etc.).

There was discussion about this subject between the Ministries of Culture, Finance and Economy and the subject was also debated in arts newspapers.

In 2001, the former director of the Louvre museum proposed to create a lottery for heritage. This idea was reprised by the President of the République, Mr Chirac. He wanted to create a fund for the acquisition of artworks.

The volume of business of the "Française des Jeux" was 6,5 million € in the year 2000. This firm therefore gave to the State an annual taxation of 170 million € in the year 2000. But this money is given to the general budget of the state and not provided for a particular use.

There is only a special fund for sports (Fonds national des sports) which received 1.8 million € in the year 2000 given by the Française des Jeux.

The cultural community is favourable to a fund for culture supported by the gambling profits, but it fears that the financial support of the State for culture would decrease if a fund from lottery revenue would be created.



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1. *Does your country have a national or regional government lottery/lotteries?*

 **Yes**


2. *Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.*

 **Yes**, there is a "national" system of regional lotteries, whose profits are dedicated partially to culture. It exists under the auspices of all federal states (Laender), which cooperate nationally as regards the organisation of Lotto/Toto/Oddset and related offers, but not with regard to spending schemes of the surplus, which falls under the competence of regional law-making. To make things easier, we refer here mainly to the lotteries in the 2 federal states of North-Rhine-Westphalia (NRW) and Berlin.

3. *Has there been a debate concerning the possible implementation of a lottery at the national and or regional level in your country, whereby some of or all of the profits would be dedicated to cultural funding?*

 **Yes**. Some 50 years ago, opponents were sometimes arguing from a religious background (mainly protestant).

4. *One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?*

 **No**. Not that I know of –actually, the assumption of "fluctuations" is over-estimating these differences (which, anyway, occur also and even more so with tax revenues!). What some federal states have started to do, however, is sort of "filling up" budgets of e.g. their cultural foundations if the expected results are not met by the lottery revenues (e.g. in NRW).

5. *What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?*

There are different lotteries with different spending schemes. Generally, the view is positive, also since a large part of the population participates.

6. *Under what institutional framework is the lottery operated and managed?*

🏠 Private Lottery Operators: 2 "class-lottery" systems organized by private operators on behalf of the northern and the southern Laender. On occasion, additional smaller purpose-bound lotteries are being granted by the authorities to e.g. Red Cross and other organisations, but not on an ongoing basis.

🏠 Public Lottery Operators: the semi-public Lotto/Toto system in the federal states is jointly operated by a consortium of companies in the Laender

🏠 Others: Casino licences are also granted by the Laender authorities and, in some cases, include earmarked contributions to public purposes or led to (partly self-imposed) art-in public-places policies.

*7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?*

🏠 **Other.** The practice differs from Land to Land: In some cases, the government watches over the distribution for different social, cultural and other purposes, mainly sport, in other cases, a specific Government-controlled agency was created to become the distributing agent (such as the "Stiftung Deutsche Klassenlotterie" in Berlin). Some of the profiting public culture and arts foundations in the Laender are also relatively new. These or special selection committees (in which politicians used to play a decisive role, e.g. Berlin) were actively involved in the distribution of funds.

*8. Which of the following statements best describes how the net lottery revenues are distributed?*

🏠 Lottery revenues dedicated to culture are **mixed** with general budget revenue but then channelled to culture or even earmarked as complementary money to specific projects purchases of works of art for museums etc. in some of the federal states (e.g. Berlin).

🏠 Lottery revenues that are dedicated to culture are **distributed through designated agencies** that distribute the money for that purpose, in some of the federal states (e.g. in NRW through the State Arts Foundation, whose Secretary General Regina Wyrwoll has advised us in these matters as well as to another public foundation for socio-cultural activities and the heritage).

🏠 **Other:** in some of the Laender, funds for specific cultural purposes (of public interest) are also distributed directly by the Lotto-societies.


*9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year 2001*

In the year 2001, in NRW (the biggest state in Germany with ca 20% of the total population) the money distributed to specific organisations (e.g. sports federation, arts foundation, Red Cross, Cologne Cathedral Fund etc.) amounted to 88.65 Million Euro.

Popular Culture and Natural Heritage Foundation:	14,8%
Arts Foundation:	8,1%
Built Heritage Organisations:	3,2%
Education: -	
Sports organisations:	40,4%
General social welfare organisations:	22,4%
Welfare organisations of religious groups:	11,1%

It is a fairly safe estimate that altogether 400-500 million € in all of the Laender are being distributed to the different sectors, which may also include education and science in some cases.

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

 Lottery revenues are distributed in a manner that is *different* from the distribution of general tax revenues to the arts and culture. Since there is little parliamentary control (even though, like in Berlin, some leading politicians might be involved in decision making). However, parliaments play a role (e.g. in NRW) in deciding which organisations will be entrusted to distribute revenues in their particular sectors.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

 **No.**

12. If possible, please indicate what percentage of the lottery funding dedicated to culture was used in fiscal 2000 for each type of cultural expenditure:

No information available, at present, but mainly project funding or purchases of active works. In Berlin, where over € 100 Millions are distributed, some of it also goes to ongoing operating costs (e.g. for theatres).

13. If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity (EUROSTAT classification)

Too complex a question for the whole of Germany! Maybe, one should look at the example of one of the major receiving bodies, some of which, like the State Arts Foundation of NRW, are almost totally funded via lottery money. In this case, the distribution of ca. 9 million Euro in 2001 (ca. 5.5 million in 2000) was as follows:

Visual arts (incl. media art): for 119 (93) projects/purchases	50.6% (41.5%)
Music: for 122 (96) projects	22.5% (29.3%)
Dance: for 40 (42) projects	9.0% (6.6%)
Theatre: for 36 (19) projects	7.3% (11.3%)
Literature: for 48 (32) projects	5.3% (5.4%)
Multi-discipl.: for 21 (7) projects	3.7% (6.0%)

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

The following figures are rough data for the cultural budget of the State of NRW:

	1998	2000
Total Government expenditure for culture incl. heritage	1,000 million €	1,100 million €
Lottery funding for culture	18 million €	22 million €
Lottery as a percentage of total *)	1.8%	2%

\* in Berlin, this percentage might be slightly higher: 3-4%




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1. Does your country have a national or regional government lottery/lotteries?

 **Yes.**

2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

 **Yes**, there is a national regional lottery/lotteries whose profits are dedicated totally or partially to culture.

There is the state lottery – however on the decline – which is partially dedicated to culture, and also to financing sports and other state activities.

Part of the profits of the Football lottery (PROPO) also goes towards cultural activities under the supervision of the Greek Ministry of Culture.

3. Has there been a debate concerning the possible implementation of a lottery at the national and or regional level in your country, whereby some of or all of the profits would be dedicated to cultural funding?

 **Yes.**

About \$235 million was planned to be raised for the Olympic Games 2004; the proceeds would be coming from two new Greek state lotteries that would be launched during 1998: the *Olympic Lottery* and the *Olympic Video-Lotto*.

During the 14 years of the contract, the profit would reach 1,5 trillion drachmas. The 20% of the total turnover would be allocated to the contractors of the game (40%), the brokers of the game (22%) and jointly the Ministry of Culture and the General Secretariat for Sports (38%).

The Bill for the Olympic Lottery was submitted to the Parliament in March 1999 but has still not been activated.

The idea of the Olympic Video-Lottery was soon abandoned, that is after much heated public discussion and a parliamentary debate.

Arguments in support of the implementation of Olympic Video-Lottery were:

- successful implementation of similar practices of a historic past: during the Olympic Games that took place in Athens 1896, a lottery was organized to raise additional funds along with issuing the first sports postage stamps while obtaining private donations.
- It is a game that combines both skill and chance, not merely gambling

Arguments against the implementation of Olympic Video-Lottery:

- The Olympic Video-Lottery would turn Greek people into gambling addicts, as it is clearly a gambling game
- Despite the characterisation of the lottery as ‘Olympic’, it would not really function as a dedicated cultural lottery. Only a small portion of the revenues from the Olympic Video-Lottery would go towards financing the Olimpiad 2004 (i.e. 70 million Drachmas), an amount incomparable to the total Olympic budge of 1,7 trillion drachmas.
- Anyway, OPAP (Football Forecasting Organization) had admitted in public that the game is not created for the Olympic Games, but it is one more product to make up for the declining earnings from other lotteries of OPAP.



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### GAMBLING ON CULTURE IN HUNGARY (1992-1995)

The story of the “Gambling on Culture” dates back to the beginning of the nineties in Hungary, when attached to the political transformation processes, a rather ad hoc decision created a National Gambling Fund. The way the Fund was born is similar how it -after four years of granting activity- disappeared through another ad hoc decision in 1995<sup>\*</sup>.

#### *The concept, the structure*

In Hungary gambling has had two traditional forms “totó”<sup>1</sup> and “lottó”<sup>2</sup> in the last decades. The State has had a monopoly on these games, from which in the pre-transitional times the revenues were flowing to the Central Budget of the State and also to the National Sport Authority.

In the agitated years of the transitional period new and new plans appeared to improve the financing of the fields in public interest. In September 1991 such a new idea, an unusual partisan action of some interest groups resulted in the establishment of the Gambling Fund<sup>3</sup>. The aim was to let some of the gambling income flow into the budgets of spheres in public interest. Several foreign models were observed at the time of structuring the Hungarian system, because there didn't exist any internal traditions.

The spheres supported by the Fund were pointed out after a process of long discussions among the affected pressure groups. The health care, social, cultural, educational, youth and sport fields were taken into account.

Thanks to political pressure and mostly to the strong sport lobby, the Fund was divided into two separated funds in 1993<sup>4</sup>: the National Game Fund and the National Sport Fund. The latter took the subvention of sports and horse racing in its hands, while all other fields –such as culture- remained under the provision of the National Game Fund.

The fact that the sport lobby could achieve its goal and established an own fund motivated the other areas to increase their own lobbying activity. Each of them felt a possibility to gain a more direct support from the gambling revenues - either through the government or through an own fund. These were the first signs that showed that if the decision makers are to liquidate the Fund there would not be any unified forces to fight against this will.

#### *Revenues of the Fund*

In general the Gambling Fund's and the National Game Fund's revenues came to about 6-8 million USD per year. There were four main financial sources of the Funds. Most of the revenues originated from gambling (96-97% of total revenues). The second part of the incomes consisted of the prizes won, but not taken over by the players (0,5-2% of total revenues), and thirdly there were other revenues, mostly interests on

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<sup>1</sup> Game of betting on football matches

<sup>2</sup> Lottery

<sup>3</sup> Law XXXIV / 1991 on the „Organisation of Gambling”; 172/1991 (27th December) Decision of the Government on the Gambling Fund

<sup>4</sup> Law XXVII / 1993, Law XXVIII / 1993 on the establishment of the National Gambling Fund and the National Sport Fund

investments (1,5-1,6% of total revenues). A fourth source appeared after the first year, when the first refundable grants had to be paid back (0,4-0,7% of total revenues).

After the reorganisation, when the National Game Fund came to existence the revenues were also divided between the two new Funds. From the original 10 percent of gambling organisers' payments, 7 remained at the National Game Fund, and 3 were placed to the National Sport Fund.

The policy of support

From its revenues –as mentioned above- the Fund supported several fields. The announcements for the applications were open, the subvention was either non-refundable or refundable under favourable financial conditions. Natural and legal persons could apply, including foreigners.

The grants were allocated by a Council of nine members, who were experts from each field referred to the Fund. They were charged by the Minister of Finances, who pre-nominated them as those in whom he would have confidence to cooperate with; later on, the respective ministries also confirmed their designation. All decisions of this Council were made public. For these resolutions the Minister of Finances was responsible, and he reported on the activity of the Fund each year to the Government and the Parliament.

Although a board of counselors worked with each of them, the experts were the real decision makers in granting. The determinant person on the cultural field was Mr. József Zelnik, an ethnographer, generally thought to be the mastermind behind the entire project.

The grants to the supported areas were distributed in the following way:

Aim of the application	1992	1993	1994	1995	Total <sup>5</sup> :
Amount of grants, million USD	13,038	8,422	2,184	2,101	25,745
Health Care	22,8%	17,1%	21,7%	18,1%	20,2%
Social	18,3%	16,7%	16,4%	15,7%	17,3%
Culture	21,2% <sup>6</sup>	31,5%	28,1%	25,0%	28,2%
Education		6,9%	16,8%	20,8%	14,8%
Youth	12,8%	21,3%	17,0%	20,5%	16,9%
Sport	20,1%	5,7%	0,0%	0,0%	10,9%
Equestrian Sports	4,8%	1,0%	0,0%	0,0%	2,5%
Total:	100,0%	100,0%	100,0%	100,0%	100,0%

As the table shows, culture got special attention in spite of the original aim to transmit the resources equally to all the supported fields; the character of the person responsible for an area determined the amount that a field obtained.

