

# The financing of culture in Brazil between 2003 and 2015: a path for generating monopoly rent

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This article aims to analyze the public funding of culture in Brazil by studying the projects approved by the Ministry of Culture between 2003 and 2015. A quantitative longitudinal study is undertaken and includes theorizing on the concept of ‘monopoly rent’ from the political economy. The results showed that even with the change in the concept of culture at a government level, there is a concentration of supporters and proponents who use the Law of Cultural Incentive (LIC) to obtain resources to enable cultural projects. We conclude that the public policies of financing culture continue to transfer the decision of which projects will be funded to the market. The market, in turn, tends to generate monopoly rent with the use of public resources for the promotion of cultural projects that are monopolized by few producers and foundations.

**Keywords:** cultural policies; financing of culture; monopoly rent.

## O financiamento da cultura no Brasil no período 2003-15: um caminho para geração de renda monopolista

Este artigo analisa o financiamento público da cultura no Brasil, a partir de um estudo longitudinal quantitativo dos projetos aprovados pelo Ministério da Cultura entre 2003 e 2015, com base teórica na categoria de renda monopolista oriunda da economia política. Os resultados evidenciaram que, mesmo com a modificação na concepção de cultura no plano governamental, há concentração de incentivadores e de proponentes que utilizam a Lei de Incentivo à Cultura (LIC) para a obtenção de recursos no fomento a projetos. Concluímos que a política pública de financiamento da cultura continua transferindo para o mercado a decisão de quais projetos serão financiados. O mercado, por sua vez, tende à geração de renda monopolista, por meio do uso do recurso público para a promoção de projetos culturais que interessam à imagem organizacional sob o monopólio de poucas produtoras e fundações.

**Palavras-chave:** políticas públicas culturais; financiamento da cultura; renda monopolista.

## La financiación de la cultura en Brasil en el período 2003-15: un camino para la generación de renta de monopolio

Este artículo analiza la financiación pública de la cultura en Brasil, a partir de un estudio longitudinal cuantitativo de los proyectos aprobados por el Ministerio de Cultura entre 2003 y 2015, con el análisis teórico basado en la categoría de la renta de monopolio de la economía política. Los resultados mostraron que incluso con el cambio en el concepto de cultura a nivel de gobierno, aún hay concentración de incentivadores y proponentes que utilizan la Ley de Incentivo a la Cultura (LIC) para obtener recursos en el fomento de proyectos. Concluimos que la política pública de la financiación de la cultura sigue transfiriendo al mercado para decidir qué proyectos serán financiados. El mercado, a su vez, tiende a generar renta de monopolio, a través del uso de los recursos públicos para la promoción de proyectos culturales de interés para la imagen de la organización bajo el monopolio de los pocos productores y fundaciones.

**Palabras clave:** políticas culturales; financiación de la cultura; renta de monopolio.

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## 1. INTRODUCTION

The idea of national culture is a distinctively modern category. In traditional societies or in a pre-modern era, loyalty and identification with the tribe, people, religion, and to the territory, were gradually transferred, in modern western societies, to the national culture. “The national culture has become a key industrialization characteristic and an apparatus of modernity” (Hall, 2014:30).

On the other hand, the debate on cultural production is indispensable to all countries that aim at empowering its civil society in search of full democracy. Culture, by means of its symbolic and economic power, can engender citizenship deepening mechanisms, enhancing social environments, developing creativity, innovation and sustainability, in addition to promoting respect to differences and diversity, and directly reducing violence levels. It is through cultural values that people see themselves as subjects that belong to a nation. Cultural policy must be seen as a social inclusion factor, since it is paramount to create not only recreation options, but also income alternatives and increasing communication and creation possibilities (Brazil, 2014).

The financing of culture under the agenda of the Ministry of Culture (MinC) is promoted by cultural projects via tax break, governed by the Federal Law for Cultural Incentive (Law No. 8,313/1991), the Audio-visual Act (Law No. 8,685/1993), and also via direct financing by means of public notices released annually directed to specific projects (Brazil, 2016).

The resources invested through Federal Law for Cultural Incentive (LIC) constitute the object of analysis of the present study. Between 2003 and 2015, they represented 90.8% of public resources destined to culture in Brazil (Brazil, 2016). According to Botelho (2001), the financing of cultural projects must be critically evaluated. In this same period, LIC generated a little more than 13 billion reais in cultural investments. Incentive acts have been the most important financing modality which, accordingly to Rubim (2013), transfers to companies the decision power regarding cultural production in the country.

Despite the extension of the concept of culture with the adoption of an anthropological notion<sup>1</sup> by the government in 2003 (Rubim, 2010), the administration from Gilberto Gil's (2003-08) to Juca Ferreira's (2015-16) periods had followed an accentuated context of transformation of culture in a sort of commodity. In this period, there was an extension in financing ways, increasing public resources invested directly via public notices to specific projects, by means of National Fund for Culture (FNC). However, this direct form of cultural financing is still restricted. LIC constitutes itself as the preponderant form of financing. In 2016, due to the temporary extinction of MinC by the interim government of Michel Temer, this financing policy became the subject of debates about its operation, scope and limits, causing fraud investigations in this legal apparatus.

LIC was implemented during Collor's government, popularly called Rouanet Act, in allusion to the Ministry of Culture in the time it was implemented, Sérgio Paulo Rouanet. It is a public policy for tax incentive by which citizens and companies can use part of their rent tax in cultural actions. In this article, we are going to analyze the existence of concentration of promoters and proponents amongst companies

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<sup>1</sup> The culture notion in an anthropological sense emphasizes “world visions, memories, social and symbolic relations, knowledge and practices; differentiated experiences in human groups — as social identities fundamentals” (Vianna, 2006:2).

which used LIC to obtain resources during Lula's (2003-10) and Dilma's (2011-15) governments, and verify the generation of monopoly rent in the production of Brazilian cultural goods.

According to Harvey (2006), the monopoly rent category comes from political economy and arises due to exclusive control over some item. Under the guidance of rent monopoly, cultural products and events become commodities to capital accumulation by a small economic elite, which produces little and consumes much.

