

What Cultural Policies?

Culture and art have always occupied a secondary position in Brazil. Today, the effects caused of this situation are still apparent and its main consequence is the fact that one of the defining characteristics of Brazilian cultural policy is its complete absence.

In short, in order to have a cultural policy it is necessary to have joint and systematic interventions, as well as clear objectives.

Colonial Brazil was marked by strict controls on culture, including prohibition of the press, the censorship of foreign books and newspapers, the lack of educational incentives and the absence of universities (90% of the Brazilian population was illiterate by the mid-nineteenth century). Even with the relocation of the Portuguese royal family to Brazil in 1808, as they fled Napoleon's troops, and the establishment of the Portuguese court in Rio de Janeiro - bringing with it the royal archives which originated institutions such as the National Library and the Museum of Fine Arts - there were no systematic actions to configure a cultural policy, a situation which remained unchanged with the independence and the proclamation of the Brazilian Republic.

A landmark in cultural policy in Brazil was the '1930 Revolution', when Getúlio Vargas rose to power and, more effectively, with the New State (1937-1945), when Getúlio's dictatorial power was at its most authoritarian. The context in which the 'revolution' took place was one of incorporation of new social actors, more specifically, the emerging bourgeoisie and proletariat that had started to enter this scenario.

Industrialisation, urbanisation, cultural modernism, the strengthening and centralisation of the national State were the main elements which changed the face of the country, coexisting with the old oligarchies that maintained their power. For the first time the Brazilian state carried out a set of systematic interventions in the field of culture, which was reflected in purposely created practices, legislation, organisations and institutions. The cultural policy of this period was influenced by the innovative experience of Mário de Andrade, an artist and intellectual in charge of the São Paulo Municipal Department of Culture. It was a pioneering public intervention that elevated culture to a level of distinction within public policies.

Authoritarianism is another defining characteristic of Brazilian cultural policy. During the military dictatorship, implemented in 1964 after the coup that ousted President João Goulart, cultural policy started to be seen as a fundamental instrument in government action to build and maintain a homogeneous, integrated nation in line with the ideas of security and development, which guided the military's project for the nation. The document 'National Cultural Policy', from 1975, systematised cultural policy at federal level. Systematic actions were adopted, several agencies such as Embrafilme and Funarte were created to implement them and councils were created to provide legal support to the government's actions.

The relationship between authoritarian governments and cultural policies - a relationship in great part defined by the notion of national identity - is clearly identifiable in Brazil. Another important aspect of this relationship is the realisation of the important role played by mass communication media in the achievement of established goals: radio, in the New State, and television, in the military dictatorship, were the target of

specific incentives and legislation that promoted their controlled development.

In the interval between the New State and the Military Dictatorship (1945-1964), a time when we experienced a democratic period, culture and art developed vertiginously across different fields and languages. Music, cinema, architecture, dance, visual arts and theatre all went through a period of effervescence. The Biennial, the MAM in Rio de Janeiro, the MASP in São Paulo, the creation of the Ministry of Education and Culture, in 1953, are some of the emblematic actions of the artistic and cultural development that Brazil was undergoing. However, during the different governments, the State did not implement any systematic actions configuring cultural policies, very possibly as a reaction to the previously authoritarian and high-handed approach in all areas of government, including culture. Opposition to authoritarianism generated the belief in the freedom of private agents. The collective national imaginary, informed by the idea that cultural policies are linked to authoritarian governments, state intervention and *dirigisme*, has brought as a consequence, still evident today, the defence of the state's non-interference in culture and the arts.

This opposition can be perceived at the end of the Military Dictatorship, when we had a more democratic government, albeit still indirectly elected by the National Congress. President José Sarney took office in 1985, after the death of Tancredo Neves before his inauguration. The Ministry of Culture (MinC) was created, and it became an autonomous body no longer linked to other ministries. The MinC was headed by Celso Furtado, a renowned economist linked to left-wing sectors, who had been in the Ministry of Planning during João Goulart's term. In the context of the country's democratisation, political liberalisation and the intolerance of

civil society towards the strong interventionist State, the government passed the first law creating funding for culture: the Sarney Law, of 1986.

The absence of public investment in culture was also one of the main factors in the creation of this law, securing funds for investment in the sector, which was previously impossible due to the MinC's low budget. Therefore, the law reflects the lack of financial resources in the sector and the intolerance towards the previously strong and *dirigiste* State.

