CONTRIBUTION OF THE CULTURAL SECTOR TO THE ARGENTINEAN ECONOMY AND ALLOCATION OF PUBLIC RESOURCES: ASYMMETRY OR PROPORTIONALITY?°

EL APORTE DEL SECTOR CULTURAL A LA ECONOMÍA ARGENTINA Y LA ASIGNACIÓN DE RECURSOS PÚBLICOS AL SECTOR. ¿ASIMETRÍA O PROPORCIONALIDAD?

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Abstract

The aim of this paper was to analyze the contribution of the cultural sector to the Argentinean economy and the public expenditure on culture. Both variables were studied for the period 2015-2022. The hypothesis was that the evolution of the main variables indicating the cultural sector's contribution to the economy (Cultural Gross Value Added, Employment, and National Cultural Consumption) and the allocation of public resources for developing cultural activities are effectively asymmetrical. The analysis is based on secondary and documentary sources. The results revealed that the sector's contribution to the Argentinean economy is significant and growing over time, while public expenditure on culture remains below the target set by the Ibero-American Cultural Charter, at less than 1% of total public expenditure. This value indicates that there is still ample room for developing public cultural policy.

Keywords: cultural sector, cultural gross value added, public cultural expenditure
JEL Codes: Z10

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Resumen

El objetivo del presente trabajo es analizar el aporte del sector cultural a la economía argentina y el gasto público en cultura. Ambas variables se estudian en el período 2015-2022. Se plantea como hipótesis un avance asimétrico entre la evolución de las principales variables que permiten visualizar el aporte del sector objeto de estudio a la economía (Valor Agregado Bruto Cultural, Empleo y Consumo Cultural Nacional) y la asignación de recursos públicos para efectivizar el desarrollo de actividades culturales. El análisis se basa en fuentes secundarias y documentales. Los resultados indican que el aporte del sector a la economía argentina es significativo y creciente en el tiempo, mientras que el gasto público en cultura se encuentra por debajo de la meta establecida por la Carta Iberoamericana de Cultura, siendo inferior al 1% del gasto público total, lo que indica que existe un importante margen para el desarrollo de política pública cultural.

Palabras clave: sector cultural, valor agregado bruto cultural, gasto público cultural
Códigos JEL: Z10

INTRODUCTION

Nowadays, culture is presented as a means of fostering social cohesion, accumulating knowledge, enhancing understanding, and facilitating both individual and collective human growth (Delgado Ruiz, 2000). In this sense, access to cultural goods is a fundamental right for all people. According to Article 27 of the Universal Declaration of Human Rights, 'everyone has the right to participate freely in the cultural life of the community, to enjoy the arts, and to share in scientific advancement and its benefits' (United Nations, 1948, p. 8). Culture is an important driver of the economy because, through the flow of income and expenditure derived from the consumption and production of cultural activities, it generates wealth and employment. At the local and regional economic levels, strengthening such activities can transform productive structures, potentially leading to the development of new comparative advantages (Devesa et al., 2012). In this sense, Delgado Ruiz (2000, p. 178) stated that culture currently faces new functional demands primarily associated with its capacity to generate wealth, drive urban change, and foster social cohesion. Similarly, Herrero Prieto (2011) noted that culture can be viewed as contributing to human development, productivity, or as part of economic transactions. Numerous studies not only consider the profitability of the cultural sector itself but also the positive externalities and spillover effects it creates on the rest of the economy (Throsby, 2001; Seaman, 2003; Devesa et al., 2012; among others).

The effects of culture on the broader economy of the country surpass the impact of cultural activities alone, making them challenging to quantify. In Argentina, the National Directorate of Cultural Industries, along with the Cultural Information System of Argentina and the National Directorate of National Accounts (NDNA) of the National Institute of Statistics and Census (INDEC), is responsible for this task. They established the Culture Satellite Account (CSA), which compiles data on the economic contribution of the cultural sector from 2004 onwards. In particular, the CSA conducts macroeconomic analyses of cultural activity as a whole, including measures such as cultural gross value added (CulGVA), employment, and cultural consumption. The methodology used aligns with the UNESCO Framework for Cultural Statistics (2009) and adheres to the international parameters and guidelines established in the Andrés Bello Convention.

