

# Reconsidering the Expanding Role and New Paradigm for Japan's Cultural Policy

—From Supporting Arts and Culture, to Promoting Inspired Innovation



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## [Summary]

- 1 Japan's cultural policy now stands at a crossroads. Looking back, local cultural administration first gained traction in the 1980s as public cultural centers began appearing in many localities. Businesses also began actively sponsoring cultural events for advertising and promotional purposes, as well as opening many private museums, theaters and concert halls. In the late 1980s, the concept of *mecénat* (philanthropy) arrived in Japan, introducing the idea of private sector support for arts and culture. At the same time, it also revealed how far Japan lagged behind other major countries in cultural policy.
- 2 In 1990, the Japan Arts Fund and Kigyo *Mecénat* Kyogikai (KMK: Association for Corporate Support of the Arts) were established, laying the public and private platforms respectively for support of arts and culture. In the mid 1990s, funding in both sectors was significantly expanded through programs such as ArtsPlan 21 of the Agency for Culutral Affairs, and KMK's Arts Project Assistance Approval Program. However, in the late 1990s, the prolonged post-bubble recession severely impacted the management of private cultural facilities. At the same time, however, cost-effectiveness considerations led to new strategic *mecénat* programs offering in-kind support.
- 3 Also in the 1990s, public cultural facilities sprang up at a prolific pace nationwide—two new public theaters and music halls opened every week, while a new art museum opened every two weeks. For the decade, construction of facilities amounted to 3.8 trillion yen (38 billion U.S. dollars) of the cultural budget. As a result, facility management costs grew year after year, while investment in software (content) stagnated. Meanwhile, however, some public theaters and concert halls in large cities began focusing on creative activities such as original productions and programs, while public cultural facilities in smaller cities developed new modes of operation including participatory performances with local residents, networking, and vounteer-assisted operations. In the late 1990s, outreach programs thrived, helping to construct new channels of communication between local residents and art and culture, and giving rise to a “silent patron” constituency. In 1994, a public entity called the Japan Foundation for Regional Art-Activities (JAFRA) was established, invigorating the software side of local cultural policy in the face of the hardware bias.

- 4** In 2001, the Fundamental Law for the Promotion of Culture and the Arts took effect, providing the basis for public promotion of arts and culture. Meanwhile, as part of the government's broad administrative reforms, national museums and art museums were converted into independent administrative agencies. In this context, the national government considered hiring private for-profit corporations to run these cultural institutions in place of public entities, but the plan was rejected in 2005 after intense discussion. In 2003, the revised Local Autonomy Law introduced a designated manager system (DMS) for outsourcing management of public facilities. As a result of the above developments, the public policy environment drifted away from the Fundamental Law's goal of promoting arts and culture. In particular, the DMS had an enormous effect in downsizing the already diminishing local cultural budgets. Recently, however, DMS has started to be used as a tool to evaluate and improve—rather than to replace—management at public facilities.
- 5** The budget of the Agency for Cultural Affairs grew steadily from the late 1980s, reaching 100 billion yen for the first time in fiscal 2003. However, it has since stagnated, and still remains small compared to other countries (for example, the cultural budget per citizen is approximately one-fifth that of neighboring Korea). Locally, public cultural budgets peaked in fiscal 1993 at 950 billion yen, and subsequently plunged to 380 billion yen in fiscal 2006. Spending cuts in arts and culture were most pronounced among municipal governments, particularly after DMS was introduced. In contrast, corporate support has held steady during the 1990s and 2000s despite some dips. Looking at trends in funding for arts and culture since 1990, in the public sector, the ACA has frequently renewed and restructured its policy and grant-making program, while the Japan Arts Fund has remained practically unchanged over its 18 years of existence. JAFRA, established in 1994, has helped invigorate local public cultural policy through its strategic support program. Meanwhile, private funding for arts and culture by corporate mécénat programs and private foundations has grown comparable in scale to public funding by the national government.
- 6** Challenges confronting public cultural policy at the national and local level include: (1) constructing the infrastructure to encourage creation and dissemination of arts and culture; (2) constructing strategic support and grant programs (clarifying mission and evaluating results, creating new arrangements such as regrants, reconsidering programs that pay in full upon completion; and (3) establishing expert cultural administrators and arts councils. Since the 1990s, businesses, private foundations, and KMK have established a good track record of driving the cultural policy agenda at the national and local level, and are expected to continue performing this role.
- 7** However, looking ahead, public cultural policy will need to shift course to accommodate three recent trends: (1) expansion of the domain of cultural policy, (2) diversification of the implementers of cultural policy, and (3) integration of cultural policy into urban and industrial policy. For example, in non-cultural domains such as education, welfare, health care, environment, and disaster preparedness, the utility of arts and culture is increasingly being validated in Japan and abroad. In the U.K., elementary and junior high schools are experimenting with a "Find Your Talent" class conducted five hours per week, while the spread of community dance in society has prompted some hospitals to prescribe dancing in place of medicine.
- 8** The diversification of cultural policy implementers has been led by art NPOs, whose number exceeded 2,000 as of September 2007. In particular, intermediary NPOs that provide local support are key players not only in promoting arts and culture, but in matching artists with schools and welfare