#### *The cultural field and the Funds*

There weren't any strong principles given for the long run on the granting policy in the cultural field. Mr. Zelnik, responsible for the cultural area set each year priorities for the

<sup>5</sup> For Culture and Education the average of 1993-1995.

<sup>6</sup> No separate data are available.



decision making process according to the actual problems, the actual political and cultural questions. These were the following:

- 1992 Hungarians abroad, theatre, socio-cultural activities<sup>7</sup>, children and youth cultural programs
- 1993 anniversaries, libraries, complex programs
- 1994 cultural programs, camps, socio-cultural complex programs
- 1995 festivals, complex cultural programs, socio-cultural programs

The next table shows how different were the supported programs by area and by financial aim.<sup>8</sup>

	Project Based Funding	Ongoing Operating Support	Acquisitions <sup>9</sup>	Funding for Capital Projects	Total
Built Heritage	0,6%	0,0%	0,0%	4,0%	4,6%
Intangible Heritage	4,8%	3,0%	0,0%	1,5%	9,2%
Museums	4,3%	0,1%	0,0%	0,0%	4,4%
Visual Arts	4,4%	1,9%	0,3%	5,3%	11,9%
Archives	0,3%	0,2%	0,0%	0,0%	0,5%
Libraries	7,7%	0,2%	1,8%	4,0%	13,8%
Literature	6,3%	1,0%	0,2%	0,0%	7,5%
Performing Arts	27,0%	8,3%	0,9%	3,9%	40,1%
Cinema, Media, Audio-Visual	0,0%	0,0%	0,0%	0,0%	0,0%
Interdisciplinary Activities	2,5%	0,0%	0,0%	0,0%	2,5%
Administration	0,0%	0,0%	0,0%	0,1%	0,1%
General, other, or not identified	0,2%	4,6%	0,5%	0,0%	5,3%
Total culture	58,1%	19,4%	3,7%	18,8%	100,0%

As seen from this table, Performing Arts stood in the focus of the granting policy (although this does not directly derive from Mr Zelnik's priorities). The fact that the Cinema, Media and Audio-Visual sectors were not supported may be due to the existence of a national foundation for audio-visual activities. Most of the supports were assigned for Project Based Funding (58,1%), and there was as much money devoted for Ongoing Operation (19,4%) as for Funding for Capital Projects (18,8%).

In the transition years, several public funds began their activity as a symbol of decentralisation. In 1994, a fund was established for cultural granting on a conceptual basis: this was the National Cultural Fund (NCF). Differently from the National Game Fund, the NCF had an elaborated policy of support, with clear conditions on the applicants, clear aims of projects. As years passed by this fund became the main channel of cultural subventions, the other funds or foundations lost their importance or were eliminated.

<sup>7</sup> In Hungarian "közművelődés", a term covering community culture, amateur arts, voluntary cultural work etc.

<sup>8</sup> This table is based on the data of 1993, a year chosen as a representative one. The cultural activities have been selected in accordance with the questionnaire of Circle.

<sup>9</sup> We distinguished between Acquisitions and Capital Based Funding to distinguish between the purchase of smaller instruments from building and renovation.

There wasn't any strategical agreement between the two Funds, but there was coordination. Mr. Zelnik checked by each decision the list of the programs, organisations supported by the National Cultural Fund. This helped to avoid parallels or -financing.

It is worth to compare  
examine their relation to the central state budget.

	Gambling Fund Game Fund, million USD	Cultural Fund million	Central Budget, million USD	Relation of the Gambling Fund to the Central Budget	Relation of the t Funds to Central
1992	n.a. <sup>10</sup>		212,62	n.a.	
1993	2,65		203,99	1,30%	
1994	0,61	6,66 <sup>11</sup>	170,77	0,36%	4,26%
1995	0,53	11,14	171,64	0,31%	6,80%

To evaluate the activity of the Gambling Fund one can see for the first sight from the this table, that in comparison to the government expenditure from the central budget on culture the decisions of this Fund had no crucial emphasis on the cultural policy in Hungary. Moreover, this small impact has declined throughout the years.

#### *The liquidation of the National Game Fund*

As a result of the Fund's reconstruction the lobbying activity of the other fields in question has strengthened. Each of them wanted to dispose of "their share" of gambling revenues directly, through the respective Ministry and not through the Fund. In the case of culture, also the National Cultural Fund started to fight for the revenues from the gambling sector. No unified forces existed, which could have struggled for the maintenance of the Fund.

The financial sources of the Fund were ceased gradually. From July 1995, the organisers had to pay just 4 percent to the Fund of the amount available for prizes - instead of the 7 percent before. The revenues of the Fund from the "toto" game also decreased radically by the division of the incomes between the National Game Fund and the National Sport Fund: the revenue was shared 5 - 5 percent between the two Funds. It had a deep impact on the incomes.

At the end of 1995 the Financial Restriction Package of the government (the so-called Bokros Package) lifted all revenues of the Fund. Almost all other public funds were liquidated, in compliance with IMF recommendations. Just those could stay alive, which had a strong lobby force.

The last year of granting was 1995 for the National Game Fund. Today there are no juridical prescriptions for the organisers how much of their revenues to spend on granting activity. The amounts for the support of these areas are fluctuating in accordance with the actual financial situation of the enterprise. These are unforeseeable sources for the cultural sector – similar to the PR sources of any major enterprise, whether state-owned or private.

<sup>10</sup> For this year separated data for the cultural sector were not available.

<sup>11</sup> The National Cultural Fund began its granting activity in 1994.

To conclude, what are the implications of the analysis of the Hungarian story of “Gambling on Culture”?

The creation of the Gambling Fund enabled for the first time small cultural institutions, organisations to apply for and receive state subvention, as they don't have access directly to the central state budget. Luckily, this channel of cultural subvention didn't disappear with the termination of the National Game Fund since the National Cultural Fund took over this role in today's Hungary.

Another interesting point is to examine whether renewed tapping of the gambling revenues would be feasible in Hungary. The answer can't be given exactly. The Ministry of Finance would surely object, and a never-ending fight would begin among the fields in public interest for the creation of a fund of their own. It is ambivalent whether the record of the Gambling Fund would serve as an argument for or against such a renewed initiative.

*(The short-term use of gambling revenue for culture and related areas has largely faded out of public memory in Hungary. Besides the relevant documents, interviews were made with some of the actors of this episode. Preparation and editing was done with the guidance of Péter Inkei).*



**Ireland: Mary CLOAKE**


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1. Does your country have a national or regional government lottery/lotteries? *Indicate country or region(s):*

 **Yes.**

2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

 **Yes.** There is a national regional lottery/lotteries whose profits are dedicated totally or partially to culture. Each year the Irish Government allocates a proportion of the surplus from the National Lottery to “Arts and Culture”

3. Has there been a debate concerning the possible implementation of a lottery at the national and or regional level in your country, whereby some of or all of the profits would be dedicated to cultural funding?

Not for a dedicated cultural lottery

4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?

 **No**

5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?

There is a positive view of the funds allocated (and the categories of beneficiaries) by the Government.


6.

*lottery operated and managed?*


 A Private Lottery Operator.

An Post National Lottery Company is a subsidiary of An Post

9. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?

 A pre-existing government agency (or agencies) was designated as the distributing agent. The Department of Finance makes "block allocations" to Government

distributed?


 Lottery revenues that are dedicated to culture are mixed with general budget

*If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sector in 2001.*

Culture	1%
	8%
Heritage	
Education (Irish Language)	2%
	11%
Other (please identify) Youth and Recreation	
Health and Welfare	45%

10.

*culture are distributed by the distributing organization?*

 Lottery revenues are distributed to culture in the **same way** that tax revenues were distributed to culture prior to the lottery.

11. *Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?*

 **Yes.**

\_\_\_\_\_ ♦♦ \_\_\_\_\_

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1.

*teries?*



*Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication*


, there is a State lottery, whose revenues have been recently dedicated to culture, according to la

stated in the State budgetary reports of the previous year, a share of the profit coming from the new lottery draw (Wednesday's draw, in addition to the Saturday's draw), up to 300 lions of Italian lire (about


archival and library goods", as well as for landscape restoration. The inclusion of landscape

restoration among the projects admitted to funding through the lottery was established by a further measure, law n. 29/2001.

3. Has there been a debate concerning the possible implementation of a lottery at the national and or regional level in your country, whereby some of or all of the profits would be dedicated to cultural funding?

 Yes, and there is generally a quite favourable attitude. In addition to the Lottery revenues, the Ministry is currently studying other ways of funding culture, like lotteries specially dedicated to the cultural sector.


4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?

 No. It must be singled out, though, that in the present Italian situation, the share dedicated to culture is not established as a percentage of the global amount of lottery revenues, but as a constant share, within a ceiling of €155 million (see also 2.). Since the first financial year of application of the Lottery law (1998), the maximum established amount of funding was assigned to each of the years.

5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?

Very positive. As far as the cultural and economic impact is concerned, the use of lottery funding has allowed the Ministry for the Heritage and Cultural Activities to increase capital investments for the cultural sector by over 40% (information referred to the total amount of 1998's capital expenditure) and it has made it possible to carry out interventions of substantial financial burden, which it would have been difficult or impossible to realize in the same period of time without additional resources. The impact on employment of these additional capital projects, although difficult to quantify, has obviously been very significant as well.


6. Under what institutional framework is the lottery operated and managed?

 Under an agreement between the State Monopoly, the government's agency competent for all State lotteries and games, and Lottomatica, a Stock Exchange quoted private company, presently controlled by the De Agostini Group, to which the management of the lottery game has been temporarily devolved. According to the above mentioned law 662/1996, a decree of the Ministry of the Economy and Finance, in agreement with the Ministry for the Heritage and Cultural Activities, must be issued within the 30 June of every year, establishing the share of the lottery revenues of the previous financial year (within the ceiling of € 155 million) to be dedicated exclusively to capital investments of the latter Ministry in the fields indicated by the law itself.

7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution? )

The Ministry for Heritage and Cultural Activities allocates by triennial programmes (up to now: 1998-2000; 2001-2003), the Lottery resources to its different responsibility centres (Direction General). Specifying, capital projects aimed at the restoration and preservation of cultural, archaeological, historical, artistic, archival and library goods as well as landscape sites should be the recipients of these funds. As previously indicated, capital projects absorb 100% of the lottery revenue dedicated to the cultural sector.

8. Which of the following statements best describes how the net lottery revenues are distributed?

 Lottery revenues that are dedicated to culture are **mixed** with general budget income and only subsequently are they allocated to the cultural sector. In fact, with a six-monthly

crediting, the Lottery resources pass from the Treasury into the Ministry for the Heritage's budget line items for capital expenditure corresponding to the different Directions General, where they merge with the other financial resources allocated to these line items. They keep, though, their specific destination, as established on the basis of the above mentioned triennial programmes.

9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year (indicate which year).

Besides law 662/1996 providing for the allocation of lottery revenue to the cultural heritage sector, there are no other measures for reallocating lottery resources, most of which are decided upon by the Ministry for the Economy.

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

Lottery revenues are distributed in a manner that is different from the distribution of general tax revenues to the arts and culture. The differentiation especially concerns the time span for planning the interventions to be included in the plan financed by lottery revenues, which is significantly longer as compared to the planning of ordinary resources. Whereas in the case of lottery financed projects the list of interventions is prepared on a three year basis, starting from the first financial year (up to now plans 1998-2000 and 2001-2003 have been approved), the list of interventions financed by ordinary resources is prepared at the beginning of each financial year. Changes to the three year plans for allocating lottery money are possible though, in case of unforeseeable and urgent events.

The other difference concerns the fact that the additional lottery resources are allocated only to capital projects for the restoration and maintenance of cultural goods (point 11), while the ordinary resources are assigned to current expenditures as well.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

Yes. Restrictions are provided by law 662/1996, regarding: a) the typology of intervention which can be financed by lottery revenue; b) its exclusive destination for capital projects.

12. If possible, please indicate what percentage of the lottery funding dedicated to culture was used in fiscal 2000 for each type of cultural expenditure:

Funding for Capital Projects 100 %

13. If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity (EUROSTAT classification)

	1998-2000	2001-2003
Heritage and Museums (1) } Visual Arts }	73.88%	71.94%
(architecture and contemporary arts )	0.27%	1.33%
Archives	10.12%	10.78%
Libraries	14.07%	14.61%
Literature	0%	0%
Performing Arts (2)	1.66%	1.37%
Cinema, Media, Audio-Visual	0%	0%
Interdisciplinary Activities	0%	0%
Administration	0%	0%
Other (please identify)		

(1) the "Heritage" item includes architecture, archaeology and landscape, as well as museums. (2) only restoration of historical theatres

What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

	1990	1992	1994	1996	1998	2000
<b>Total State expenditure for culture</b>					370 million €* million €*	441 million €* million €*
<b>Lottery funding for culture</b>					155 million € million €	155 million € million €
<b>Lottery as a percentage of total</b>					42%	35%

\*data are referred to the total of capital expenditures of the Ministry for the Heritage and Cultural Activities for the cultural goods, including libraries and archives, whereas it does not include funding for the performing arts, which has been included in the budget of the Ministry for the Heritage and Cultural Activities' only since 1999.

