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## Federal Funding for the Arts & Developmental Success in Western Nations

Sophia Ciokajlo  
Butler University, sciokajl@butler.edu

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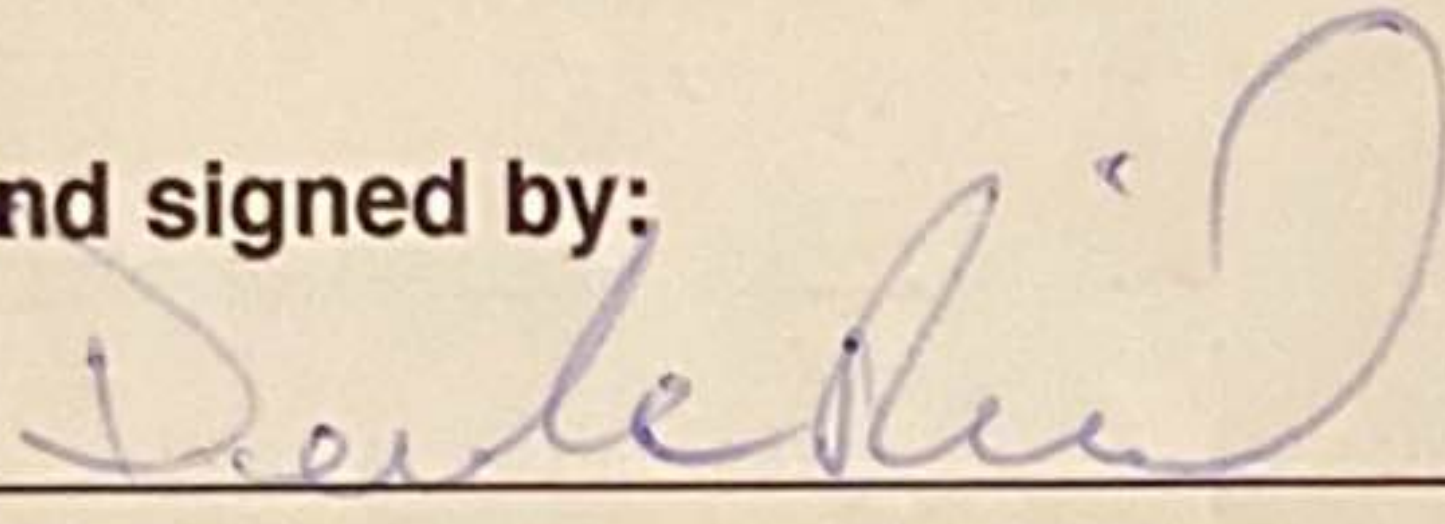
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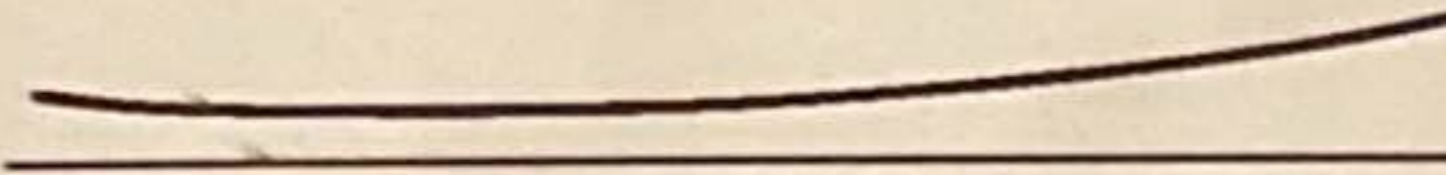
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Read, approved, and signed by:

Thesis adviser(s)  5-3-22  
Date

Reader(s) Larry Attaway 05/03/2022  
Date  
Susan McQuinn 05/03/2022  
Date

Certified by   
Director, Honors Program Date

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**Federal Funding for the Arts & Developmental Success in Western Nations**

A Thesis

Presented to the Department of Dance

Jordan College of the Arts

and

The Honors Program

of

Butler University

In Partial Fulfillment

of the Requirements for Graduation Honors

Sophia Ciokajlo

May 6, 2022

# **Federal Funding for the Arts & Developmental Success in Western Nations**

By: Sophie Ciokajlo

## Abstract:

Culture is undeniably a vital part of any society. To preserve and develop their culture, a majority of modern states allocate some part of their annual expenditure to the arts. The amount of money and system through which it is distributed varies from country to country, but the principle remains the same. Not only do countries value the contribution of culture to their common well-being, but it is also widely accepted that participation in the arts, as a performer or viewer, holds benefit for the individual. All of this considered, I sought to investigate whether or not the size of a country's contribution to the arts correlated with its ranking on various global measures of success. To do so, I used the annual federal expenditure on the arts from ten Western nations. I then employed the Legatum Institute's Prosperity Index and the Democracy Matrix Index as my dependent variables to measure a country's economic prosperity and the health of its democracy. Although I was unable to find a statistically significant correlation between my two variables, I was able to conclude that there is a lack of information available to the public regarding a country's federal arts spending and the system used to distribute it. If the arts are as important as so many argue, why do even the most developed nations vary so much in their arts budgets and why are these numbers not concrete and accessible?