On the other hand, in both academia and practice, there is an extensive discussion regarding the need for the state to finance part of cultural activities, considering the sector's unique characteristics. In 2006, the Organization of Ibero-American States for Education, Science and Culture (OEI), the largest multilateral cooperation entity among Spanish- and Portuguese-speaking Ibero-American countries, signed the 'Ibero-American Cultural Charter', which sets a fiscal priority target for public spending on culture at 1% of the total public spending.

The aim of this article was to assess the contribution of the cultural sector to the Argentine economy and public spending on culture. Both variables were studied for the period 2015-2022. The hypothesis posits an asymmetric progression between the evolution of variables demonstrating the contribution of the cultural sector to the Argentinean economy and the allocation of public resources for the development of cultural activities. The analysis was conducted within the disciplinary field of cultural economics.

The paper is organized as follows. After this introduction, the emergence of cultural economics is discussed, followed by an analysis of three indicators suggested by UNESCO to determine the contribution of the cultural sector to a country's economy. Next, a study of the public expenditure allocated to the sector is presented. Finally, the paper concludes with discussions and reflections.

I. METHODOLOGY

The scope of the research is exploratory and descriptive. The study utilized secondary information and documentary sources. To evaluate the contribution of the cultural sector to the Argentinean economy, three indicators proposed by UNESCO Culture for Development were analyzed: CulGVA, employment in the cultural sector, and household expenditure on cultural goods and services. We worked with secondary information generated by INDEC, the CSA and the Cultural Information System of Argentina (SInCA). The economic measurement of the cultural sector in Argentina was carried out by implementing the CSA, an economic information system aligned with the System of National Accounts framework.

In Argentina, the CSA has been compiled since 2006 by the NDNA of INDEC in collaboration with the National Ministry of Culture, through the SInCA. Thus, the country possesses data on the contribution of the arts and cultural sector to the economy, with information available since 2004. The main methodological aspects followed for constructing the CSA are based on the UNESCO Framework for Cultural Statistics (2009), which has been adapted to suit the particularities of local measurements. For the Argentinean case, the International Standard Industrial Classification of all Economic Activities version 3.1 was used, with a disaggregation level of two or three digits. This classification was standardized with the National Classification of Economic Activities according to information available from the NDNA. The subsectors of cultural activity considered are as follows: 1. Performing arts and artistic shows; 2. Plastic and visual arts; 3. Books and publications; 4. Audiovisual; 5. Music production and publishing; 6. Design; 7. Material heritage; 8. Cultural training; 9. Digital content; and 10. Advertising. The data on cultural employment are then presented. As a statistical input, the number of jobs in the private sector was computed using data provided by the NDNA, sourced from the results of the Argentine Provisional Integrated System, the Permanent Household Survey, and the National Household Expenditure Survey. Finally, a brief overview of the findings from the National Cultural Consumption Surveys (NCCS), carried out by SInCA to estimate cultural expenditure, is provided. Conceptually, cultural products were defined as those whose purpose is to create, express, interpret, preserve, and transmit symbolic content (CAB, 2015).

Subsequently, the resources allocated to the cultural sector from 2015 to 2022 were studied using the Investment Account. The evolution of the budget of the national cultural authority is depicted in constant 2015 pesos. In addition, two indicators were estimated to assess the fiscal efforts of governments in this area (CEPAL-OEI, 2021). The first expresses fiscal priority by considering the weight of the culture budget (CulPE) within the total public budget (TPE), calculated as CulPE/TPE. The second reflects the macroeconomic priority of CulPE by referencing its weight in the gross domestic product (GDP), estimated as CulPE/GDP. Finally, to assess the contribution of the public sector to promoting cultural activities, the indicator CulPE/CulGVA was constructed.

