

# Festival-world Summary Report

NATIONAL SURVEY ON FESTIVALS  
IN HUNGARY  
INCLUDING DELIBERATIONS  
ON PUBLIC FUNDING, EVALUATION  
AND MONITORING



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## TABLE OF CONTENTS

INTRODUCTION	5
I. THE FESTIVAL PHENOMENON	7
1. On festivals in general	7
2. The role of festivals in cultural life	13
3. The economic role of festivals	17
4. The social impact of festivals	20
5. Financing festivals	23
II. STATE SUPPORT FOR FESTIVALS	28
1. Principles, framework and objectives of festival subsidisation	28
2. Methodological questions of festival funding	34
3. Monitoring the subsidised festivals	39
Annex	41
Authors and publishers	44

## INTRODUCTION

The increase in the numbers and importance of festivals is a world phenomenon. Those in cultural professions, the public authorities involved in cultural policy and funding decisions as well as the general public are all interested in the artistic, social and economic background of festivals.

In 2004 the *National Cultural Fund* (NKA, to use the Hungarian acronym for *Nemzeti Kulturális Alap*) decided to promote strategic research in various fields of culture. The *Ad-hoc Board of Culture and Tourism*<sup>1</sup> thus found this a proper time to initiate research in its field of competence, on cultural festivals that were important in regard to tourism.

Apart from a need for orientation that arises from the variety and versatility of the field, the Board hoped for answers to certain specific questions as well. How is it possible to select between the different festivals? How can it be checked if the subsidy was appropriately or (inappropriately) awarded? The NKA was founded to promote cultural projects: to what extent can it undertake the consolidation of the festival industry?

The present text gives a summary account on the research that the *Budapest Cultural Observatory*<sup>2</sup> carried out. In addition to a succinct review of the survey's findings, some conclusions and proposals also follow. The full report on the hitherto biggest festival survey in this country has been published in Hungarian<sup>3</sup>.

By the time the research was completed, it had already become quite clear that from 2005 on there would be no *Culture and Tourism* tender. What happened was the exact opposite of one of our conclusions. We had found that *the integrated subsidising system of cultural festivals, which also took aspects of tourism into consideration, had proved to be successful*, and was at the same time beneficial for the national economy, regional development and the development of national culture. On the other hand, probably not independently of our survey, a new ad-hoc board was created late in 2005: the *Ad-hoc Board of Major Cultural Events*. This board was able to distribute considerably more to the cultural festivals in 2006 than the former board had been able to, but without involving the aspects, experts and resources of the *National Tourism Board*, which was the main feature of the previous tenders.

During the research we co-operated with the *Hungarian Festival Association*, the *Hungarian Art Festival Association* and the *Federation of Hungarian Folklore Festivals*. We consulted with them when compiling the questionnaires that were applied to members of the three organisations: nearly 300 festivals, of which it was possible to involve 230 in the sur-

1 In addition to the 16 permanent boards of the NKA, stipulated in the relevant Parliamentary Act, the minister of culture is entitled to set up (usually upon the proposal of the Commission of the Fund) ad hoc boards. The Ad-hoc Board of Culture and Tourism acted between 2002–2005.

2 For more information on this organisation visit [www.budobs.org](http://www.budobs.org)

3 *Fesztivál-világ* (NKA kutatások 3), Budapest, 2006, 281 pages, ISBN 963 06 0609 7

vey. Also the NKA authorised us to look through the 2004 database of the Fund. In order to relate the situation of Hungarian festivals to the international scene the network connections of the Budapest Observatory were used.

The main segments of the research were as follows:

- Interviewing the visitors to six festivals
- Processing 15 interviews with municipal authorities
- Processing nine interviews with sponsors
- Qualitative and quantitative evaluation of 230 questionnaires and 13 interviews conducted with festival organisers
- Evaluation of the programme of 230 festivals, according to a set of criteria
- Analysis of the festival-supporting practice of the NKA in 2004
- Presentation of the monitoring experience of funds based in Hungary or in the European Union

The team made proposals concerning the formulation of the goals of calls for application for grants, the majority of which were adopted by the *Ad-hoc Board of Major Cultural Events*<sup>4</sup>. Other proposals concerning restructuring the state support of festivals are still awaiting consideration. In addition the proposals for the evaluation and categorisation of festivals need further discussion and development for eventual application. The proposals of the research team on the monitoring of major festivals supported by the NKA have developed into a testing phase of monitoring in 2006.

<sup>4</sup> At a later stage we will briefly refer to these two *Ad-hoc Boards* of the NKA as *Culture and Tourism Board* and *Major Events Board* respectively.

## I. THE FESTIVAL PHENOMENON

“You’re going to tell me that today’s festival scene is more inclusive than it ever was; that festivals are a dynamic tool of arts programming – more compact than year-round promotions, more open to ideas and thematic stimulus. You will argue that they create an irresistible sense of event, providing the medium by which tens of thousands get the arts bug; and that they’re a vital tool of cross-fertilisation, breaking down barriers between high and low, popular and classical, new and old. In short, you’ll try to sell me the festival idea as a sort of 21st-century cultural Viagra.”<sup>5</sup>

### 1. ON FESTIVALS IN GENERAL

#### *Precedents*

Cultural events concentrated in a few days (weeks) have been known throughout the entire history of humankind. At the beginning, these events were almost exclusively of a religious, ritual nature. Sombreness and solemnity characterised them (if passion-plays are considered, for example), just as they characterise today’s festivals. However, the large-scale events of our age unquestionably inherited much more than this from the ancient joyful celebrations of the end of winter or the end of a fast.

The first festivals in the modern sense of the word were actually celebrations of art, meeting points for those of the cultural and social elite. At the beginning they included only one artform, e.g. the Venice Biennale, founded at the end of the nineteenth century, covered fine arts, the Salzburg festival – classical music, the one in Bayreuth – opera. The Szeged Open-Air Festival is also one of the pioneering festivals in Europe.

For a long time only international, large-scale art events and competitions (such as film festivals) were designated as festivals. However, as early as around the middle of the last century, the notion started to soften up. The concept of tourism gained greater importance. In some cases this concept was in line with the artistic aims at hand (Prague Spring, Budapest Spring Festival), in other cases the motley of cultural events in the tourist season were simply designated festivals. As travel became easier and easier and globalisation reached its zenith, the last 10–15 years led to an explosive growth in the number of festivals – and series of events classified as a festival or of a similar nature. At the same time the notion of festival continued to widen. Statistic labelling often classifies festivals together with congresses and trade fares, but the most mundane events and smallest-scale fares use (usurp?) the same name.

<sup>5</sup> Andrew Clark in *High brow, low blows* (with Peter Aspden), *Financial Times*, 18 June 2004.

### Definitions

There is no precise definition of festival, neither in Hungary, nor in international use. However, if one is to approach these kinds of events with a degree of seriousness (for example with the aim of providing subsidies), a certain delineating will be necessary. So for example in New Zealand it is acknowledged that all sorts of events may bear the name festival, however, from a cultural policy point of view only the only events that may be classified as a festival are those that “have their primary focus on the development, presentation and/or participation in the arts; have a programme conceived, produced, curated, marketed and presented as an integrated package; and which occur within a defined area/region and within a defined period of time.” In neighbouring Australia the emphasis is on “a regular public celebration that is organised by members of the community that has clear and strong community support”.<sup>6</sup>

Several other definitions are in use. Our opinion is that it is impossible and unnecessary to provide one, general definition of festival. We would not exclude the custom used in defining ethnic identity (“whoever avows himself Hungarian is Hungarian”): a festival is whatever its organisers regard as a festival. Any definition should relate to the actual objective and should function as a kind of working definition. But then one has to provide a detailed and to the point definition for the given purposes. If, for example, festivals apply for support, they must be absolutely certain whether their event qualifies as a festival in the eyes of the tender evaluators.

### Functions, highlights

Modern-day festivals have diverse roles. Accordingly, their survey and assessment may have various angles. The present survey strives to be fully comprehensive, and to cover all aspects of festivals.

Let us consider these aspects. The most general distinction is between the *cultural, economic* and *social* functions of festivals.

Festivals might be categorised by other standards as well, by characteristics that may exist side by side with both the cultural, economic and the social functions.

One such characteristic is the *festive* nature of festivals (hence the name). The main feature of festivals in historic times was that it elevated events and added a festive character to them. There will still be concerts and there will be audiences a week after the festival, but they will lack the splendour and the social, communal experience of the festival.

The other such trait is the *promotional* aspect, which is also a result of the concentrated nature of the festival, and one that makes festivals appropriate for fulfilling significant cultural, economic and social aims.

A stronger version of the latter is the *political* function of festivals, when the emphasis is on the realisation of the underlying and indirect objectives of the cultural or other programmes. Usually these serve to strengthen the position of a country, region or settlement, or for the propagation of certain trends. In a wider sense, the cultural seasons of bilateral cultural diplomacy can be regarded as festivals. It was mainly for political reasons that the

<sup>6</sup> Assistance to arts and culture festivals, Ifacca D’Art Topics in Arts Policy, number 21, <http://www.ifacca.org/files/artsfestivals.pdf>



Venice Biennale<sup>7</sup> broadened its scope, or the film festivals in Moscow or Berlin were founded.

Of a lighter nature is the *educational* (training, educating, “formative”) function of the festivals, which manifests itself in the exchange of ideas, in reaching out to new audiences, and in developing the skills of the organisers.

In all these characteristics there is a common trait, which is the main speciality and also objective of the festivals: to *deviate* from the usual, an aim and a result of decontextualising.

The other common trait is *complexity*, variegation. Festivals link culture and entertainment with trade and economic growth, and have a social impact as well (strengthening the local community and identity, and through this, enhancing national solidarity, etc).

### *The rich variety of festivals*

Festivals can be categorised in several ways, according to function, content and size. However, almost all festivals may fall into more than one category.

In our interpretation the two most crucial poles are the arts festivals on the one hand, and entertainment festivals on the other hand: “*gaiety*” or “*merry-making*”, including, among others, a fair of arts and crafts products, offering a wide variety of gastronomy.

The lack of proper terminology for the latter type is also typical in international literature. There is no established distinction in English for these two types: both are called festival. In the Australian Festival Record 1,300 festivals were recorded ten years ago. Among these one may find art events as well as gaieties and festivities that are present in great numbers in all cultures, from the Latin to the Germanic world. An element of Italian town culture, with origins in the middle age, is parade and carnival – which is an important antecedent of the festival mania of our age. A typical element of German culture is *Volksfest*, which includes village fairs and harvest (or beer) festivals: in Germany 14,000 such events are recorded, many of them held at the same time every year for centuries, and the culmination of all this is the *Oktoberfest* in Munich.

Thus in our binary system the German *Volksfest* (people’s festival) represents the counter pole of the arts festival. The function of the *Volksfest* is entertainment, merriment, eating and drinking, the holding of a fair, etc. However, they always have other functions, such as strengthening communal feelings and sense of identity, deepening the sense of tradition, and image building. Based on this, in the following we will use the term *communal festivals*<sup>8</sup> for the other set of events – as opposed to arts festivals. Of course as long as the cultural content of the merry-making event reaches a minimum share and we agree to call it a festival.

In this report we will refer to an Irish survey whose aims are similar to ours<sup>9</sup>. The Irish classification includes a category that we rarely or never encounter in the case of Hungarian festivals: the *agricultural* festival. In Canadian terminology these are called agro-festivals, and include everything from the “pick-your-own”-type events, blossoming festivals, wine- and

<sup>7</sup> “*Mostra*” became a multi-artform festival from the 1930s.

<sup>8</sup> In the Hungarian terminology – as well as in everyday language – the word “*közművelődési*” is used, coming from “public culture”, “community culture”, which also involves the aspect of education.

<sup>9</sup> *Irish Festivals, Irish Life*, [http://www.aoifeonline.com/downloads/Goh\\_Final\\_Report.pdf](http://www.aoifeonline.com/downloads/Goh_Final_Report.pdf)

cheese festivals to farm visits or village tours to acquaint participants with the rural cultural heritage. According to the data of the Hungarian Central Statistical Office, in 2003 Hungarian public cultural institutes organised some 2,700 village days, people's festival, fairs in the framework of festivals. According to an enthusiastic collector of data, there are 110 gastronomic festivals in Hungary, of which 68 last for one day, 21 for 2 days, 15 for 3, 4 for 4, and 1 for 10 days.