## **Introduction**

Federal funding for the arts is a relatively new concept, especially in the United States. It was not until the mid-twentieth century that any government policy was created to establish bodies with the responsibility of distributing allocated funds for the arts. The intricacies of various arts funding systems and the actual amount of money allocated to the arts by various governments differs tremendously, even across developed Western nations (Zimmer and Toepler 1999). Arts funding remains a very small piece of federal and local budgets, particularly in the United States, and the justification for any federal arts spending at all is heavily debated (Mulcahy 2010). However, the advantages of including art in one's life are well documented. The better off the lives of individual citizens are, the more capable individuals are of contributing to their communities, resulting in more holistic prosperity across entire nations (Bauerlein 2008, Craik 2005).

I seek to measure if the amount of money spent on the arts in a given country correlates with its general developmental, economic and political success. In this paper, I will first outline the history of arts funding and its present structure in various countries around the world. I will then explain the existing justifications for and against arts spending and the intricacies surrounding how the type of funding for the arts a country chooses holds significance. I will then rely on a number of variables to measure the "success" of given countries in relation to their per capita federal arts spending. I believe that all of these variables, including political freedom and general prosperity, will display a positive correlation in relationship to the per capita arts spending of their respective countries. In conducting my research my hypothesis was proven to be not supported. I did not find a statistically significant relationship between per capita arts spending and political freedom or general prosperity. However, I still have a strong conviction

that support for the arts plays a role in encouraging development within a nation based on existing literature and theory as well as potential limitations in my collection and analysis of data.

### **How are the arts currently funded?**

Although a relatively recent piece of common public policy, cultural funding and support for the arts has become an accepted aspect of a majority of states in the Western world. Following traditions of informal public arts support in European nations, France was the first to introduce specific policy intended to support cultural development with the creation of the Ministry of Culture in 1959. It was in this period following the second world war that public support for the arts began to develop and then subsequently expand in most Western, developed nations (Zimmer and Toepler 1999).

European systems for public arts funding fall under a variety of different structures depending upon their history. The seventeenth century introduced traditional patronage of the arts by royalty, a tradition which is still largely upheld in France's public arts funding system today. France has continued its legacy of the birthplace of public funding for the arts by continuing to outspend all other nations. It is estimated that the French government appropriates about \$500 per family annually for public arts funding. By the eighteenth century princes of smaller communities in central Europe began to mirror the system in France. Today, Germany continues this structure by dividing its arts funding under state and regional responsibilities. The nineteenth and twentieth centuries brought the creation of private and more autonomous arts institutions that were independent of government oversight. These more popular birthplaces for artistic innovation were able to gain significant long-term political influence due to the

connections of individuals involved in their inception (Zimmer and Toepler 1999). Great Britain and Canada's public arts funding priorities practices developed in this period in favor of more diversified cultural approaches to reflect varying communities within a given state boundary. It was not until the late twentieth century that the arts began to be grouped in the larger category of those services provided to citizens by welfare states, emphasizing equality and egalitarianism for all citizens. This more social-democratic approach to arts patronage is most evident in Norway's cultural funding structure. While social-democratic policies, commonly seen in Scandinavian countries, generally mean more government funding as a whole, the areas of increased expenditure compared with capitalist nations is critical. Aspects of life seen to benefit individual citizens, such as healthcare and employment, receive more federal funding while areas like military spending are funded significantly more in other Western nations compared with Scandinavian countries. Perhaps most interesting is that Scandinavian countries, like Norway, seem to consider arts as being a critical component in the lives of individuals, on par with other aspects of welfare spending. With more emphasis on the importance of the arts in historical contexts, it is logical that European nations, in general, spend more than the US and appear to have a greater appreciation for the value of the arts in society (Zimmer and Toepler 1999).

Federal funding for the arts in the United States is concentrated in the National Endowment for the Arts. It accompanies the National Council on the Arts, originally conceptualized shortly before President Kennedy's death. Kennedy was a staunch supporter of the arts, consistently asserting their importance in the development of American society and the first president to appoint a special consultant on the arts (Bauerlein 2008). President Johnson continued Kennedy's pursuits and House resolutions to officially establish the National Council on the Arts (NCA) were introduced in 1964. The first appropriation for the NCA totaled \$50,000

and was intended to supplement the already established practice of philanthropic support for the arts in the United States. From the very beginning, the form of appropriations to arts organizations and the actual monetary amount were subject to congressional discretion and, therefore, dependent on the opinions of those political elites currently holding office at a given moment in time (Lewis and Rushton 2007). In 1965, the National Endowment for the Arts (NEA) was officially implemented via the National Foundation on the Arts and the Humanities Act, with its first appropriation totalling \$2.5 million. These direct appropriations to American art communities are supplemented by indirect government contribution via tax subsidies and the like for “cultural contribution” (Cowen 2004, Mulcahy 2010). Despite the existence of policy that was intended to provide for the creation and progression of American art in the long-term, US arts funding policy has been consistently ambiguous and general, without a clear direction for how political supporters and creators of such policy see it proliferating in everyday society (Bauerlein 2008, Zimmer and Toepler 1999).