II. CULTURAL ECONOMICS

Cultural economics is a recent area of specialization within the field of economic science (Baumol & Bowen, 1966; Goodwin, 2006). According to scholars, *Performing Arts: The Economic Dilemma* by Baumol and Bowen (1966) is the pioneering study for the development of the field (Throsby, 1994; Towse, 1997; Towse, 2003; Frey, 2000; among others). Baumol and Bowen's research presents the thesis of the Cost Disease, also known as Baumol's Disease, named after the first co-author who formulated this approach. The authors observed that, in almost all countries, the state financially supports the arts. They therefore wondered what particularities of the sector lead to this intervention. Thus, by analyzing the cost structure of the New York Philharmonic Orchestra and the Drury Lane of the Royal Shakespeare Theatre, they found that the sector's costs are affected by technological factors that limit labor productivity gains.

This sub-discipline was called the economics of art, where ‘art’ was restricted to elite culture (performing, visual, and literary arts). In its early years, it excluded the study of cultural heritage and cultural industries from its analysis (Towse, 1997, 2003, 2005). Later, the scope of study broadened, and the term ‘cultural economics’ was used to include various cultural goods such as heritage and cultural industries.

Cultural economics, as outlined by Herrero Prieto (2002), traditionally divides cultural goods into ‘living culture’, ‘accumulated culture’, and ‘reproducible culture’. In relation to the elements included in each of these categories, the author argued that cultural goods are not only living creations like present-day performing and visual arts but also encompass accumulated cultural heritage with its historical perspective or sense of inheritance. Additionally, Herrero Prieto (2002) advocated for the incorporation of reproducible goods that exhibit creativity or intellectual expression, such as literary works, symphonies, or films. While these categories represent different cultural products, they share a common trait: their significance as artistic creations or expressions of community identity, contributing to their cultural value.

Furthermore, Herrero Prieto (2009) emphasized that the defining aspect of cultural economics lies in the unique nature of the goods and services offered. They share a triple characteristic: they embody intellectual or creative endeavors, they produce a synthesis of beauty, and they carry a particular or collective symbolic significance.

In addition, Towse (2003) mentioned that cultural economics seeks to apply economic analysis tools to examine the production, preservation, distribution, and consumption of artistic and cultural goods. It also addresses aspects related to the institutional and regulatory frameworks in which various artistic and cultural forms are developed.

On the other hand, literature over the years has begun to distinguish cultural economics from creative economics. The latter refers to activities associated with creativity and the so-called intellectual capital, which are drivers of added value and development. Recently, a new concept has emerged: orange economics, introduced by Felipe Buitrago and Iván Duque in their publication *La Economía Naranja, una oportunidad infinita* (Orange economics, an infinite opportunity) by the Inter-American Development Bank (IDB). Buitrago Restrepo and Duque Márquez (2013) proposed creating a unified concept that encompasses all of the above. Thus, they defined orange economics as the set of activities that sequentially transform ideas into cultural goods and services, with their value derived from their intellectual property content.

The industrial production of cultural goods and services has altered the traditional role of culture. Cultural industries are not only playing a key role in economic expansion in developed countries but also in less developed ones. For this reason, the analysis of the cultural sector's contribution to the Argentinean economy is presented below.

