

DEBATE REPORT

Culture and Economic Development

October 2015, Prishtina



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The production of this paper was made possible with the help of the Office of the European Union in Kosovo and Olof Palme International Centre supported by the Swedish Government.

“This publication was produced with the aid of the European Union. The contents of this publication is sole responsibility of the Cultural Forum and does in no way represent the opinions of the European Union and Olof Palme International Centre”

DEBATE REPORT

Culture and Economic Development

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Project funded by the EU and managed by European Union Office in Kosovo



SWEDEN

Introduction

Debate “Culture and Economic Development” was held on 27 October 2015 in Prishtinë within the Forum for Cultural Development project that aims to further develop and strengthen the Cultural Forum established in 2011 through provision of advice and valuable knowledge about cultural policies in Kosovo. Project is funded by the European Union Office in Kosovo and implemented by Forumi Kulturor /*Cultural Forum*/, Teatri Oda /*Oda Theatre*/ and Dokufest. The debate was focused on the final project research report related to the link between the art, culture and economic development. In addition, the traditional arguments how arts and culture were considered earlier where also discussed due to the fact that majority of these arguments are present to this day.

Summary of Discussions

Vehbi Miffari, Advisor to the Minister of Culture and Veton Nurkollari, Artistic Director of DokuFest were the panel members. Approximately 30 participants attended the debate, including the representatives of the Ministry of Culture, independent cultural organizations, NGOs and media. Debate was moderated by Agron Demi, who also presented the **report “Culture, Arts and Economic Development”** drafted by Dren Pozhegu.

This research report provides theoretical arguments by the author, but also those coming from various researches proving the role of arts and culture in the development of a country. The development through arts and culture, except for its economic aspect or generating income from the exports of cultural goods, indirectly impacts the social and emotional development, especially amongst the youth.

This policy document summarizes several studies giving arguments and showing different ways through which arts and culture positively impact the economic development. In addition, some traditional arguments were also highlighted on how the arts and culture were considered earlier due to the fact

that the majority of these arguments are present to this day.

In the last decade, the new theory of economic growth or sometimes called the Endogenous Theory claims that arts significantly contribute to the economic growth. Organization “American for the Arts” presents the following list of fields where the arts could contribute to the vitality of economy and economic development (as summarized in Marquis, 2013):

- Aesthetic: Arts create beauty and preserve it as a part of culture;
- Creativity: Arts encourage creativity as an essential skill in the dynamic world;
- Expression: Artistic work enables us to communicate our interests and visions;
- Innovation: Arts are the source of new ideas, concepts and links;
- Preservation: Arts and culture preserve our collective memories;
- Prosperity: Through arts, millions of new jobs are created and economic health is improved;
- Skills: Artistic skills and techniques are necessary in all walks of life;

- Social capital: We all get to enjoy with arts irrespective to which race, generation or location we belong.

Arts always create and emphasize new ideas which are later on expanded to other economic sectors.

Examples from Brazil and Nigeria, two developing countries, prove how through cultural activities the unemployed youth strengthened and how their job-seeking performance got better (example from Brazil), or how they generated income through their artistic activities (example of Nigeria).

In more developed countries, arts and culture are an industry worth of billions of Euros. Based on the research report, “In USA, arts and culture contributed to the GDP of 2010 with the net exports of 41 billions of Dollars (64 billion in exports minus 23 billion in imports) or 2.82 % of GDP. In EU, culture and creativity industry contributed with around 3% of GDP, more than chemical industry that contributed with 2.3% and food industry with 1.9%. In the United Kingdom, the creativity industry developed faster than other industries. Between 1997 and 2007, the creativity industry saw an annual average increase of 5% – much more than the rest

of economy, which during the same period reached an increase of 3%.”

According to the Report, in the case of Kosovo it is difficult to determine the economic value of the culture and art as it is made in more developed countries. Reasons for this are numerous – starting from the fact that cultural organizations are registered as NGOs, and in the cases when registered as business entity, their business activity is so low that they do not reach the reporting threshold for the Tax Administration, and as such they are not in the list of taxpayers.