institutions, and in engaging in community regeneration. In addition, the new charitable corporation system that takes effect in December 2008 is expected to further enhance the role of foundations and associations in cultural policy. This reform was preceded by a tax reform on charitable contributions in April 2008, which is expected to make business and individual donations a significant new funding source for charitable foundations, associations, and certified NPOs.

- 9 The concepts of creative cities and creative industries, which emerged in the U.K. in the late 1990s, are now sweeping the globe. In Japan, early adopters such as Yokohama City and Kanazawa City have been joined by a growing number of cities who incorporate the creative city into public policy. Creative industries are recognized in both advanced and developing countries as one of the most promising growth industries. This trend might be characterized as an industrial revolution leading to the the post-industrial age. The creativity of arts and culture is a core element of creative industries, and is increasingly seen as a key component for promoting industrial and economic growth. Recently, the UN released a policy report on the creative economy and creative industries, which asserts that such new economic activity will enable developing countries to not only create jobs and improve trade balances, but to promote social inclusion and cultural diversity in the process.
- 10 In line with the above changes, the role of arts and culture is expanding as never before, increasing the urgency for a paradigm shift in cultural policy. In the future, cultural policy will grow in importance not only in its narrow definition of the past, but in the broad definition encompassing administrative areas such as education and welfare, promotion of business and industry, and community regeneration. The driving force of the broadly defined cultural policy will be art NPOs and new public interest corporations. Funding from businesses and individuals under the tax reform for charitable contributions is expected to be an important new funding source for these activities.
- 11 Thus cultural policy is no longer limited to the promotion of arts and culture. While the narrowly defined cultural policy sought to promote arts and culture, the broadly defined cultural policy aims to produce unparalleled results by applying arts and culture to enhance education and welfare, invigorate industries, and regenerate communities. Whereas the narrow policy involved only ACA and the cultural divisions of local governments, the broad policy calls on non-cultural government offices at all levels to adopt perspectives and strategies that aggressively apply arts and culture to achieve their goals, based on the shared vision that innovative ideas inspired by arts and culture can help achieve extraordinary policies and outcomes.
- 12 Together, the narrow and broad definitions represent the core and periphery of cultural policy. Resources invested in the narrow policy can reap social benefits by producing a larger return across a broadening domain. This suggests a virtuous circle in which budgets and grants of the narrow policy can be deemed as a social investment. By enhancing the narrow policy and promoting a virtuous circle with the broad policy, widespread effects will ripple across diverse areas, while the long underrated public value and status of artists and arts and culture will finally be corrected. Cultural policies need to provide initiatives and strategies that are substantive enough to achieve the virtuous circle.
- 13 In the past, cultural policy and corporate philanthropy were based on the premise that arts and culture need to be supported and sustained by society. However, arts and culture are actually a

transforming force that can produce diverse social benefits while reducing social costs. We now face a new era of innovation inspired by arts and culture. Public cultural policy needs a paradigm shift that will harness the creativity of arts and culture for the transformation of Japan.