## 2. THEORETICAL DISCUSSION

### 2.1 MONOPOLY RENT CREATION THROUGH INDUSTRIALIZATION OF CULTURE

The search for monopoly rent is pointed out by Harvey (2006) as one of the main sources of contradiction of the capitalist system. In the current stage of capitalism, there is an appropriation of several sectors by capital, in addition to the traditional productive ones, such as education, health and culture. Cultural goods are transformed into commodities, i.e. into items susceptible of industrialization, analogous to the traditional way of producing, distributing and marketing goods.

According to Harvey (2014), all commodities we can buy in capitalist society have an use value and an exchange value. In Marxist words, it is the utility of a particular commodity that makes it an use value, so we can only effectively consider its use value from its consumption. It is the use value that forms the material content of a wealth, whatever its social form (Marx, 2013:114). Meanwhile, the exchange value is what allows the use value of one type to be exchanged for another. This relation between different types is constantly changing in time and space. Thus, we conclude that exchange values are historically conditioned.

Adorno and Horkheimer (1985:131) point out that “the use value in the reception of cultural goods is replaced by the exchange value; instead of pleasure, what is sought is to watch and be informed, what one wants is to gain prestige and not become a connoisseur”. They complement that everything has value only insofar as it can be exchanged, not insofar as it is something in itself. The authors also consider that culture is a paradoxical commodity which is submitted to the law of exchange; the more it gets meaningless, the more it serves to economic purposes. This view is shared by Harvey (2006:221) when states that “it is undeniable that culture has turned into some kind of commodity”.

Harvey (2006) introduces the category of monopoly rent in an attempt to understand the contemporary processes of economic globalization. Any income is obtained from the monopolistic power of the private owners of an item; thus, monopoly rent is characterized by increased earnings, as a result of the exclusive control of some crucial, unique and irreplaceable item. Monopoly rent is linked to two contradictions: (1) an item, even possessing special qualities such as particularity and singularity — essential requirements for this category —, they are not too special that cannot be monetarily calculated; (2) the more easily negotiable a particular item is, the less unique it becomes. In this case, the monopolistic advantages are suppressed by their transformation into a commodity (Harvey, 2006).

The industrialization of culture, or its mass production, has been signaled since the Frankfurt School. For Adorno and Horkheimer (1985), contemporary culture gives everything an air of similarity. The cultural industry can boast “of having carried out with energy and of having erected in principle

the often awkward transfer of art to the sphere of consumption, of having undressed the amusement of its inopportune ingenuities and of having perfected the shape of the commodities” (Adorno and Horkheimer, 1985:111).

Later, it is the Brazilian philosopher Marilena Chaui (2011) who shows that culture is a citizen’s right, right of access to cultural works and assets, right to make culture and to participate in cultural policy decisions. But in the form of cultural industry, the neo-liberal managerialist capitalism denies these traits of culture, reinforcing it as mass culture, in which works of thought and art tend to express themselves to become reproductive and repetitive; and creative work to become consumption events.

In the author’s words, the so-called mass culture appropriates cultural works to consume them, devour them, destroy them, and nullify them in simulacra. Precisely because the spectacle becomes simulacrum and the simulacrum is put as entertainment, the mass media transform everything into amusement, founding the cultural market (Chaui, 2008). Indeed, the current fusion of culture and entertainment is not only a depravity of culture but also a forced spiritualization of fun (Adorno and Horkheimer, 1985).

Moreover, competition is a feature of the capitalist system that tends towards monopoly, since in a competitive environment only the strongest will survive, so competition tends to accelerate monopoly (Harvey, 2006). Monopoly rent has long been protected by the protectionist barriers conferred by nation-states, but with the advancement of globalization due to the decrease in transportation and communication costs, there has been a tendency to decrease those rents. However, for Harvey (2006), capitalism does not exist without monopoly rent, it always seeks ways to achieve it; and today, culture is increasingly being used to guarantee such monopolistic power.

Immersed in the internationalization of culture, cultural industries favor the opening of each nation to the variety of information and, at the same time, there is concentration of means, homogenization of contents and unequal access to goods and messages (Cesário, 2007). This dynamics of concentrated, homogeneous and asymmetric symbolic exchanges takes place in a spiral of continuous movement, so that other modes of distinction will be invoked to establish monopolistic claims and discourses, designed to guarantee the truthfulness of these claims. The discursive change corresponds to the rise of international competition and globalization of cultural enterprises, assuming distinctive roles, reflecting the commodity transformation of cultural consumption in standardized lines (Harvey, 2006).

Thus, culture, art, and distraction are reduced by their subordination to the totality of the cultural industry, which is characterized by repetition. It makes reasonable why the interest of many consumers is attached to the technique, and not to the stubbornly repeated content, hollow and partly abandoned (Adorno and Horkheimer, 1985). In this sense, every cultural practice, essentially originating from the arts, is reproduced on a large scale, preferably with a transnational cultural appeal so that the holder of its possession can profit more with the exchange, experience or consumption of his cultural good; not only in his homeland, but in every corner of the globe.

From this context of transnationalization of culture and hybridization of cultural identities, the generation of monopolistic power also occurs with fusions of the main corporations of media, of producers and distributors of the industries in the field of culture. The increase in concentration occurs mainly in the distribution of cultural industries products (Hirsch, 2000).

## 2.2 PUBLIC POLICIES OF CULTURE IN BRAZIL

From the discussion of monopoly rent concept and how culture is being used for the purpose of accumulating financial resources, it is important to analyze the current scenario of the financing of Brazilian cultural policies to understand it on the monopolistic power perspective.

Saravia (1999:91) states that public policy of culture involves the preservation of historical and architectural monuments to the promotion of cinema, along with various possible activities in the field of music, the visual arts and the performing arts. All these cultural sectors are subject to priorities, determined by political and ideological views (Saravia, 1999). In Brazil, cultural policies still lack academic studies, mainly because culture is a recent priority on the political agenda. There is a delay in the institutionalization of this field in the organization of the State, even though there have been public policies directed to the sector since the 1930s, the Ministry of Culture was created only in 1985 (Corá, 2014).