### *The reason for categorising*

Classification and categorising should not be an end in itself, nor a stigma or a self-fulfilling prophecy, especially not in the dynamic field of festivals. At the same time, it is exactly the great number and variety of festivals that makes standardisation essential. The great number and the diversity of the events examined in this survey cannot be described without (also) interpreting the data according to the classification of festivals as well. Cultural policy (or other branches of polity, such as tourism, regional development, etc.) also has to differentiate and categorise festivals according to certain criteria when developing its relation to them.

From the field of festival-like events there are two groups that we think are worthy of the NKA's attention: *all arts festivals*, and those festivals from the group of *communal festivals* in which the cultural content reaches a certain level (that the NKA may wish to specify). From this statement it does not follow that NKA's duty is to support all of these, only that these festivals should be able to apply for support by natural right. On the other hand, programmes that are neither classified as artistic, nor as communal with the necessary cultural loading, should not be entitled to apply for support from the NKA, even if they call themselves festivals, without denying their importance for tourism, sports, diplomacy or regional brand building.

As there is no practical or theoretical need for a sharp distinction between the two groups, it causes no confusion that arts festivals may be accompanied by the selling of gastronomic or souvenir products or that many artists participate in communal festivals.

All of the abovementioned types are *related to tourism*. Festivals of all kinds aim to attract "strangers", in addition to the usual local audience. Some manifest this goal more articulately than others; and some are more successful in this respect than others. This, however, is not to be regarded as the primary criterion of classification. The dimension of tourism comes to the fore when festivals are measured specifically from this point of view. When evaluating the applications for funding to the Culture and Tourism Board, the appeal of tourism counted for some 50%.

### *How many types are Hungarian festivals?*

While conducting research on Hungarian festivals in 2004, we asked the organisers to classify their festivals. At the same time, as a kind of counter test, we asked some experts to do the same. The latter distinguished 35 (!) types of festivals (including tiny groups, e.g. one includes only one item), but to make things easier, a final classification of 13 categories was made. The most numerous of these categories were those of classical music and the one named "other fiestas". The discrepancy in the two systems of categorisation confirms that it is reasonable to categorise for a certain specific purpose and occasion, and that permanent and set classification does more harm than good.

The rich variety of festivals is also reflected in the diversity of the programmes. In 2004 some 6000 art performances were staged and hundreds of exhibitions opened at the 230 festivals, accompanied by countless non-art events (fairs, sport programmes, cooking, eating and drinking, dance-house, etc.)

### *Crowd attraction*

How many people do festivals reach?

The 2003 national survey of the state of affairs in cultural life<sup>10</sup> showed the role that festivals and similar events play in the lives of Hungarians today. According to this, in a country of 10 million, approximately 4.5 million inhabitants between the ages of 14–70 visited some kind of programme or festival during the previous year. The most popular were the local festivals, events (city days, village days, fairs, all kinds of cooking contests, etc.): almost half (47%) of the 14–70 years olds visited at least one local programme during the year. Theatre, film, dance, choir, popular music or arts festivals claim a public of 1.5 million, 20% of the population between 14–70.

Among those who visited at least one festival (or a similar event) during the year, ca. 60% visited one, 20% two, and another 20% at least three types of the 14 festivals or types of festivals included in the survey.

Our survey on the year 2004 shows that the public of festivals constitute more than half the population of the country. Taking into account the recurring visitors (the number of people who have visited several festivals) we may conclude that the numbers correlate with and affirm those from the previous year.

International comparisons are of limited relevance, due to the fact that there is no international interpretation, “standardised” definition of festival as yet. We can still state that in richer, economically consolidated countries participation is higher; in other words, Hungary is far from being at saturation point. In light of the foreign data it is likely that the importance of Hungarian festivals in the realm of culture, economics and local communities will continue to grow (and in certain sections of society it will multiply). In *Germany*, at the loosely defined *Volksfests* the public is twice the number of the population (i.e., one German visits two festivities). A similarly high turnout was registered in *Ireland*, where one and a half times as many visited the festivals in 2002 as the population, i.e. 7.1 million people.

### *The place and date of festivals*

Our survey of 2004 has proven that the festival phenomenon is on the up-grade. Though the *busho* carnival of Mohács (“*busójárás*”) can trace its origins back to 1867, one-third of the festivals have been established within the last five years, and another third within the last ten years: festivals older than twenty years constituted 12% of the 230.

The majority of the events are organised annually, and in the same season. The duration of festivals varies greatly. The most popular types are the three-day-long and the six to 14-day-long series of events.

<sup>10</sup> Zsuzsa Hunyadi: *A fesztiválok közönsége, helye, szerepe a kulturális fogyasztásban* [Festival's public, role and place in cultural consumption], May 2004, Magyar Művelődési Intézet, Találkozások a kultúrával 2.

Three quarters of the festivals are held in one settlement only, and most of these are festivities of the settlement itself. The majority of these can be categorised as *communal* festivals, according to our previous description. About every tenth festival involves more than five settlements. The proliferation of *regional* festivals is a relatively new phenomenon. The earliest of this type in Hungary is probably the *Zemplén Festival*, but the *Valley of the Arts Festival* around Kapolcs has become the most emblematic.

### *Thirteen reasons*

How can we sum up the reason for the growing popularity and appeal of festivals? At an earlier time<sup>11</sup>, we collected thirteen potential answers.

1. Despite the differences, festivals have a common characteristic, and it might be exactly this trait that could explain their popularity and rapid spread. It is true of all festivals that they are more than just a series of events. Apart from the events, and the series of programmes, they provide a *communal experience* – an experience that one cannot have at home, isolated from the crowd. Visitors of festivals know that they have a lot in common with the other people there, due to similarities in taste and lifestyle.

2. Festivals *equate*. The collective experience, the simple fact of “being there” and eradicate the social differences that hold sway in everyday life for the duration of the festival.

3. Festivals collect the “bests” of a branch – be it arts or other fields: the best, the most interesting, most recent, most original etc. works, products, and performances. The visitor, apart from being *well informed* and *knowledgeable*, is granted the feeling of being *privileged*.

4. Festival acquaints the audience with other people, cultures, and forms of art, which reduces suspicion towards the unknown, promotes liberality and *strengthens tolerance*.

5. Local festivals may have several favourable effects on the local community. Apart from animating cultural life, *they enhance the feeling of identity*, especially if locals are involved in organising the festival, and are not only simply consumers of it.

6. Local festivals may fight the standardising effect of globalisation by presenting their own local values and their *uniqueness of locality*.

7. Festivals offer a lot of experience to otherwise “*culturally lazy*” people. It is especially important in the case of the uneducated layers of society that the “party feeling” of the festivals is appealing to them, and they may obtain experiences and knowledge that they would otherwise not or very rarely get. In the case of young people it has a special importance: they get a taste of culture and may become regular consumers of it.

8. The cavalcade of festivals often mixes more and less serious, the more and less valuable genres, and thus the more popular forms of culture might become the “hosts” of high culture – and wrapped into popular genres other forms of culture may be sold as well. Therefore festivals might have an *educating, taste-shaping* effect.

9. Festivals *turn certain fields of everyday life into special events*, such as eating or drinking. They not only offer the pleasures of ordinary life, but spread gastronomic and wine culture. Thus festivals revalue the “ordinary” man in command of such knowledge, and legitimise, what’s more, set as an example the indulgence in everyday pleasures.

<sup>11</sup> Zsuzsa Hunyadi, op. cit.

10. Organising and running a festival usually require the joint efforts of several organisations and institutions. This *strengthens teamwork skills*.

11. One type of the festivals, the amateur art festival offers an opportunity to its participants to awaken their creativity, to express themselves, an opportunity for self-realisation and to justify it to the public at large. Thus it *enhances* the participants' *self-esteem*, and *gives them the strength* to continue with their artistic efforts.

12. In the case of arts festivals, especially if they are international, the meeting with other artists and productions is *inspiring* for the artists, and it supports their artistic development.

13. Festivals allow the *development of the environment*, and ideally, also foster *economic growth*. The environment becomes nicer, old, neglected buildings gain new functions, and sometimes whole streets are revitalised. The population of the area has new work opportunities; they are given the chance to escape the despair of unemployment. In the case of a successful festival, the new, better image might have other additional effects: it might attract new investors, series of events, service companies, new representatives of science, economy, education and culture.

One may conclude that apart from direct cultural experience and/or entertainment, festivals have manifold benefits not only for the audience, but also for the participants, organisers and, in the case of successful events, for the wider environment as well.

## 2. THE ROLE OF FESTIVALS IN CULTURAL LIFE

### *Festivities of the past*

In the previous chapter we said that the first festivals in the contemporary sense of the word were festivities of the arts. These were exceptional, elevated occasions. At that time "festivals were still something special. They inspired a sense of pilgrimage. They celebrated interculturalism, the rare, the exotic. They offered things that weren't otherwise available."<sup>12</sup> In the article quoted here, the debate between two art critics in the *Financial Times* gives an excellent example of all the disillusionment, misgivings, hopes, bias and acceptance that are related to the development of arts festivals.

The keynote is that of disillusionment. Previously, festivals were like the aristocracy in the realm of arts, if not the monarch itself. By today the notion of festival has undergone "democratisation" to such an extent, that, according to the critic of the *Financial Times*, we have every reason to parallel it with the world of supermarkets and shopping malls.

Does this mean that festivals have lost their importance in the service of cultural progress? Not at all. In an absolute sense they have at least as great a role in the arts as previously, if not greater. Earlier, artistic innovation was an essential characteristic of festivals. Festival directors of the golden age could concentrate on arts programme and the sophisticated, elite layers of society. In the relative sense, however, festivals indeed have a diminishing influence on artistic development. The reason for this is that festivals these days are less

<sup>12</sup> Andrew Clark, op. cit.

characterised by artistic exploration, and even then they have to give way to other expectations as well. From being the festivity of the cultural elite, festivals have turned into events improving the feeling of comfort for people at large. This is somewhat similar to what happened to the parks and art collections of the aristocracy, or later to universities: what used to be the privilege of the few is today a natural part of the life of people at large.

### *The surplus offered by festivals*

What is the *artistic importance* of festivals that is relevant today and which cannot be replaced by anything else? Let us consider the quantitative aspect first. The arts, and especially the performing arts, must have occasions for performance. The needs and the realisation of the “*Erlebnisgesellschaft*” (“thrill-seeking, pleasure-hunting, entertainment-driven society”) are becoming widespread even in our part of Europe. Leisure is more appreciated even at an active age, and in addition, the growing proportion of a healthy, relatively prosperous senior population means a *massively growing demand for cultural products*. The growing demand of the public is not satisfied by the traditional offer of concert halls and theatres, which is one of the possible explanations for the proliferation of festivals.

Paradoxically, however, the phenomenon of experiential culture influences the quantity of art offered. Through processes not described here, the number of people producing art either as professionals or as amateurs and who are appreciated as artists by society at large is growing continuously. The population of Hungary has hardly changed since the 1960s, but in the field of the performing arts it is likely that only the number of circus artistes and gypsy musicians performing in restaurants has decreased. In contrast, the number of symphonic and chamber orchestras, contemporary and folk dance groups, theatre groups, and the number of participants in these groups have increased significantly. While earlier such groups had fixed employment and regular performing locations, today most of them would have much less opportunity to meet the audience were it not for festivals.

Festivals are indispensable for other reasons as well. European citizens today have several channels through which they consume the indispensable daily *entertainment* in several forms. Most of it comes to their homes through cable, satellite, Internet, mobile phone and through the ever increasing channels of communication. It is becoming cheaper and cheaper to travel, even to far-away places. There is an oversupply of goods one can buy, and still there is a shortage of *collective experience*, of places where people could interact creatively. A protective mechanism of culture against its rivals is that it transcends the usual forms and elevates the product into an *event*.

The cost effectiveness of stage arts is at a substantial disadvantage in relation to other industries. Live opera, concert and theatre performances have to fight for survival. There are attempts to diminish this impact (e.g. using a chamber orchestra instead of a symphonic one, or organising concerts at geographically close locations, thus diminishing the costs of travel and “downtime”), however the disease – the *Baumol-Bowen cost disease*<sup>13</sup> – has turned out to be incurable. This inherent drawback of their profession urges performing artists to look for opportunities to perform outside the institutional frameworks: this is an important stimulus of festivals from the supply side.