Despite having a federal budget appropriation specifically focused on funding the arts only about 2% of financial support from the arts in the United States comes from the federal government (Cowen 2004). State and local governments each have their own processes for funding the arts, most mirroring the federal system, which account for about another 8% of arts funding. Despite consistently contributing significantly more funds than the federal government, state governments spend, on average, an annual \$1 per capita on the arts (Lewis and Rushton 2007). Where this money goes and exactly how much is appropriated depends on the collective ideology and political leanings of a state, similar to state specific policies in other areas. A majority of Americans have been proven to favor some sort of public funding for the arts. However, the degree to which one feels the arts should be funded is associated with their degree



of belief in an active government. Therefore, preference towards more domestic spending, whether at the national or state level, is the biggest indicator of preference towards more public arts funding. Other politically associated attitudes also positively correlate with increased support for arts funding, including how liberal a community leans and its degree of social liberalism (Lewis and Rushton 2007).

The development of the NEA in the US followed a much more substantial and long-lasting tradition of public support for the arts in European countries (Cowen 2004). Even following the establishment of the NEA, the US has consistently wavered in its financial support of the arts and the amount of money allocated to national arts development has faced various sources of criticism (Mulcahy 2010). The US continues to fall significantly behind its European counterparts in terms of actual size of public arts funding and the development of structures necessary to support developing culture (Zimmer and Toepler 1999). European arts funding structures differ significantly both from the system in the United States and from one another, making it difficult to directly compare the funding of one nation to another.

Regardless of their exact structure, most countries in the Western world have some sort of public cultural agency, or several federally recognized arts organizations, which receive a specific appropriation decided upon in the devising of the annual government budget. A limited number of countries also have other practices to financially support the arts, such as tax incentives and subsidies for philanthropic donations, but none are as reliant upon this system as the US. Some consider this practice a return to the reliance of royal support for the arts, as those with the most money to spend will naturally have the most influence on the development of a given nation's culture (Mulcahy 2010). Arts barely even appeared in American communities until urban elites began to financially back the fine arts and development of "high culture" in the

second half of the nineteenth-century (Zimmer and Toepler 1999). Although US arts organizations rely heavily on private donations to continue functioning, it is proven that those that receive public funding are more likely to be successful in fundraising from philanthropic sources (Schatteman and Bingle 2017). It follows, logically, that as public funding has increased since the creation of the NEA, so does private funding of American arts organizations and individuals. Public funding for the arts theoretically enables popular, high culture, and more avant-garde or grassroots art to all be given the same chance at sustainability (Craik 2005, Zimmer and Toepler 1999). Many of the European organizations that receive both direct and indirect financial assistance from their respective governments do, however, remain profit-making, private enterprises, despite the frequent American interpretation of state support leading to state control.

While there has been a global movement towards the decentralization of public arts funds, the US has always prioritized funding on the local as opposed to the federal level (Mulcahy 2010). Proponents of decentralized funding see it as awarding individual communities a higher degree of artistic autonomy as opposed to federally mandated budgetary appropriations (Zimmer and Toepler 1999). American arts organizations and individual artists are responsible for generating the rest of their operating budgets from a combination of philanthropic donations and income from actual sales (Cowen 2004). The capitalist emphasis within the US economy takes arts funding to an even more micro level, relying again primarily on private funds and the income of arts organizations themselves. Art in the US is always expected to generate some sort of revenue stream, relying on public opinion to determine whether a given artist or organization will prove successful. Other Western nations, such as Sweden, incorporate corporate actors into the ongoing development of public arts policy, but in more of a consulting role along with

government actors as opposed to the separate revenue streams prioritized in the US system (Zimmer and Toepler 1999).

### **What is the basis of the argument for public arts funding?**

Philanthropists, as well as governments, have devised a variety of justifications for building stable structures to fund the arts. These include basic economic arguments, like preventing market failure in the case that the arts are permitted to operate as regular public goods in the free market (Craik 2005). The arts even often contribute to the economic success of a nation, benefiting strategies for increasing tourism as well as urbanization (Mulcahy 2010, Lewis and Rushton 2007). For example, countries like France and Russia consider the arts to be a central piece of their common identity and history. Theaters in both countries are considered tourist attractions and foreigners frequent performances. Countries also see the greatest arts presence primarily in urban areas. For example, the US sees such artistic hubs in New York City, Chicago, and other major metropolitan areas. Others include philosophical aspects of what culture means to a society, like developing the identity of a given state or community and achieving some standard of excellence and success in national culture. Specifically in the US, this interest in achieving excellence is accompanied by an interest to prove superiority to other nations (Bauerlein 2008). The NEA was created partially with the intent of maintaining the US's status as a global superpower, in the arts in addition to economic, military and other factors.