The Federal Constitution of 1988 emphasized the right of access to culture, the legitimacy of Brazilian cultural diversity and the role of the State in this construction (Carvalho, Silva and Guimarães, 2009). However, since the 1990s, the patronage model, with incentive laws, has been prominent in public actions aimed at culture, making this organizational field to be mostly oriented in public financing, through forgoing tax, of actions carried out by private organizations (Medeiros, Alves and Farah, 2015). Castro (1989) had already pointed out that the patronage law (in the case of the old Sarney Act and the current Rouanet Act) is, in fact, a business policy for Brazilian culture, meaning the sectorization of cultural production which is concentrated in an elite of specialized producers chosen by businesspeople. This financing model can cause a serious impediment to Brazilian cultural production. Businesspeople will not want to finance artists who do not represent their way of portraying the country (Castro, 1989:28). Moreover, when analyzing the influence of the State and the market in the field of culture between 1920 and 2002 in Brazil, Simões and Vieira (2010) add that the disinterest of the State in cultural aspects as strategic factors for the development of the nation, combined with financial problems which have affected it for several periods, justifies the emergence of incentive laws that would shift the decision-making capacity and management of culture to the market.

There was a significant change in the conception of public policies of culture in Brazil after 2003. The anthropological notion was adopted in the creation of cultural public policies from the administration of the minister Gilberto Gil in the first Lula government. According to Botelho (2001:74), culture in its anthropological sense is produced by the “social interaction of individuals, who elaborate their ways of thinking and feeling, construct their values, manage their identities and differences and establish their routines.” It is necessary that a reorganization of social structures and a new distribution of economic resources occur, so that politics reaches culture in its anthropological dimension (Botelho, 2001). In addition, Vianna (2006) argues that the Federal Constitution of 1988, in articles 215 and 216, formalized the “imaterial” dimension of cultural goods, which are related to culture in its anthropological sense.

Throughout the two Lula government mandates, the initiatives sought to articulate the democratization of culture with the process of social inclusion, and were decisive in strengthening culture in the governmental agenda, as well as the growth of resources destined to the MinC (Souza, 2012). Caminha (2013) observes that, in this period, the State speech reappears as promoter of public policies to intervene and correct the injustices of a society based on the free market.

This new conception of public policy sought to break with the three sad traditions in the scope of public cultural policies in Brazil: absences, authoritarianism and instabilities (Rubim, 2013). The first tradition, the absence, is motivated by the neoliberal vision of the State, in which it must not promote cultural policies; its action should be restricted to the promotion of culture through incentive laws. Another aspect that guided the cultural field is the way in which policies are conceived in the country, marked by authoritarianism, i.e., policies constituted within the scope of the offices, without the participation of Brazilian society. The public sector did not foresee effective actions to guarantee the population access to all forms of culture; thus, what companies do not care about has been marginalized (Saraiva and Frias, 2009:62). The third tradition of cultural sector is its instability, given the lack of continuity of the policies promoted by the State (Rubim, 2010), as well as the absence of articulation between the Union, states and municipalities. In this sense, Netto (2015) reinforces that the public policies of culture, taken in isolation, cannot reach the daily plan, since there is no articulation between the public spheres so that their results can be effective.

These three traits tried to be fought by Lula's two governments, by adopting a new conception of cultural policies and by redefining the role of the State in the development of public policies. In the last decade, forms of financing have been rediscussed to combat the absence of the State in deciding resources allocation. However, the law project that modifies the means to finance culture remains in the debate. Oliveira, Vieira and Silva (2007) argue that the primacy of tax breaks policy has promoted numerous distortions, since cultural sectors, such as patrimony, show many difficulties in raising funds. Bier and Cavalheiro (2015:44) emphasize how LIC continues to fail in several aspects such as:

The perpetuation of great corporations monopoly in the definition of cultural products to be developed; the concentration of resources applied in the Southeast; the restriction, in most cases analyzed, of works produced by artists of high renown or great commercial appeal; the large funding destined to international shows which do not originate in Brazilian culture; the lack of a fundraising methodology that democratizes access and decision on public treasury application; and especially the absence of civil society awareness since the absolute majority of Brazilian population who pays rent tax is unaware of this law existence, as well as its benefits, which is reflected in the low social participation of this instrument of public policy.

Regarding the second trait, authoritarianism sought to be broken with the expansion of the State's activity beyond patrimony and the arts, introducing other cultures, such as: Afro-Brazilian, indigenous, gender, sexual orientation, peripheries, networks and digital technologies. The third trait, the instability of the cultural sector, has been combated through a process of reformulation and re-dimensioning of MinC policies, with the creation and structuring of the National System of Culture (SNC) and the National Plan of Culture (Rubim, 2010). This action aims to be the main mechanism of federal articulation and coordination to combat the absence of regulated policies in the area, which make culture a non-priority sector in the allocation of public resources by local authorities (Zimbrão, 2013), as well as to try to reverse policy based on tax incentives mimicked by states and municipalities in a resource management structure similar to that verified at federal level (Carvalho, Silva and Guimarães, 2009).

Thus, from 1930 to the institutionalization of the CNS, the trajectory of public policies of culture in the country has been marked by the struggle between those who defend the preservation of an exclusionary,

elitist and centralizing model of politics, and others who claim culture as a social right (Carvalho, Silva and Guimarães, 2009). The maintenance of an elitist model has directed public policies of culture for generating monopolistic rents. In this sense, Cesário (2007), while analyzing the current public policies for Brazilian cinema, warns that the State has contributed to the generation of monopoly rent. For her, the State must develop public policies not to abandon cultural sector entirely to the command of the market; and its role, therefore, is to foment production and distribution of national cultural goods. For years, the Brazilian government has been limited to financing projects through LIC, exempting itself from the decision-making power on investing in culture, leaving the market to determine where public resources should be invested.