Unfortunately, due to the lack of empirical data, the efforts for elaborating the Kosovo context in the light of summarized studies in present policy document have sometimes been of a more speculative nature, whereby instead of explaining the impact of culture and arts organizations, their aim was to establish a pathways for other studies and researches. Irrespective of the lack of data, a clear positive impact of some cultural events that go beyond the simple figures of direct GDP spending and contribution is visible. These impacts were noticeable through inspiration the Dokufest gave to other fes-

tivals that have flourished, as well as to greater demand for documentaries, short films and motion pictures through evaluating of these goods or merchandise and positive addiction on them. Last but not least, one can say that art could help tackling of some other Kosovo's pressing economic problems, such as migration, branding and unemployment.

One of the few attempts made to measure the economic impact of cultural activities is a research report by the GAP institute, carried out in cooperation with DokuFest and published in March 2012. According to this report:

After the calculations made, it came out that economic impact of Dokufest to GDP is € 3.1 million, and according to some projections, this amount over the next four years will reach the tune of € 21.9 million.

Another positive effect of Dokufest may be its very positive image in global media. Numerous international media have written stories about it, such as British Independent, Guardian, Reuters, Huffington Post, etc. This reporting by the well-known world media outlets gave a positive image and reputation to Kosovo.

The report recommends that governmental authorities should count on the culture and arts as contributors to economic development. Budget allocations for culture and arts should not be seen as budget for recreational activities that does not bring any good to the country. Theoretical argumentation given in the present report should be sufficient evidence for the government, especially for the Ministry of Economic Development and Ministry of Finance for higher budget allocations for cultural activities.

Veton Nurkollari from DokuFest focused his deliberation on the DokuFest impact in the economy of the city of Prizren. During the 10 days of festival duration, Prizren is visited by more than 10000 visitors, and their spending contributes to the boost of local economy. Even though economic profits were not the DokuFest objective, it is a great satisfaction when a cultural event has such a great economic impact. Nevertheless, despite numerous facts that DokuFest brings multiple benefits to Kosovo, the budget allocated by authorities to DokuFest is quite insignificant and does not reach the required amount to pre-

pare an activity plan so that festival could run smoothly.

Vehbi Miftari, Political Advisor to the Minister of Culture, indicated that they are aware in MCYS about the impact of culture and arts; however, the Ministry was not successful in convincing the Ministry of Finance to allocate more funds. The 2016 Budget projections do not foresee any increase for MCYS, and consequently, the institutional support for cultural and artistic events will not be larger than the one from previous years.

Following the deliberations by panel members, the rest of participants ensued with their comments and questions for them.

The debate concluded with the call to the Ministry of Culture to invest more efforts in establishing inter-ministerial bodies with the Ministry of Finance and Ministry of Economic Development with the aim to increase the budget for culture and to build the strategies for the creative industry as a contributor to economic development.

Cultural Forum

Oda Theatre held numerous meetings during the end of 2011 with the purpose of establishing a network of the cultural organizations in Kosovo. These meetings were attended by more than 60 participants, representatives of different organizations of culture, thus creating the possibility to organize the founding Assembly on 23 March 2012, which laid the foundation of the Network of Independent Organizations of Culture – Cultural Forum. The founding Assembly laid the foundation of the Cultural Forum with 22 independent organizations as members. Through democratic voting, the Statute was adopted and the network presidency was also elected. The Cultural Forum is an entity registered as a network of independent organizations of culture. It was decided that the role of interim Secretariat will be assumed by Oda Theatre until the capacities are built to form a professional secretariat of the network.

The Cultural Forum of Kosovo is a network of independent organiza-

tions of culture in Kosovo, established with the purpose of:

- Strengthening the independent organizations of culture by developing their capacities for the implementation of their programs ,
- Promotion of member organizations,
- Inclusion of member organizations in decision-making,
- Boosting the support for the independent cultural scene,
- Protection and improvement of the position of organizations vis-à-vis the relevant institutions in Kosovo and abroad.

The Cultural Forum aims to fulfill its mission through the following activities:

- Communication and networking of independent organizations of culture,
- Dynamic exchange of information and experience,
- Lobbying and advocacy activities,
- Specific trainings for the

needs of member organizations,

- Organization of debates and fora,
- Coordination of artistic and cultural activities.

Cultural Forum

Cultural Development Forum

Forum for Cultural Development is a Project aimed to further develop and strengthen the Cultural Forum established back in 2012, by providing advice and valuable expertise for the cultural policies of Kosovo. The Project is supported by the European Union Office in Kosovo, and implemented by the Cultural Forum, Oda Theatre and DokuFest. The first Project activities were carried out in December 2013. The Project is supposed to continue through to November 2015. During this two year period, the Cultural Development Forum will come up with at least 28 cultural policy products that will result from research, debates, focus groups and conferences. The Project will also strengthen the network of independent culture organizations, built its internal capacities and impact the development of culture policies of Kosovo by producing the knowledge for culture. In addition, the Project will spur the dialog and cooperation between the sector of

independent culture and public authorities so that concrete solutions for Kosovo's cultural development could arise.

