

## Terms of Reference: Revision of expenditure on culture

The expenditure revision on culture in the amount of 0.54% of GDP (EUR 434.9 million<sup>1</sup>) will examine public expenditure on cultural policy, including the expenditure of associated sectoral organizations. The aim of the revision is to evaluate the effectiveness of these expenditures with an emphasis on achieving better results.

### Objective Result

The mission of culture is to humanize, cultivate and aesthetize life, develop creativity and originality in people, and co-create national, national minority or local identity. The main objective of cultural policies is to increase the accessibility, inclusion and diversity of culture, to protect tangible and intangible cultural heritage, to develop the cultural sector and the creative economy. The government aims to promote increasing participation of the population in cultural activities and increasing the level of services in culture. The government considers the cultural and creative industry to be a cross-cutting cultural and economic sector with significant economic and growth potential. Culture is not perceived as a "superstructure" that consumes social resources but as a catalyst for sustainable and long-term economic development.

TABLE 1 - Result indicators for culture<sup>2</sup>

|   |   |    | 2012   | 2013   | 2014    | 2015    | 2016   | 2017  |
|---|---|----|--------|--------|---------|---------|--------|-------|
| <b>Employment in culture and creative industry</b><br>(% of total employment) |   | SK | 2,60 % | 2,20 % | 2,60 %  | 2,50 %  | 2,50 % |       |
|   |   | EÚ | 3,80 % | 3,80 % | 3,70 %  | 3,70 %  | 3,70 % |       |
| <b>Podiel kreatívneho priemyslu na HDP</b>                                    |   | SK |        |        |         |         |        |       |
|   |   | EÚ |        |        |         |         |        |       |
| <b>Participation in cultural events</b><br>(% of population above 16 years)   | cinema  | SK |        |        |         | 35,10 % |        |       |
|   |   | EÚ |        |        |         | 45,90 % |        |       |
|   | live performance<br>(teatre, concert, ballet) | SK |        |        |         | 40,30 % |        |       |
|   |   | EÚ |        |        |         | 42,80 % |        |       |
|   | museum, gallery, sights                       | SK |        |        |         | 33,70 % |        |       |
|   |   | EÚ |        |        |         | 43,40 % |        |       |
|   | total (any event)                             | SK |        |        |         | 59,40 % |        |       |
| EÚ  |   |    |        |        | 63,70 % |         |        |       |
| <b>Total visits</b><br>(thousands)  | museums                                       | SK | 3 517  | 3 531  | 3 557   | 3 244   | 3 697  | 4 064 |
|   | galleries                                     | SK | 387    | 964    | 490     | 375     | 428    | 439   |
|   | theatre                                       | SK | 1 466  | 1 306  | 1 991   | 1 521   | 1 538  | 1 538 |

Source: Eurostat and Ministry of Culture

### Fiscal targets

The role of the revision will be the assessment of the expenditure of the MC SR with the emphasis on better efficiency of current expenditures and an analysis of the economic benefits and costs of the planned investments while maintaining the budgeted level of expenditure. It will be proposed to reallocate the expenditure for the programs with the highest efficiency within each area and program. Expenditure on projects implemented from EU funds in the programming period 2014-2020 should be equally drawn by 2020.

<sup>1</sup> The amount refers to state budget expenditures on culture according to the functional classification of COFOG (08.2, 08.3, 08.4). Expenditure covers all chapters, not only the MC SR. This is an estimate of the average expenditure on culture for the years 2018-2020 according to the budget of the general government for the years 2018 to 2020, which was approved by the National Council of the Slovak Republic.

<sup>2</sup> According to the Council of Europe report\* (available at: [http://www.governancereport.org/ifcd/downloads/IFCD\\_Guidebook\\_v1\\_Oct2016.pdf](http://www.governancereport.org/ifcd/downloads/IFCD_Guidebook_v1_Oct2016.pdf)) the rate of participation in culture strongly correlates with the indicators of tolerance and the level of social trust that are a prerequisite for a humane and inclusive society. Therefore, we consider the Participation and Attendance Indicators in Table 1 to be a substitute variable for the set goals. The values of some indicators will be identified during the revision of the expenditure.

### ***Areas of revision***

The most important area of the revision will be the effectiveness of cultural policy tools including the cultural infrastructure network (the Slovak National Theater, the Slovak National Gallery, the Slovak National Museum, Slovak Radio and Television, the Slovak National Library, the University Library in Bratislava and the Monument Boards Office) and the largest subsidy funds (MC SR subsidies, the Audiovisual Fund, the Arts Support Fund, and the National Minority Culture Fund). The revision will also focus on the effectiveness of the MC SR and its subordinate organizations. There are 30 organizations under the Ministry of Culture with a total number of approximately 4,5 thousand employees.

### ***Responsibilities and deadlines***

The Ministry of Finance is responsible for the interim and final report, which is elaborated in co-operation with the Ministry of Culture. For the purposes of analyzing the above-mentioned areas, the Ministry of Culture and the Ministry of Finance commit themselves to cooperating in providing complete and detailed data and information. The interim report will be drafted and published by the end of October 2019, the final report will be drafted and published by the end of March 2020.