It should be noted that the percentage reduction in lottery funding on the total amount of capital expenditure is to be explained by the fact that the amount of the lottery revenue allocated to the cultural sector is fixed ( €155.000.000 per.year), while the total amount of the Ministry's expenditure for capital investments is on the rise.

NB: the questionnaire has been compiled by IV and V Services of General Secretariat (Dr. Paolo D'Angeli / Dr Alessandra Giuliani)



### **Lithuania: Viktoras LIUTKUS**

There are no National Lotteries in Lithuania. Three enterprises (all from the field of sport) are given the right to organize various lotteries which function in Lithuania. Unfortunately, all their profit goes to support only sport. The Ministry of Finance provides the licenses to put into practise the lottery.

A very short debate and some actions concerning lotteries profits for culture were held at the end of 1999. During the unofficial visit to Great Britain, the former Minister of Culture, became interested in the organization and profits of a National Lottery. Some meetings with the former minister of Finance of Lithuania were held in order to find ways to dedicate some profits of local lotteries to culture. However, a strong opposition from sport managers arose and later the discussions were closed.

According to the Programme of the Government, a draft Law on Lotteries should be submitted for approval by the end of 2002. However, the draft Law does not foresee the obligatory allocation of lotteries profit to culture.




## The Netherlands: Cas SMITHUIJSEN


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1. *Does your country have a national or regional government lottery/lotteries?*

 **Yes.** The Netherlands has a state lottery, which does not dedicate its profits to any charity funding except for the state treasure. The state also owns casinos. In 1992, the state lottery was privatised into a state owned foundation, but this did not change anything related to the aims of the lottery.

2. *Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.*

 **Yes,** besides the state lottery and casinos there are three private lotteries, enabled to function as such through a license system. These lotteries pay out 60% of their turnover to charities. Government can admit new private lotteries to the system, but the system has been closed for a decade already.

Some lottery profits are dedicated to culture. To inform you as completely as possible, here is a total view of the net amounts given to the beneficiaries by the different lotteries:

State lottery: 119 million €, nothing to culture (turnover goes to state treasurer)

Casinos: 219 million €, nothing to culture (same destination of turnover)

Bank giro lottery: 40 million €, approx. 9.1 million € to culture via the European Cultural Foundation (2.3 million €); East-Europe Foundation (166,700 €) and Prince Bernhard Cultural Foundation (6.9 million €)


Sponsor bingo lottery: 334 million € approx. 10.6 million € to museums; 1.3 million € to cultural heritage and via Stichting DOEN: 1.1 million € to intercultural projects and 490,000 € to cultural projects (many amateur and street corner projects) in general. Stichting Doen also finances a 'double your money' sponsor program for the arts with 227,000, €.

Postcode (ZIP-code) lottery: 177 million €, 500,000 € to Prince Claus Fund

National Sporttotalisator: 153 million €, 4.4 million € to the Prince Bernhard Culture Fund; 1.3 million € to the European Cultural Foundation

Totalisator: 4 million €; nothing to culture.

4. *One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?*

 **Yes,** an official body of inspectors (College van Toezicht op de Kansspelen) controls the spending patterns of lotteries at a couple of levels.


5. *What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?*

Gambling used to be considered by many as an evil habit of a minority of people, mostly addicts. Nowadays gambling through lotteries seems to be accepted everywhere in society and is less connected with crime and addiction. The importance of lotteries for cultural life is mainly restricted to two areas; cultural heritage and





multiculturalism projects. Compared with the contribution of subsidies and other private donations the importance of lotteries in the economic and employment sphere is still low.

6. *Under what institutional framework is the lottery operated and managed?*


 A Private Lottery Operator. The institutional framework of private lotteries is, similar to the state lottery the 'stichting' (foundation). (New) lotteries are admitted to the license system by the Minister of Justice. Regulations and control mechanisms came into operation by a special law (Wet op de Kansspelen).

7. *If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?*

 A pre-existing private or non-profit organization was designated as the distributing agent. Only a small portion, of the total money that is given to cultural projects through lotteries, is distributed by already existing foundations: The Prince Bernhard Culture Foundation, the ECF, and to a certain degree the stichting Kunst & Meerwaarde (Double your money), which carries out a sponsoring program.

 Other. Most of the money is divided by the lottery-organisations themselves.


8. *Which of the following statements best describes how the net lottery revenues are distributed?*

 Lottery revenues that are dedicated to culture are mixed with general budget revenue but then channelled to culture. The lottery organisation uses a percentage regulation, so if the revenues go up, every sector will get a percentage related share.

9. *If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year 2001*

Arts/culture/heritage	8.3%
Education	6.1%
Sport	13.4%
Other	
Third World Aid	20.8%
Environment and nature	19.7%
Welfare/public health	31.7%

10. *Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?*

 Lottery revenues are distributed to culture in a way that is **different** from the distribution of general tax revenues to the arts and culture. Tax: more equally spread over the different functions. Lottery: more people-directed. Relatively more money, relatively less experiment, development and risky investments.

11. *Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?*

 No.

13. *If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity (EUROSTAT classification)*

Almost all the money goes to heritage and museums. A division into percentages is not possible at the moment, also because the spending patterns of funds subsidized by lotteries are quite flexible.

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

	1990	1992	1994	1996	1998	2000
<b>Total government expenditure for culture *</b>	313 million €	353 million €	340 million €	390 million €	459 million €	486 million €
<b>Lottery funding for culture</b>				77 million €	102 million €	113 million €
<b>Lottery as a percentage of total</b>				6.4%	8.5%	9.4%

\*Government expenditure on (1) arts, (performing arts, visual arts, design, architecture, film, amateur arts, arts education, (2) cultural heritage (including museums) and (3) libraries and literature (x million Euros):




#### **Norway: Georg ARNESTAD**


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1. Does your country have a national or regional government lottery/lotteries? Indicate country or region(s):

 **Yes.** Norway has a national government lottery (lotteries). We have had so since 1948. The lotteries are all managed by the 100 per cent government owned joint-stock company Norsk Tipping AS. We have no regional government lotteries.

2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

 **Yes,** there is a national regional lottery/lotteries whose profits are dedicated **partially** to culture. The profits of the company Norsk Tipping AS have since 1993 been divided between sports, research and culture with 1/3 each. This year (2002) the Norwegian Parliament (the Storting) has adopted a change in the Law on lotteries. The surplus of the company will now be equally divided between sports and culture. The new system will gradually be implemented from 2003 to 2005. Culture has received *some* of the profits from the state lotteries since 1986.


4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?

 **No.** We cannot say that special measures have been taken with regard to fluctuations. Revenues from state lotteries have increased during the last years. This is mainly due to the introduction of new kinds of lotteries. The reason why a change was made in the distribution key between different purposes (culture, arts, sports) was mainly that Parliament wanted the voluntary organisations within culture (and sports) to be better off than they are today.


5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?

There has *not* been much public debate on state lotteries in Norway. It is generally agreed upon that the impacts of the state lotteries have been positive for sports (especially) and culture in Norway. The establishment of Norsk Tipping AS and state lotteries has been vital for the growth of organized Norwegian sports since 1948. The lottery profits dedicated to funding sports is *not* (and has not been) part of the general state budget, but is/has been spent on special activities/purposes. More than  $\frac{3}{4}$  of the sports revenues from state lotteries are spent on sports centres/installations and on the Norwegian Confederation of Sport/Norwegian Olympic Committee. Cultural revenues from state lotteries are, on the other hand, part of the general cultural budget. In the debate in Parliament this year on the change of the Law on lotteries it was emphasized that there is a strong need to strengthen the funds allocated to cultural and sports activities among youth and children. The increase in lottery revenues for sport and culture that the revision of the Law leads to will be earmarked for such purposes. Later this year a government paper on lotteries will be presented in and discussed by Parliament. This *may* result in new changes of the present Law on lotteries. In Norway there has been no (or few) worries that cultural funding from state lotteries should replace direct state subsidies for culture.


*6. Under what institutional framework is the lottery operated and managed?*

 A Public Lottery Operator (a public agency). The lottery (or rather the lotteries) is operated by the state company Norsk Tipping AS. This is a joint-stock company owned 100% by the state. The company was established in 1948, and has been fully state-owned 100% since 1992. Before that the Norwegian Confederation of Sport and the Norwegian Football Association were also shareholders.

*7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?*

 A pre-existing government agency (or agencies) was designated as the distributing agent. Lottery revenues for cultural use are part of the general budget of the Ministry of Culture. The revenues have so far not been earmarked for special purposes within the budget. The revision of the Law on lotteries has, however, brought about a change with respect to this (see below).

*8. Which of the following statements best describes how the net lottery revenues are distributed?*


 Lottery revenues that are dedicated to culture are mixed with general budget revenue but then channelled to culture  
See above, item 7. The newly adopted system (2002) states that 2/3 of the lottery revenues for cultural purposes will be part of the general budget of the Ministry of Culture, while 1/3 will be reserved for special purposes. The Parliament has stated that these revenues are to be divided between culture and school projects (40 %), strengthening of voluntary activities among youth and children (30 %), and investment in and maintenance of various types of “cultural houses” (30 %).

*9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal years **1993-2002***

Culture / Arts / Heritage	3.33%
Education	0%
Sport	3.33%
Other (please identify)	3.33%

NB: a new key of distribution takes effect gradually from 2003 (1/2 Culture, Arts, Heritage, 1/2 Sports; see above)

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

 Lottery revenues are distributed to culture in the **same way** that tax revenues were distributed to culture prior to the lottery. This has been so for the period 1986-2002. As indicated above (item 8) a change has now been adopted by Parliament.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

 **No.**

13. If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity (EUROSTAT classification)

This is quite impossible to indicate, as the cultural revenues are an integrated part of the budget.

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

	1990	1992	1994	1996	1998	2000
<b>Total government expenditure for culture</b>	248 million€	274 million€	343 million€	405 million€	439 million€	483 million€
<b>Lottery funding for culture</b>	55 million€	87 million€	74 million€	80 million€	84 million€	114 million€
<b>Lottery as a percentage of total</b>	22,2 %	31,6 %	21,7 %	19,8 %	19,2 %	23,6 %

The budget of the Ministry of Culture covers (more or less) the same items (domains) that are listed under question 13 above (the Eurostat classification). But Norwegian government support for culture also includes socio-cultural activities in voluntary organizations, various arrangements for media (or press) support (mainly newspapers). The Ministry of Culture is also responsible for Norwegian sport activities, but this is directly financed through the profits of the state lotteries reserved for sports.

#### *Additional Information- Short history of Norwegian State Lotteries*

The joint-stock company Norsk Tipping AS was established in 1948. During the years 1948-1999 the following amounts have been distributed to research, sports and cultural purposes (price-adjusted figures):

Research	2.581 million €	19.100 million NOK
Sports	2.311 million €	17.100 million NOK
Culture	1.122 million €	8.300 million NOK

Up to 1992 the profits were divided between research and sport purposes. In 1986 a new lottery (called Lotto) was introduced. This lottery was administered, but not owned, by Norsk Tipping AS. From 1986 to 1992 2/3 of the profits from this lottery was channeled to cultural purposes. In 1992 a change was adopted in the Law on lotteries (and the Lotto-lottery was also included in the portfolio of Norsk Tipping AS). From

1993 the profits of Norsk Tipping AS have been divided into three equal parts dedicated to research, sports and culture. A new lottery (called Extra) was introduced in 1996. The profits of this lottery is channeled to health and rehabilitation purposes. This lottery is owned by the foundation Health and Rehabilitation. Norsk Tipping AS is the operator of the lottery, and also a co-owner of the lottery.

The government lotteries are all managed by the joint-stock company Norsk Tipping AS, fully owned by the government since 1992. The total turnover of the company in 2001 was 1.163 billion € (8.607 billion NOK). The profits amounted to 385 million € (2.847 billion NOK). The company manages (administers) seven different lotteries. The profits from one of the lotteries (called Extra) is dedicated to health and rehabilitation purposes alone - through a foundation managed by organizations in the field. The profits from the six other lotteries are equally divided between cultural, sports and research purposes. The profits for 2001 are distributed like this for 2002:

Health and rehabilitation (profits of the lottery Extra)	25 million €	(183 million NOK)
Research	116 million €	(858 million NOK)
Sports	116 million €	(858 million NOK)
Culture	116 million €	(858 million NOK)

It has been estimated that Norsk Tipping AS covers about 40% of the total lottery market in Norway.

As mentioned above the Law on lotteries was changed by Parliament this year (2002). The profits of Norsk Tipping AS will now be divided between sports and cultural purposes. 1/3 of the profits dedicated to culture will be reserved for special purposes, while 2/3 will be mixed with the general budget (of the Ministry of culture). The adopted changes will be gradually implemented through the next three years (2003-2005).