Despite initiatives aimed at combating the three sad traditions and conceptual modifications with the inclusion of Brazilian society constructing public policies through the National Conferences of Culture and by creating the National Council of Cultural Policies (Soto et al., 2010), the trend is still the maintenance of public policies of culture in generating monopoly rent. Rubim (2010) warns that without a drastic reversal in funding policy, MinC's cultural and regional diversity policies are put into question. There is a risk that public money in cultural area will contribute even more to the generation of monopoly rent and that cultural goods continue being unavailable to most Brazilian population.

### **2.3 FINANCING STRUCTURE OF PUBLIC POLICIES OF CULTURE IN BRAZIL**

The National Program for Support to Culture (Pronac) was established by Law 8,313/1991 (Rouanet Act) and aims at stimulating production, distribution and access to cultural products, to protect and conserve historical and artistic heritage and to promote diffusion of Brazilian culture and regional diversity. There are three ways to support cultural projects: Cultural and Artistic Investment Funds (Ficart), Tax Incentives (LIC) and National Fund for Culture (FNC) (Brazil, 2016). Ficart consists of investors participation in the possible profits when applying resources in cultural and artistic projects of commercial character. This investment fund has not been implemented by the Ministry of Culture yet.

The tax incentive, the most widely used, is another type of support, also known as Tax Break or Patronage, which is a way of stimulating private sector support for the cultural sector. There can be *proponents* of a cultural project which are individuals in this area (artists, cultural producers, cultural technicians); public entities of cultural nature in the indirect public administration (*autarquias*, cultural foundations); and profit and non-profit companies (firms, cooperatives, foundations, NGOs, cultural organizations). The proponent must present a cultural proposal to the MinC and, if approved, is authorized to raise funds from *promoters*, who may be individuals paying the income tax (IR) or companies taxed based on the actual profit (Brazil, 2016).

Promoters who support projects may have all of the amount disbursed, or part of it, deducted from the tax due, within the percentages allowed by tax legislation. For organizations, up to 4% of income tax due, and for individuals, up to 6% of income tax due. According to the Normative Instruction No. 1 of February 9, 2012, which regulates procedures related to the tax incentives mechanism of Rouanet Act, cultural proposals must be submitted between February 1<sup>st</sup> and November 30<sup>th</sup> of each year. It is worth mentioning that the proponent can move resources only after capturing at least 20% of the total required for the project (Brazil, 2016).

The third way is by the FNC, which consists of an accounting nature fund, with indefinite duration, which functions under forms of non-repayable loans or repayable loans. According to art. 4 of Rouanet Act, FNC's main objective is to capture and allocate resources for cultural projects compatible with Pronac purposes. Moreover, this fund aims at stimulating equitable regional distribution of resources to be invested in cultural and artistic projects, as well as promoting interstate vision, enhancing projects that explore combined cultural proposals of regional focus, among other activities (Brazil, 2016).

### 3. METHOD

This study was conducted analyzing resources distribution amongst promoters and proponents, along the thirteen years period (2003-15). This period begins in 2003 because it corresponds to a modification proposed by Lula's government, according to which public policy adopted a wider and anthropological view of culture. Data was analyzed for companies, both promoters and proponents, which were involved in cultural projects in Brazil. Private individuals were not considered because they represent about 1.5% of the total amount invested each year.

Data was collected from *Sistema de Apoio às Leis de Incentivo à Cultura* (SalicNet) website (Brazil, 2016). Queries were performed in "Proponentes" and "Incentivadores" tabs, in "Maiores Proponentes" and "Maiores Incentivadores por Ano" options, respectively. All information represents actual values, because published data are converted by SalicNet.

The evidence of a possible uneven income distribution amongst agents can be more clearly analyzed by taking the joint variability amongst these elements. In an initial data analysis, we observed that the number of promoters and proponents was fairly high, in such a way that it was not possible to draw clear conclusions based in raw data (in 2015, for instance, we have 2,361 proponents and 3,378 promoters, according to tables 3 and 4).

Thereof, we chose to divide the proposers and promoters sums into four groups, in such a way that every group represented 25% of the total resources. It was made for both proponents and promoters, in each of the thirteen years. Promoters and proponents' lists were sorted decreasingly with respect to its monetary value, and each individual was classified into one of those groups, which contains, as said before, an amount of individuals whose summed monetary values equals 25% of total resources, approximately. This classification produced a categorical variable (groups) with four categories, and an interval variable (number of companies per group).

From this classification, it was possible to test the hypothesis that the amount of companies, both promoters and proposers, are statistically different between groups, which could indicate an uneven income distribution between companies. The most common test used in this case (one categorical variable with two categories and a metric variable) is Analysis of Variance (Anova) which, according to Downing and Clark (2002), tests the null hypothesis of equal means between groups, against the alternative hypothesis that at least two groups have different means.