13 W. J. Baumol–W. G. Bowen, “*On the Performing Arts: The Anatomy of Their Economic Problems*”. *American Economic Review* 1965.

### *The spirit of location*

Arts are in great need of widening the scope of performing locations and occasions. Thus festivals help to extend cultural infrastructure.

And in this respect *more equals different*, it brings a quality surplus. To quote *Dragan Klaić*: “Most performing arts events still take place in structures that, as a type of edifice, originally emerged in the 17–18 century: the playhouse, the concert hall. For the last hundred years festivals have been a driving force in re-conceptualisation, expansion and inauguration of additional the artistic spaces...; festivals rediscovered and re-appropriated hundreds of churches, castles, fortresses and other places of cultural heritage to infuse them with traditional and contemporary arts, to reveal them as places of collective memory (*lieux du memoire*)...” And they did the same “to the urban margins, to the forgotten, dilapidated combat zones of poverty and post-industrial debris.”<sup>14</sup> The unusual *new space* inspires both author, performer and audience.

The spreading of the arts also has a geographic aspect. Dozens of city names are imprinted into people’s mind as a result of the festivals organised there. Festivals have redrawn the map of Europe. Few know which road to take to get to *Oberhausen* or *Bayreuth*, or where *Glastonbury* is, but millions of people are aware of the cultural role of these cities.

### *The opportunities for artistic creation*

The reception of a work of art at an unusual place or time (for example during the summer holidays) is of course no guarantee for catharsis, and not necessarily a more enduring experience than dinner at a garden restaurant. One does not expect this from the majority of events, but all the more so from the institution of festivals as a whole.

The majority of programmes undertake mediation as a task. They take the programmes to new places and new audiences. Other events behave as (co-) producers and commission new productions, thus assisting the development and the liveliness of cultural life. Festivals are especially suitable for this for several reasons. They can mobilise financial resources that are out of reach for permanent institutions. They almost always offer new linkages and novel setups, that in the festivals of our open world means international, intercultural interactions. This – together with the inspiring effect of unusual scenes – means an *added value of artistic resources*.

Promoting the arts is often among the primary, direct objectives of festivals, if there are workshops and debates among the programmes. What’s more: a lot of the programmes (and even some that are called festival) are actually exclusive meetings for professionals, where the outside public has only a marginal role.

From all forms of demonstration, festivals are the most suitable for connecting the various layers of culture (high and popular culture) and genres, and both the public and cultural-artistic sphere may profit from this. Art life profits from it because through efficient festival-design different genres may interact with each other. The public profits as well, because in this package they consume art that they would otherwise not, and also because these occasions are able to weaken (if not eradicate) the obstacles of unequal opportunities.

<sup>14</sup> *The Future of Festival Formulae*, delivered at a symposium on festivals in Amsterdam, in 2002.

### *Premiers at festivals*

Registering *new productions* requires a differentiated approach. A drinking-song performed for the first time at the wine festival and the premier of the opera staged at the Dóm square in Szeged belong to the same category only in a statistical approach. In 2004, 664 new performances were registered during the 1675 days of the 230 Hungarian festivals, i.e. there was a “premier” for every two and a half days. This is no small number, on the face of it. Especially if we believe that a great part of these productions wouldn’t have come into existence had it not been for the festival, and that through this, culture was enriched.

It has turned out that at least 29 *new theatrical premiers* were hosted by festivals (at least, because there might be theatre plays among the 58 new productions of the unspecified arts festivals). Professionals or amateurs? Good or immature? Without knowing the answers we may conclude that the festivals have added to the theatrical supply the repertory of several established theatres. It is impossible to get a more refined picture from a statistical survey – especially on such scale at a first attempt.

### *Foreign artists*

At the 2004 Hungarian festivals we surveyed some 25% of the artists who had come from other countries. In this respect our festivals offered good opportunities for inspiring artistic encounters. In some cases – such as the *Budapest Spring Festival* and the *Szeged Open-Air Festival* – foreigners constituted the majority of performers, or half of them, as in the case of the *Balatonfüred Arts Festival*.

It is somewhat surprising that the percentage of foreigners was almost the same in the amateur and professional circles. We suppose that this is the result of the great number of amateur folk groups and choirs invited.

In the structure of expenses, however, foreigners represented a percentage that confirmed expectations. Festivals spent almost 300 million forints (about €1,2 million) on the honorarium and other expenses of foreign artists and groups, which is almost half of the amount spent on the Hungarian participants, the other 75% of all participants.

### *Cultural values targeted by festival organisers*

Probably the most difficult task is to assess the cultural value of festivals. Value judgment in arts is always a controversial issue. It is difficult even if one wants to assess a certain performance, not to mention the evaluation of a festival with varied programmes. It is not easier either to make judgments after the festivals than before, when one knows only the names of the invited artists and the programme.

The survey – following the practice of sociological data collection – approached the question of the objectives of the festival organisers in two ways: with open questions, leaving the actual wording of the answer to the organiser, and with closed questions, offering a choice from a check list of set answers.

From the twenty options presented to the organisers of the 230 festivals, more than half chose “artistic values” as an aim, and “introducing foreign productions” was chosen by half of them. Only a minority marked “opportunity for professional debut” as an objective, and “encounter of different professions” was the main goal for only 6%. The *topmost objec-*



*tive* of festivals (40%) turned out to be “producing high artistic values”. However, we should have some reservations about this, as a few minutes earlier, when asked an open question, most festival organisers cited some aspects of tourism as the first place – but this will be discussed in the next chapter.

### 3. THE ECONOMIC ROLE OF FESTIVALS

#### *Cost and benefits of festivals*

Festivals (and similar events) have high costs and are rarely organised for direct economic profit. In general, festivals are loss-making on a “direct level”, and therefore need to be heavily subsidised, typically from public funds. It is obvious, however, that festivals contribute to the boosting of the economy on several levels, both directly and indirectly.

The economic role of festivals is the most apparent in their effect on *tourism*. Festival-tourists are high-spending tourists. Festivals add to the attractiveness of destinations of tourism, and offer additional programmes for tourists visiting for other reasons. They engender an extension of the tourist season. Commerce generated by festivals is of various kinds, from ticket prices to the travel costs of visitors. Thus the beneficiaries are of various kinds as well: ranging from the organisers of the festivals to the state benefiting from the taxes of air tickets or petrol prices.

The *local government*, positioned in between the two ends (the festival organiser and the state) should receive special attention. Apart from the spending of the guests one has to consider the sums paid on the spot in connection with organising and running the festival. Indirect economic profit is also significant – it is the result of the settlement’s (usually a town) growing appeal to tourists, investors and developers, and its increased reputation. To a certain extent all festivals attract media interest, and they are more likely to attract influential journalists than many political, economic or social issues.

We have so far discussed the economic impact measured by the income, however, it is equally important to consider the effect of festivals on *employment*. It can be described in a similar way, as a series of concentric circles: from the employees of the festival organiser and the contracted artists to the petrol station attendant.

#### *For how much?*

As the number and significance of festivals was growing, attempts to measure economic impact became more frequent and refined. Although expenses are rather simple to measure, aggregating the “income” is much more difficult – as we have seen from the short description above. Indirect profit might be estimated through various methods of calculation. The most widely used method takes the average *spending* of one visitor and multiplies it by the number of visitors. In other cases, based on experience, the actual numbers are multiplied to show the incidental expenses (from the town’s viewpoint: income) related to the festival. Of course determining the “spending of the average visitor” and the multiplier mentioned above requires great expertise.

Festivals have long-term economic effects as well that cannot be quantified in themselves. Their value can only be outlined by estimated substitutes. For example: what alterna-

tive ways or means could achieve the same improvement of the organisational, catering or servicing skills of the local residents? How could they become a more tolerant, polite work force – a change that would last for the remaining 51 weeks of the year? The growing feeling of belonging (discussed in the following chapter) also brings indirect economic benefits, as the look of the town improves, it becomes more attractive, people become more aware of such aspects, and it brings along changes ranging from civil activity to the local government’s willingness to invest in the infrastructure.

During the survey we were careful when drawing conclusions. Here are a few examples of the *dilemmas*.

It is difficult to distinguish from the total spending during the festival that which would have been spent without the festival. A simple example: the income of a snack-bar also includes consumption by locals who have contributed to the business so far and will continue to contribute the next week. Or: spending of visitors arriving from a neighbouring county would also affect the national economy if they stayed at home. These examples prove that to calculate the total impact is so complicated and requires so many data that often it is too much of a hassle for the information to be sought.

### *Spending*

Surveying the public can collect data on the spending of the visitors. During our research we had the opportunity to carry out such surveys at six festivals.

**Table 1**  
Average spending per visitor

	HUF thousand	€ (rounded estimate)
Budapest Wine and Champagne Festival	36.6	147
Keszthely Dance Festival	14.7	59
Pécs Days	11.7	47
Szolnok Artistic Week	12.7	51
Tokaj Autumn	27.6	110

Visitors who come a long way spend more. Especially so if the purpose of the trip was the festival itself: in Pécs and Szolnok visitors of this type spent twice as much as the average. Higher spending in these cases is not only the result of the evidently higher expenses on lodging and transport, but rather because these visitors intend to spend more on entrance tickets, food and other programmes.

The events in Szolnok proved to be of local interest, insofar as 93% of spending derived from ticket sales, and only the remaining 7% was related to tourism. In Tokaj the same amount was spent on buying goods (bottled souvenir?) as on accommodation and food combined, whereas visitors to the wine festival in Buda spent an average of almost 10,000 forints (€40) on hotel rooms.

### *Goals of tourism*

To what extent do festival organisers consider the goals of tourism? We have already given the answer at the end of the previous chapter. In free association questions this was the most often recalled objective (as we mentioned earlier) with 26%.<sup>15</sup>

Tourism was a runner-up in the case of closed questions as well: 30% chose “enhancing tourism” as an objective. It was more surprising here that fewer festivals chose the boosting of economy and financial profit as a reason (2<sup>nd</sup> and 3<sup>rd</sup> position). This suggests an attitude where tourism is considered as a kind of decent service and it is regarded as being inappropriate to equate it with economic profit.

It shows an interesting concurrence with the interviews conducted with the *leaders of local government* (in certain cases, the mayor) of the 15 festival-organising settlements, from the little villages of the Kapolcs valley to the town of Szeged. We have offered them nine goals to be rated from one to five. They ascribed higher importance to the impact on (domestic) tourism than on the local economy in general (the rate is 4.2 – 3.6, so the two values are closer than they were in the responses of festival organisers.) It is somewhat peculiar that in this round of questions the impact on foreign tourism was rather underrated (3.6).

If a settlement includes a festival in its official *development plan*, it is most probably a sign that the economic importance of the event is recognised. We have inquired about it in our survey. One-third of the festival organisers mentioned that the event had a *very important* position in the settlement’s development plan, and another third was aware of its *important* role.

It is more difficult to be included into the *micro-regional* and *regional plans*, still, respectively 17 and 15% percent of these assign a very important role to festivals (according to festival organisers).

### *Festivals create jobs*

We had research at our disposal on the 75 leading festivals of the United Kingdom<sup>16</sup>, with which we can compare our own data.

There is a striking concurrence in the case of the staff of almost one hundred people per festival. However, there are also important differences in the structure of employment. Whereas in the case of Hungarian festivals approximately half of the staff are paid workers and half are volunteers, in the case of British festivals this rate is 10–90%: on average 12 paid workers and 86 volunteers are employed.

The size of the Hungarian staff can be explained by the fact that half of the festivals in the survey are organised by local governments, and some of the employees work on the festivals besides carrying on with their other jobs. The structure of expenses shows that in Hungary 6% of it covers the payment of the organisers and the staff, whereas it is 16% in Britain. The difference will be all the more striking if we consider the fact that they employ

<sup>15</sup> For example “establishing new tourist attraction in the region of Zirc and its neighbourhood” (Castle Plays in Csesznek), “reviving a less busy season, after the peak season” (sausage festival in Csaba), or “tourist spectacle, a colourful swirl” (Agria International Folk Dance Festival).