Fernando Collor de Mello (1990-1992) was the first directly elected president after a long period and the Sarney Law was annulled in March 1990. Culture went through a process of disruption, with the extinction of many bodies and institutions such as Funarte and Embrafilme; the Ministry itself became only a secretariat of the Presidency and there was no public investment in the area of culture. Under pressure from art professionals, cultural producers and groups from civil society, the Sarney Law, which had issues of transparency and control, was replaced by the Rouanet Law, created in December 1991, bearing the name of the then Minister of Culture, ambassador and writer Paulo Sérgio Rouanet, who attempted to rectify some of the previous law's problems. The Rouanet Law established the National Programme of Support for Culture – Pronac, formed by three funding mechanisms: the Cultural and Artistic Investment Funds – Ficart, regulated by the Securities and Exchange Commission, which were never employed in a systematic manner; the National Fund for Culture – FNC, whose budget is distributed in the form of straight grants, that is, as investments made directly by the MinC; and Patronage, whose resources are derived from tax exemption and can be used through sponsoring or donations.

The meagre investment in culture continued when President Itamar Franco (1992-1994) took office, after Collor's impeachment due to corruption allegations. Itamar re-established the Ministry of Culture and the bodies and institutions made extinct by the previous government, but the budget for culture remained low. Cultural policy was based only on the incentive laws that relied on few private investors.

When Fernando Henrique Cardoso (1994-2002) became president, the secondary place occupied by culture remained unchanged. The government's cultural policy was restricted to the incentive laws – the Ministry of Culture's budget represented less than 0.14% of the national budget. In the context of FHC's neo-liberal government, Minister Francisco Weffort, a renowned political scientist, launched a small publication titled *Culture is good business*, seeking to attract the private sector to invest in culture through the incentive laws, whose articles had been altered in order to increase the exemption limit and percentage, making the investment in the sector more attractive. The public sector was responsible for deciding the paths of cultural policy. Another slogan promoted by the minister stated: *partnership with the market is the way forward*. The Rouanet Law started to be effectively used by companies, establishing itself as the predominating form of financing culture in Brazil. During this period, we were going through a process of economic stabilisation, a factor which also explains the greater participation of private companies in patronage.

The instability resulting from the fact that public policies in Brazil are 'office term' policies and not State policies, and therefore subject to the changes produced by each new government's term, can be pointed to as another characteristic of national public policy. This instability is increased

by the frequently changing nature of the post of Culture Minister, a total of 10 between 1985 and 1995.

With the election of Luís Inácio da Silva (2002-2010), known as Lula, culture was incorporated into the governmental discourse as an essential component of public policy. The musician Gilberto Gil was appointed Ministry of Culture, in an emblematic gesture. Minister Gil took office stating that culture would occupy a new place within governmental policy. Culture started to be conceptualised from an anthropological dimension, which means it is understood as the *symbolic dimension of Brazilian social existence*, that is, society as a whole will be privileged and not only producers and creators. This works in discursive terms – the expanded understanding of culture which is not restricted to the arts and heritage -, but it is not very operational, as cultural policy seeks to generate effective actions that cannot be achieved based on the definition that everything is culture.

In spite of the discourse and the fact that the MinC's budget was gradually increased, reaching 0.6% of the national budget, it still hasn't reached the 1% level recommended by Unesco for the sector. The lack of resources maintains the sector's dependence upon incentive laws. The asphyxiated budget means that the Rouanet Law is the main funding mechanism in Brazil in spite of the government's defence of a more active State role in cultural policy.

It is worth highlighting that the Rouanet Law was created as a temporary measure in order to stimulate funding, and there was a belief that the market would become autonomous, supporting production costs, something which has not happened.

According to data taken from 'The President of the Republic's Financial Report – 2008', the federal executive power's activity report presented to the Office of the Comptroller General show that, for the Ministry of Culture, the Annual Budgeting Law (LOA 2008) plus additional credits generated R\$ 1.2 billion, of which R\$ 861.9 million (71%) were directed to expenses which exclude costs with staff, obligations, court-ordered debt payments and financial expenses. Of this amount, R\$ 166.9 million were retained by contingency decrees and its subsequent alterations. In fact, the resources available for investment totalled R\$ 695 million, with authorised budget resources of R\$ 650.1 million, that is, 93.5% of the approved budget. In other words, the MinC had R\$ 650 million to be used in its activities. Additional data from the same report showed that the projects financed with resources generated by the Rouanet Law and by the Audiovisual Law totalled R\$ 1.1 billion. Over the past seven years, incentive laws have injected R\$ 4.8 billion in the cultural system.