Beyond recognizing the general argument that the arts are positive for the development of a society, governments also establish public arts funding in the interest of having some degree of control over the art that is created and is successful within the community. Public funding can enable more equity in terms of the access to support within the arts, which can help with the rise

of new individual artists or grassroots and avant-garde movements that challenge the status quo of the fine arts (Craik 2005, Zimmer and Toepler 1999). Public funding also allows governmental organizations and personnel to have some sort of impact in the shaping of generally accepted artistic tastes within the state. Artistic tastes commonly align with one's social values, and so influence over the arts enables a country's government to establish community in a nation through unity in moral and ideological values. This idea presents a conflict with the culture of the US, as its population consists of a wide variety of ethnicities, races, religions, etc. This lack of a common history and culture diverts from the value of unifying a country in terms of values and identity. Perhaps this is one of the reasons the US falls behind other, more unified, Western countries in their funding approach. This also enables the preferences of powerful government officials to have more influence over what is deemed successful versus unsuccessful art than the general population.

In terms of benefit for individual citizens, the arts can significantly improve one's well-being, which inherently improves the well-being of their respective communities. This is done partially through the encouragement and development of creative skills and knowledge of the citizenry (Craik 2005). The addition of arts in one's life increases all aspects of quality of life, expanding into economic, social and political factors. This is particularly evident in the development of democratic societies encouraging civic participation. The effectiveness of any democratic state relies on the participation of the citizenry and the capability of the citizenry to engage in impactful decision-making (Bauerlein 2008). Involvement in the arts, and even experiencing the arts, improves one's awareness of the world around them and empowers the individual to express their own opinions freely, encouraging participation in society (Craik 2005). On a communal and societal level, the arts can assist in the creation of not only an

appreciation for history and heritage, but in the development of a unique political culture and social identity. The arts help individuals and communities to see themselves as having a role in the world and in history, encouraging the establishment of core values, which impact political action and decision-making (Mulcahy 2010).

The most significant moment in public arts funding occurred alongside the social movements of the 1960s and 1970s (Bauerlein 2008). This was the beginning of the creation of government agencies that supported the arts in Western countries and the period that experienced the greatest growth in actual money allotted for the arts. This period was characterized by various movements for increased social and cultural equality in the US, many of which utilized the arts as a vehicle with which to drive political change. Globally, social-democratic policy and the development of the welfare state mirrored the commitment to equality of the general populace. In countries that adopted this general philosophy, such as Scandinavian nations and the Netherlands, the arts became one aspect of the public goods believed to be essential to the life of each citizen (Mulcahy 2010).

The problem with this moment in history proving critical for the movement towards public support for the arts is that the entire concept of the social-democratic doctrine had dissipated in the Western world by the 1990s (Zimmer and Toepler 1999). “Big” versus “small” government became a critical dividing point in political ideology and government funds either began to dwindle for a variety of reasons or were seen as more effective elsewhere. Specifically in the US, the need for funding for the Vietnam War was used as justification to pull funding from the NEA (Bauerlein 2008). This initial challenge to public arts funding in the US was primarily led by Republicans and Conservative Democrats in the federal legislature, who argued

that a budget of the arts was a waste of funds in any period of national financial difficulty (Lewis and Rushton 2007).

Accompanying the argument that funds had to be diverted elsewhere was the proliferation of language associating the arts with avant-garde, anti-religious and sexually promiscuous values (Lewis and Rushton 2007). By the end of the 1960s, a more intense review process for individual arts grant applicants had been established. In the development process, legislators claimed that the NEA was being used to support arts outside of the traditional culture of the US and arts preferred by the general public (Bauerlein 2008). Republican and more conservative Democratic legislators argued, and continue to argue, that the private and free market should be the decider of the type of art which reaches the general population. This was paired with an opposition to federal organizations devoted to the arts due to a belief that special interest groups would acquire more control over the allocation of funds than the public (Lewis and Rushton 2007).

As a general rule, the more socially and politically liberal an individual or community is, the more likely they are to support welfare policies, including public arts funding (Lewis and Rushton 2007). In 1995, under a Republican-controlled Congress, the NEA budget saw its first significant cut. This was the primary marker of a consistent decline in both financial and vocal support for the arts by the US government, a pattern resulting in the current discrepancy between support for the arts in the US compared to other Western nations (Mulcahy 2010). Instead, the arts are supposed to survive based on public consumption, surviving on their own in the free market as any other business and eliminating the concept of “art for arts’ sake” (Radbourne 1998).

Beyond larger societal benefits of the arts, participation and interest in the arts have consistently proven to provide benefit and growth for the individual. This is perhaps most evident in the fact that the arts are widely considered an important piece of a holistic education (Holochwost et al 2016). Whether there is significant financial investment in it or not, the benefits of arts education are generally recognized. These benefits largely surround socioemotional learning, a set of skills which include managing behavior, effective decision making, a long-term positive view of oneself, and the ability to engage in effective and positive interactions with others. Skills considered to be a part of a “growth mindset” are also considered to be an important part of the benefits gained from an education in the arts. Students who are given access to the arts have been proven to have a larger growth mindset than those who are not. This includes aspects of one’s personality such as goal orientation, self-efficacy and a positive self-concept (Holochwost et al 2016). Artistic experiences not only benefit those directly engaging in the art created, but also audiences viewing the work. Audience members have been proven to experience intrinsic benefits as a result of viewing art that they connect to (Radbourne et al 2010).