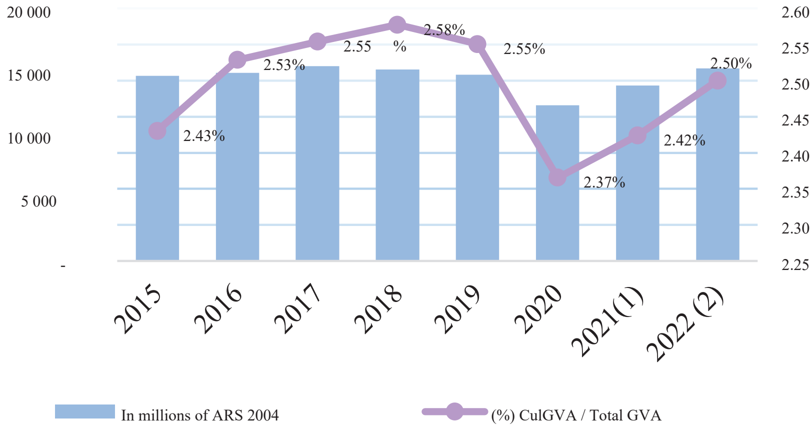
III. CONTRIBUTION OF THE CULTURAL SECTOR TO THE ARGENTINEAN ECONOMY

III.1. Cultural Gross Value Added

One of the main indicators generated by the CSA is the CulGVA. This economic aggregate measures the value generated in the production of final cultural goods and services at basic prices, encompassing the sectors and activities that define the cultural domain within the Argentinean economic landscape (INDEC, 2018). CulGVA is calculated as the difference between the gross value of production (GVP) of all selected activities and their intermediate consumption (INDEC, 2018). The estimation of the cultural sector's contribution within the CSA framework is measured using the gross value added at basic prices (GVAbp) for each type of cultural sector. This indicator facilitates the assessment of the economic contribution of the cultural sector and provides insight into its significance within national production. It also illustrates its evolution over time, enabling a detailed analysis by branch of activity and revealing its dynamics.

Figure 1 displays the CulGVA values in millions of pesos at constant 2004 prices and the cultural sector's share in the total economy (CulGVA/totalGVA). In 2015, the CulGVA accounted for 2.43% of the total GVA. The contribution of the cultural sector to GVA began to decline from 2018 onwards, with the most significant decrease observed in 2020 due to the implementation of two main measures aimed at mitigating the COVID-19 pandemic: Preventive and Compulsory Social Isolation and Preventive and Compulsory Social Distancing. In that year, activity declined to levels lower than those of 2015. However, it recovered rapidly in 2021 and 2022.

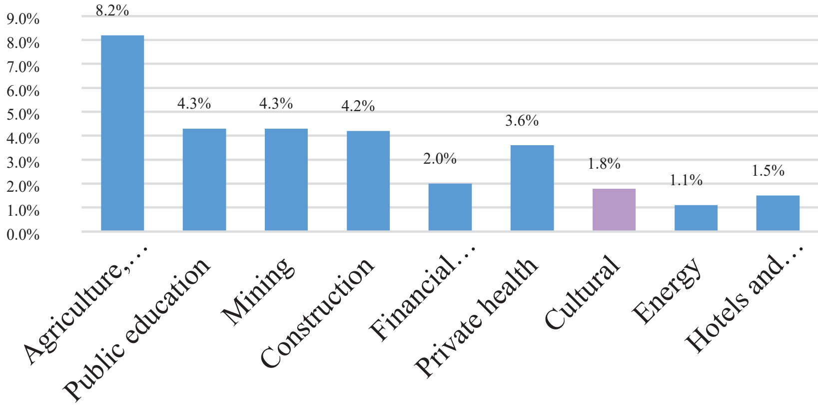
Figure 1. Contribution of the cultural sector to the Argentine economy (CulGVA/ totalGVA)



Note: (1) Preliminary data; (2) Provisional data.
Source: Own elaboration based on data from the CSA (INDEC).

The importance of the cultural sector in the Argentine economy is evident when comparing its contribution to the total GVA with that of other sectors. According to SInCA (2022), in 2021, the cultural sector contributed almost as much to the total GVA of the economy as the financial intermediation sector and even surpassed the energy and hotels and restaurants sectors. The year 2021 remains noteworthy, as it also experienced the pandemic's impact on the economy (Figure 2). It should be clarified that the lower value of the share of CulGVA in current prices (1.8% compared to the 2.4% rate in constant values) indicates that the prices of cultural goods and services increased at a slower rate than those of the total economy, relative to the base year 2004.