Of these resources, 40% come from state companies, particularly from Petrobras, which is by far the main project funder through tax exemption laws. Starting from Minister Gil's term, state companies began to distribute resources through public tenders in order to achieve greater alignment with the government's cultural policy and to rectify distribution issues (regional concentration, artistic forms, etc). The high percentage of resources in the hands of state companies managed in line with the MinC, weakens the arguments raised by the government that public investment in culture in Brazil has been transferred to the private sector; a great part has, but not all.

Since last year, when Minister Juca Ferreira took office, the artistic and cultural sector has been engaged in a broad debate about whether to revoke the Rouanet Law and create a new law to replace it. The government presented Profic – Programme for Cultural Funding and Incentive, which creates mechanisms for financing culture in Brazil¹. It comprises the following mechanisms: the National Fund for Culture – FNC, which would be strengthened; incentives for cultural projects through tax exemption laws; the Cultural and Artistic Investment Funds – Ficart, regulated by the Securities and Exchange Commission for economically sustainable projects; and the Culture Voucher, a ticket worth R\$ 50.00 that can be used by workers in cinemas, music venues, theatres, etc., of which the government assumes the 30% tax exemption costs, the worker pays 20% and the employer 50%. As for the National Fund for Culture – investments made directly by the Ministry -, it will be formed by the following categories:

- Arts sector fund;
- Citizenship, identity and cultural diversity sector fund;
- Memory and cultural heritage sector fund;
- Books and reading sector fund;
- Global equalisation fund;
- Audiovisual sector fund.

This mechanism allows companies to make donations to the FNC, and not only finance projects directly via patronage.

What the Ministry has not informed us of is what resources it will use to strengthen its direct actions via the National Fund for Culture. In spite of the compliments to the launching of public debates, one of the

¹ http://www.planalto.gov.br/ccivil_03/Consulta_Publica/programa_fomento.htm

criticisms to the law alteration proposal is the lack of transparency in relation to the incorporation of ideas generated by the public debate between the MinC and civil society.

The reasons given by the government to justify the alteration of current funding mechanisms show that, in the present scenario, sponsored projects, which use almost only public funds, take the decision power from the State and put it in the hands of the private sector, serving a corporate logic and the companies' marketing departments. Such logic produces a concentration of resources in the wealthiest regions of the country, in some art forms, and it favours consecrated established producers who already know 'their way in'. The diagnosis of this concentration presents a few problems. Firstly, it is based on questionable data regarding regional distribution and the applicant's address, not the location where projects effectively take place.

The high demographic concentration in the Southeast Region, for example, is another factor overlooked in MinC's diagnosis. The mechanism of tax exemption, related to the existence of tax-paying companies, mirrors the country's logic of wealth concentration. Data from 2007 can be used to exemplify this: São Paulo concentrated 43% of the funding raised through the Rouanet Law, but it was responsible for 46% of the tax revenue from companies that publish their actual profit. Because the use of the law is restricted to companies that do their Tax Return based on their actual profit, smaller companies cannot participate in the incentive laws, which could mean greater resources in less benefited regions. A report from the Pensarte

Institute points out that the National Fund for Culture follows the logic of unequal distribution that it criticises².

Another consequence is the inhibition of public power's action and the absence of a risky private culture. According to Minister Juca Ferreira, during Pronac's lifespan we witnessed a reduction in the amount of private resources in face of public resources' exemption, 'reaching, in 2007, the ratio of nine *reais* from public resources for each *real* from private resources'.

In the bill that institutes the Profic, one of the most polemic points is the introduction of criteria that will guide the project's scoring system and define the percentage of incentive to be granted³. Lei Rouanet did not anticipate the subjective evaluation of the projects submitted to the MinC in relation to their artistic and cultural value. As for the percentage, projects were authorised to deduct 100% directly from tax, according to Article 18 of the Law, or 30%, in the case of sponsoring, an amount entered as operational expense, which signified a tax recovery of 64% according to Article 26.

In a statement issued by the Public Attorney's Office⁴, several articles from the new bill were identified as problematic. According to the statement, the *project possesses very low normative consistency, that is, it relies too heavily on subsequent regulations*; one of the critical issues is the lack of clarity in the establishment of the criteria that determine the assessment of cultural merit, to be performed by the National Commission

² http://www.b27.com.br/Arquivos/Pensarte_0405.pdf

³ According to the MinC's project, the percentages granted with basis on the relevance criteria will be: 30%, 60%, 70%, 80%, 90% and 100%.