<sup>16</sup> *Festivals Mean Business II. The Shape of Arts Festivals in the UK*, 2002, A British Arts Festivals Association Report, Researched and written by Keith Allen and Phyllida Shaw

only one-third as many paid workers. Consequently one-third as many people (45/12) receive three times as big a share (16/6) from the expenses of the festival. It is possible, of course that the data distort, for example because part of Hungarian costs is paid through the hidden economy. In any case, it is also clear from these data that Hungarian festival organisers would make more money if they organised the festivals in the UK.

**Table 2**  
Number of employees

	Hungarian	British
Employees	10,280	891
Volunteers	11,645	6,442
Total	21,925	7,333
All staff / festival	96	98
Paid employees / festival	45	12
Volunteers / festival	51	86
Number of festivals	228	75

However, the focus of our research was not earnings but the size of the staff, and in that sense we should emphasise again the average of 45 people employed per festival, which means the a total of 11 thousand people are employed (temporally) by festivals.

#### *Festivals and regional disparities*

Employment is of differing importance in the capital and in the regions with high unemployment (for example in Zemplén, where the *Zemplén Days* provides temporary income for 40 people). During our research we have taken into account the regional distribution of festivals. The dominance of the heart of the country is evident again: one-fourth of the programme series were organised in the Central Region including Budapest and Pest county. Within this, half of the classical music and theatre festivals are concentrated in this region. On the other hand, three-fourth of popular music festivals are organised in the two Alföld regions in eastern Hungary. Folk art and amateur events are somewhat predominant in the southern and western Transdanubium and in northern Hungary.

It is not surprising that 47% of NKA's grants for festival was distributed in Budapest or Pest County, for events that make up 28% of all festivals. The last on the list is Southern Transdanubia, with 2% of the funds.

## **4. THE SOCIAL IMPACT OF FESTIVALS**

As we have mentioned, several towns have become known for their festivals and have enhanced their reputations. In addition to Bayreuth, Oberhausen and Glastonbury we could also include *Pori*, usually associated with its jazz festival; *Avignon*, better known today for the theatre festival than for the famous bridge and the papal monuments; *Venice*, *Cannes* and *Karlovy Vary* are also often remembered for their cultural programmes; the events of the

1968 *Prague Spring* actually borrowed the name from the festival. Experience shows that such incidents greatly contribute to the strengthening of the local's *pride* and *attachment* to the place, and to the feeling of *solidarity*.

No worldwide success is necessary to evoke stronger attachment to one's hometown. Preparing for village days, the joy of carrying out something is just as good for mobilising co-operation and for enhancing the feeling of belonging together and self-esteem.

In this utilitarian world it is difficult to separate the material betterment from the symbolic "added value" that festivals have on enriching the hosting town. If the reputation, appreciation, image and fame of the town improve, it becomes apparent on the business side as well as *image, visibility and goodwill* – and the town can go straight to the stock market.

### *With festivals for local pride*

Our surveys showed that the social role of festivals was not in the focus of the organisers' mind. To the open questions on the objectives of the festivals, no one mentioned attachment, solidarity, self-esteem, pride or any synonyms. Only a few mentioned *tradition* (creating or preserving it, etc.). 8% of the organisers mentioned the aim of creating a tradition, 3% preserving historic traditions, 2% festive traditions and in further 9% of the cases it was the festival's objective related to traditions.

However, in the case of the closed questions, when they had to choose three from twenty listed values, social aims gained more emphasis. The fourth most frequent answer was folk traditions, 24% of the organisers included it among the three main objectives of the festival (we cannot tell of course how many of them had local traditions in mind). 9% hoped to enhance the "reputation of Hungarians". The following values are more directly related to our topic:

- an image associated with the settlement – 21%
- joint activity for the locals – 9%
- enhancing the local identity of the local population – 8%
- strengthening the identity of ethnic minorities – 2%

It is thought provoking that the last viewpoint received such a low result and is the last on the list. In various historic and cultural environments, in Canada, Australia and New Zealand – with reference to the indigenous population – *minority culture* receives the highest official priority, which probably is reflected in the festival organisers' own ranking of objectives as well. In our historic and cultural conditions, however, it would be advisable to put more emphasis on minority values, if for no other reason, then in the hope that the neighbouring countries will do the same.

Irish festival surveys show that the aspects of local society are also much stronger there than in Hungary. In Ireland, improving the settlement's and the region's reputation is a close runner-up after artistic value and the boosting of tourism is among the main aims of the festivals.

In the interviews conducted with 15 heads of local government, festivals that have an impact on community life received a rating close to "very important" (3.9). An even higher importance was assigned to the following social aspects of cultural festivals:

- general reputation of the settlement – 4.5
- to make the settlement well-known in Hungary – 4.3
- tidiness of the settlement – 4.1

Setting an objective is not the same as fulfilling it, though. The latter can be best measured by surveying the local population; unfortunately, however, we had no means to carry out such research and we wouldn't collect data on to what extent the inhabitants of a certain settlement identify with the festival organised there. The East Midland research, which we have already quoted, showed that two-third of the people interviewed – locals and foreigners as well – had a more positive attitude towards the place as a result of the festival.

We have described the subjective side of the attachment. An objective sign of the extent to which festivals are connected to their location is that more than half of them were organised by municipal institutions (cultural centres, youth centres, theatres, etc.) or by the local government itself. When analysing the programmes we found that almost 80% of amateur programmes and contests were organised in a municipal framework. 80% applies to another value as well: this is the proportion of festivals that receive support from the local governments – this is a bigger number than that of the festivals where entrance tickets are charged. We consider these data as signs of the festivals' local embeddedness.

### *Volunteers*

We touched upon the issue of volunteers in the previous chapter, from the point of view of employment. The participation of voluntary workers in running the festival can serve as an indicator of the festival's local embeddedness. We have seen that almost *12 thousand volunteers* worked at Hungarian festivals. Unfortunately, our data do not enable us to express the volunteer work in working hours or days.

A special form of voluntary work is when it is not the individual worker but his employer who offers the services free of charge. The interviews confirmed that *local governments* usually offer the greatest help by providing workers (generally employees of the cultural centre) free of charge. It has special importance in cases when the municipalities are not the organisers of the festival. If the organiser is a state-run cultural institute, it is impossible to estimate the support of the festival, as various units of the institution participate in organising the festival.

We know – and the British data support this – that participation free of charge has a strong tradition in Western Europe, more specifically in the English-speaking world. In each of the 11 festivals of East Midland, 33 thousand hours of volunteer work was registered on average, which equals 375 working days. The researchers emphasised that *localism* was the main driving force behind this phenomena.

### *Amateurs*

Another form of voluntary contribution to the festival's success is that of the *non-professional* artists who perform free of charge. The number of performers at the festivals in total was around 25–30 thousand, which means on average 130 amateur artists per festival. This number is of course not completely valid, as it is impossible to calculate how many amateurs performed several times. However, one may state that the festivals examined created ca. 2,530 opportunities for performance for amateur artists.

The high number of amateurs can be connected to local embeddedness in the sense that in a great part their own community is their public. And if they perform at other places, amateur groups usually bear the name of their hometown or region.

We have already remarked that *Erlebnisgesellschaft* also acknowledges the need for artistic self-fulfilment of its members. Not only receiving or consuming culture can be a form of entertainment, but one that creates it too. The traditional system of cultural institutions is not able to host the numbers mentioned in the previous paragraphs, thus amateurs' desire to perform turns towards festivals.

## 5. FINANCING FESTIVALS

### *How much money is involved at Hungarian festivals?*

The result of our survey showed that in 2004 the cultural events we have analysed managed a budget of almost 6 billion forints. Based on various sources we presume that the total expenses of Hungarian cultural festivals exceeded 8 billion forints. (For comparison, this is almost twice as much as all municipalities of an average Hungarian county spend on culture annually; or, it is almost as much as all local governments in Hungary spend on museums during a year.<sup>17</sup>) At the top of the list we find those festivals whose budget exceeded 70 million forints (every twentieth event we have surveyed belongs to this group):

**Table 3**  
Festivals with the biggest budget in 2004

		million HUF <sup>18</sup>
1	Sziget Festival	1,450
2	Budapest Spring Festival	786
3	Szeged Open-Air Festival	622
4	Budapest Summer Opera and Balley Festival	200
5	Valley of the Arts Festival	150
6	Budapest Autumn Festival	123
7	Savaria Historical Carneval	103
8	Festive Games in Ferencváros	72
9	Hegyalja Festival	70
10	Gyula Castle Theatre Arts Festival	70
11	Mediawave International Film and Music Festival	70
12	Jewish Summer Festival	70

<sup>17</sup> Katalin Dudás: *Kísérlet a helyi önkormányzatok közművelődési és kulturális kiadásainak meghatározására, mérleg-beszámolójuk alapján* [Attempt to define educational and cultural expenses of local governments, based on their balance reports], 2006 Budapest, Magyar Művelődési Intézet

<sup>18</sup> In 2004 ca. 250 HUF = 1 euro

The frequent occurrence of round numbers might make the readers suspicious, to say the least. In connection with this, it has to be noted that numbers ending with zero are probably the result of rounding up at a scale of five million. A possible and probably the most important explanation for this is that if data is recorded during an oral interview with the festival organiser (and not the financial manager), it is not always possible to get hold of the final, detailed and consolidated budget. We assume, and the answers to the more detailed questions confirm this, that this liberal way of handling numbers does not distort the judgment of the phenomena. Especially not if the aggregated complexity of events is analysed. However, we assume that the demands of the financing partners (not in the least institutions of the European Union) will eventually force festival organisers to be able to account for their management by up-to-date data.

### *Expenses*

We were surprised by the similarities of the data gained in our survey with the 2000/2001 British statistics. The only significant difference – which we have already mentioned when discussing voluntary work – is that in Hungary the organisers have to contend with paying much lower salaries. The bulk of expenses (almost half of it in Hungary) goes to artists and productions.

**Table 4**

Structure of expenditure in the Hungarian and British festival market

	Hungarian	British
	%	%
Honorarium and other expenses of artists, groups	47	44
Expenses of various non-artistic events	1	-
Salaries of organisers and staff	6	16
Technical expenses	18	12
Administrative and operational expenses, incidental expenses (copyright, insurance, licences, etc.)	9	8
Brochures, advertising, PR	9	11
Other expenses	10	8
Total	100	100
<i>Number of festivals providing data</i>	<i>177 festivals</i>	<i>41 festivals</i>

### *How was money raised for the festivals?*

From the 238 festivals we reached with this part of the survey we have received a detailed statement on the source of funding in 211 cases. 35% of the whole budget was covered by own resources (mainly from revenues) in the case of the 211 events that represented the top of Hungary's festival market in 2004. As in most of the cases it involves performing arts, it is easily comparable with the revenues of concerts, theatres or other events organised in an institutional framework. We believe that festivals pass the test. The second biggest budget item is the 20% received from sponsors. This is followed by municipal resources and state subsidy: both 18–18 %. The grants of the NKA constituted a mere 3% of the incomes. NGOs provided support that is hardly traceable in the total budget, whereas media contributed 1%.



We have compared our data with that of the most significant British festivals from three years earlier<sup>19</sup> and we have found *significant accordance*. This is a pleasant surprise, as it suggests that the economic philosophy of our festivals is not crucially different from the time-honoured British festival culture. The bad news is however, that even falling into line with British festivals adapted to market economy will not bring structural rearrangement of resources. If we regard the British data from three years ago as a kind of future prediction toward which the Hungarian festival system proceeds, we will have to accept that in the total percentage of local, central and international subsidies will remain on the present level, around 40% (including donations by individuals, which is hardly existent in Hungary). On the other hand, if the total share of local and central support falls significantly under 40%, it would mean losing the balance and a hang in the development.

**Table 5**  
Distribution of resources in the festivals' budget in Hungary  
and in the United Kingdom (%)

	Hungary (2004)	UK (2000/2001)
Own resources	34	42
Sponsors	20	14
Media	1	no data
Bank interest	-	1
Municipal subsidy	18	13
Central state subsidy	18	0,5
NKA (Arts Council) grant	3	6
Regional cultural funds	-	7
National lottery fund	-	1
Grants from foundations	3	9
EU support	0,1	0,2
Private donations	0,3	3
Other resources	2	-
Total	100% (211 festivals)	100% (75 festivals)

It is worth mentioning another difference: among the own resources of British festivals apart from ticket revenues incidental income is also mentioned, whereas in Hungary – at least in registries – it is invisible. On the other hand, it is surprising that our festivals register more support from sponsors than in Britain, which has a high reputation for arts and business relationships. Setting aside the vagueness of categorising (private donations and support might increase the sum of our sponsors' support), we have to admit that we cannot count on significant reserves in this sphere.