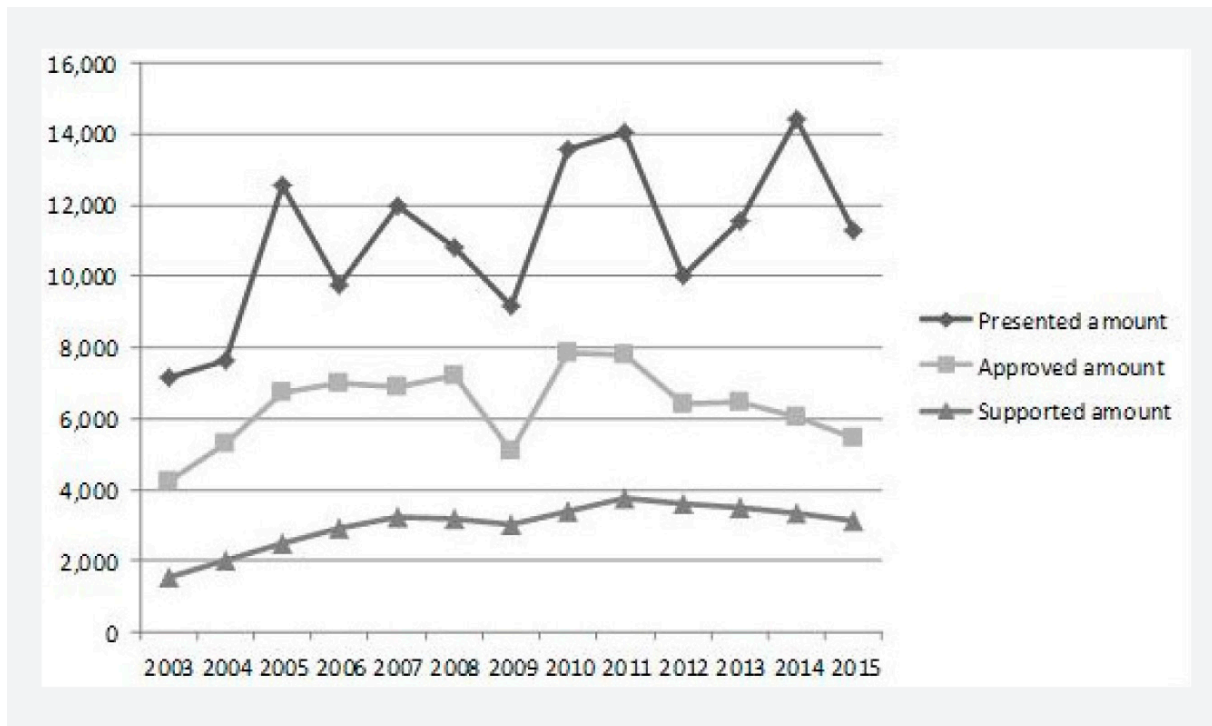
According to them, one of Anova suppositions is equal variance between groups. Becker (2015) recommends Levene's test to test equality's variance. We conducted such test, which pointed to difference between groups, at a 0.05% significance level. So we used a non-parametric test, as recommended by Becker (2015), as an alternative to Anova: Kruskal-Wallis test, which has, as a null hypothesis, homogeneity of probability distribution functions between groups. All statistical tests were conducted using IBM® SPSS version 20 software.



#### 4. RESULTS PRESENTATION AND DISCUSSION

In the first year, resources demand to cultural development projects increased by 57.4% (graph 1) reaching, in 2015, more than 11 thousand projects presented to MinC. In 2011, the year which showed the greatest amount of projects, 14 thousand were presented. Amongst them, there was a significant increase in the approved projects amount, corresponding to 29.2%. This increase occurred relative to the amount of supported projects, that is, those projects that obtained resources in the market, presenting a 104.2% increase in 2015 relative to 2003. The amount of supported projects has shown a more regular increase than the presented projects. We point out that only 27.9% of presented projects (11,274) in 2015 were supported (3,151) by LIC.

**GRAPH 1** AMOUNT OF PRESENTED, APPROVED AND SUPPORTED PROJECTS BETWEEN 2003-15



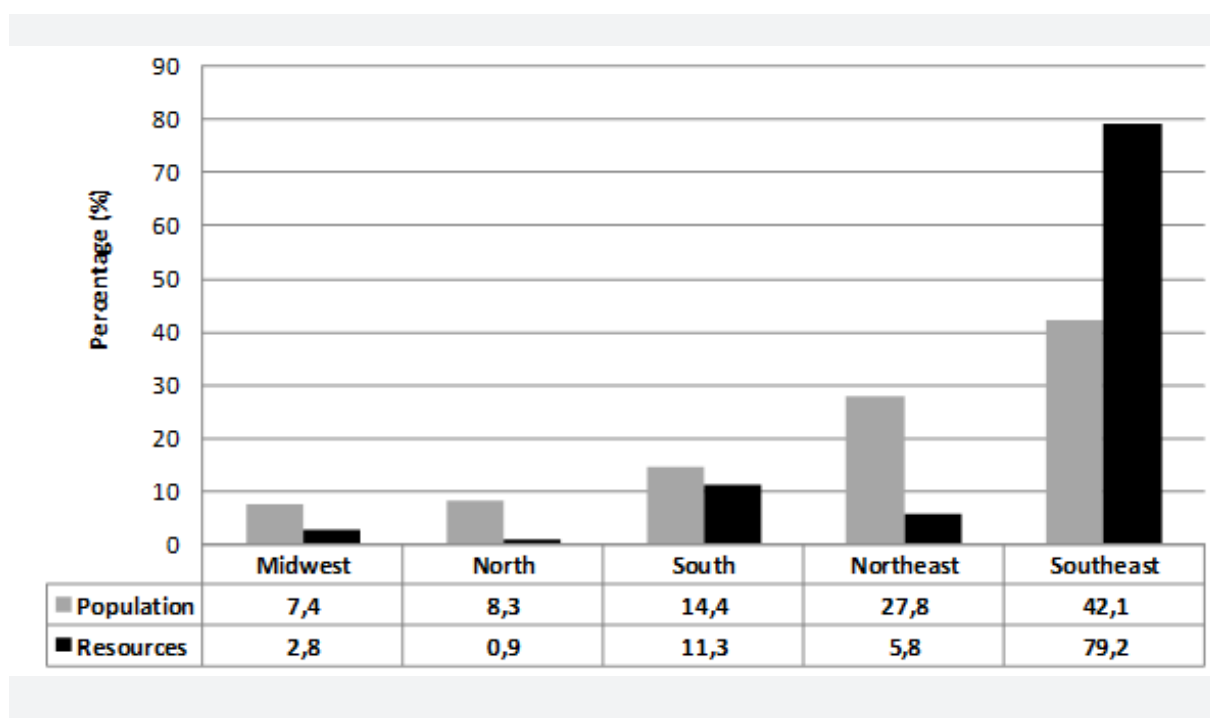
**Source:** Elaborated by the authors, based on data collected from SalicNet.