### **Does the type of art that receives support matter?**

One of the main arguments against allowing the arts to exist completely in the free market, relying on audience approval and profit to survive, and for increased public arts funding, is that it stunts the aspect of freedom of expression. In nations that prioritize autonomous political culture, governance that supports independence and innovation in the arts makes sense (Shorthose and Strange 2004). The development of a culture that promotes freedom of choice in the arts also permits individuals to find “passionate labor,” which inherently leads to an increase

in productive activity in the workplace as well as increased community engagement. Instilling personal autonomy in individuals as well as expanding the artistic options for audiences inspires freedom of political opinion and participation even beyond cultural aspects of society. Personal freedom as a philosophical concept includes the ability of individuals to pursue both private interests and work independent of influence from the state (Helwig and McNeil 2011). While federal arts funding involves state influence in personal interests and work, when formulated in an unbiased manner, it frees artists from the need to please audiences in order to survive. This self-determination aspect allowed to artists through unbiased federal funding is, therefore, not only linked to personal autonomy but an enhancement of human capital within a nation's economy. When the goal of orienting art to be successful from a commercial perspective is taken out of the equation, social and cultural values come to the forefront of artistic development, adding to the building of national core values and culture. Even in nations that fund the arts, for-profit art is often prioritized. In selecting which artists and art organizations to fund, several governments, including the US, require proof of audience attendance and approval as a measure of artistic "success" (Radbourne et al 2010).

Political participation and freedom is not only vital to the success and sustainment of democratic nations, but contributes to the personal well-being of the citizenry. Cultural norms of personal expression and choice promote psychological well-being in addition to political and social activism (Helwig and McNeil 2011). Individuals need the feeling that they can make decisions regarding their own actions and behavior in order to meet their most fundamental psychological needs. This psychological well-being aspect of a state's population is not to be underestimated in relation to the prosperity of the state as a whole. Psychological well-being



inspires not only personal happiness but full participation in society, which makes for a growth in human capital not only economically but socially and politically.

The ability of artists to find like-minded communities when funding is equally distributed enhances the creator's quality of life and encourages the building of an effective communal mindset, which enhances the quality of life of all participants (Shorthose and Strange 2004). Communal growth as a result of freedom to find others in alignment with one's personal beliefs is an individual need even in the minds of children (Helwig and McNeil 2011). The allowance of diverse art not only cultivates personal freedom but creates environments in which citizens of all ages are allowed to find communities of others who share their core cultural and political values. Quality of life is also improved by the uninhibited development of social movements, of which the arts are a big piece. Public funding for the arts is also a contribution to the freedom of the population to not only establish but develop grassroots movements in alignment with personal values and societal goals (Shorthose and Strange 2004).

While the structures of arts funding have been well-researched and understood and the arguments for and against federal arts funding heavily debated, the actual betterment of society by arts funding has yet to be proven beyond the theoretical. We know that the arts do benefit individuals and that they do benefit collective societies for a variety of different reasons. We also know that the arts need funding to survive, and that federal funding for the arts has allowed the development and success of various arts communities in various contexts. My question remains, can a nation's financial contribution to the arts and, therefore, the arts' benefit to society, be significantly tied to a nation's holistic prosperity? I expect that real evidence will prove theoretical arguments to be true, providing governments with sound reasoning as to why funding the arts will benefit respective nations in all their many aspects.

## Methods

I began my research by searching for concrete measures of arts spending within Western developed countries. As my independent variable, I used data from the Arts Council of England measuring the per capita public arts spending for ten Western nations as well as their public arts spending as a percentage of their gross domestic product and their total public spending. In my calculations I used only the per capita public arts spending for each country.

In terms of measuring the degree of a given country's "success," I decided to focus on two components of what we commonly consider a successful and developed Western nation. This includes the economic success of a country, or its ability to thrive financially and equitably, and the degree of political freedom allowed to its population. I operationalized my dependent variable of a country's "prosperity" and general "personal freedom" in two ways. My measures of economic success were from the 2021 rankings from the Legatum Institute's prosperity index. The Legatum Institute annually measures the prosperity of nations in what is considered to be a "holistic" approach. Their definition of a "prosperous" country is one in which the entire populace has enough freedom and opportunity to be empowered to fully contribute to a given country's economy, which, in their opinion, produces a more prosperous economy and society.

The second piece of my dependent variable measured the "freedom" of a given country by measuring the relative democratic health of the respective nation. To do this, I used rankings and respective scores from the Democracy Matrix, which is a research project currently being conducted by the Chair of Comparative Politics and German Government at the University of Würzburg. The project numerically evaluates the freedom of government systems globally, ranking them by score and then categorizing each country on a scale from "working democracy"

to “hard autocracy” with several categories in between the two relative extremes. All ten countries in my data set fell within the group of “working democracies.”

I began by graphing my independent variable against each separate dependent variable. This showed a positive correlation between per capita arts spending and both the Legatum prosperity index and the Democracy Matrix index. Then I ran a series of OLS, or ordinary least squares, regressions for each distinct dependent variable. OLS regression attempts to devise a straight line that best fits the pattern of the data describing the relationship between an independent and dependent variable. The coefficient in an OLS regression reflects the slope of that line and determines whether or not a relationship between two variables is statistically significant. One benefit of utilizing regression is that I am able to control for, or take into account, other variables that might also affect the outcome of the dependent variable.