**Poland: Dorota ILCZUK**

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The public debate on funding for culture from the state lottery monopoly resources started in Poland in the beginning of the year 2002. On the 6th April, the debate "Chance for Culture" was held in Warsaw Castle with the participation of the Prime Minister, the Marshal of the Parliament (Sejm), representatives of the President, the Minister of Culture and members of the artistic community. The debated issue was a program introduced by Andrzej Celiński, Minister of Culture, concerning the organisational and financial changes in the cultural sector. This program advocates devoting part of the income from lotteries to culture as a new and serious source for financing culture.

The theoretical discourse of devoting part of the income from lotteries to culture along with the preliminary estimation of predicted revenue was brought about while elaborating a set of reports concerning the organisational and financial system of managing culture in Poland. This task was undertaken by the Gdansk Institute of Market Economies for the Minister of Culture. Dorota Ilczuk (the Jagiellonian University) and Wojciech Misiąg (Gdansk Institute of Market Economies) were the authors of the foundations of complex reform project for the organisation and funding of culture in Poland, which included: the sources of financing, the role and tasks of the

government, creating conditions to encourage the private sector to finance culture and a project of the new legislation regarding cultural activities. The information below is taken from their reports:

In conformity with the Minister of Culture's project, extra funds for culture will come from raising the current 20% additional payment (overhead) to the set rate for a lottery, which is a state monopoly, by 5% and in this amount it will be transferred to the culture sector.

The precedent to this is transferring part of the income from the lotteries to the sports sector. This sector currently receives funds from the above mentioned 20% additional payment to the rate introduced in the second half of the year 1994. The body (organisation) responsible for organising a lottery is obliged to transfer the income from these additional payment to a special account set by the chairman of the department of physical culture and sports for this purpose (act from 29 July 1992 concerning gambling).

It should be noted that dividing the income from the 20% already existing additional payment between sport and culture will automatically reduce the income of the sports sector. Such a solution met a strong resistance from the sports lobby. At the same time any propositions that would even slightly decrease the budget income from the lotteries were also acknowledged reluctantly. In consequence the player would take upon him the cost of the new solution.

In the new solution the additional payment to the set rates for any lottery that is the state monopoly will amount to 25% of the set rate for that lottery. This sum will be divided between sports and culture in the proportion 80:20%. Culture will be then obtaining 1/5 of the income from the additional payment (which equals 5% increase to the additional payment) and the sports revenue will remain intact (the 20% additional payment).

Using funds from the lotteries might become a way of diminishing expenditures by the state on culture (phenomena of substitution). To avoid that certain steps have been undertaken, such as:

- assigning the income from lotteries and to set up for this purpose a special account or fund;
- precisely defining in the legal Act on Cultural Activities (project) ways and rules of distributing the income from lotteries
- defining in the legal Act on Cultural Activities (project) on what the funds can not be spent (for example on subsidies for institutions)
- introducing to the legal Act on Lotteries a legacy which will prevent the use of income from lotteries to decrease budgetary expenditures for culture

In the new project of the legal act about cultural activities the income from the 5% additional payment to the set rates for lotteries will be assigned to a special account set by the Minister of Culture.

Estimation of costs:

In 2001 the income from lotteries amounted to 519,5 million € (2,109,942,000z<sup>3</sup>). The 20% additional payment which was transferred to the sports sector was 103,9 million € (421 988 000z<sup>3</sup>). The expected income for culture if the 5% additional payment is assigned will be 25,9 million € (105,497,000 z<sup>3</sup>).

To compare, in the year 2000, the expenditures from the state budget on culture were equal to 155,5 million € (631,700,000z<sup>3</sup>). The public expenditure on culture (including the state and municipal level) was 695 million € (2.823,100,000 z<sup>3</sup>)

Income from lotteries:

(Data from *The Department of Gambling*, Ministry of Finance, 2002):

- In 1993 – 86 million € (349 826 900z<sup>3</sup>)
- In 1994 – 129 million € (524 175 700z<sup>3</sup>)
- In 1995 – 122 million € (495 642 000z<sup>3</sup>)
- In 1996 – 252 million € (1 026 396 000z<sup>3</sup>)
- In 1997 – 382 million € (1 552 465 000z<sup>3</sup>)
- In 1998 – 436 million € (1 772 816 000z<sup>3</sup>)
- In 1999 – 479 million € (1 946 748 000z<sup>3</sup>)
- In 2000 – 522 million € (2 122 166 000z<sup>3</sup>)
- In 2001 – 519 million € (2 109 942 000z<sup>3</sup>)

The income from lotteries in 1995 – the first year after introducing the 20% additional payment to the rate – decreased in relation to the year 1994 by 5%. In other words the demand reacted with only a 5% decrease to a 20% increase in price. The elasticity of the market in relation to the price was calculated using the formula

$$E = \frac{\text{change of the demand in percent}}{\text{change of price in percent}} \quad \text{equals } 0,25$$

In this formula demand is calculated as the lottery total gross revenue.

In absolute numbers using a modified formula

$$E = \frac{\text{change of the demand}}{\text{sum of the demand}/2} : \frac{\text{change of price}}{\text{sum of prices}/2} \quad \text{equals } 0,31$$

Both outcomes affirm that the price elasticity of the demand was smaller than one which means that the market isn't flexible towards the price. The decrease of the demand in the year 1995 was temporary. The revenue from lotteries in the following year rose – nearly twice – above the level from the base year 1994.

If we make a simulation using the above price elasticity of demand it turns out that the potential decrease of income caused by the foreseen increase of the additional payment to the rate from 20% to 25% - that is the increase of the price of the rate by 4,2% - would be (using the percentage formula) 1,05%. However the outcome of such a simulation must be treated with great caution. The level of income from lotteries depends not only on the height of the price of the rate but also on many other factors among which are related to the general economic situation of the country. Nevertheless it should be stated that in consequence of the predicted growth of the additional payment to the rates of the lotteries there are strong premises to assume only a slight decrease of the demand and also an improvement of the situation in a short period of time.

Summing up the issue of assigning funds from the national lotteries to culture in Poland we should point out that the discussion was just initiated and is in its initial stage. Up until now the polemics concentrated mainly on asking IF such a solution should be introduced. Now we have come to the point where it is time to decide WHAT and HOW

to use the funds. The new Minister of Culture appointed in July assures us that he is willing to continue the proposed solutions of his predecessor. In this case the most probable is that the funds will be excluded from the general budget for culture and appropriated for direct support to creativity. Furthermore the minister will have influence in the way the funds will be distributed. The final decisions will be known shortly.

In the discussion concerning the use of lotteries for cultural purposes little is said about creating special lotteries solely for culture. Funds gained in this way aren't big and would not reach a level that would be sufficient on the state level. Depending on the publicity the expected income would be around 246,000 € (several millions of zlotys). Such income could be however sufficient for local needs or certain concrete projects. Despite this, the subject of creating lotteries for culture is not a subject discussed in the media but more often initiatives appear to do so. As an example, the founder of the private College of Performing Arts and New Media in Warsaw has declared the will to create a lottery where most of the income would be used for scholarships for the students of the college.



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Unfortunately, in our country after the disintegration of the USSR no state lottery exists, either national or regional. But still there is some information on lotteries that needs to be shared.

In Russia there are many non-state controlled local lotteries. These are rather popular lotteries, such as *Russian lotto*, *Artlotto*, *Sportlotto*, *TV Bingo show*, *Art lottery*, lottery of the Fund for culture etc. However, neither of these lotteries dedicates its profits to funding culture. Even the Fund for culture uses money gained through the lottery it organizes only for its own purposes (to finance its own activities).

In Russia there has been no debate concerning this situation so far. However, experts in economy of culture discuss the following issues quite frequently.

1. Taking into account the country's economic performance and the low level of real incomes, it is difficult to regard a state lottery as a stable source of cultural financing. This assumption is partially confirmed by the low level of profitability of existing local lotteries.

2. Another impediment to implementation of a state lottery is the lack of both corresponding legislation and positive practical experience of organizing economically effective lotteries. That the management in this specific sphere is underdeveloped is partially confirmed by the fact I've already mentioned – existing local lotteries show low profitability.

3. Underdeveloped market infrastructure, insufficient number of private and corporate agents on the market (especially in the sphere of culture) does not allow to solve one of the major practical questions of implementing a state lottery, connected with the selection of its operator. Here one can see two options and two corresponding criticisms.

3à. A specialized state organization can be selected (or created) as an operator of a state lottery. For our country this solution is inefficient as much as traditional. It seems



to me, as well as to many of my colleagues, that the interests of special groups (corruption at the worst) will sharply reduce lottery profits channelled to culture<sup>12</sup>.

3b. The second option is designation of a private agency as an operator. I believe that the best solution here would be creation of the *Fund for cultural activity and heritage* (which is already long debated in Russia), acting similarly to Western funds realizing the arm's length principle. But actual resistance of the authorities to creation of this fund and, I'd like to repeat, underdevelopment of market infrastructure along with insufficient presence of private and corporate agents, who could provide an effective competitiveness, are against this solution.

4. As for the channels through which lottery revenues make their way to consolidated and/or local budgets of culture, as well as mechanisms for allocation of the said financial resources, are still unclear. The specificity of situation in Russia (in particular, an excessively important role of the Treasury and toughening control over expenditures of organizations acting in the sphere of culture supported by the government) makes me doubt that the financial department would let the process of lottery revenues allocation get beyond its control. Meanwhile I am positive that a non-profit organization independent of government should be empowered to allocate lottery revenues (or at least partially). I mean the *Fund for cultural activity and heritage*.

A low level of GDP and the chronic deficiency of the state funds constantly threatens the whole cultural sphere. Under these conditions the search for additional sources of financial support for culture becomes a major challenge. It seems to me that a state lottery could play its positive role in this situation.

Taking it into account, we plan to submit to the government a proposal concerning implementation of a state lottery in Russia and allocation of its profits for culture. Here we count on the assistance of our foreign colleagues having positive experience as to tackling the problem in question.



**Slovak Republic: Oskar NOVOTNY**

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1. *Does your country have a national or regional government lottery/lotteries?*

🏠 **Yes**, it has a system of national lottery composed by specific parts such as sport lottery (many kinds), occasional lotteries, fixed fee from gambling machines etc.

2. *Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.*


🏠 Yes, there is a regional lottery/lotteries whose profits are dedicated **partially** to culture

3. *Has there been a debate concerning the possible implementation of a lottery at the*

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<sup>12</sup> A classical example from the work by A.O.Kreuger, devoted to the theory of political rent (Kreuger A.O. The Political Economy of the Rent-Seeking Society. // American Economic review, 1974, vol.64, p.291–301). In addition to this, I'd like to refer to the publications of the school of public choice (J.Buchanan, M.Olson, G.Tullock). Nowadays most publications dealing with the issues of the state's functioning are full of references to 'rent-seeking class', 'political rent', 'bureaucratic rent', 'logrolling', etc.

*national and or regional level in your country, whereby some of or all of the profits would be dedicated to cultural funding?*

 **Yes**, this model of funding (as one of the sources for financing culture) is widely accepted.

The discussion concerns the adequacy and the significance of the total share for culture and secondly if it should be settled as a fix guaranteed amount (as after 1999 in the SR) or as before 1999 a percentage share from lottery net income (as before 1999 it was for culture and is up to day for sports - 50% of the net income)


*4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?*

 **Yes**, it is settled yearly in the "State Budget Law for the ... year" (for the respective year) as a guaranteed amount, that could be increased only by additional money from a special "General Government Reserve Fund" for that forms one of the parts of the state budget in every year in the Slovak Republic additional fiscal projects including for culture

*5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?*

Net income for the state budget coming from the lotteries are an important additional source for fiscal measures but nevertheless the total does not represent more than 0,5% from the total incomes of the state budget. Therefore to express some hypothesis in the sense of the question 5 would be courageous for the circumstances in the Slovak Republic. The same in regard to culture could be said although the inflow from lotteries for the cultural budget represents ten times more in its weight a cca 5% share (see table in the question no. 14)


*6. Under what institutional framework is the lottery operated and managed?*

 A Public Lottery Operator (a public agency). Public operator named TIPOS is a state owned share company. All shares are in the hand of the Ministry of Finance of the Slovak Republic

*7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?*


See answer no. 6. The decision about the amount (fixed sum) is in the hand of the government (and logically of the parliament). This fixed amount is directly inscribed in the "State Budget Law" for the respective year

*8. Which of the following statements best describes how the net lottery revenues are distributed?*

 **Yes**, lottery revenues that are dedicated to culture are **mixed** with other budget revenues and then channelled to culture.