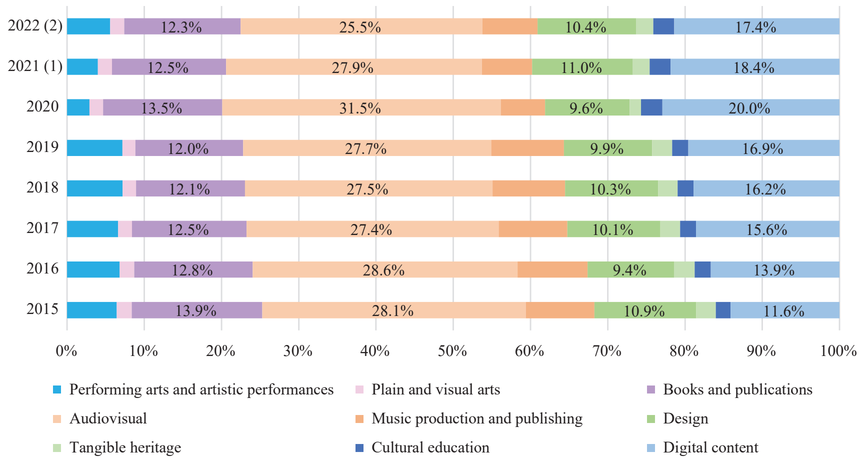
Figure 2. Share of selected economic sectors in the total GVA of the economy (in current prices) in 2021



Source: SInCA (2022). Preliminary data.

Based on the results of the CSA for 2017, CEPAL-OEI (2021) estimated the contribution of the cultural sectors in eight Ibero-American countries. According to the report, the contribution of the cultural sector to the Argentinean economy is similar to that of Spain (2.6%), lower than that of Colombia (3.1%) and Mexico (3.1%), and higher than that of Portugal (1.7%) (CEPAL-OEI, 2021, p. 236). However, it should be noted that while there are standard methodological agreements for the elaboration of the CSA, differences in how the cultural sector is defined across countries mean that the results are not directly comparable. Figure 3 provides a disaggregated analysis for the sub-sectors of cultural activity mentioned in the methodological section. The cultural sub-sector that contributed the most to the CulGVA during the analyzed period is audiovisual, digital content and adververtising (accounting for approximately 57.3% to 61.5%), followed by the advertising sector. The audiovisual and digital content sub-sectors comprise the creative industries, including audiovisual, publishing, music, video games, visual arts, and design. On the other hand, the heritage sub-sectors, performing arts and cultural material heritage, contributed between 5% and 8% during the specified period. The drop in the share of performing arts activities in 2020 exceeded that of other sub-sectors, largely due to the health emergency measures. These particularly affected the performing arts sector, as non-essential activities with crowds were suspended, including events, performances, and shows, as well as the closure of theatres.

Figure 3. Share of cultural sub-sectors in the CulGVA as percentages (2015-2022)



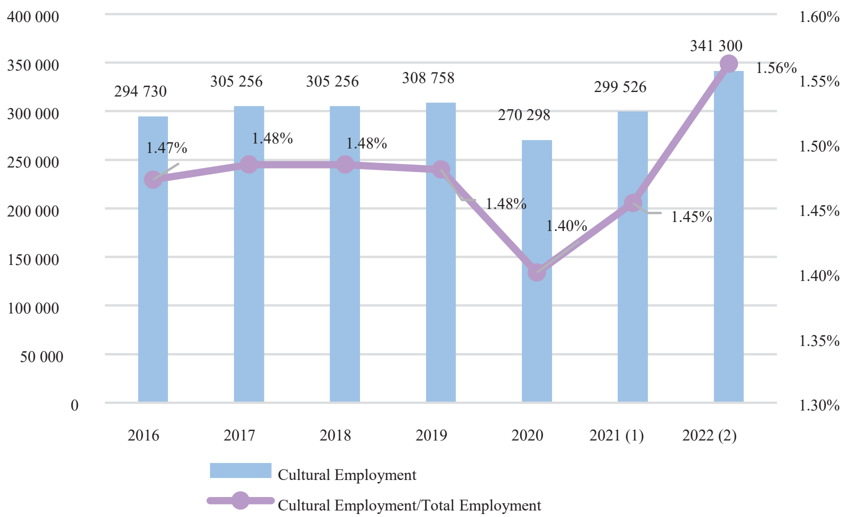
Note: (1) Preliminary data; (2) Provisional data.
Source: Own elaboration based on data from the CSA (INDEC).