In this particular endeavor, I controlled for two characteristics of each country. Both of these control variables are representative of fundamental aspects of a nation’s policy, which influences development. These controls were the degree of economic freedom allowed by a state’s government policy and the degree of ideological and political freedom allowed by a state’s government policy. While many other variables will have an impact on both the prosperity index and the Democracy Matrix index as well as their constituting parts, the two I have selected are the most complete representations of these basic factors. As a generally unconsidered variable, per capita arts spending would obviously not be included in the calculation of my dependent variable indices as well as those of my control variables. Therefore, my control variables allow the impact of per capita arts spending to stand on its own, rather than reflecting other characteristics of a given nation’s policy, such as free market economic thought or the degree of personal ideological freedom and democratic health.

First, I used a Fraser Institute index to measure the economic freedom of each country. I chose economic freedom as a control variable because the general prosperity of a country, and opportunity for citizens, is largely dependent on general economic policy and whether it leans towards free market or welfare tendencies. Therefore, the prosperity index of each country will be impacted primarily by economic freedom. Second, I used the Freedom of Ideology index from Freedom House to measure the political freedom of each country. The freedom with which governments allow their citizens to conduct not only their personal lives, but also civic engagement, is what largely determines the quality of a given democracy. Therefore, it made sense to control for personal democratic liberty allowed by policy when measuring arts spending against the health of each country's democracy.

## **Results**

Based on the OLS regressions between my two dependent variables, the prosperity index and the Democracy Matrix index, and my independent variable, per capita spending for the arts in each country in my data set, my hypothesis was not supported. I expected both dependent variables, each country's prosperity index score and its Democracy Matrix index score, to have a statistically significant, positive relationship with my independent variable, per capita spending for the arts. However, when considering my two control variables, each country's economic freedom index score and each country's freedom of ideology score, relationships between my independent variable and both of my dependent variables were not statistically significant. This means that there is not a statistically significant relationship between a country's per capita spending for the arts and its prosperity index and Democracy Matrix index.

In running the OLS regressions on my first dependent variable, the prosperity index, controlling for both a country's economic freedom score and freedom of ideology score, I found the relationship between a country's prosperity score and its per capita funding for the arts to be positive, but not statistically significant. The relationship between prosperity index and per capita funding for the arts showed a coefficient of 0.01, which is positive, yet barely above 0, representing no definitive relationship. The p value came out as 0.77, proving this slightly positive relationship to not be statistically significant when accounting for my two control variables of economic freedom score and freedom of ideology score. However, there was a positive and statistically significant relationship between a country's prosperity index score and its freedom of ideology score. The regression showed a definitively positive coefficient of 0.33 with a significant p value of 0.031.

My second dependent variable, the Democracy Matrix index, also did not show a statistically significant relationship with a country's per capita funding for the arts when controlling for both a country's economic freedom score and its freedom of ideology score. The relationship between the health of a country's democracy and their per capita funding for the arts had a coefficient of 0.00, showing neither a positive or negative relationship. This absence of a definitive relationship between a country's Democracy Matrix score and its per capita funding for the arts showed a p value of 0.4, making it not statistically significant.

However, the Democracy Matrix score for each country did show a statistically significant relationship with its respective economic freedom score. The regression showed a coefficient of -0.07, proving a negative relationship between each country's Democracy Matrix index score and its economic freedom score. This relationship had a p value of 0.04, making that negative relationship statistically significant. The Democracy Matrix index score also showed a

statistically significant relationship with each country's respective freedom of ideology index score. The regression between the two variables showed a coefficient of 0.01, proving a positive relationship between the health of a country's democracy and its freedom of ideology. This relationship had a p value of 0.01, making it the most statistically significant relationship in the entire data set.

Table 1: Federal Arts Expenditure in Ten Western Nations

| COUNTRY     | PER CAPITA ARTS SPENDING (euros) | ARTS SPENDING AS % OF GDP | ARTS SPENDING AS % OF TOTAL SPENDING |
|-------------|----------------------------------|---------------------------|--------------------------------------|
| Finland     | 59.2                             | 0.47%                     | 2.10%                                |
| Germany     | 56.5                             | 0.36%                     | 1.79%                                |
| France      | 37.8                             | 0.26%                     | 1.31%                                |
| Sweden      | 37.5                             | 0.29%                     | 1.02%                                |
| Netherlands | 30.3                             | 0.21%                     | 1.47%                                |
| Canada      | 29.9                             | 0.21%                     | 0.93%                                |
| UK          | 16.6                             | 0.14%                     | 0.65%                                |
| Australia   | 16.4                             | 0.14%                     | 0.82%                                |
| Ireland     | 5.6                              | 0.07%                     | 0.43%                                |
| US          | 3.8                              | 0.02%                     | 0.13%                                |

Table 2: The Relationship between Per Capita Spending and Prosperity Among Countries

|   | Prosperity Index (out of 100) |
|---|-------------------------------|
| Per Capita Spending on the Arts (euros) | 0.01 (0.04)                   |
| Economic Freedom Score (out of 10)      | -1.23 (2.17)                  |
| Freedom of Ideology Score (out of 100)  | 0.33 (0.03) **                |
| Constant                                | 58.23 (0.12)                  |
| N                                       | 10                            |