The correspondence of the data of the two countries is somewhat spoiled if we point out that in the case of Hungarian festivals that provided detailed accounts, an embarrassingly wide variance can be seen.

<sup>19</sup> Allen-Shaw, op. cit.

**Table 6**

Distribution of sources in cases where these sources were available (%)

	Percentage of festivals where this source was available, 2000/2001 British festivals	Percentage of festivals where this source was available, Hungarian festivals of 2004	Percentage of the source in the budget, in case of Hungarian festivals <sup>20</sup>
Own resources	80	77	37
Other resources	No data	22	26
Sponsors	86	60	25
Media	No data	6	9
Municipality	81	78	39
Central	5	37	27
NKA	80 (Arts Council)	42	21
Other grants	60 <sup>21</sup>	28	20
EU	No data	2	25
Foreign grants	No data	5	9
NGO	(see foot note)	11	15
Private	66	12	15

From the 211 Hungarian festivals that provided data 77% had revenues from ticket sales or from other sources, which is hardly less than the 80% measured in Great Britain. In the case of 77% of festival (i.e. which had their own resources), this heading made up 37% of the whole budget. (Unfortunately British data did not provide information on this.)

The two previous tables show that in Hungary funding from sponsors is more concentrated: fewer festivals are supported by them, but with bigger sums.

### *Business support*

By business support we mean sponsorship based on a marketing agreement as well as donations by firms. Although financially these cases exclude one another, in practice their judgment and treatment are often blurred in Hungary. The majority of those involved do not pay attention to the form. The borders of these two notions, business promotion and charity are blurred in the sense that most cultural organisations or projects consider it a benefaction if a firm advertises itself through them.

*Individual support* should be a separate category, however, in case of festivals it is usually manifested as voluntary work (discussed elsewhere). Our data shows that in Hungary 12% of festivals received donations from individuals, where it made up 15% of the necessary funds. 15% of the 12% equals 1.8%: we would assume that in the budgets of Hungarian festivals these donations would have the same share. However, our accumulated data show only

<sup>20</sup> This column only refers to the 203 events surveyed in the spring research.

<sup>21</sup> In the British data there is one category of "grant-making trusts", NGO's grants are not a separate heading. The year 1999/2000 brought great increase in this sphere: while in 1998/99 only 8% of festivals received grants, in 1999/2000 this number increased to 44%.

0.6%. It follows therefore that support from individuals plays a role in festivals with smaller budget, but has a smaller significance on a national scale. It is still rare in Hungary that members of the economic elite donate from their private assets (usually a private foundation) instead of through their firm.

A limiting circumstance of business and private support is that the majority of supporters are unwilling to share this role with others, and especially not with anyone who could represent the slightest competition on a given market. But to become the main sponsor of even a smaller-scale event, a bigger offer has to be made than what firms are willing to spend on a festival. The thus developing “sellers’ market” is the reason why a main business sponsor receives a much more prominent role in the programme magazine than the local government or other state-run institutions, even though these actually contribute with much more.

In light of the above-mentioned points it is surprising and unexpected that in the budgets of last year’s festivals the 20% provided by sponsors is actually more than that offered by either the local governments or by state administration.

The complexity of festivals makes it possible for supporters to contribute only to certain parts of the programme. This is indeed the case: almost all single productions (professional and amateur as well) are backed by supporters. The subsidy often covers the actual costs of taking part in the festival. If, however – and this is the most common case – the support is not received in the framework of the festival but goes directly to the production (orchestra, theatre group etc.), it remains hidden in the financing of the festival. This naturally applies to state, municipal or other subsidies as well, affecting the productions and their artistic groups.

### *Public funds*

State support for festivals will be discussed in the next chapter. Now we would only like to point out the role public funds had in the financing of festivals in 2004.

Funds awarded by *NKA* made up only 2.7% of the total sum. It had, however, concerned 42% of the festivals examined, and in this circle it means a significant contribution, on average 21% of the festivals’ budgets. 37% of the festivals received subsidy from the state, mainly from *ministries*, on average covering 27% of their total budget.

On other grant programmes 28% of the festivals were awarded support, securing 20% of their budgets. As in the accumulated expenditure this makes up only 3%, it is no great problem that we do not know the public and other shares in these grants.

## II. STATE SUPPORT FOR FESTIVALS

### 1. PRINCIPLES, FRAME AND OBJECTIVES OF PUBLIC SUPPORT FOR FESTIVALS

#### *The Hungarian system of subsidies*

In 2004 the organisers of cultural festivals in Hungary were eligible to apply for support to several institutions:

- NKA's Culture and Tourism Board
- Minister's fund at the NKA<sup>22</sup>
- The 16 permanent Boards of the NKA, supporting various fields of culture
- The Ministry of Economy and Transport
- The Ministry of Youth (part of a complex ministry with a long name abbreviated to ICSSZEM)
- The seven regional development councils
- The Regional Development Operational Programme of the 1<sup>st</sup> National Development Plan

Apart from a general support for the festivals, the various performances could also apply for subsidies separately, to such as the permanent Boards of the NKA. In certain regions they were eligible to apply to separate grant programmes, such as the Balaton Development Committee. During the survey or in the reports submitted to NKA we have encountered other grant programmes.

The above list suggests a *logical system* based on a strategic approach, consisting of well-matching elements. Unfortunately, this is not the case, because *the system of support is never the same, not even in two consecutive years*, and not even in its main features (not to mention the funds allocated). By the time this report is written, after parliamentary elections and the composition of a new government, the whole government system will have been rearranged.

In 2004, 1233 projects categorised as *events* received funding from the NKA (including the ministerial fund and the ad-hoc boards). A great many of the supported events were not festivals but rather various meetings, for example conferences and workshops, especially in the field of cultural heritage. The *Culture and Tourism Board*, established specifically for the support of festivals, distributed 200 million HUF (ca. € 800 thousand) among 79 events in 2004; the average grant amounting to 2.5 million HUF (€ 10 thousand).

The Ministry of Economy last announced grants in 2003, when festivals with an impact on tourism, organised in 2003 and 2004 were eligible to apply for the almost 700 million forints (€2,8million) distributed. 72 festivals were supported, the greater part of the amount being appropriated for events realised in 2003, and somewhat less than 250 million in 2004.

2004 saw a joint initiative of the ministries for culture and tourism. The so-called *registration procedure* aimed at eliminating eventuality and to serve *strategic planning* of state support to festivals. The aim was to create the minimum safety of planning and perspective

<sup>22</sup> Up to 25% of the funds of the NKA is at the discretion of the minister.

for the most important agents of cultural tourism. The major professional associations were involved, over a hundred festivals were scrutinised by a number of criteria and a few dozen were selected, with recommendations to give them priority in funding. The endeavour is indeed laudable and progressive; therefore it is regrettable that due to various structural and personal changes the output of the procedure never got beyond the planning stage. At the same time, we must admit that we found some of the same deficiencies that we also encountered in connection with the calls formulated by the Culture and Tourism Board.

Within the framework of the first *National Development Plan* (more specifically, of the regional development operational programme) an application was announced in 2004, entitled "To develop tourism attractions". In principle festivals could also have profited from these investment funds, however, we have found nothing to indicate such in the list of the awarded projects.

The National Development Plan is related to *EU-resources*. In theory, the EU's cultural co-operation programme, Culture 2000 could support festivals. However, the nature of the programme is such that makes it cumbersome to establish whether or not any of the Hungarian festivals were even involved in a project awarded by Culture 2000, either in their entirety or with a section of their programme.

#### *State support in 2006*

Since indeed so little remains unchanged with regard to the state support to festivals, we have collected data on public subsidies in 2006, the year of editing this summary. The table in the *Annex* contains the list of festivals that received €10,000 or more from various public sources<sup>23</sup>.

The NKA has become the main sponsor. In the entire record of grants for 2006 we found 112 grants given to festivals. The majority of the cases and the overwhelming majority of the amount was recorded by the Major Cultural Events Board, which had the capacity to support festivals at an unprecedented scale.

State administration responsible for promoting tourism has disappeared as a supporter. The aims of tourism were represented in the subsidies given out by the seven regional development councils. Youth festivals were subsidised by the ministry with the somewhat cumbersome title ICSSZEM (dissolved after the change of government in summer). The open-air theatre fund is a recurring amount divided each year under the auspices of the culture ministry. Although these sums are spent on more than festivals, they were included in the list.

#### *Cultural and tourism festival funding in the world*

During the survey, we contacted IFACCA<sup>24</sup>, the international organisation of arts councils and similar organisations. Our ten questions regarding governmental funding of festivals were published in the electronic newsletter of the organisation, and as a result we have received information on the practice of institutional culture funding from public funds, mainly from the English-speaking countries. We also processed and analysed a number of

<sup>23</sup> An exchange rate of 265:1 was applied between Hungarian Forints and the euro.

<sup>24</sup> Assistance to arts and culture festivals, Ifacca D'Art Topics in Arts Policy, number 21, op.cit.

other available printed or digital documents. In addition a member of our team attended a related meeting of the organisation *Les Rencontres*<sup>25</sup>.

Given the importance attributed to the economic function of festivals in a number of countries, we had every reason to expect that the objectives and criteria of culture funding agencies would emphasise tourism, employment and the income impact of festivals. Our inquiry, however, did not meet such an expectation. In a number of countries there are significant public resources for the purposes of funding cultural and community festivals (the two groups can often be distinguished by close text analysis only), applying sophisticated structures and schemes. These, however, almost exclusively focus on cultural criteria, above all innovation and diversity, with special emphasis on minority cultures. We found that no aspects of tourism were considered during the evaluation process.

It seems that the combination of cultural goals and developmental funds with those of tourism in calls for proposals for festivals was a uniquely Hungarian administrative feature, similarly to the simplified entrepreneurial tax (EVA) or the free donation of one percent of personal income tax to good causes. Just as these two evoked international interest and had followers, we have also perceived certain interest in regard to the joint tourism and culture grants.

The growing importance of festivals is widely acknowledged all over the world. Accordingly, festivals sometimes receive huge governmental funding. Both the statements to our questions and empirical data reflect awareness of the economic, tourism and social impact of festivals, moreover, in other parts of the world this recognition seems to be more apparent than in Hungary. How can we explain that we found no case of combining aspects of tourism and of culture in the calls for proposals and in the evaluation process in such a balanced way as was the practice of the Culture and Tourism Board?

One reason might be the assumption that the richer, more consolidated societies can afford to regard festivals mainly as events improving the quality of life – i.e. as cultural phenomena – and consider their economic benefits as an extra “bonus”. Or is it like the egg of Columbus? An obvious recognition – linking funds and criteria of culture and tourism – was made in Hungary.

### *The rationale of state support for festivals*

Public support for cultural festivals is thus a natural practice all over the world. Reasons and objectives certainly differ, not only by country but also by administrative period. However, in one country and at one time the motives of various government agencies vary. We have collected the respective reasons to fund festivals, as supposedly demonstrated by various public agencies: the more “x”-s are in a cell of Table 7, the stronger the interest of a kind of supporter is.

The role of festivals will continue to grow in the near future. The importance of such cultural events will increase in the progress of the arts, the development of communal life and not least in the strengthening of competitiveness in tourism. State subsidising can assist festivals in several ways so that they can fulfil these roles. The *sine qua non-criteria* is undoubtedly the existence of funds – but there is more than just that. A well conceived, pre-

<sup>25</sup> Festivals and urban identity, Ljubljana, February 24–27, 2004.

dictable, consistent and professional funding system can guarantee the good use of these funds.

**Table 7**  
Reasons to fund festivals

Aspects		Government Funds			Other Funds	
		Culture	Tourism	Regional Dev-t	Municipalities	Business
Visitors	Numbers	XX	XXX	XX	X	XXX
	Composition	XX	X	-	X	XX
Cultural values	Innovative creations	XXX	X	XX	-	X
	International aspects	XX	XX	-	X	X
	Employment of artists	XX	-	-	X	-
Economic aspects		-	XX	XXX	XX	-
Regional aspects		XX	XX	XXX	-	-
Community	Strengthening cohesion	XX	X	X	XXX	X
	Participation (volunteers, amateur artists)	X	-	X	XX	-

### *Predictability*

The most important condition would be *predictability*. At the time of writing, this is the greatest deficit. By predictability we refer to the certainty that in the following year (or years) there will be a customised application for festival funding. It would be some kind of a warrant if the NKA had a permanent festival board. In the present circumstances the NKA has limited means to enhance predictability.