Another important information regards the amount of resources requested and raised. In the analyzed period, 93 billion reais were demanded by the projects. From this amount, 55 billion reais were supported by LIC. However, the proponents of cultural projects were able to raise only 26% of the amount approved by the Ministry. Data revealed that many cultural projects were not implemented due to lack of investments by the market.

The majority of projects which obtained resources by means of LIC were located in the Southeast region of Brazil (graph 2), which concentrates 79.2% of the resources invested in culture, during the period

analyzed, followed by the South, with 11.3%, and the Northeast with 5.8%. Investments in the Midwest represented only 2.8%, while the North represents less than 1% of the resources allocated. After comparing this information to the spatial distribution of population in the country, it is possible to note that there is a high concentration of resources invested in culture, given that 42.12% of Brazilian population is located in the Southeast region.

**GRAPH 2** AGGREGATED DATA FROM 2003-15 REGARDING REGIONAL RESOURCES DISTRIBUTION RELATIVE TO POPULATION

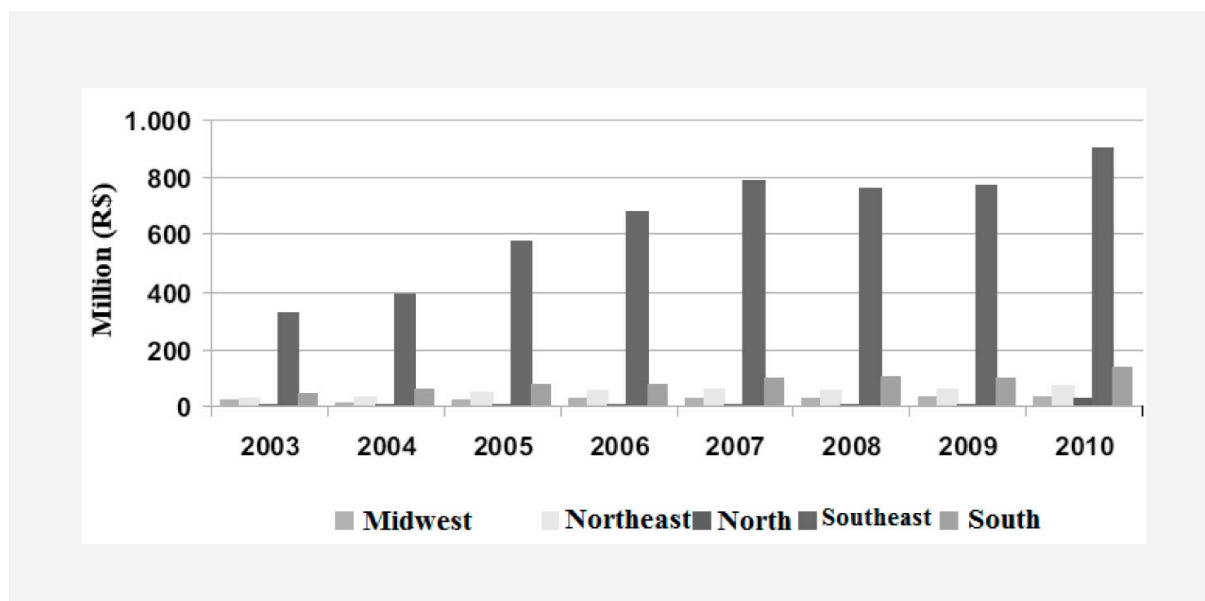


**Source:** Elaborated by the authors, based on data collected from SalicNet and Censo Brasil 2010 (IBGE).

This inequality is also expressed in the federal government documents, such as the Plurianual Plan (PPA) 2012-15, in which the evident regional concentration of resources to cultural financing is disturbing (graph 3), “demanding regulatory instruments to reduce this concentration, as in the case of the proposed law which creates a National Culture Program (ProCultura), still in process” (Brazil, 2014).

We now present the analysis by which we tested the hypothesis that there is a high income concentration between promoters and proponents. We used culture investment data from LIC. Table 1 presents total resources transferred by promoters and proponents each year.

**GRAPH 3 REGIONAL INEQUALITY IN FUND-RAISING BY LIC<sup>A</sup>**



<sup>a</sup> Data is presented in Millions of Reais (R\$) regarding all Brazilian regions, in the sequence presented: Midwest, Northeast, North, Southeast, South.

Source: Image extracted from PPA 2012-15.

**TABLE 1 TOTAL AMOUNT OF TRANSFERRED RESOURCES**

Year	Promoters (millions of reais)	Variation (Percentual)	Proponents (millions of reais)	Variation (Percentual)
2003	428.35		428.35	
2004	508.18	+18.8%	508.18	+18.6%
2005	722.58	+41.9%	722.58	+42.2%
2006	846.33	+17.6%	846.33	+17.1%
2007	982.50	+15.9%	982.50	+16.1%
2008	954.31	-2.7%	954.31	-2.8%
2009	968.23	+1.7%	968.23	+1.5%
2010	1,150.78	+19.0%	1,150.78	+18.8%
2011	1,305.81	+13.5%	1,305.81	+13.5%
2012	1,254.85	-3.5%	1,254.85	-3.9%
2013	1,239.37	-1.2%	1,239.37	-1.2%
2014	1,310.10	+5.8%	1,310.10	+5.7%
2015	1,155.33	-11.1%	1,155.32	-11.8%

Source: Elaborated by the authors, based on data collected from SalicNet.

The amount of resources was divided into four groups, each year. Promoters and proponents' lists were sorted in ascending order by monetary value and each company was classified into one of the groups, in such a way that each one of those groups had a number of companies that summed up a quarter (25%) of the amount transferred, in each year. Table 2 presents absolute and relative promoters' frequencies in each group, in each year.