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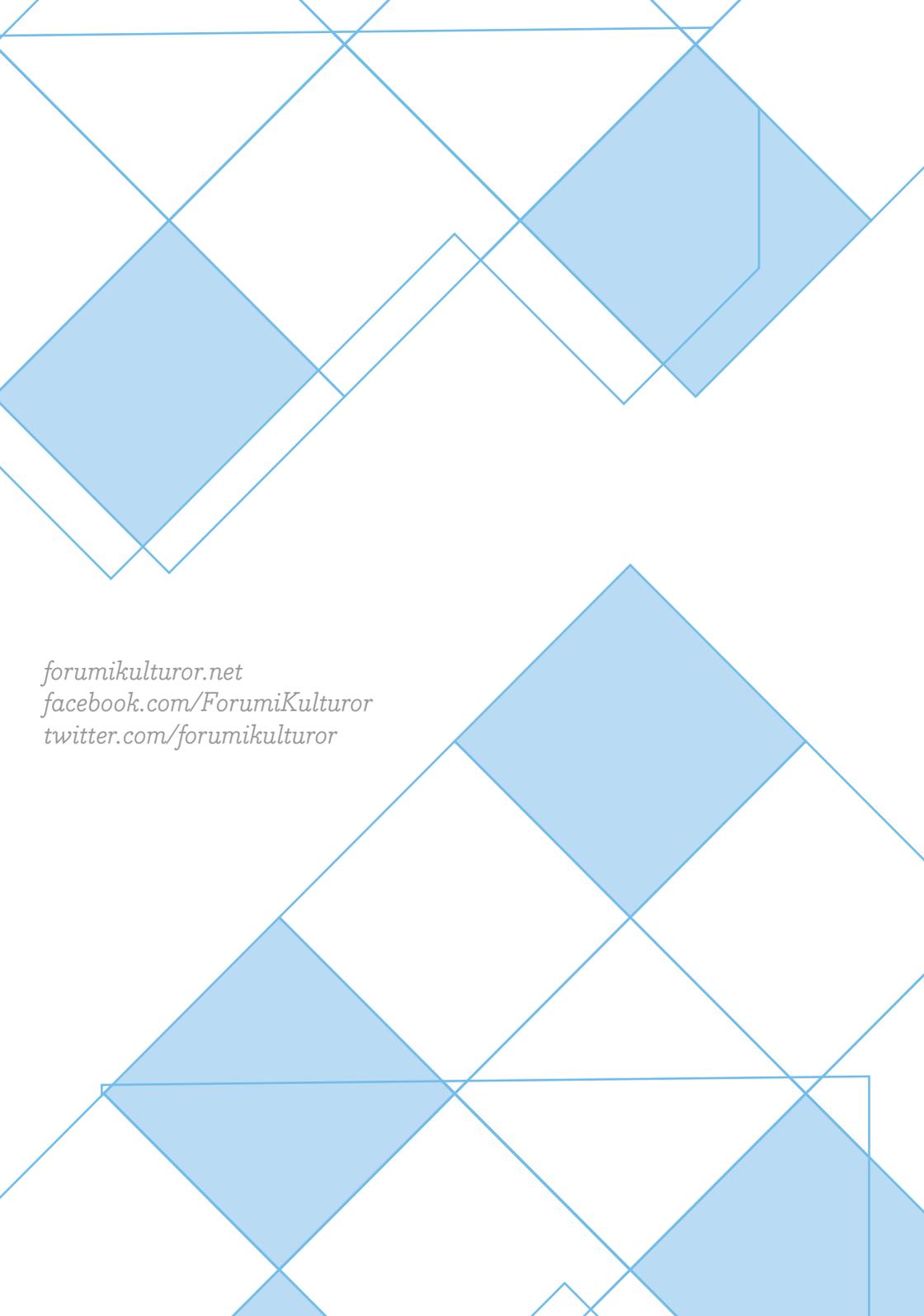


Project funded by the EU and managed by European Union Office in Kosovo



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