III.2. Employment in the Cultural Sector

Regarding employment generation in the arts and cultural sector, the first records of the CSA date back to 2016. As a statistical input, the number of jobs in the private cultural sector was computed based on information provided by the NDNA.

Figure 4 shows the evolution of jobs created in the private cultural sector. In 2016, the cultural sector provided 294 730 jobs in the country (including the categories of registered, unregistered, and self-employed workers), representing 1.5% of total private employment in the Argentine economy. This figure remained the same in 2019. According to a study by SInCA, this represents more than the energy sector (0.6%) and the mining sector (0.6%). Three-quarters of the jobs were concentrated in four sectors (audiovisual, advertising, design, and publishing), with almost half being registered and nearly 70% categorized as dependent. Cultural employment grew until 2020, but that year saw a significant decrease both in employment within the sector and in the total economy, as a consequence of the health policies mentioned above. However, cultural employment declined even further, with the ratio of cultural employment to total employment dropping slightly to 1.40%. In 2021, although both cultural and total employment in the economy increased, the former expanded by a slightly higher proportion, raising the share of jobs to 1.45% (employment in the cultural sector grew from 270 298 jobs in 2020 to 296 753 jobs in 2021).

Figure 4. Jobs generated by the private cultural sector and its share in total employment, Argentina (2016-2022)

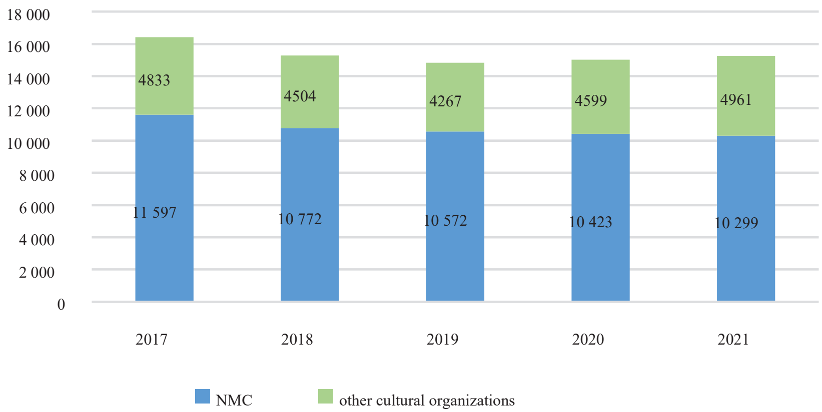


Note: (1) Preliminary data; (2) Provisional data
Source: Own elaboration based on data from the CSA (INDEC).

Data on national public cultural employment are available for the period 2017-2021 (SInCA, 2023). Figure 5 illustrates its evolution in terms of the number of jobs.

Finally, comparing Figures 4 and 5 highlights the important size of the private cultural sector in Argentina. Thus, in 2021, this sector employed 299 526 workers, while the national public sector absorbed 15 260 workers, accounting for 5% of total employment in the cultural sector.