Over the state share company TIPOS are the net lottery incomes collected and then transferred for the state budget. This income is distributed to

- a) the different state budget chapters (programmes)
- b) and a part of it for the "General Government Reserve Fund" for special additional fiscal projects including for cultural projects

 **Yes Partly**. Lottery revenues that are dedicated to culture are distributed through the designated State agency TIPOS that distributes part of the money after the directives of the Ministry of Finance of the Slovak Republic

9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year (indicate which year: **2001**)

Culture / Arts / Heritage	9,74%
Education	0%
Sport	50 %
Other: Environmental/ Health care /Social policy / Youth projects	

In the year 2000, culture, arts and heritage received a share of 10,43%. This moderate falling share was determined by 2 factors:

- falling absolute volume given for culture from the state lottery revenues 114,9 mil. SK (2001) in relation to 118,847 mil. SK (2000)
- rising volume of the total revenues from the state lottery 1 179,2 mil. SK (2001) in relation to 1 139,4 mil. SK (2000)

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

Lottery revenues are distributed in a manner that is **different** from the distribution of general tax revenues to the arts and culture. They are purposed binded. The applications for money for a specific project are submitted over the Ministry of Finance or directly to the Office of the Government of the SR. The approval of an application is realised over a budgetary technique of the Ministry of Finance of the Slovak Republic, the so called "fiscal measure" ad hoc, depending on the development of the fiscal incomes in the state budget during the year.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

**Yes**

12. If possible, please indicate what percentage of the lottery funding dedicated to culture was used in fiscal **2001** for each type of cultural expenditure:

The whole amount is distributed exclusively on project funding based and was divided in the year 2001 as follows:

Ongoing Operating Support (Revenue Funding)	49,75 %
b) Funding for Capital Projects	50,25 %

The structure for the last years was nearly the same!! Based on detailed evidence of the nature of projects supported from the analysed source /lotteries/ in the chapter "Culture" of the Ministry of Culture in the fiscal year 2001

13. If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity (EUROSTAT classification)

Heritage	2,2 %
Museums	24,2 %
Visual Arts	3,5 %
Archives	0 %
Libraries	10,3 %
Literature	3,6 %
Performing Arts	31,5 %
Cinema, Media, Audio-Visual	4,2 %
Interdisciplinary Activities	15,5 %

Administration	0 %
Other ( <i>please identify</i> )	
cultural relations with Slovak abroad	1,5 %
support for regional projects	2,2 %
miscellaneous	1,3 %

See the comments to question no. 12. The calculation based on transfers over the chapter "Ministry of Culture of the SR" in the state budget. Therefore we have any evidence about supporting archives which are in the SR included in the chapter "Ministry of Interior"

It is necessary to underline that from the shares for different cultural activities (in the answer for the question no. 13) for the year 2001 (as you asked) it could not be drawn any conclusion (!!!) about the attention paid to the mentioned subsystems of culture. The shares for different cultural activities in the analysed years are different because the distribution of the revenues from the state lottery for culture is based on competition of submitted projects and their chance to win money from this fund differs depending on their cultural political importance which logically differs from project to project

*14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)*

					<b>2000</b>	<b>2001</b>
<b>Total government expenditure for culture</b>					63 million €	57.3 million €
<b>Lottery funding for culture</b>					2.8 million €	2.7 million €
<b>Lottery as a percentage of total</b>					4,73%	4,66%

The definition of culture is an empirical one expressing cultural activities only in the framework of the Ministry of Culture (and its institutions), cultural activities organized by the regions and municipalities. It do not include cultural activities in other branches, for instance organized by the Ministry of Defence (for army troops etc.).

Additional information: Moreover in each of the analysed years the real figures prevailed the budgeted expectations of total revenue for the state budget from the state lottery - 1999 (6,4%) 2000 (11,2%), 2001 (12,3).

The tendency for total revenues from the state lottery is a rising one

2000/1999 + 34 %

2001/2000 + 35 %

2001/1999 + 39 %

The brut income from lotteries minus paid out wins forms the net income. From this net income /differently in the respective lotteries schemes/ are about 34-42% transferred for the state budget. Before using these transfers for covering the expenses on different projects is determined by law that 2% of these transfers are obligatory

delivered for the state supervision bodies and 5% directly for the needs of municipalities. The differences in the transfers are as follows: from the wipped off lottery tickets is dedicated for transfers the maximum – 42%, the transfers from gambling machines are determined as an fix fee, the transfers from hazzard games is only 31%.

In comparisons expressed in /or through/ monetary absolute quantities take in account that the exchange rates, for instance between the Slovak crown and Euro /e. g. up to June 25<sup>th</sup> 2002 it is 44,45 SKK for 1 Euro/ do not express the real purchase power rates and are for global macroeconomic financial reasons over-evaluated (in real terms) in advantage for EURO (after serious scientific assessments at least twice). This is very important in order adequately to evaluate the internal impact of support for cultural projects financed from lotteries in comparison to other countries. The respective cultural organisation is buying materials, paying wages etc. in the Slovak Republic with Slovak crowns, so their expenses measured over exchange rates (e.g. SKK to Euro etc.) are underestimated. Therefore it is impossible without special research case studies to determine the values of figures you ask from us for the first and second line of the table in the question no. 14. Measuring in official exchange rates in Euro are for comparative research not only worthless, they are deceiving and giving a false picture about the real comparative conditions for culture financed from lottery incomes. On the other hand, the third line of this table (Lottery as a percentage of total government expenditure for culture) has an very important information value!!!



**Spain: Jordi Pascual i Ruiz**

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The White Book of Culture in Catalonia suggests that Lottery funding should be used to create (together with other sources) two new funds: the Fund for Cultural Innovation and the Capital Risk Fund for Cultural industries. The White Book of Culture in Catalonia was edited by left-side cultural managers, most of them linked to the social-democrat party (Partit dels Socialistes de Catalunya). Reference: Ferran Mascarell (ed.), 1999, *El Llibre Blanc de la cultura a Catalunya. Un futur per a la cultura catalana*, Edicions 62, Barcelona, 379 pp.

At the same time, the director of the MACBA - Museu d'Art Contemporani de Barcelona, Manuel Borja-Villel, has recently stated that money from lotteries should be re-directed to cultural projects.

While there is no national or regional government lottery that gives money to culture, there are a number of important lotteries providing money for cultural activities run by third sector organisations. For example, ONCE is an association for the blind which runs one of the biggest lotteries in Spain. Profits from this lottery are spent on cultural and social activities for the blind.

Many cultural associations that organise or are partners in the organisation of the "Fiesta Mayor" or "Festa Major" which takes place in many towns, villages and neighbourhoods during the summer in Spain organise a local lottery which is connected to the national lottery. The organisers supply and sell tickets and provide small prizes (e.g. weekend trip) however the draw is the number of the national lottery draw. All profits from this lottery are managed by the cultural association to help the organisation of the festival.

**Sweden: Gudrun VAHLQUIST**

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*1. Does your country have a national or regional government lottery/lotteries?*

**Yes.** The Svenska Spel is a public enterprise in Sweden dealing with lotteries and legal gaming. It is a state owned public enterprise under the Ministry of Finance, covering 46% of the lottery etc market. In 2001 receipts increased from 13.9 to 15.6 billion SEK. The Government, being an active owner, is setting out clear objectives and guidelines and is evaluating their implementation. Gaming revenues and profit are brought back to the central government .

According to the concession granted by the government, the annual surplus of at least one lottery should be reserved for cultural aims. It is usually not a very large sum, but nevertheless implies some additional millions of SEK to be distributed yearly by the Ministry of Culture.

As a comparison worth mentioning here is the fact that the Swedish Sports Confederation and the Swedish Board for Youth Affairs are the recipients of approx. 450 million SEK from a steadily growing profit source in the gambling market: the new VLT (Video Lottery Terminals) games, Jack Vegas and Miss Vegas, operated by Svenska Spel.

*2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.*

**Yes,** there is a national regional lottery/lotteries whose profits are dedicated totally or partially to culture:


The total surplus, including the money earmarked for culture, is delivered to the state treasury. However a minor part of the account for marketing and information can be spent on cultural projects that promote the relations and/or the image of Svenska Spel. These projects often deal with "good citizenship" and are related to Gotland and Sundbyberg municipalities, where the offices of Svenska Spel are located . This category also includes support to great sports related to the lotteries, like for example soccer.

In the area of culture, Svenska Spel is the main sponsor of projects like Swedish Cultural Heritage and the Public, The Roma Theatre Shakespeare Revival, the Medieval Week in the Hanseatic Town of Visby, Gotland .

The University of Gotland receives an annual support for general research on gaming and gambling and furthermore a grant for the establishment of a special training program called GAME (Gotland Art and Media Education) and a special zero game studio linked to this.

Svenska Spel also awards sports journalists and gaming researchers scholarships and has subsidized an extra-curricular seminar at the Royal University College of Fine Arts.

3. *Has there been a debate concerning the possible implementation of a lottery at the national and or regional level in your country, whereby some of or all of the profits would be dedicated to cultural funding?*

 **Yes.** A former Culture lottery helped funding the premises of regional or local cultural institutions. For a long period it helped the construction and rebuilding of important public institutions all over the country combined with the investments of regional/local stakeholders. As the lottery revenues went down funding was cut and the responsibility for this subsidiary for the building and amelioration of regional and local theatres, museums, music halls etc was introduced as a yearly post of the national budget bill.

Initially the surplus of the national lottery, Penninglotteriet, helped to promote a series of cultural projects whilst the profits from the state controlled sports betting company Tipstjänst went to the Swedish Football Association. All this came to an end during the war when both companies were nationalised. In the 90's Tipstjänst became the great sponsor of culture, the peak being the support to the nationwide exhibition project 1993-94, The Swedish History, that received 10 million SEK, being at the same time a part of the launching of a new lottery, the Viking Lotto.

4. *One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?*

 **Yes . Please see above.**

All forms of sponsoring by Svenska Spel are free from political issues and intentions and do not interfere with the aims, policy or trends of the partners that are chosen for sponsorships.

The following criteria for giving support to a project holder are set up by Svenska Spel:

\* It should be understood and appreciated by our main target groups

\*It should strengthen the profile of Svenska Spel

\*It should highlight the role/position of Svenska Spel in society

\*The responsible should take an active part in the project

The support given by Svenska Spel has very often meant a substantial contribution over several years and has allowed an expansion and increase in quality. The projects being rather broad in themselves will nurture employment to a certain extent to artists and staff, and will also reach a very wide audience, like the Medieval Week in Visby and the Cultural Heritage projects. The support awarded by Svenska Spel is mostly combined with other sources for financing and with the income of fees and consumption of the public. An economic impact can be noted, at least locally.

In general the gambling market has shown a yearly increase . Even though the results have not grown very much, there has been no discussion about what would happen in a situation of no income at all. This threat is however a hot issue in the States and has also been a topic with Veikkasu, the national lottery in Finland, when new decisions were taken concerning the percentual distribution of the surplus income.

5 . *What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?*

The gaming operator best known by the public for its direct links to its beneficiaries, local sports activities, is Folkspel, owned by the non-profit organisations but ATG, the horse betting company, too, has strong contacts with race tracks and horse breeding whilst Svenska Spel primarily is seen as

a traditional gaming company.

6. *Under what institutional framework is the lottery operated and managed?*

🏠 A Public Lottery Operator (a public agency). The Ministry of Finance represents the state as owner of a number of public enterprises. Ilike Svenska Spel, with the status of a limited company. The boards of directors of these companies, appointed by the Government, should be carefully structured through the selection of persons with the qualifications required by the respective company.

The Division for Companies and Property within the Ministry, handles matters relating to ownership of companies reporting to the Ministry of Finance. The Division is responsible for matters relating to lotteries and gaming. The gaming market will continue to be regulated.

The relations to the Ministry of Finance is handled through a regulating body, the Lottery Inspection, a supervising authority

Once set up and “regulated” all the responsibility of the administration, economy, staff and activities lays with the Executive Director and the Board. A yearly report is submitted to the Government.

7. *If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?*

🏠 A pre-existing government agency (or agencies) was designated as the distributing agent. Tipstjänst och Penninglotteriet were two separate government agencies before 1997.

🏠 A new government agency was created to become the distributing agent. In 1997 the two agencies mentioned above were amalgamated to Svenska Spel

8. *Which of the following statements best describes how the net lottery revenues are distributed?*

🏠 **Other.** The Ministry of Culture decides on the recipients of the surplus of the annual lotteries for culture. Svenska Spel does not do any special announcement about this.

10. *Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?*

Lottery revenues are distributed to culture in the **same way** that tax revenues were distributed to culture prior to the lottery.

Lottery revenues are distributed in a manner that is **different** from the distribution of general tax revenues to the arts and culture. (*Please specify how the distribution is different*)

11. *Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?*

🏠 **Yes.** If yes, what is the nature of those restrictions?

Yes, seen to the fact that the Board (elected and appointed by the Ministry of Finance) has to authorize major projects of sponsoring. But as was said above, these projects are sponsored not with surplus money but via the annual budget of the Svenska Spel.