**TABLE 2** GROUPS OF PROMOTER COMPANIES

Year	1 <sup>st</sup> Group		2 <sup>nd</sup> Group		3 <sup>rd</sup> Group		4 <sup>th</sup> Group		Total
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	
2003	1252	92.19	82	6.04	22	1.62	2	0.15	1358
2004	1656	92.72	102	5.71	25	1.40	3	0.17	1786
2005	1918	94.53	93	4.58	17	0.84	1	0.05	2029
2006	2201	94.75	100	4.30	21	0.90	1	0.04	2323
2007	2240	93.92	114	4.78	27	1.13	4	0.17	2385
2008	2288	93.01	135	5.49	32	1.30	5	0.20	2460
2009	2244	93.66	124	5.18	24	1.00	4	0.17	2396
2010	2742	93.08	165	5.60	35	1.19	4	0.14	2946
2011	3079	93.90	160	4.88	35	1.07	5	0.15	3279
2012	3038	93.79	155	4.79	37	1.14	9	0.28	3239
2013	3215	92.60	191	5.50	51	1.47	15	0.43	3472
2014	3255	92.84	190	5.42	49	1.40	12	0.34	3506
2015	3106	91.95	204	6.04	53	1,57	15	0.44	3378

Source: Elaborated by the authors, based on data collected from SalicNet.

Table 3 presents the amount of proponents included in each group, in each year.

**TABLE 3** GROUPS OF PROPONENT COMPANIES

Year	1 <sup>st</sup> Group		2 <sup>nd</sup> Group		3 <sup>rd</sup> Group		4 <sup>th</sup> Group		Total
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	
2003	913	80.87	148	13.11	51	4,52	17	1.51	1129
2004	1118	79.07	193	13.65	74	5,23	29	2.05	1414
2005	1393	81.89	207	12.17	76	4,47	25	1.47	1701
2006	1574	81.94	233	12.13	87	4,53	27	1.41	1921
2007	1751	81.03	274	12.68	103	4,77	33	1.53	2161
2008	1786	81.18	286	13.00	99	4,50	29	1.32	2200
2009	1747	81.67	274	12.81	94	4,39	24	1.12	2139

Continue

Year	1 <sup>st</sup> Group		2 <sup>nd</sup> Group		3 <sup>rd</sup> Group		4 <sup>th</sup> Group		Total
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	
2010	1878	80.77	309	13.29	104	4,47	34	1.46	2325
2011	2091	81.20	341	13.24	111	4,31	32	1.24	2575
2012	2083	80.46	353	13.63	119	4,60	34	1.31	2589
2013	2044	80.31	343	13.48	121	4,75	37	1.45	2545
2014	2007	82.19	308	12.61	97	3,97	30	1.23	2442
2015	1923	81.45	306	12.96	98	4,15	34	1.44	2361

Source: Elaborated by the authors, based on data collected from SalicNet.

Even though differences between groups may seem clear, we decided to perform a group’s difference statistical test, aiming at evidencing them. Kruskal-Wallis test was chosen to test the null hypothesis that the groups come from identical probability distributions. Table 4 presents these results.

**TABLE 4 DIFFERENCES BETWEEN GROUPS**

Type	H <sub>0</sub>	Level of significance	Decision
Promoters	The frequency distribution is the same amongst groups	0,000	Reject null hypothesis
Proponents	The frequency distribution is the same amongst groups	0,000	Reject null hypothesis

Source: Elaborated by the authors.

The differences observed between groups, in the analyzed period, are not random, as the test shows. In other words, there is a significant difference between the four promoters and proponents groups. Those populations are statistically significant.

Besides that, we aimed at identifying companies that presented themselves as the highest frequency promoters. We chose to identify the top ten culture promoters in the country, by year. Table 5 presents the frequency by which the promoters were amongst the top ten in each year of the period.

We realized that Banco Nacional de Desenvolvimento Econômico e Social (BNDES) and Banco do Brasil S.A were in the top ten lists of promoters in all years. Besides that, data allowed us to earn the main cultural promoters are public and semi-public companies. Among the identified companies, there is financial sector predominance, followed by mining and telecommunications.

Among the promoters, we noted that a restricted number of companies decide which projects receives financing. Between 2003-15, promoters’ concentration ranged from 5.24% in 2006 to 8.05% in 2015. In 2006, only 5.24% of promoters decided which projects would receive 75% of the total funding (corresponding to the last three groups of this year, according to table 2). This little variability demonstrates that income concentration did not decreased, given that few companies still determine what is produced in terms of culture, in the country.

**TABLE 5 MOST FREQUENT COMPANIES AMONGST THE TOP TEN PROMOTERS BY LIC**

Promoter	Frequency	Promoter	Frequency
Banco do Brasil S.A.	13	Empresa Brasileira de Correios e Telégrafos (ECT)	4
Banco Nacional de Desenvolvimento Econômico e Social (BNDES)	13	Telecomunicações de São Paulo S.A.	4
Petróleo Brasileiro S.A. (Petrobras)	11	Banco Bradesco Financiamentos S.A.	3
Vale S/A	10	Banco Bradesco S/A	3
Centrais Elétricas Brasileiras S/A (Eletrobras)	9	Banco Itaucard S.A.	3
Bradesco Vida e Previdência S/A	8	Companhia Brasileira de Metalurgia e Mineração	3
Cielo S.A.	5	Gerdau Açominas S.A.	3
Petrobrás Distribuidora S.A.	5		

Source: Elaborated by the authors, based on data collected from SalicNet.

Table 6 identifies the top ten LIC projects proponents, between 2003 and 2015.

**TABLE 6 MOST FREQUENT COMPANIES AMONGST THE TOP TEN PROPONENTS BY LIC**

Proponent	Frequency	Proponent	Frequency
Instituto Itaú Cultural	13	Aventura Entretenimento Ltda.	4
Fundação Orquestra Sinfônica Brasileira	10	Museu de Arte de São Paulo Assis Chateaubriand	4
T4F Entretenimento S.A. (2 CNPJs)	9	Associação Cultural da Funarte	3
Associação Orquestra Pró Música do Rio de Janeiro	8	Associação de Amigos do Teatro Municipal do Rio de Janeiro	3
Fundação Roberto Marinho	8	Associação Sociedade de Cultura Artística	3
Fundação Bienal de São Paulo	7	Fundação Iberê Camargo	3
Fundação Padre Anchieta Centro Paulista de Rádio e TV Educativas	7	H. Melillo Comunicação e Marketing Ltda.	3
Museu de Arte Moderna de São Paulo (MAM)	7	Instituto Tomie Ohtake	3
Fundação Orquestra Sinfônica do Estado de São Paulo	6		

Source: Elaborated by the authors, based on data collected from SalicNet.