Figure 5. Public cultural employment

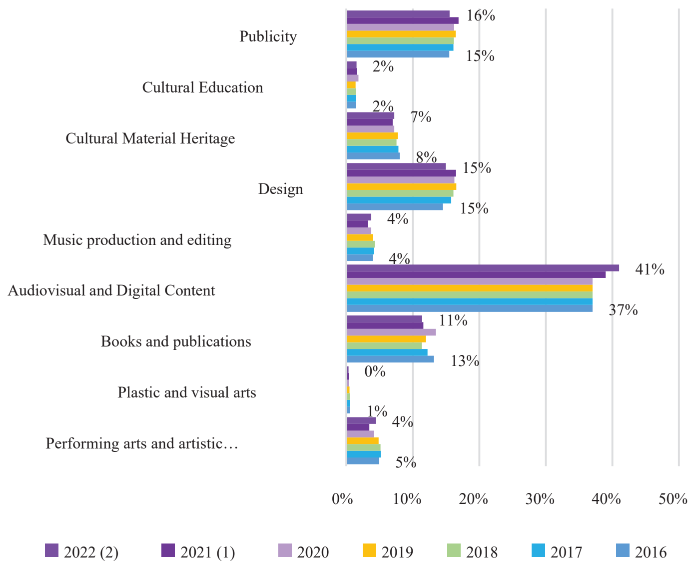


Note: (1) Includes State companies; (2) Includes public entities such as the National Institute of Cinema and Audiovisual Arts (INCAA) and the National Institute of Music (INAMU).
Source: SInCA (2023).

In relation to private employment by sub-sector of cultural activity, audiovisuals, design, and digital content employed the largest number of workers, comprising 37% in 2016 and increasing to 41% in 2022. As for the sub-sectors linked to heritage, performing arts and artistic shows absorbed 5% in 2016 and decreased to 4% in 2022, while cultural material heritage employed 8% in 2016 and 7% in 2022 (Figure 6).

Figure 7 illustrates the jobs created by the private cultural sector categorized by level of registration. It can be observed that the total number of jobs in the unregistered and unemployed categories exceeds the number of registered jobs in all years.

Figure 6. Total employment by sub-sector of cultural activity (2016-2021)

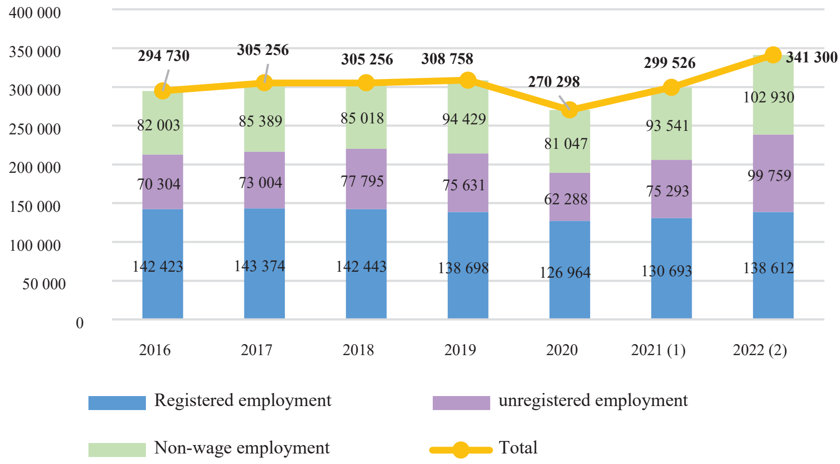


Note: (1) Preliminary data; (2) Provisional data.

Source: Own elaboration based on data from the CSA (INDEC).

In 2022, in terms of the composition of employment by level of registration and cultural sub-sector, plastic and visual arts, along with cultural training, exhibit registered employment rates above 50%. As expected, the cultural training sub-sector boasts the highest number of registered employment, totaling 5 246 jobs. In both sub-sectors linked to heritage, unregistered employment predominates, accounting for 65% in performing arts and artistic shows and 70% in cultural material heritage.

Figure 7. Jobs generated by the private cultural sector by registration level (2016-2022)



Note: (1) Preliminary data; (2) Provisional data.
Source: Own elaboration based on data from the CSA (INDEC).