14. *What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)*



The sums from the "Cultural lotteries" are so ridiculously low that they are not even worth mentioning (2-3 Million SEK). And besides it is hard to speak about lottery funding in this context since this sponsoring is not part of "budgetary planning" but serves mostly temporary contributions to local events. An exception being the surplus from the "VLT", 20% of which goes to youth activities via the National Board for Youth Affairs, that would imply culture in its broadest sense. From 2001 though this financing of youth activities and youth life style/culture became real substantial, with a sum mounting to 90 million SEK.

	1990	1992	1994	1996	1998	2000
<b>Total government expenditure for culture</b>	518million€	553million€	631million€	718million€	807million€	832million€
<b>Lottery funding for culture</b>						
<b>Lottery as a percentage of total</b>						

\*The final answer to point 14 from Svenska Spel, is the fact that there are no real "statistics" on support to culture. The sums being so relatively small, compared both to governments expenditure and to the total sums of gambling that they are not worth mentioning...



### Switzerland: Christoph WECKERLE


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1. Does your country have a national or regional government lottery/lotteries?

 **Yes.**

2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

 **Yes**, there is a national regional lottery/lotteries whose profits are dedicated totally or partially to culture. Due to the general federalist approach there are several lotteries in Switzerland. Large lotteries (with target amounts of above CHF 100'000.--) are organized by the four large lottery companies (Interkantonale Landeslotterie [German and Italian speaking Cantons, without the Canton of Berne], Loterie Romande [French speaking Cantons], SEVA [Canton of Bern] and the Sport-Toto-Company [Sport-Toto, Toto X]). The latter company is responsible for the Swiss Number Lottery (Wednesday and Saturday lottery) on the basis of a mandate of the above companies, which has a high turnover.

Small lotteries (target amounts below CHF 100'000.--) are often on offer at various events and are used to increase the attraction and often the financing of such events. In particular at small sports and society events lotteries or tombolas are organised, where the price must not be money or something with a clearly defined money value. Such games are exclusively governed by cantonal law.

The funds which are redistributed to the cantons by these companies are used for projects in the field of culture, education, social welfare, health, conservation, tourism and sports.

4. *One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?*

🏠 **No.** The by-laws of the company responsible for the distribution of the lottery funds in the German and Italian speaking cantons state that the (small) amount of 70'000.- CHF must be distributed to every canton as a fixed sum, the rest is distributed by the number of inhabitants. There is no specific guideline on the spending of the money for culture.

5. *What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?*

Between 300 and 400 million CHF a year are redistributed to the cantons from lotteries and betting. These amounts are used for projects in the field of culture, education, social welfare, health, conservation, tourism and sports.

In comparison: the expenditures of the Cantons for culture and leisure amount 1998 to 751 million CHF (cities 1'263 million CHF) (Source: Federal Office of Statistics)

6. *Under what institutional framework is the lottery operated and managed?*

🏠 A Public Lottery Operator (a public agency) Companies mandated by the cantons.

7. *If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?*

🏠 A pre-existing government agency (or agencies) was designated as the distributing agent.

In the German and Italian speaking parts of Switzerland the lottery funds are transferred from the mandated companies to the cantonal governments where they are redistributed – partially to culture.

🏠 A pre-existing private or non-profit organization was designated as the distributing agent.

In the French speaking part of Switzerland the lottery funds are directly distributed to cultural projects and institutions by the mandated company

8. *Which of the following statements best describes how the net lottery revenues are distributed?*

🏠 Lottery revenues that are dedicated to culture are mixed with general budget revenue but then channelled to culture. For the German and Italian speaking part of Switzerland

🏠 Lottery revenues that are dedicated to culture are distributed through designated agencies that distribute the money for that purpose. For the French speaking part of Switzerland

9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year **2000**

French speaking Cantons: (sources: Lotterrie Romande, Ch. Weckerle)

Culture	32%
Heritage	12%
Education	13%
Other	43%
Action sociale / Personnes âgées	14%
Santé et handicap	8%
Environnement	1%
Economie	5%
Taxes et émoluments	16%

German and Italian speaking Cantons: ~between 30% and 40% (with large differences from one Canton to another) (sources: financial administration of the Cantons, Ch. Weckerle)

Due to the two different systems in the French and the German / Italian speaking part of Switzerland we have no detailed figures for the latter until now.

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

Lottery revenues are distributed to culture in the *same way* that tax revenues were distributed to culture prior to the lottery.

Lottery revenues which are distributed for supporting infrastructure and institutions are mostly additional funds; lottery revenues which are distributed for projects can be the main part of the project budget.

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

**Yes.** If yes, what is the nature of those restrictions?

The Federal Act on Lotteries allows lotteries only under the condition that revenues are dedicated to goals of public utility or charitable goals. There are several internal guidelines on the cantonal level.



### **Yugoslavia (Serbia and Montenegro): Dimitrije VUJADINOVIC**

Balkankult

Unfortunately in Yugoslavia (Serbia and Montenegro) there is no lottery for culture and the profits of the lottery that already exists is not planned for financing culture.

The cultural experts in Yugoslavia try to convince politicians and government to invest some money from the lottery in the cultural field but because of the big social problems (high percentage of unemployed people) they decided that all the money should be spent solving these problems. Of course the experts from the region who are working in Balkankult are extremely interested in open discussions about the possible future of a lottery for culture, so the experience of other countries that already have lotteries for culture will be very useful for states in the region.



## United Kingdom: Graeme Evans


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1. Does your country have a national or regional government lottery/lotteries?

 Yes.

2. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

 Yes, there is a national regional lottery/lotteries whose profits are dedicated totally or partially to culture.

3. Has there been a debate concerning the possible implementation of a lottery at the national and or regional level in your country, whereby some of or all of the profits would be dedicated to cultural funding?

 Yes. Current review of the National Lottery out for Public Consultation (ends Nov.2003)


4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?

 No.

5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?


In the first 3 years when lottery grants were primarily for capital, economic impact assessments were undertaken based on the employment arising from construction and associated spending. Job losses in other gambling and consumer sectors (betting, football pools, confectionary) were reported (leading to a liberalisation in these sectors, e.g. gambling/casinos, betting). Initial post-lottery award impact studies have focused on quantitative measures, e.g. audience/attendance. In recent years as lottery funds have switched to project/revenue and social causes, there has been more emphasis and studies undertaken measuring social impacts. These include the arts and social inclusion and quality of life impacts.


6. Under what institutional framework is the lottery operated and managed?

 A Private Lottery Operator. Selected by tender very 5 years. Camelot plc won the franchise again after a controversial competitive process.


Current Public Consultation on the organisation of the National Lottery, may bring changes to the present public/private arrangements and Lottery distributors with more use of 'citizen's juries'.

7. If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?

 A pre-existing government agency (or agencies) was designated as the distributing agent. *Arts Councils for Art and Film.*

 A new government agency was created to become the distributing agent. *Heritage Lottery Fund for Museums & Heritage. New Film Council set up for film funding.*

8. Which of the following statements best describes how the net lottery revenues are distributed?

 Lottery revenues that are dedicated to culture are ***distributed through designated agencies*** that distribute the money for that purpose.

9. If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in 2001/2

Culture	%
Arts	16.67%
Heritage	16.67%
Education (New Opportunities Fund, inc. health)	33.00%
Sport	16.67%
Other (please identify) Community Fund	16.67%

10. Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

Lottery revenues are distributed in a manner that is **different** from the distribution of general tax revenues to the arts and culture. Lottery funds are allocated to specific distributors as above. Distribution is primarily reactive (demand led). Originally applications could not be solicited by lottery distributors. Arts and Cultural funding by government/agencies has been limited to the professional arts/artist and is largely dominated by existing arts clients (ongoing revenue funding). Lottery funds have been open to non-professional groups, but in practice most funding has gone to existing subsidised arts and heritage organisations

11. Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

Yes. If yes, what is the nature of those restrictions? Most funding now under specific schemes, e.g. Arts Capital, Arts for All , Heritage Parks etc. All lottery projects must have public access.

12. If possible, please indicate what percentage of the lottery funding dedicated to culture was used in fiscal (1999) for each type of cultural expenditure:

Project Based Funding	16 %
Ongoing Operating Support (Revenue Funding)	%
Funding for Capital Projects	84 %

13. If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity (EUROSTAT classification)

Heritage	28 %
Museums	25 %
Visual Arts	7 %
Archives	6 %
Literature	1 %
Performing Arts	20 %
Cinema, Media, Audio-Visual	3 %
Interdisciplinary Activities	7 %
Other (please identify)	3%
Architecture	1 %

Lottery grants given under education, community, social welfare categories (not included above) may be for cultural projects, particularly libraries, ICT, minority ethnic groups, arts and health etc.

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

	1990	1992	1994	1996	1998	1999
<b>Total government expenditure for culture</b>			1059	1741	1575	1313
<b>Lottery funding for culture</b>			-	336	921	494
<b>Lottery as a percentage of total</b>				19%	58%	38%

Cultural spending by central government only (not local government), excludes broadcasting/licence fee subsidy, business sponsorship. Lottery grants awarded not lottery income to distributors which is higher). Latest figures for 1999 not 2000. The high variations are partly explained by the build up of lottery awards since 1995 (first full year) and capital grants, which have now tailed off as grants switch to project and smaller capital awards.



# Part VI: Questionnaire

## **GAMBLING ON CULTURE: STATE LOTTERIES AS A SOURCE OF FUNDING FOR CULTURE - THE ARTS AND HERITAGE**

QUESTIONNAIRE in preparation for the CIRCLE Rome Round Table, November 2002.

### **Introduction and context**

4. Does your country have a national or regional government lottery/lotteries? *Indicate country or region(s):*

No. *If you checked this box, please sign and return the questionnaire.*

Yes.

---

5. Are some or all of the lottery profits dedicated to funding culture? If so, please describe the nature of the dedication.

No. *Go to question #3.*

Yes, there is a national regional lottery/lotteries whose profits are dedicated totally or partially to culture (*please specify and then go to question #4*)

---

3. Has there been a debate concerning the possible implementation of a lottery at the national and or regional level in your country, whereby some of or all of the profits would be dedicated to cultural funding?

No *Please sign and return the questionnaire*

Yes. *Please explain and comment on the arguments that have been used both in support of and against the implementation of a dedicated cultural lottery.*

---

4. One of the criticisms of dedicated lottery funding is that it is susceptible to fluctuations as lottery revenues go up and down. Have any measures been taken to ensure the stability of cultural financing when dedicated lottery revenues are used?

No.

Yes *If yes, what are those measures?*

---

5. What is the general view of the social, cultural, employment, and economic impacts that the lottery has had in your country?

---

### **Administration and management**

6. Under what institutional framework is the lottery operated and managed?

A Private Lottery Operator. (*please specify*)

- *How is that private lottery operator selected?*

A Public Lottery Operator (a public agency) (*please specify*)

Other (*please specify*)

---

**Allocation of lottery revenues**

7.If there are lottery revenues that are dedicated for cultural use, what institutional mechanism is used for their distribution?

A pre-existing government agency (or agencies) was designated as the distributing agent.  
*(please specify)*

A new government agency was created to become the distributing agent.  
*(please specify)*

A pre-existing private or non-profit organization was designated as the distributing agent.  
*(please specify)*

A new private or non-profit organization was created to become the distributing agent.  
*(please specify)*

Other *(please specify)*

---

8.Which of the following statements best describes how the net lottery revenues are distributed?

*(please provide detail)*

Lottery revenues that are dedicated to culture are mixed with general budget revenue but then channelled to culture.

Lottery revenues that are dedicated to culture are distributed through designated agencies that distribute the money for that purpose.

Other

---

9.If lottery revenues are dedicated to other sectors as well, please indicate the percentages received by the various sectors in the last fiscal year (indicate which year: \_\_\_\_\_ )

Culture \_\_\_\_\_ %  
Arts \_\_\_\_\_ %  
Heritage \_\_\_\_\_ %  
Education \_\_\_\_\_ %  
Sport \_\_\_\_\_ %  
Other (please identify) \_\_\_\_\_ %  
\_\_\_\_\_ %

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10.Which of the following statements best describes how lottery revenues dedicated to culture are distributed by the distributing organization?

Lottery revenues are distributed to culture in the *same way* that tax revenues were distributed to culture prior to the lottery.

Lottery revenues are distributed in a manner that is *different* from the distribution of general tax revenues to the arts and culture. *(Please specify how the distribution is different)*

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11.Are there restrictions placed by the government on the types of cultural projects and activities that can be funded by dedicated lottery revenues?

No.