We identified that between 2003 and 2015, Instituto Itaú Cultural was among the top ten proponents in all years. We observed that the proponents group also shows a high cultural production concentration. In 2003, 75% (the sum of the last three groups in table 3) of the total amount invested in culture by LIC were raised by only 19.14% of the companies which presented projects to MinC. In 2015, more than a decade after the adoption of the anthropological concept of public policies toward culture, the resources concentration remains virtually unchanged, since 18.55% of proponents companies concentrates 75% of the amount invested in that year. Data reinforces the idea that financing by means of LIC, even with the implementation of the anthropological view, creates a clear economic exploration of cultural goods in all Brazilian regions, corroborating the ideas of Harvey (2006) that market advances towards the cultural sector by exploiting cultural goods in the form of monopoly rent.

The results generated by the culture financing concentration by means of LIC become even more relevant when compared to invested amounts by means of FNC. Table 7 shows that, between 2003-15, only 9.2% of invested resources came from this fund.

**TABLE 7** INVESTED RESOURCES DIFFERENCES BETWEEN LIC AND FNC

Year	Total Amount	LIC	% from LIC	FNC	% from FNC
2003	461,157,590.14	430,893,947.10	93.44%	30,263,643.04	6.56%
2004	592,570,649.34	512,099,071.71	86.42%	80,471,577.63	13.58%
2005	859,571,783.84	726,776,280.39	84.55%	132,795,503.45	15.45%
2006	932,496,915.31	854,803,919.47	91.67%	77,692,995.84	8.33%
2007	1,230,705,156.83	990,675,659.20	80.50%	240,029,497.63	19.50%
2008	1,098,927,549.77	963,700,956.53	87.69%	135,226,593.24	12.31%
2009	1,137,285,420.69	980,018,012.32	86.17%	157,267,408.37	13.83%
2010	1,457,140,463.99	1,166,377,190.82	80.05%	290,763,273.17	19.95%
2011	1,351,713,286.78	1,324,372,827.24	97.98%	27,340,459.54	2.02%
2012	1,302,487,770.31	1,277,144,304.65	98.05%	25,343,465.66	1.95%
2013	1,331,552,331.68	1,261,701,217.10	94.75%	69,851,114.58	5.25%
2014	1,352,724,210.88	1,334,890,490.83	98.68%	17,833,720.05	1.32%
2015	1,218,999,344.55	1,186,406,761.36	97.33%	32,592,583.19	2.67%
Total	14,327,332,474.11	13,009,860,638.72	90.80%	1,317,471,835.39	9.20%

**Source:** Elaborated by the authors, based on data collected from SalicNet.

In this way, the culture concept in these governments' agenda may be just a rhetoric, in which the population would have access to cultural goods and works representing Brazilian diversity. With the remaining incentive laws, public resources are not collected by the State as taxes, but instead, transformed into a cultural incentive instrument. As evidenced also by Souza (2012), Simões e Vieira (2010) and Cesário (2007), this distant position regarding culture do not guarantee access neither production by the majority of the population which, ultimately, is the one who finances it. Public resources are, thus, transformed into private benefits, maintained under the monopolistic power of few companies. Public policies towards culture presents themselves deformed, by not covering the masses and by not encouraging symbolic production diversity, given that the market, by means of few public and private companies, determines which projects are funded.

We showed an appropriation of a few companies towards the culture field by means of cultural goods exploration, in the form of monopoly rent, which compromises, in fact, the adoption of an anthropological view of culture. Thus, even with the implementation of programs, such as *Pontos de Cultura*, *Mais Cultura*, *Intercâmbio e Divisão Cultura*, among others, the maintenance of LIC as the main public sector financing, makes few people have access to public resources, since the market tends to keep cultural production concentration under the control of few, not distributing resources evenly.

## 5. CONCLUDING REMARKS

This article aimed at analyzing monopoly rent generation by the public politics of culture financing in Brazil, using the amounts of invested resources in cultural projects by means of cultural incentive law. We opted for a longitudinal study, ranging from 2003 to 2015, since there was a change in the public politics concept of culture, with the adoption of an anthropological view, starting with Lula's 2003 government.

Data showed that there is a high concentration of financial resources in restricted groups of public and private companies, both between promoters and proponents of cultural projects. There is a high regional concentration of projects in the Southeast region of the country, reducing other regions access to cultural properties and its production.

Public policy of culture financing transfers to companies the decision regarding which projects will get funding, even requiring previous approval by the Ministry of Culture. In turn, the market tends to generate monopoly rent, by means of public funding usage in order to encourage cultural projects which promote organizational image, under producers and foundations monopoly. Therefore, the collected data support the persistent statements from Rubim (2010, 2013), of which policy maintenance of public financing of culture compromises cultural diversity policies and the regional proposals for the adoption of an anthropological view of culture, as in MinC's policy concept.

It is necessary to reform forms of financing, because LIC, as the main policy in the analyzed period, maintain public resources under the domain of few. Without this reform in financing public policies, the tendency is to maintain the use of culture to generate monopoly rent, besides the access to cultural properties remains restricted to few portions of the population, preventing an effective governmental action towards cultural and regional diversity encouragement in Brazil.

In this study, we limit ourselves to investigate financing by means of LIC. New researches could analyze if there is a monopoly rent generation in projects financed by Ficart and FNC. Another aspect



that could be enhanced is to connect companies which invest in culture by means of LIC to its respective cultural foundation, that is, to relate the invested amount by a promoter to an amount collected by a proponent. This data could highlight the way by which companies determine what culture is and what is not in our country, while they decide what is produced in the sector. Other researches could also analyze which audiences are affected by the projects financed by the main promoters and proponents identified in this study.

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