### *Differentiation: the top*

Examining the elements of Hungarian festival funding, we have found that the system is rather articulate. We still feel the need for further but sustainable differentiation in the funding system.

There is a group of *outstanding festivals* that have already been established and proven to be successful. They deserve to be exempt from the need to reapply for public funding every year. This differentiation would presume a closer cooperation with, and a strategic influence of the state. But this should in no way mean the taking over of decision-making about profile and programme – a good example is the Budapest Spring Festival, that has been subsidised in this form for more than a decade, but without the state administration's influence on the programme itself. The system is far from being perfect; there is far too much insecurity in it. However, it is an assurance that the funding of the Spring Festival does not depend on filling out applications and on the jury's decision, but in the long-term, on strategic agreements. When we propose a similar construction for support for a few more festivals, we don't question the primacy of the Budapest Spring Festival that it has achieved not only because of its venerable history but also due to its professionalism proven year by year: in the best known European ranking it receives a higher rank every year, and last time it was the 25<sup>th</sup> on the list.<sup>26</sup>

<sup>26</sup> <http://www.lokalefestiviteiten.nl/>

We don't propose a new open application to establish the circle of festivals exempt from yearly applications. Nor do we support the secondary analysis of the data collected during the registration procedure. An *ad hoc committee* could do the job.

1 As a first step, the professional body would review the documentation from various sources (NKA, Hungarian Tourist Authority, the present survey, etc.), and could ask for more information on the festivals selected in the first round, and primarily on their strategic plans. Independent experts could be involved at this stage, to analyse certain details, and it would be useful to cooperate with trade associations as well. Based on the available documentation, supplementary materials and on possible expert opinions the body makes a proposition on the list of outstanding festivals. The number of festivals in this circle would not be decided upfront. The number would also depend on the sum designated for the purpose – which could also develop during the process. We have 5–20 outstanding festivals under consideration.

2 With this special circle of festivals the funding organisations (Ministry of Culture, NKA, tourism agencies, the local authorities involved) would negotiate on the principles, criteria and size of support. The supporting organisations may also decide on the principles and practice of monitoring.

The essence of the system is a perspective of several (at least three) years, but it is adjusted every year. It must be clarified at the outset in what way the priorities and amount of the subsidy may be modified to a certain extent (20–30%?) annually.

3 In this system *predictability* and *flexibility* has to go side by side. The state of being an outstanding festival is not for good. Any of the parties may conclude that the advantages or the conditions of the unique cooperation have ceased to apply, and thus the festival may fall out of the circle. Others, on the other hand, may get in.

As there are elements of exclusivity in this procedure, one has to focus even more closely on transparency, and make certain that the conditions of support gets enough publicity and is explained sufficiently.

### *Differentiation: the next batch*

Based on the experience gained over the last few years another approximately 50–100 festivals would constitute the group that the government considers important, but is not able to guarantee resources for several years in advance. For them it is indispensable to apply for support on an annual basis.

It seems that there is now little opportunity for reviving the joint culture and tourism tenders for festivals. However, in case of parallel supporting schemes on the level of central government it would be very desirable to co-ordinate the objectives and criteria applied in them. (In 2006 we found no sign of explicit co-ordination between the channels identified in the table in the Annex.)

This second batch of state supported festivals should be open, in the sense that the actual composition of the group would become final at the time of announcing the result of the evaluation of the bids for support. The agency that issues the call for application can, however, partly close the circle by defining the tender by invitation.



As a means of preventing the usual symptom of giving too little to too many applicants, it is advisable to set the minimum amount to be given to a festival – which can be defined either as a percentage of the available fund or as an absolute sum.

### *Two-stage evaluation*

In order to achieve more differentiated objectives and criteria, the selection should take place in two consecutive steps (in principle even more).

There are 100 units of money to be distributed. What the hosts of the festivals expect from state subsidy is above all the securing of the *general sustainability* of the festivals and the opportunity for development. This is also the primary aim of those who invite the applications. The assessment committee chooses the events deemed worthy of support and distributes among them a part of – let's say, 80% – of the money, based on a pre-determined method. During the selection procedure it follows the previous practice and comprehensively assesses the festivals' achievement and capabilities related to the general criteria set in the call.

In the second phase the applications of those awarded the basic grants are analysed, and decisions are made here on supporting *further objectives*. Priorities would change annually, as the world of festivals is complex and is in constant motion, much more than any other field of culture. For the sake of convenience, let's suppose that there are two additional priorities and for the support of these 10–10% of the total sum is intended. The subsequent decision can be made by the original body (board), or partly or completely new decision-makers can be entrusted. Some festivals would only receive the basic grant awarded in the first round, others would receive grants from the remaining, complementary parts of the fund.

An important national aspiration in Hungary is the *regional equalisation* of the country. Accordingly, this principle can constitute the basis of a secondary priority (with 10% of the budget in our example). An alternative way of observing the regional principle could be the usage of quotas in the basic funding. To further develop our example: at least one tenth of the basic 80% should be awarded to each of the seven regions of Hungary, whereby the bonus 20% can be spent to promote other specific goals.

The consistently realised two-step system would clearly show to all participants what played a role in determining the awarded sum. There is no need, however, to strictly separate in the accounting the funds received on various grounds.

### *Differentiation: the third batch*

Even if we account for the higher figures in the two cases, i.e. if 20 + 100 festivals are subsidised at the higher levels of differentiation, hundreds of further festivals deserve some form of subsidy. The natural source for such support is the regional development funds, where the merits of the events can be assessed more reliably than if all these hundreds apply to the centralised support funds. The chance to get to the "higher" levels of funding should remain open to every regionally supported festival: realistically in replacement of events that fall out of those circles, by failing the annual application round.

The permanent Boards of the NKA (e.g. the ones for dance, theatre or music) will continue to give support to festivals, or more typically to individual productions or features of

festivals. Since these Boards act with a high level of autonomy, on the other hand with relatively smaller funds than what the Major Cultural Event Board had at its disposal, their roles and functions vis-à-vis festival funding need not be fundamentally re-defined. These boards may decide, in their own jurisdiction, whether to announce a separate application for projects to be included in festivals, or apply a priority with such orientation.

The permanent *Board of Community Culture* of the NKA, however, represents a special case. Their position is especially difficult, as they have to deal with applications in the greatest number and of the most mixed content. The demand for support for local festivals will continue to grow in the years to come. Their natural public sponsors should be the regional funds. Measures should be found to limit the number of small-scale cultural events that require and receive funding from the Community Culture Board – we found it to be dysfunctional that they have to cope with hundreds of such applications on an annual basis.

#### *Differentiation: the rest*

There is a sentiment against the proliferation of festivals that would prefer to use administrative measures. Some speak about licensing the use of the word “festival”, or would establish strict criteria to using public money for their subsidies. We, on the contrary, find it important that each town, village or region should devote energy and their own financial resources to their own events. Aspirations to improve their cultural component and turn them into real or quasi festivals should be encouraged, regardless of the name they choose for their festivities. It is a natural consequence that all those events will appear for central funding – then tolerance and sympathy will have to be accompanied by perseverance and resistance (from diluting the principal festival support systems of the nation).

## **2. METHODOLOGICAL QUESTIONS OF FESTIVAL FUNDING**

An important lesson we can draw from the foreign examples is that they pay a great deal of attention to the accurate and at the same time easily comprehensible wording of objectives. This is not always the case with Hungarian applications. (To tell the truth, we have encountered foreign cases that weren't any better than our own practice, so we could just as well demonstrate the inaccurate elements with examples from abroad.)

#### *Principles of tendering*

Let us consider a few fundamental principles without which no application system can function professionally and transparently.

- The objectives of the application and the announcement itself must be unambiguously and comprehensibly worded. It should be clear to the applicant whether he would be able or would wish to fulfil the requirements. If the call for proposal is well formulated, it serves as a first filter: only those will apply who meet the requirements. Furthermore, the more accurate the wording, the easier the evaluation will be.

- But only if the announcer takes it seriously and is not afraid to exclude those who do not meet the accurately defined requirements.
- Only those aspects should be included in the call for applications that can be monitored by the announcer, if not comprehensively then randomly. Failing to fulfil the requirements should have consequences and should be sanctioned.
- The procedures must be as transparent as possible – publicity prevents many problems.

### *Setting objectives*

The most important prerequisite for the success of a call lies in the clarity and precision of the announcement. It is of utmost importance that the agency in charge of the subsidy funds should take pains to identify its own objectives and expectations and to formulate them as clearly as possible.

- It is fortunate if the announcer defines the strategic aims beyond the direct aims; whether the application is part of a general tendency or serves ad hoc, occasional objectives.
- To what extent does the NKA pursue the *promotion of culture* (or more accurately, the enrichment of the conditions of arts' promotion and development), defined as its primary function, and to what degree does it undertake the strengthening of the festivals' other roles and effects? Does it approve of and support events that are important not for their artistic content but rather because of their communal, social impact?
- What does it consider as festival, and *what types of festivals* does it intend to support? We still approach the issue of definition with pragmatism. Instead of a general definition eligible applicants should be chosen according to the actual objectives – separately for each application, if necessary.
- As a matter of fact, in such definitions the *excluding* features dominate: who are those that should not apply either because they are not eligible for administrative reasons or because they have little chances. In the case of certain funds abroad, organisations from the business sphere cannot apply for grants – whereas we would rather emphasise the product and the cultural value, and we support the NKA's sector neutral practice (with occasional justifiable restrictions). As we have seen, in several cases applications by foreigners are not eligible for support – in Hungary it would infringe the directives of the European Union.
- The opposite of the above-discussed matter is also true: the funder may point out which applications it *would prefer not to exclude*. The issue of (Hungarian) festivals across the borders is a recurring one, as well as that of supporting Hungarians' participation at festivals abroad. (The latter might be regarded as mainly an issue of the professional boards.)
- Is the support provided for the *whole* of the festival, or only for a *part* of it (an element), or rather for its aspect? (Or in certain cases both-and.)
- Is there a *preferred cultural activity* the prosperity of which NKA aims to promote, sustain? Does it promote contact with international trends, artists, introducing them to the Hungarian public; the cooperation of Hungarian and international artists; the birth of new, creative artforms and productions; propagation of amateur artistic activities, reaching out to the wide public, etc.?
- Does it have a special *target audience*? For instance the socially disadvantaged (ethnic minorities, the poor, the elderly, etc.); underdeveloped settlements, regions; families, so that

its members spend more time together; foreigners; the privileged few who know most about and support art? etc.

- Does it intend to support the organisers of festivals and in what way in improving the standards, *operating conditions*? Does it inspire better marketing activity domestically and/or abroad; the amelioration of technical equipment, appliances? etc.

- The objectives outlined in the first three paragraphs are best defined by words. The announcer of the tender should try to express his intentions with a specific *indicator*. It should be stated which ratio should be given to measure the completion or development. It can be the amount of support on one ticket, the percentage of visitors coming from other settlements, percentage of children's programme, etc.

- In a given field the NKA may suggest to the applicants that they name one or two indicators that they consider important for their own festival. In this case the principle of comparability is somewhat damaged, but it makes the applicants set out a *measurable objective* for themselves, that expresses the direction of the festival.

An established way to meet some of the requirements described above is by specifying the evaluation scores in advance. Here is an example for illustration:

<b>Artistic aspect</b>	<b>0–55 points</b>	Within this:	New productions	0–10 points
			Number of performances	0–15 points
			Share of contemporary works	0–20 points
			International co-operation	0–10 points
<b>Aspect of the audience</b>	<b>0–35 points</b>	Within this:	Number of expected visitors	0–20 points
			Composition (E.g. socially deprived groups)	0–10 points
			Marketing and PR	0–5 points
<b>Soundness of the budget</b>	<b>0–10 points</b>			
<b>Maximum:</b>	<b>100 points</b>			

### *The timing of the announcement*

The timing of the call for applications is a cardinal issue. Let's assume an announcement in January, for the sake of convenience with a deadline at the end of the month and with the announcement of results in March (this would leave enough time for the proposed two-step procedure). It is ideal for summer festivals, as in January they could submit an almost final programme, list of participants, budget, etc. Though it would be a difficulty for them as well that the NKA application would fall within the same period as the general meetings of the local governments deciding on the budget, so they could only give an account to both directions of pending grant applications to the other body.