Yes.If yes, what is the nature of those restrictions? *(e.g. may only be used for capital projects, etc.)*

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4. If possible, please indicate what percentage of the lottery funding dedicated to culture was used in fiscal 2000 for each type of cultural expenditure:

Project Based Funding \_\_\_\_\_ %  
 Ongoing Operating Support (Revenue Funding) \_\_\_\_\_ %  
 Funding for Capital Projects \_\_\_\_\_ %  
 Other (*please identify*) \_\_\_\_\_ %  
 \_\_\_\_\_ %  
 \_\_\_\_\_ %

13. If possible, please indicate what percentage of the lottery funding dedicated to culture was given to each of the following domains of cultural activity (EUROSTAT classification)

Heritage \_\_\_\_\_ %  
 Museums \_\_\_\_\_ %  
 Visual Arts \_\_\_\_\_ %  
 Archives \_\_\_\_\_ %  
 Libraries \_\_\_\_\_ %  
 Literature \_\_\_\_\_ %  
 Performing Arts \_\_\_\_\_ %  
 Cinema, Media, Audio-Visual \_\_\_\_\_ %  
 Interdisciplinary Activities \_\_\_\_\_ %  
 Administration \_\_\_\_\_ %  
 Other (*please identify*) \_\_\_\_\_ %  
 \_\_\_\_\_ %  
 \_\_\_\_\_ %

*Please comment if necessary:*

14. What was the total amount of money that was spent on cultural activities by the government for the following years, what was the amount of that total that came from lottery revenues, and what percentage does the lottery funding represent? ( in Euros)

	1990	1992	1994	1996	1998	2000
<b>Total government expenditure for culture</b>						
<b>Lottery funding for culture</b>						
<b>Lottery as a percentage of total</b>						

**Please comment, if necessary, especially if there is anything unusual about the definition of "culture" that you are using:**

\_\_\_\_\_◆◆◆◆\_\_\_\_\_

**Thank you for completing this questionnaire.** We will credit your work in the conference reader and hope that you will be able to join us for the Round Table Debates. Please add your contact details and correct e-mail address here to receive further information:

## Part VII: Bibliography

This bibliography was compiled by Diane Dodd using the Boekmanstichting Library Catalogue and it also includes all bibliographical references supplied by the authors of the questionnaire replies and authors of the additional papers. Thanks are given once again to all those who contributed.

### **Books, Articles and reports**

**A Bid of What You Fancy** by R. Mason. IN: *The Museums Journal*. (Feb.32-33, 1997)  
*To apply for a lottery bid to raise funds for a cultural project takes a lot of time, some money and perseverance. Example of a local museum in the UK and a short survey of the assessment procedure..*

**An Assessment of the Potential Long-term Effects on the Arts of the National Lottery**, Katie Martin-Doyle (October 1995) University of Warwick, Centre for the Study of Cultural Policy, UK. Synopsis printed in *Arts Research Digest*.

**A New Good Cause for the National Lottery: the Millennium Information and technology Fund**. Department of National Heritage, London: DNH, March 1997  
*It is proposed that this fund will take over the UK Millennium Commission's share of lottery funds in the 21<sup>st</sup> century. This consultation paper seeks views on what sort of projects should be funded and what sort of body should administer the fund.*

**Arts Council of England: monitoring major capital projects funded by the national lottery: minutes of evidence**. Department of Culture, media and Sport & Arts Council of England, Monday 21 June 1999  
*Evidence given at the hearing which investigates a report by the Controller and Auditor General on the Arts Council of England, monitoring major capital projects funded by the national lottery.*

**Arts Council of England: monitoring major capital projects funded by the National Lottery**. London: Stationary Office; May 1999  
*This report examines the way in which the Arts Council manage the risks during the construction phase of major capital projects funded by the National Lottery.*

**Arts Council of England: national Lottery report 1997/98** by Arts Council of England, July 1998  
*An annual report concerning the lottery work by the Arts Council of England*

**The Arts Funding System : An introduction to the components of the UK arts funding system** by the Arts Council of England. London : Arts Council of England, 1998.  
*Overview of the arts funding system in the United Kingdom; relations between the main organisations; the department for culture, media and sport; the national lottery; the Arts Councils; the regional arts boards; the British Film Institute; the Crafts Council; The museums & galleries commission; the British Council; local government..*

**Artstat : Digest of Arts, Statistics and Trends in the UK 1986/87-1997/98**. Arts Council of England. London : Arts Council of England, 2000. (ISBN 0-7287-0800-0)  
*Ten years statistics about: direct public expenditure on the arts, museums and libraries; income and expenditure of the main arts funding bodies; the national lottery; sources of private sector and charitable funding for the arts; income and activity of arts organisations; attendance and participation..*

**BFI Film and Television Handbook 2001** edited by E. Dyja. London : British Film Institute, 2000. (ISBN 0-85170-818-8)  
*Contains all kinds of statistical information concerning filmproduction, cinema, video and television in the UK; the funding of film productions by National lottery awards; and lists of books, awards, cinemas, festivals, libraries, organisations etc..*

**Capital Riches and Revenue Rags** by J. Morris. IN: International Arts Manager. feb.16-17, 1997

*The UK's National Lottery is building shining new palaces of culture. But what of the arts inside them?.*

**Casting Risk : Lottery culture at odds with itself** (Ingecalculeerde risico's : de mechanismen van de Britse loterijcultuur) Article in Dutch language ? by L. Bullivant. IN: Archis.(1997)9(.56-65) ( 1997)

*More than a quarter of the enormous revenue of the British National lottery is channelled into cultural activities. Architects now have more opportunities than ever before to get major projects built..*

**Delivering on our Promises: Annual Report and Account 1997** by the Camelot Group, Watford: Camelot Group; 1997

*Camelot PLC is the firm which won the bid to operate the UK's national lottery. This is a report into the second full year of operation, including financial statements and examples of winners and beneficiaries.*

**Department of Culture, Media and Sport annual report 1998: the Government's expenditure plans 1998-1999 for the Department of Culture, Media and Sport and the Office of the National Lottery (OFLOT).** London: Stationary Office, April 1998

*A report on the role and activities of the Department for Culture, Media and Sport and its dependent bodies in the context of the government's programme 1998-1999.*

**Department of Culture, Media and Sport annual report 1998: the Government's expenditure plans 1999-2000 for the Department of Culture, Media and Sport and the Office of the National Lottery (OFLOT).** London: Stationary Office, April 1999

*A report on the role and activities of the Department for Culture, Media and Sport and its dependent bodies in the context of the government's programme 1999-2000.*

**Department of National Heritage. Annual report 1997.** The Government's expenditure plans 1997-1998 to 1999-2000 for the Department of national heritage, the Office of the national Lottery (OFLOT) and the Charity Commission. London: Her Majesties Stationary Office, 1997  
*The Annual report of the Department of National Heritage which has responsibility for the arts, museums and galleries, libraries, the heritage, film, sport, tourism, braodcasting, the press and the national lottery. Includes information and statistics on the public bodies and agencies which receive their money from the Department and the Government's expenditure plans.*

**The Economic and Social Impact of the National Lottery - Research Digest Vol.1 1997** by Graeme Evans and Judy White.

*This latest publication details a hundred studies into the UK lottery and lotteries overseas and assesses the economic and social impact of the National Lottery and lottery policy.*

**The Economic and Social Impact of the National Lottery - A Literature Review**

by Graeme Evans and Judy White.

*This study has been undertaken for the Department of National Heritage (Chief Economist) and is the first detailed review of studies and literature on both the National Lottery and lotteries overseas. Over 90 records of lottery studies in the UK and overseas are divided by themes - Lottery Consumption and Gambling; Charitable Giving; Distribution of Proceeds and Public Choice; Good Causes; Public Finance and Ethics, followed by a full index and comprehensive Bibliography (c.90 pages xA4). A review and analysis of lottery impacts and administration to date considers future policy and evaluation measures. This Report will form the basis of a National Lottery database and digest to be maintained and published by CELTS periodically on behalf of the DNH*

**The Employment Effects of the Arts Lottery in England : a report by CELTS for the Arts Council of England** by G. Evans. London : Arts Council of England, 1998. - (Arts Council of England - ACE research report) (ISBN 0-7287-0753-5)

*Measurement of the employment effects of arts lottery capital schemes in England. It looked at*

*capital project spending on construction and related supplies; equipment; film production; and art and craftworks. Estimates suggest nearly 40.000 jobs could be created in the first five years of lottery spending on the arts..*

**Everyone a Winner: Local Government and the Lottery.** London: Local Government Information Unit; 1997

*A critical assessment of the impact of the national lottery on local government finance in the UK, the administration of the lottery and additionality in practice.*

**Funding the arts and culture through dedicated state lotteries (1) : the twin issues of additionality and substitution** by J. Mark Schuster In: The European journal of cultural policy.1(1994)1(.21-41) ( 1994)

**Funding the arts and culture through dedicated state lotteries - part 2 : opening the way for alternative decisionmaking and funding structures** by J. Mark Schuster In: The European journal of cultural policy.1(1995)2(.329-354) ( 1995)  
*IN: The European journal of cultural policy. 1(1995)1(.21-41).*

**Good Lord! : The museum community is banking on Lord Rothschild more and more** by L. Carrington. IN: The Museums Journal.97(1997)2(Feb.30-31) ( 1997)  
*Ideas of Lord Rothschild on the Heritage lottery fund and its role in financing arts and heritage.*

**Strategic Plan 1999-2002 - Heritage Lottery Fund.** London: Five Castle Press; 1999  
*This document outlines the strategy that will be adopted by the Heritage Lottery Fund to aid the distribution of money provided by the National Lottery. The main priorities as outlined are heritage conservation, national heritage, local heritage and heritage education and access.*

**Heritage Lottery Fund and the National Heritage Memorial Fund 1997-98 annual report and accounts.** London: Heritage Lottery Fund; 1998  
*A report on the work of the National Heritage Memorial Fund in distributing monies from the Heritage Lottery Fund to projects which enhance the national heritage for the benefit of the community (in Great Britain) .*

**Heritage Lottery Fund and the National Heritage Memorial Fund 1998-99 annual report and accounts.** London: Heritage Lottery Fund; 1999  
*A report on the work of the National Heritage Memorial Fund in distributing monies from the Heritage Lottery Fund to projects which enhance the national heritage for the benefit of the community (in Great Britain).*

**The House the Lottery Built** by F. Webb - IN: International Arts Manager. (Feb.23-24) (1999)  
*The Arts Council of England has recently released details of its new stabilisation programme as part of its attempt to adress the problems it feels arts companies are facing or will face in the next millennium. The programme has been made possible by the 1998 National Lottery Act..*

**Il gioco del Lotto, Totocalcio e Lotterie. Storia di comportamenti sociali** by Marsilio, 1997

**Il gioco pubblico in Italia. Storia, cultura e mercato** by Marsilio, 1999

**International Data on Public Spending on the Arts in Eleven Countries** by Andy Fiest and Jane O'Brien. Arts Council of England, Policy Research and Planning. London : Arts council of England, 1998 (ACE research report) (ISBN 0-7287-0751-9)  
*This report examines levels of direct expenditure on the art and museum by national, local and regional governments in eleven countries: Australia, Canada, Finland, Germany, Ireland, Italy, the Netherlands, Sweden, the United States and the United Kingdom. The report, which drew on existing data held in each country, consists of a series of national profiles of the structure, history and purpose of arts and museum support in each country. A summary chapter draws the relevant information together in a comparative format. Information is included on current trends in public spending and financial profiles of arts organisations.*

**International Data on Government Spending on the Arts.** National Endowment for the Arts.

Washington, D.C. : National Endowment for the Arts, 2000. (Research division note)  
Available in PDF format at <http://arts.endow.gov/pub/Notes/74.pdf>  
Ref. Copy Available

**Local Funding: The Impact of the National Lottery Charities Board** by Julia Unwin, Peter Westlan. Synopsis of research printed in Arts Research Digest

**London and the Lottery, Samples of capital need in the arts in Greater London**, Alan Tomkins, with research by Phyllida Shaw and Keith Allen (April 1994) The London Arts Conference, UK. Synopsis of research printed in Arts Research Digest.

**London & the Lottery Volume 11: The Experiences of Smaller Arts Organisations** by Phyllida Shaw, Keith Allen (1996) London: The London Arts Conference (UK). Synopsis of research printed in Arts Research Digest.

**The London Lottery Study** by Graeme Evans, CELTS & Sandy Craig, Leisure Futures Ltd. *This report was undertaken for the Association of London Government, London First, regional Sports and Arts Boards, measures the distribution of lottery funds in the capital across all lottery applicants, including smaller groups who are less successful in securing funding in London.*

**Lotteries: National Gambling Impact Study** by the National Gambling Impact Studies Commission, 1998/99. Available at: <http://www.ngisc.gov/research/lotteries.html>  
Ref. Copy Available

**Lottery Strategic Plan** by the Arts Council of England. London : Arts Council of England, 1999. Attention is given to achievements to date; Arts Council policy objectives; principles for future Lottery funding; needs assessment; future programmes; and spending plans for the period 1999-2001..