⁴ <http://www.culturaemercado.com.br/post/relatorio-do-ministerio-publico-na-integra>

for the Incentive of Culture – CNIC, a body formed by representatives from the government and civil society. The Public Attorney’s Office also made the following remark about the CNIC: *if its constitution and functioning are not described by law, it will become a real legislating body on national culture.* xxx

In spite of the MinC’s rhetoric of the public discussion of the law and the creation of new communication channels with civil society to discuss amendments and proposals, the most important underlying issue in this debate is not effectively on the agenda: increasing the Ministry’s budget, a question which is connected to a broader discussion on the introduction of culture as a central axis in public policies: that is, to think of culture as a mechanism for economic, social and human development. The State must effectively direct funds into culture. We need more sources of funding. Brazilian cultural policy cannot be solely dependent upon the incentive laws, upon a single funding mechanism. The revocation of the Rouanet Law and the introduction of Profic will not change this scenario. The essential debate around the importance of culture for public policies was replaced by the debate surrounding funding mechanisms.

One of the Ministry’s most innovative and emblematic programmes during President Lula’s term is the ‘Living Culture Programme – Art, Education and Citizenship’, which identifies and supports existing innovative cultural projects that are developed within *communities in a situation of precariousness or social vulnerability*. This is one of the MinC’s key programmes and it seeks precisely to strengthen the initiatives hailing from civil society across the whole of Brazil. It is a very interesting programme, which last year had a budget of R\$ 120 million, making up 18% of the total amount released by the Ministry, although still

a very low budget for such an emblematic action within the Federal Government's Cultural Policy. Partnerships with states and municipalities have strengthened the programme's range of action, surpassing the target previously established by the Ministry. Partnerships between states is another key point for the strengthening of culture in Brazil. Data from the Brazilian Institute of Geography and Statistics show that the Municipalities are the ones that provide most of the funding for culture, followed by the States and the Federal Government.

The creation of a National System for Culture that articulates the federal, state and municipal governments and civil society, and the constitutional amendment project (PEC 150) that guarantees wide resources for the sector are an essential factor for effectively changing public action in the cultural sector.

The Government must seek to improve the current legislation by rectifying distortions but, above all, it must seek more resources in order to substantially increase the budget. Tax exemption is an essential funding mechanism and must remain so, but not the main one. The data supplied in the presidential report sent to the Public Attorney's Office confirm how we cannot renounce this mechanism, risking the paralysation and breakdown of the cultural sector: it is necessary to find balance and harmonisation between these actions. The context of the global financial crisis that we are experiencing today is also a worrying factor and another element in the breakdown that may occur.

The main guiding point in this debate is the importance of culture as a key element in the formation of critical subjects, in the construction of public and democratic spaces where cultural diversity can find channels of

expression, where a plurality of manifestations can be shown, where difference and conflict can be accommodated. Culture allows for the construction of collective projects that have nothing to do with identitarian, excluding discourses, projects that are more necessary than ever, since social fabric is increasingly ruptured and new wefts need to be weaved. We do not discuss what cultural policies we want, what kind of society we wish to build. The maintenance of the secondary place reserved for culture is reflected in its meagre budget and its non-introduction into the national political agenda, as Marta Porto reminds us. This is the main discussion.

Today, cultural policy must be thought of as a creator of channels that make diversity feasible, supporting its expression. In Brazil, we have a vibrant culture that occurs not only in consecrated circuits, but above all outside them. Hermano Vianna explains this compellingly:

I have no doubt: the most important new phenomenon in Brazilian culture over the last decade was the emergence of the direct voice of the periphery speaking out from every corner of the country. The periphery was tired of waiting for an opportunity that never came, and which would come from outside, from the centre. The periphery no longer needs the middle men (those who always spoke on their behalf) in order to establish connections with other parts of Brazil and the world.⁵

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www.overmundo.com.br

6.SEN, Amartya. **Desenvolvimento como liberdade**. SP: Companhia das Letras, 2002.

We need to strengthen the beating heart that is culture, find mechanisms and channels for its expression, whilst nurturing and strengthening the existing ones. The State must become more democratic and create spaces that support culture and its diversity. Co-management is the key word to be used today in connection with the relationship between public policies and civil society. Self-management is another important term. Thus cultural policies must be thought of as integrated systems which relate not only to the production of culture, but to its distribution and above all to the use that individuals make of it; individuals seen as subjects of cultural and therefore political life. The formation of critical subjects (who, because they are constituted in their subjectivity, are capable of creating collective projects) is an essential factor in the thinking of the centrality of individual freedom in human development, and culture is crucial in this process: it expands the possibilities of choice and, consequently, freedom. In the words of economist Amartya Sen⁶,

Development is really a very serious commitment with the possibilities of freedom.

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