The deadline of the application would be mistimed for everyone else. For the spring festivals it is too late to learn the decision in March, whereas autumn and winter festivals could only apply with incomplete and in many respect fictional plans.

These are more serious problems in case of the grant applications of the European Union, where compiling the application itself takes more time, it is more difficult to change the plans already submitted, and evaluation and allocation of the grants is also much slower than in Hungary. For this reason it is recommended to apply for grants a year in advance. However, we have already noted that in the budget of our festivals EU resources will gain considerable weight only after several years, and domestic calls for proposals operate 6–9

months ahead of the events. The registration procedure of the cultural and economic departments was (would have been) intended to offer a remedy to this situation for some outstanding festivals. We repeat it when proposing a subsidising strategy of two-three years for – being realistic – an even more restricted circle.

In case of the application for festivals – hopefully announced continually for the bulk of festivals – we would seriously consider that

- There should be two announcements annually
- It should be possible to apply for grants 12–18 months in advance, taking advantage of the NKA's relative independence from the annual constraints of public finance.

If the subsidising of festivals becomes continuous and a database and monitoring system of several years emerges, then it becomes possible that an application requests basic or complimentary funding for different “editions” of the same festival (for the actual year and for next year, etc.).

#### *Information requested from the applicant*

It is a commonplace that it is sufficient and better to have ample information rather than an overload of it. As the years go by, the amount of information requested is growing, although the actually *processed and used information* in the procedure of assessment or settlements is not necessarily growing at the same pace.

Thus, as a first principle for the funders we would propose that they estimate the *minimum* amount of information that is enough to serve a sound decision. If the applicant is relieved from having to write up “almost” or “perhaps” important details, then the relevant issues would more likely to be elaborated. (An Australian grant application for festivals declared that if the application is longer than 11 pages and is written with font size less than 11, it will automatically be rejected.)

It is worth considering for example that if the application focuses on a smaller part of the festival (the programme, aspect, period), it should not be necessary to elaborate and hand in the whole detailed budget.

#### *Assessment, scoring, comparison*

During the more than 10 years since the time the NKA was founded, the procedures of assessment have continuously been refined and improved. At the same time, studying foreign funds stretching back over several decades shows that a final, perfect solution can never be reached, such is the nature of the matter. Neither is it the aim of our suggestion, but rather to point out certain features where further development would be beneficent.

In NKA's circles no one challenges the practice of *years of membership of the professional boards*. On the contrary: it is firmly believed that this is the assurance of strategic planning. As they say, the first months of the new members are taken up by learning. In the case of a number of foreign funds, on the other hand, it is believed and the practice suggests that permanent membership makes people lazy and leads to unfair compromises. Therefore a new body is established for almost all grant assessments. The invited members are aware that they have but one single chance to make the right choice, therefore they cannot afford to be negligent (“I was very busy this time but I will devote more time to the next applica-

tion"). The one-off members also risk possible future invitations to the board. The chances of a "barter awarding" are thus reduced. (We are not referring to corruption or nepotism, but rather to compliance with another member's choices, which becomes even more intense after months of working together.) The principle of yearly rotation would be one step ahead, which does not exclude the possibility that certain members may prolong their work.

Whether or not to involve *external experts* is a recurring question. The essence of the problem is not "external", nor "expert", as the members of the boards are sufficiently independent and they have the expertise. The main point is the work required by the systematic comparison of applications. Many of the permanent members prepare for evaluation this way by their own inclination. The situation with commissioned experts is different in the sense that the work required from them is a contractual duty, not voluntary; the principles of assessment can be defined; and it can be expected that he prepares and produces the evaluation in writing. Without these, there is no assurance that the majority of the members won't improvise.

The implicit variegation of festivals is also a great challenge to those participating in the *evaluation of the grant application* of festivals. In contrast, the essence of the decision – even in the multi-staged process we propagate – is a number, the sum of the grant awarded (as we know, zero is also a number). This single number unites the value judgement of several aspects:

a) The fulfilment of *cultural objectives* primarily on the basis of the planned and previous programmes.

b) To judge the festival's *tourism value* several sources are considered. In the documentation of the application it can be required to list facts on the conditions of the surroundings, number of parking spaces, the foreign language services, etc. The other source is the *in situ* direct experience of all these through monitoring. Monitoring offers recurring assessment: if realised, it could provide information from previous experience (including the impact assessments). Finally, in this and in other respects one may count on the self-regulation of the profession and its self-classification, which can be attached to the evaluation.

c) To what extent do locals regard the festival as their own? The assessment of the festival's *local, communal embeddedness* is a sensitive issue, its empirical survey is complicated and expensive. One may list, and smuggle in telling indicators into the report sheet. Furthermore, we can count on the experience gained through monitoring.

d) A comprehensive area of qualification is the evaluation of *marketing* activity. The methods of advertising, of passing the information to as many people as possible, whether they manage to make the festival attractive – these are of vital importance for tourism and also for the promotion of culture and strengthening communal feelings.

e) A somewhat independent evaluation from the above-mentioned is necessary for the assessment of the image: spreading the information, brochures, internet presence, etc.

f) If the steps of assessment listed one by one here are carried out both regularly and systematically and are recorded in a databank, then we may call it a real *monitoring system*. If this system was fulfilled and carried out according to the regulations, it could be hoped that assessment would be more substantiated, and that it would diminish the insecurity that affects all participants of the granting procedure (applicant, evaluator, supporter, etc.). Diminish, but not abolish, as that would result in the festivals' losing their main characteristic: their marvellous variety, versatility and path-breaking initiatives.

### 3. MONITORING THE SUBSIDISED FESTIVALS

It is a human weakness that our attention is more likely to be focused on plans and on the future, and less energy remains for the evaluation of the past, which is usually only formally carried out, if at all. It is a sign of maturity if this happens in a different way and the past is evaluated.

Follow-up evaluation and monitoring are naturally divided into two parts: a *professional* and a *financial* side. The follow-up report system of the NKA is divided in the same way. It shows the seriousness of the system if the professional (arts, tourism, etc.) side understands and is able to follow financial aspects and shares the responsibility. The success of which is up to both parties: it also depends on whether the financial aspects follow the professional aspirations. We are not competent in the details of this issue. In any case, we would like to repeat the statement from the previous chapter, that success does not mean that we receive abundant (in this case financial) information, but rather if the optimal amount of information is defined, that can actually be *processed* and is *utilisable* (following, of course, the obligatory external regulations).

Coming back to professional monitoring, we have mentioned all important aspects of it when discussing the evaluation of grant applications, as logically the two are the same: one is *a priori*, the other is *a posteriori* evaluation. The principle and practice of monitoring actually connects the preceding, intermediary and posterior elements. Consequently, there is little new to say in this chapter.

#### *Definition and use of monitoring*

As a grant system reaches a certain size and (or) quality, maturity, it develops a system of data collection for the whole procedure, the result of which can be utilised at later stages of the process (typically during the application process the following year). The collective name of the phenomenon and method is *monitoring*. The complexity and importance of festivals, and the amount of public funds spent on them justify and the accumulated experience of NKA and allows the monitoring system of festival funding to proceed to a higher degree.

It is a matter of money in what range and with what ambitions monitoring is realised. We have calculated that in the case of the last Culture and tourism application (where 200 million forints were distributed among 79 festivals), the elementary system of monitoring could have been brought into effect; the extra cost would have been 2%. The principle of flat rate applies here: the bigger the system for which monitoring is developed, the less is the unit cost. If the monitoring of the supported festivals will (at least partly) be carried out in a unified system, then it will only mean an extra 1–2% on top of the grants, and at the same time it will guarantee a higher standard in the functioning of the support system of festivals.

#### *The significance and interpretation of tourism impact assessment*

When analysing the Culture and tourism announcement of 2004, we found the issue of *tourism impact assessment* especially disputable. The application did not offer sufficient

guidelines for the comparison of the festivals', events' impact on tourism. It is no wonder that we haven't found any cases when expectations were even approximately fulfilled, nor a clear sanctioning of default. What was called impact assessment was actually a general account of the history of festivals, events, listing the renowned artists who have performed there during the years, discussing its importance in the town's life, the great number of visitors, etc. This "great number" was not specified with an actual number, but even if the size of the public was given, the source and reliability of data is not known.

As a matter of fact, there is no professional consensus regarding the minimum requirements of the tourism impact assessment. (The foreign impact assessments mentioned in this report are also very different from each other.) To make a worthwhile assessment, *audience measurement* is indispensable, which is not cheap if carried out expertly. With the additional costs of marketing research, cost analysis, inserting data into formulas measuring multiplication effects – all these at the most friendly prices cannot be less than one million forints (€ 4000). (For comparison, 20 % of the festivals awarded at the Culture and tourism application have a total budget of 5–10 million forints – €20–40 thousand.) A fully comprehensive impact assessment includes not only the analysis of effects on tourism but also surveys the effects related to the environment, territory development, sustainability, etc.

Therefore we argue that it is only in the case of large-scale events (with a budget of more than 50 million forints, €200 000) that it is justified to expect impact assessment. It doesn't mean that in case of smaller events or where the objectives of tourism are of secondary importance we wouldn't urge the monitoring of effects on tourism. If the announcer would like to achieve a solution that is reliable (controllable to a certain extent), comparable with each other and is not too big a burden financially, it should choose one or two indicators (after careful consideration and consultation with an expert). It could be the number of visitors from other towns. The indicator can be fixed (a number undertaken in the application or in the contract) or dynamic (the hoped and promised shift of the number compared to previous years).

An external assessor is preferable to self-monitoring. It can be of several forms:

- The most frequent case is when the organisers of the festival commission an independent company. This can happen with a general aim or in order to fulfil the requirements of the application.
- The impact assessment may offer itself spontaneously, as regional and tourist organisations regularly follow the indicators of tourism. If such a survey records the implications of a festival, then it might be used as an additive material when considering grant application, although these are ad hoc data that are not or only partly comparable with other results.
- Reliable and comparable data can only be expected if it is collected on the basis of a standardised method, and if possible, by the same organisation. A model for this is the small-sample audience measurement carried out in the framework of our research. The ideal solution is if research on the festivals' impact on tourism could be *centrally organised* in the future. Questions related to tourism in our small-sample survey could serve as the model, to which new viewpoints could be added. Interviewers could carry out the survey itself without putting an extra burden on the festival's hosts, in line with the monitoring system.