\*\*\* p<0.01 \*\* p<0.05 \* p<0.1

Table 3: The Relationship between Per Capita Spending and Democracy Among Countries

|   | Democracy Index (out of 1) |
|---|----------------------------|
| Per Capita Spending on the Arts (euros) | 0.00 (0.00)                |
| Economic Freedom Score (out of 10)      | -0.07 (0.26) **            |
| Freedom of Ideology Score (out of 100)  | 0.01 (0.00) ***            |
| Constant                                | 0.92 (0.21)                |
| N                                       | 10                         |

\*\*\* p<0.01 \*\* p<0.05 \* p<0.1

### Limitations on my Methods and Results

Based on the theoretical arguments present in existing literature as well as my own logic outlined earlier, my hypothesis should have been proven correct based upon the real-life numbers chosen to represent the variables in my predictions. However, I came back to re-evaluating my methods following the conclusion that my hypothesis was not supported. When initially trying to

find data to measure public spending on the arts in various developed, Western countries, I struggled to find something concrete enough that it would be comparable from country to country. As the systems designed to fund the arts are different in each government, a variety of separate allocations comprise the full arts budget coming from the federal system in each country. Further, even with extensive research, I was unable to find some sort of index or ranking that measures funding for or support of the arts from country to country.

Without one location to find all necessary data for my independent variable, I began taking it country by country. This proved even more difficult and time consuming, as not every country releases their federal budget publicly for each fiscal year. For the countries' budgets that I could find on the internet, I had to first find the actual amount of money allocated to their version of the NEA, or their federal body tasked with artistic and cultural support. This number was obviously in a country's national currency and was also presented as a total number, rather than something that is comparable across various sizes of countries, such as a per capita measurement.

I then found myself individually converting total annual allocations to arts and culture from each country to US dollars and then dividing that total by the country's total population. Many countries I was interested in including in my research also have national languages other than English, which required me to translate each public budget in order to find the dollar amount I was interested in. Not only was this clearly time consuming, but it also had a lot of potential gaps in accuracy. For one, each country has a different definition and title for the piece of the national budget that goes towards "the arts." Many countries include culture and the arts in one broad category, putting all types of museums and cultural preservation in the same financial pool with artistic organizations. Further, things like sports and other athletic activities, libraries



and other educational services, and a variety of recreational activities, are often included in a country's definition of "culture."

Additionally, each country has a different method in which it gets funds from a federal agency to actual artists and arts organizations. A budget is also often a mere estimation of how much money will be spent in a specific category in reality. This meant that the numbers I was finding were not necessarily the actual amount of money spent on the arts for a given fiscal year, but what the national government published as its estimation of money given to an arts affiliated agency, not artistic development itself. Some countries, including the US, award money through grants, so calculating the actual amount of money distributed to artists would require adding together each individual grant expenditure out of hundreds. Finding the true amount of money spent on the arts in a given year presented itself as a nearly impossible task.

Beyond these limitations, there was of course the possibility that I would inaccurately calculate the per capita spending on the arts for each country or that the total provided in the public budget was not comparable across various countries. As previously mentioned, countries' definitions of "arts" or "culture" can vary as can the ways in which money is allocated and subsequently distributed. Therefore, it is nearly impossible to equate the number of money one country publicly announces as its spending on the arts to another. Independent of a complete index of countries, I was at a loss for how to accurately measure my independent variable. Despite it being a small sample size of only ten countries, the numbers provided by the Arts Council of England seemed to be the most accurate way to compare countries' spending on the arts to one another.

An additional issue with my data set is the fact that my dependent variables are from indexes, which are an effective way to measure broad categories such as "prosperity" or

“democratic health,” but comprise a variety of significant aspects of a country. Depending on the factors taken into consideration for each index, various rankings for similar topics can differ greatly. For example, if I had chosen a different index with which to measure democratic health, there might have been a different outcome. The years for which my dependent variables were measured also did not correlate with the years for which my independent variable was measured, since the numbers provided by the Arts Council of England were all from different years.

Finally, my control variables hardly represent the wide range of aspects of a country that could have an impact on the dependent variables I outline. Nearly every aspect of a country plays into both its economic prosperity as well as the state of its government system, in this case the health of its democracy. It is difficult to cover every possible impact on these indexes that could interfere with the effect of public spending for the arts, which is why I chose additional indexes that measure the freedom of a country’s economy and the freedom of ideology experienced by the citizens of a country. Similar to the issue with using indexes for dependent variables, these are very large categories comprised of many measurable variables. While the economic freedom and freedom of ideology indexes cover a lot of smaller attributes of a country, other indexes exist that use different components, or attributes, yet attempt to measure the same principle, just as with my dependent variable measurements. A more accurate representation of spending for the arts’ impact on prosperity and democratic health would require the use of many more specific control variables. These would need to include aspects of a country as large in theory as the range of its policy on freedom of speech, while also considering more finite aspects, such as the average income of a country’s inhabitants.