**Material Culture - UK Museums: safe and sound?** by A Babbidge, East Midlands Museums Service. IN: Cultural trends.(2000)37(.1-64) ( 2000) Abstract available at: <http://www.culturaltrends.org.uk/The%20journal/date.htm>  
*The circumstances of museums in the UK: static market, declining revenues, the implications of National lottery funding. The future of the sector. Government policy protecting national patrimony: tax incentives and export regulation..*

**Millennium Commission: Annual reports and accounts 1997- 1998.** London: Millennium Commission; 1998  
*Annual report of the Millennium Commission which uses money raised by the National Lottery to assist communities in Britain to mark the close of the second millennium and the start of the third.*

**More than a Lottery. Art for art's sake. Held in trust** by C. Hubbard, N. Dodd, H. Browne-Williamson. IN: Museums Journal.97(1997)1(Jan.37-39) ( 1997)  
*Three articles on the activities of the Heritage lottery fund..*

**Museums, Galleries and the Lottery.** Policy Studies Institute. IN: Cultural trends.(1995)28(.1-27) ( 1995). Abstract available at: [http://www.culturaltrends.org.uk/The%20journal/Abstracts/28\\_rmusgal.htm](http://www.culturaltrends.org.uk/The%20journal/Abstracts/28_rmusgal.htm)  
*The National lottery has dominated British cultural life since 1994 by providing funds for cultural institutions. Articles have raised questions about how the Lottery funding to museums and galleries might benefit individuals directly. Focus on the impact of Lottery capital funding, divided into five sections: 1. objectives and operations of the National lottery, 2. overview of statistical data about museums and the Lottery, 3. survey of projects which received a Lottery award, 4. attitude towards the Lottery, 5. conclusions, trends, applications, advantages and disadvantages..*

**National Lottery Act 1998: Elizabeth II. Chapter 22. Great Britain.** London: Her Majesties Stationary Office, July 1998  
*An Act to make further provision in relation to the national Lottery; to make further provision for*

and in connection with the establishment of a body corporate to be endowed out of the national Lottery Distribution Fund to be known as the National Endowment for Science, Technology and the Arts.

**National Lotteries and their Impact on Employment, with specific references to the arts and cultural industries** . In: Eureka!.(1998)9(Apr.1-4) ( 1998)

*Summary of the results of GaME1, a research project undertaken for the European Commission, which investigated three national lotteries and their impact on employment, with specific reference to the arts and cultural industries, in the UK, Germany and Italy. Five main areas of interest: where does lottery money come from, and how much is there of it; where does it go; additionality/substitution; decision-making structures; employment aspects.*

**The National Lottery & Planning for the Arts?** By Graeme Evans.

*A critique of the National Lottery and the implications for arts and leisure provision in the UK. This study, first presented at the 3rd International Arts Management Conference, incorporates plans for the Millennium based on a survey of projects and events. It also details the issues raised by a lottery funding system, devoid of planning, cultural democracy, and subject to substitution by government. Imbalance between arts and sports subsidy raises the problem of equity in lottery grant allocations. The paper proposes mechanisms by which public choice over lottery proceeds might be achieved and the shortcomings of the present lottery system as a regressive tax.*

**The National Lottery Yearbook, 1999 (Edition)** by L Fitzherbert, F Rahman and S Harvey.

London: Directory of Social Change; 1999

*This contains information on all aspects of the National Lottery with listings and analysis of all grants made by the lottery's distributing bodies in 1998 plus full listings of all grants awarded by local authority. The book also includes details on how to make a successful application, plus an update on the 1998 policies of the distributing bodies. Also look at the effects of the lottery on the income of charities and an analysis of the social impact and issues of gambling.*

**New Labour, new opportunities** by K. Seward. IN: Leisure Opportunities, 4-17 August , 1997

*This article summarises the key points in the government white paper on the future of the national lottery, and includes some reactions from the leisure industry.*

**New Opportunities Fund: Strategic Plan.** London: July 1999

*This document outlines the strategic plan of the New Opportunities Fund, which was established as a new lottery distributor by the National Lottery Act 1998 to make grants to health, education and environment projects under initiatives to be specified by the government. The first 3 initiatives covered in this document are: healthy living centres; out of schools hours activity, and ICT training for teachers, school libraries and librarians.*

**The People's Lottery** by the Department for Culture, Media and Sport. London: Stationary Office, July 1997

*A white paper setting out the new Labour government's proposals for reform of the national lottery. These include: setting up a New Opportunities Fund and a National Endowment for Science Technology and the Arts, to channel lottery funds into a wider range of activities.*

**Private Finance and the National Lottery** by the Department for Culture, Media and Sport.

London: Department for Culture, Media and Sport, 1998

*This is an advisory note from DCMS offering guidance about the sources of private finance that may be used by applicants as partnership funding and the role of the private sector in lottery funded projects.*

**Reflections on the lottery's impact and development : the UK national lottery and the arts**

by St. W Creigh-Tyte and J. Gallimore. IN: In: International Journal of Arts Management.3(2000)1(Fall.19-31) ( 2000). Abstract available at:

<http://www.hec.ca/ijam/312.htm>

*UK's first national lottery of modern times represented in 1994 the country's most significant change in public funding for the arts since World War II. Brief overview of the distribution system that channels proceeds to its various 'good causes'. Review of the lottery's funding for the arts,*

*distinguishing between capital grants (for construction, investment and film production) and revenue funding programs. Context of the Arts Council of England's grant-in-aid revenue spending plans. Reforms of the national lottery..*

**Rescue operation** by M. Thorogood. IN: *International Arts Manager*.9(1997)8(Oct.33-34) (1997)

*Stabilisation grants given by the Arts Council of England to twelve art organisations. It handed out 16 million pounds and is funded from the National lottery..*

**Study on Sustainable Finance Mechanisms for Culture.** The World Bank, IUCN and Arts & Business. Available in PDF format at: <http://biodiversityeconomics.org/pdf/990913-01.pdf>

**Supporting the Arts: An international comparative study** by J.Mark Davidson Schuster. Published by the National Endowment for the Arts. March 1985. Available through ERIC Document Reproduction Service: [www.edrs.com](http://www.edrs.com) ; ERIC document #ED257740  
*This report provides a comparative perspective on financial support for the arts in six western European countries, the United States, and Canada. It was designed so that American support for the arts could be compared with governmental support for the arts in other countries, whose philosophies and governmental systems might be similar or quite different from the United States. Chapter I deals with the issue of what is defined as art for the purpose of public funding. Chapter II details the organizational structure of arts funding in each country. Chapter III gives financial estimates of public support for the arts in each country. Chapter IV deals with the levels of private funding for the arts. Chapter V presents findings from a more detailed study of 32 arts institutions, the goal of which was to understand the perspective from the bottom up as well as from the top down. Appendices provide detailed financial data on each country and results from studies on the distribution of operating income within various artistic disciplines. A bibliography of sources of information about arts funding in each country is also included.*

## Part VIII: Background Information

CIRCLE - Cultural Information and Research Centres Liaison in Europe (Réseau des centres de recherche et d'information sur la culture en Europe)

CIRCLE is an independent think-tank dedicated to developing cultural policy models for Europe.

CIRCLE is a network of people concerned with cultural policy including researchers from many disciplines, scholars, documentalists, cultural practitioners, policy-makers and politicians. CIRCLE is also a forum for institutions such as university departments, arts institutions, research organisations, national ministries, arts councils, documentation centres and networks. In bringing together these different entities CIRCLE acts as an intermediary, putting particular emphasis on ensuring that conclusions from its debates are disseminated to those in a position to benefit from them. CIRCLE identifies new issues and maps out what currently exists in terms of research and information and, is able to make this information available through on-line resources and databases.

CIRCLE's unique work crosses the whole of Europe (more than 35 countries), a variety of disciplines and a myriad of interested parties. For more than two decades, CIRCLE has maintained its reputation for being at the forefront of cultural policy debate and influencing current and future policy actions.

CIRCLE is a European network, established formally in 1984 and, registered as a Dutch association since 1997. The network has a board that directs the activities of the network and a co-ordinator who facilitates the work and builds links between the members.

CIRCLE evolved with help provided principally by the Culture Committee of the Council of Europe and this agency presently continues to be a prime mover in the work of CIRCLE. CIRCLE is also aided by financial support for the secretariat from the Boekmanstichting and the Ministry of Education, Culture and Science in the Netherlands. Another significant contribution to CIRCLE comes the Département des études et de la prospective of the Ministère de Culture et Communication in France who print and distribute CIRCULAR. Additional co-operation and/or co-funding for CIRCLE's activities has been provided by numerous institutions, for example:

Arts Council (Dublin), Arts Council of Finland, Arts Council of England, Associazione Economia della Cultura, Boekmanstichting, Budapest Observatory, Cini Foundation, Culturelink, Department of Canadian Heritage, EFAH - European Forum for Arts and Heritage, EricArts, European Cultural Foundation, Fundació Interarts, German Federal Ministry of Education, Information and Publications Office of the Italian Government, International Intelligence on Culture, Ministère de la culture et de la communication (France), Norwegian Council for Cultural Affairs, Österreichische Kulturdocumentation, Polish Ministry of Culture and Art, Zentrum für Kulturforschung...



# ASSOCIAZIONE PER L'ECONOMIA DELLA CULTURA

## Introduction

The **Associazione per l'Economia della Cultura / AEC** is a private non profit scientific organisation created in 1986 to pursue the following goals:

- to contribute to a deeper and more comprehensive understanding of cultural economics and cultural policy issues, concerning the heritage, the arts and the cultural industries;
- to stimulate the efficiency and effectiveness of government action in the cultural field;
- to favour an equilibrated and sustainable economic exploitation of the heritage, compatible with its primary cultural and social functions;
- to facilitate the establishment of a constructive partnership between the public and private sectors in support of cultural goods and activities.

Membership of AEC is provided by *individual members* - around 150 economists, social scientists, researchers in cultural policy and the media, lawyers, cultural professionals, public administrators, cultural managers from the private sector – and by *institutions* (among which: AGIS, the Lombardy Region, the Province of Bolzano, etc.)

## Activities

The work of AEC is built around the following main axes:

### A) Publishing

The main commitment is the editing of the four-monthly (since 2003 three-monthly) journal **ECONOMIA DELLA CULTURA** - published by "Il Mulino", Bologna - now in its 13th year. The journal provides updated surveys and evaluations of socio-economic phenomena in the cultural field. Each number has a different monographic section, also trying to detect in advance issues which will be relevant in the future.

The **RAPPORTO SULL'ECONOMIA DELLA CULTURA IN ITALIA**, published every ten years, aims at a systematic and in depth monitoring of socio-economic trends in the cultural sector. It has a first general part, and four thematic sections, focusing on the Heritage, the Performing Arts, the Publishing Industry, and the Audio-visuals sectors. The first report, concerning the 1980's, was published in 1994. A second report, dealing with the 1990's, is currently being elaborated.

Proceedings of national and international conferences organized by AEC are published as well..

### B) Research

Besides the extensive and multifaceted research work involved in the elaboration of the above mentioned Rapporto, AEC has carried out surveys in different fields of cultural economics and policy.

In particular, in recent times, priority has been given to surveys on "cultural employment" (*Feasibility study for an Observatory on cultural employment*, commissioned by the Ministry of Labour (2000); *Action research on employment in museum's management and innovation- Nemos project* (1995-96), and scientific coordination of *Action research ARCIWEB on cultural employment in the third sector in 6 European art cities* (1998-2000), both on behalf of DG 5 of the European Commission; *Employment impact of investments in heritage restoration for the Rome*

*Jiubileum of 2000*, commissioned by CNR (Committee for National Research), presently underway.

Another priority issue has been “cultural financing”: AEC is presently elaborating a statistical survey on *national and regional cultural expenditure in Italy in financial year 2000*, and providing the coordination of the EUROSTAT Task force on cultural financing, in partnership with the DEP of the French Ministry of Culture. A research on costs of Italian Opera Houses is underway as well.

### **C) Conferences**

The Association has been quite active in the organisation of national and international seminars and conferences.

International conferences have mostly been organised either in the framework of the above mentioned DG 5 action researches, or in partnership with CIRCLE (3 conferences on the following issues: *The impact on culture of the single market and the Maastricht treaty* (Venice, 1992), *Culture as a new frontier for employment in Europe* (Spoleto, 1996), *Gambling on culture-Lotteries as a source of funding for heritage, the arts and culture* (Rome, 2002).

### **Funding sources**

Since 1990 AEC has been recognised “cultural association of relevant national interest” by the Ministry for the Heritage, and it perceives as such state contributions on a triennial basis.

Furthermore its activities have been supported by *membership fees*, by *public institutions* – among which the European Commission-DG for Employment and Social affairs, the Council of Europe, the Italian Prime Minister’s Office, the Ministries of Foreign Affairs, of Scientific Research, of Labour, the CNR (Committee for National Research), the ISPE (Institute for Studies on Economic Planning), the Regions Emilia Romagna, Marche, Piemonte, Puglia, Toscana, Umbria, Veneto, several municipalities - and by *private organisations*, among which the Cini Foundation, the Compagnia di S. Paolo Foundation, the Zetema Foundation, the Bank of Rome, the companies EDS-Electronic Data System, Finmeccanica, ACEA, Lottomatica.