## ANNEX

## Public Support to Hungarian Festivals in 2006

#	Festival	Source	Support (million HUF)	Support (thousand €)	
1	Budapest Spring Festival	minister's fund (NKA)		<b>180,0</b>	<b>679,2</b>
2	Szeged Open Air Festival	NKA major events board	58,0	<b>100,0</b>	<b>377,4</b>
		open air theatres' fund	42,0		
3	Miskolc International Opera Festival	minister's fund (NKA)		<b>100,0</b>	<b>377,4</b>
4	18th Festival for Hungarian Theatres outside Hungary in Kisvárda	open air theatres' fund	49,0	<b>72,0</b>	<b>271,7</b>
		NKA major events board	18,0		
		NKA permanent boards	5,0		
5	National Theatre Meeting in Pécs	minister's fund (NKA)	35,0	<b>66,0</b>	<b>249,1</b>
		NKA major events board	23,0		
		NKA permanent boards	8,0		
6	Budapest Autumn Festival	NKA major events board	62,0	<b>65,0</b>	<b>245,3</b>
		NKA permanent boards	3,0		
7	Gyula Castle Festival	open air theatres' fund	49,0	<b>65,0</b>	<b>245,3</b>
		NKA major events board	16,0		
8	Valley of the Arts Festival	NKA major events board	47,0	<b>56,5</b>	<b>213,2</b>
		youth festivals' fund	7,5		
		regional development fund	2,0		
9	International Film Festival in Pécs	minister's fund (NKA)	25,0	<b>46,6</b>	<b>175,8</b>
		NKA major events board	15,6		
		NKA permanent boards	6,0		
10	Zsámbék Theatre and Arts Base Summer Festival	open air theatres' fund	29,0	<b>44,4</b>	<b>167,5</b>
		NKA major events board	15,4		
11	Budapest Summer Opera and Balley Festival	minister's fund (NKA)	23,0	<b>38,0</b>	<b>143,4</b>
		NKA major events board	9,0		
		regional development fund	6,0		
12	Budapest Summer Festival	open air theatres' fund	32,0	<b>37,0</b>	<b>139,6</b>
		regional development fund	5,0		
13	5th Hungarian Dance Festival in Győr	NKA major events board		<b>35,0</b>	<b>132,1</b>
14	Vidor (Gaiety) Festival, Nyiregyháza	NKA major events board		<b>34,2</b>	<b>129,1</b>
15	Titanic Film Festival, Budapest	minister's fund (NKA)	25,0	<b>32,2</b>	<b>121,5</b>
		NKA major events board	7,2		
16	Szentendre Summer	open air theatres' fund	19,0	<b>32,0</b>	<b>120,8</b>
		NKA major events board	13,0		
17	Zemplén Festival	NKA major events board	24,0	<b>29,0</b>	<b>109,4</b>
		regional development fund	5,0		
18	Mediawave International Film and Music Festival	NKA major events board	20,0	<b>26,0</b>	<b>98,1</b>
		NKA permanent boards	6,0		
19	4th Tisza-Lake Festival	regional development fund		<b>25,9</b>	<b>97,7</b>
20	Esztergom Castle Festival	open air theatres' fund	22,0	<b>25,5</b>	<b>96,2</b>
		NKA major events board	3,5		
21	Feast of Crafts, Buda Castle	NKA major events board		<b>24,0</b>	<b>90,6</b>
22	25th National Táncház Festival and Crafts Market	NKA major events board		<b>24,0</b>	<b>90,6</b>
23	Veszprém Festivities	NKA major events board	13,8	<b>23,8</b>	<b>89,8</b>
		minister's fund (NKA)	10,0		
24	Kurtág 80 Five Days Festival	NKA major events board		<b>20,0</b>	<b>75,5</b>
25	Kőszeg Castle Festival	open air theatres' fund	12,0	<b>19,5</b>	<b>73,6</b>
		NKA major events board	7,5		
26	Theatre Utopia - Central and East European Theatre Workshop Meeting	NKA major events board	16,8	<b>19,3</b>	<b>72,8</b>
		NKA permanent boards	2,5		
27	22th International Bartók Choir Competition and Folklore Festival	NKA major events board		<b>18,0</b>	<b>67,9</b>
28	EFOTT: Students' Nationwide Tourism Conference	youth festivals' fund		<b>18,0</b>	<b>67,9</b>
29	Agria Summer Games, Eger	NKA major events board		<b>17,0</b>	<b>64,2</b>
30	Theater International - Meeting of Free Theatres (Szeged)	NKA major events board	15,0	<b>17,0</b>	<b>64,2</b>
		NKA permanent boards	2,0		

## THE BUDAPEST OBSERVATORY

#	Festival	Source	Support		
			(million HUF)	(thousand €)	
31	Summerfest International Folklore Festival and Craft Fair	NKA major events board	14,0	17,0	64,2
		youth festivals' fund	3,0		
32	Museums for All - Museums Autumn Festival	NKA major events board		16,7	63,0
33	International Festival of Young Filmmakers, Miskolc	NKA permanent boards		16,0	60,4
34	Dance Forum No.6 - Dance Festival on the World Dance Day	NKA major events board		16,0	60,4
35	8th Kecskemét Animation Film Festival	NKA major events board		16,0	60,4
36	3th Kaposvár Biennale of Children and Youth Theatres	NKA major events board	10,4	15,9	60,0
		NKA permanent boards	5,5		
37	Photo Month 2006	NKA major events board		15,0	56,6
38	7th Street Music Festival Veszprém	youth festivals' fund		14,5	54,7
39	Youth Days of Szeged Festival	youth festivals' fund		14,0	52,8
40	International Bartók Seminar and Festival	NKA major events board		14,0	52,8
41	Visiting Budapest - Theatre Evenings with Abroad Hungarian Companies, Spring	NKA major events board		13,4	50,6
42	11th Danube Carnival - International Arts Festival, Budapest	NKA permanent boards		13,0	49,1
43	Kodály Festival, Budapest	NKA major events board		12,0	45,3
44	Alternative Theatre Festival Szeged	NKA major events board	6,6	11,6	43,8
		NKA permanent boards	5,0		
45	Tabán Festival	minister's fund (NKA)	6,0	11,0	41,5
		youth festivals' fund	5,0		
46	4th Budapest Jazz Festival	NKA major events board		10,0	37,7
47	XV. Hungarians Abroad Arts Festival	NKA major events board		10,0	37,7
48	Tiszadob Piano Festival	regional development fund		9,9	37,3
49	40th Nyírbátor Music Days	NKA major events board		9,8	37,0
50	9th 'Haydn at Eszterháza' Festival	NKA major events board		9,6	36,2
51	Early Music Days, Sopron	NKA major events board		9,5	35,8
52	Festival of Provincial Theatres	NKA major events board	6,8	9,1	34,3
		NKA permanent boards	2,3		
53	37th Hungarian Film Week	NKA major events board		9,0	34,0
54	Budapest Music Weeks	NKA major events board		9,0	34,0
55	New Year's Festival - Folk Dance Antology	NKA major events board		9,0	34,0
56	Week of the Winged Dragon, International Street Theatre Festival	NKA major events board		9,0	34,0
57	Óbuda Summer	NKA major events board	7,0	9,0	34,0
		regional development fund	2,0		
58	Budapest Early Music Forum	NKA major events board		8,8	33,2
59	Visiting Budapest - Theatre Evenings with Hungarian Companies Abroad, Autumn	NKA major events board		8,5	32,1
60	Arts Festival of Baroque Nostalgia, Győr	NKA major events board		8,0	30,2
61	XXV. International Dance House and Music Camp, XVI. Csángó Festival, Minorities' Folk Festival	NKA major events board		8,0	30,2
62	Savaria Historical Carnival 2006	NKA major events board		8,0	30,2
63	6th International Circus Festival	NKA major events board		7,0	26,4
64	Summer on the Chain Bridge	regional development fund		7,0	26,4
65	Hegyalja Festival 2006	youth festivals' fund		7,0	26,4
66	Wan2 Festival Mezőtúr 2006	youth festivals' fund		7,0	26,4
67	Temps d'images (Trafó)	NKA permanent boards		6,3	23,6
68	Making New Waves (Trafó)	NKA major events board		6,2	23,4
69	Hungarian Studio Theatre Workshop Festival	NKA major events board		6,0	22,6
70	Heritage Festival - Pécs Days	NKA major events board		6,0	22,6
71	Virgin Mary of Hungary, 8th. Church Music Festival	NKA major events board		6,0	22,6
72	35th Debrecen Jazz Days	NKA major events board		5,6	21,1
73	Festival of Dance in Veszprém	NKA permanent boards		5,6	21,1
74	49th Festive Weeks in Sopron	open air theatres' fund	2,0	5,5	20,8
		NKA major events board	3,5		
75	9th Jewish Summer Festival	NKA major events board		5,5	20,8
76	Chance for the Future	youth festivals' fund		5,5	20,8
77	5th Vekeri-Lake Festival	youth festivals' fund		5,0	18,9

#	Festival	Source	Support (million HUF)	Support (thousand €)
78	41th Győr Summer - International Cultural Festival	NKA major events board	5,0	18,9
79	Kecskemét Spring Festival	NKA major events board	5,0	18,9
80	17th Budafok Champagne and Wine Festival	regional development fund	5,0	18,9
81	Spring Wine Festival	regional development fund	5,0	18,9
82	Month of Castle Theatres in Zengőalja	regional development fund	5,0	18,9
83	Bocskai Days in Ermellék, Cultural and Military History Festival	regional development fund	5,0	18,9
84	13th National Children's Marionette Making Festival	NKA major events board	4,8	18,1
85	10th Agota Festival	youth festivals' fund	4,5	17,0
86	XVIII. Ifj. Horváth István International Theatre Festival	NKA major events board	4,4	16,6
87	National Children Folk Dance Festival	NKA major events board	4,2	15,8
88	Kaláka Folkfestival	minister's fund (NKA)	2,0	4,0
		NKA permanent boards	2,0	
89	3th International Monodrama Festival	NKA major events board	4,0	15,1
90	12th Haydn Festival of the Budapest Strings,	NKA major events board	4,0	15,1
91	Eszterháza	NKA major events board	4,0	15,1
92	The Land of Seven Meadows - Festival of 'Szer's and Homeyards	NKA major events board	4,0	15,1
93	Pannon Feast - Meeting of Hungarian Tradition Keepers	NKA major events board	4,0	15,1
94	19th Mini-Festival of contemporary Hungarian composers	NKA permanent boards	4,0	15,1
95	21th Visegrád International Castle Days	regional development fund	4,0	15,1
96	Melon Festival 2006	regional development fund	4,0	15,1
97	Days of Horse Riders and Shepherds in Kiskunság	regional development fund	4,0	15,1
98	Csabai Salami Festival	regional development fund	4,0	15,1
99	Festive Games in Ferencváros	open air theatres' fund	4,0	15,1
100	Festive Games in Keszthely	open air theatres' fund	4,0	15,1
101	Golden Saddle' Historical and Gastronomical Festival	regional development fund	3,8	14,3
102	13th National Student and Youth Film and Video Festival	NKA major events board	3,5	13,2
103	Hungarian Cimborá Festival	youth festivals' fund	3,5	13,2
104	XVI. Körös-wash Days	regional development fund	3,4	12,8
105	Contemporary Music Festival	NKA permanent boards	3,0	11,3
106	Inherit to Innovate 10th Jubilee Pécs International Culture Week	youth festivals' fund	3,0	11,3
107	Arcustemporum Arts Festival in Pannonhalma	minister's fund (NKA)	3,0	11,3
108	Bihari Morzsóka Festival	regional development fund	3,0	11,3
109	Artúr Arts Days	regional development fund	3,0	11,3
110	XIII. Hajdú Week	regional development fund	3,0	11,3
111	Shepherds Feast in Hortobágy 2006	regional development fund	3,0	11,3
112	20th Kisköre Triathlon Festival	regional development fund	3,0	11,3
113	Rendezvous of Settlements Around Tisza Lake	regional development fund	3,0	11,3
114	Days of Culture in Polgár Area	regional development fund	3,0	11,3
115	Cultural Heritage Days	regional development fund	3,0	11,3
116	VIII. Competition of Lamb Cookers	regional development fund	3,0	11,3
117	Csege Days 2006. From Tisza May-Fly to Mirage	regional development fund	3,0	11,3
118	Konok Kunok Kavalkádja 2006.	regional development fund	3,0	11,3
119	Contemporary Folk Dance Festival	NKA major events board	2,9	11,0
120	Days of Heritage Keepers' in Sárrett	regional development fund	2,9	11,0
121	II. Junialis in Tiszaújváros	regional development fund	2,9	10,8
122	Days of Sárrett in Püspökladány	regional development fund	2,7	10,3
123	Folk Dance Festival of the Carpathian Basin	NKA major events board	2,6	10,0

## AUTHORS AND PUBLISHERS

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The **Budapest Observatory** ([www.budobs.org](http://www.budobs.org)) – short for Regional Observatory on Financing Culture in East-Central Europe – is a non-profit organisation, whose mission is to collect and provide information about the ways cultural life – cultural activities and products – are being financed in east-central European countries. The Observatory facilitates research, collects and provides information, establishes contacts in areas that include the financing of culture, cultural policy, legislation and statistics.

**KultúrPont Iroda** ([www.kulturpont.hu](http://www.kulturpont.hu)) is the professional counselling organisation of Hungarian cultural institutions. The office has published various information materials, it organises regularly training courses destined for persons working on the Hungarian cultural scene; it also took part in the organising of several international cultural conferences. The staff of KultúrPont Iroda has many years' experience in advising applicants and with international cultural calls.

**The increase in the numbers and importance of festivals is a world phenomenon. Those in cultural professions, the public authorities involved in cultural policy and funding decisions as well as the general public are all interested in the artistic, social and economic background of festivals.**

**This report summarises the findings of the research on the Hungarian festival scene carried out in 2004–2005, completed with current information on public financial support to festivals in 2006.**