## **Discussion**

Despite the failure of my particular method used here to prove my hypothesis correct, I still have a strong conviction based on logical theory that public spending on the arts is positively associated with growth and development in its respective country. Previous research confirms that the arts are not only positive for the economic and communal development of a society (Mulcahy 2010, Lewis and Rushton 2007), but that they also assist in individual development and expression, which inherently aids in the success of one's society (Craik 2005). The arts are a fundamental part of culture, which is critical to a country's history and identity as well as being a guidance in terms of future trajectory. Varying cultural identities are also a reason for global travel and engagement among countries, making the development of culture important from tourism and foreign relations perspectives. Perhaps even more important, the arts are a widely-accepted form of personal education and expression. Individual well-being and prosperity, as a result of happiness and ability to live as one chooses, are a critical component of what enables a country to further its own success on all levels. From my perspective, and those of other scholars, the theory is sound that more expansive success in the arts allows for further national development, economically, socially and politically.

As an additional component to my central research, I measured the expenditure of each US state's arts council in relation to each state's score on a happiness of citizens index. Mirroring the US governing system's approach in all other areas, American funding for the arts happens at the federal, state and local levels, with the state and local levels often having a wider reach and range of capability than at the federal level (Mulcahy 2010). Since all US states have fundamentally the same government structure and arts funding system, through a state council, these per capita spending amounts are more accurately comparable than those across countries.

I used very similar control variables to those in my central research of national arts spending and national prosperity and democratic health. The Fraser Institute's economic freedom index also scores each individual US state, so I used that same index as a control in this endeavor as well. In an attempt to mirror the freedom of ideology score used in my country-based research, I controlled for the political and ideological leaning of each US state, using the percentage of liberal policy and voting advantage in each state.

These controls were critical to accurately measure the relationship between arts spending and general happiness of individual citizens for the same reasons that they were important when measuring arts spending against prosperity and democratic freedom. Economic freedom impacts the amount of federal funding that any aspect of a society is to receive, as well as the ability of citizens to actively pursue successful financial opportunity. More generous arts funding is also typically affiliated with states that generously fund other public and individual activities, often known as welfare states. Political leaning impacts the amount of federal funding for the arts because more liberal governments and, in this case, states are more likely to spend more in general. Political leaning is also associated with the political freedom of individuals and the degree to which policy allows for personal development.

I ran an OLS regression on these variables, with my independent variable being the per capita spending of each state's arts council and my dependent variable being the happiness score of each state, just as I did in my measurements on the country level. Even with controlling for economic freedom and political affiliation, the per capita spending on the arts from each US state's arts council was positively correlated with each state's happiness score. This relationship was not only positive, but statistically significant. Each state's happiness score was also

positively correlated with economic freedom as well as liberal advantage, both of which also showed a statistically significant relationship.

This is not only evidence of the fact that greater arts spending is positively correlated with societal success, but that perhaps with further and more accurate research, my initial hypothesis could be proven correct. State level calculations provided a larger sample size as well as an easier way to gather accurate information and more comparable variables in terms of uniformity across individual measurements.

Table 4: The Relationship between Per Capita Spending and Happiness in the American States

|  | Happiness Score (out of 100) |
|--|------------------------------|
| Arts Council Per Capita Spending (USD) | 2.13 (0.82) **               |
| Economic Freedom Score (out of 10)     | 2.60 (1.15) **               |
| Liberal Advantage Points (%)           | 0.36 (0.88) ***              |
| Constant                               | 39.35 (7.49)                 |
| N                                      | 50                           |

\*\*\* p<0.01 \*\* p<0.05 \* p<0.1

In terms of next steps, it is clear to me that federal funding for the arts is an area that demands and deserves additional scholarship. The lack of easily accessible and accurate data is concerning, not only from an academic standpoint, but also considering the degree to which the global community supports the arts. Other aspects of federal expenditure, such as that for healthcare, the military, and education, are easily accessible by anyone with internet access, while the same is untrue for arts and culture expenditure. Independent of how much a given

country should spend on the arts and how that funding should be allocated, the argument for accessible information regarding every aspect of a country's budget is quite reasonable.

Given more time and resources, I would be interested in developing an accurate index and subsequent ranking of federal expenditure on the arts by country. I began to do so using publicly available budget plans from each country, but accurately measuring the amount spent federally would require more time and information. An accurate index would also need to include aspects previously discussed, such as the nature of the systems in existence with each country, the types of arts organizations that have access to such funds, and the freedom of use of funds once allocated to specific artists. While this is a large and complicated endeavor, it is necessary to accurately understand the state of arts funding globally as well as the larger effects of public arts funding on organized and developed societies.

I still fundamentally believe in my hypothesis: that federal arts funding is positively associated with societal economic, social and political development. While these are wide categories and measuring them is difficult, the general success of a society should theoretically improve given the wider appreciation for and support of the arts. This idea is not new and is backed by previous arguments in scholarship as well as historical exploration of the arts and their significance in societies worldwide. An important piece of any country or even community's development, funding for the arts deserves more academic attention than it currently receives and demands a presence in the constant conversation regarding what distinguishes a successful society from one that is stagnant.

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