At this point, it is important to mention the findings of a study conducted by Tortul and Leonardi (2023), which examined the workforce employed in the arts and cultural sector using microdata from the Permanent Household Survey. The authors differentiated between registered and unregistered employment and concluded that, at the national level, the labor market for arts and culture presents segmented characteristics, demonstrating an even deeper duality than that of the Argentinean labor market in general. According to Paz (2013, p. 105), a labor market is considered segmented when comparable workers exhibit differences in outcomes (e.g., wages), their pay-setting mechanisms vary, and barriers exist that hinder workers' mobility. Segmentation acknowledges the presence of jobs with differing quality levels as workers integrate themselves into various productive circuits. Thus, individuals entering either the public-official or the private-commercial circuits enjoy the advantages of registered employment, whereas those in the alternative-independent circuit lack such social security benefits and earn lower incomes (Leonardi et al., 2021). The varying hiring conditions across different productive circuits contribute to a dual or segmented labor market in the arts and cultural sector, where registered workers experience better employment terms compared to those who are unregistered or unwaged. In addition, wage gaps between registered and unregistered people are evident. It is noteworthy that limited research has been conducted on this matter, emphasizing the urgency of implementing policy actions to alleviate the dual nature of the labor market in the arts and culture, especially within the performing arts and artistic shows sub-sector, to ensure that all the artistic work is recognized for its symbolic and economic value.

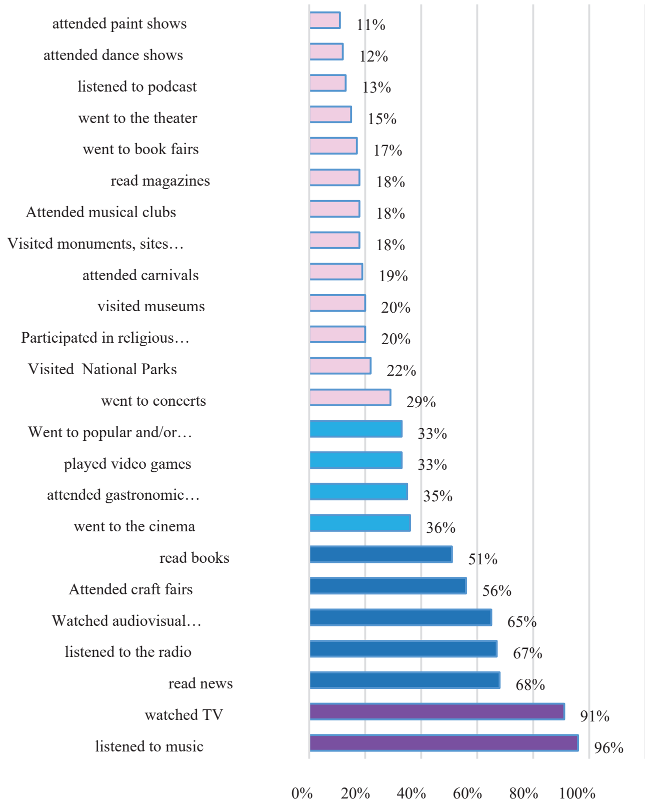
III.3. Household Consumption and Expenditure on Culture in Argentina

The NCCS is the only official survey concerning the habits, consumption, and cultural preferences of the Argentine population and includes the survey of goods related to performing arts and artistic shows and cultural material heritage. It has been conducted since 2013 through the SInCA, which operates under the Directorate of Planning and Management Monitoring of the National Ministry of Culture, with a frequency of every four years. This survey provides empirical evidence for decision-making and the design of public policies. So far, three surveys have been carried out at the national level (in 2013, 2017, and 2022). The most recent one targeted individuals aged 13 and older residing in private households within urban agglomerates with over 30 000 inhabitants, and the findings are preliminary. The results from the 2022 NCCS are presented first, followed by those from the 2017 NCCS.

Figure 8 displays the preliminary results obtained from the lastest edition of the NCCS regarding various cultural consumption habits and practices among the Argentine population, illustrating the percentage of individuals who participated in at least one cultural activity within the past year.

Regarding household expenditure on culture, preliminary data for the year 2022 is not yet available. The 2017 NCCS revealed that digital practices (internet, cable, and mobile) constitute the primary category in total cultural expenditure, amounting to more than double that of the remaining cultural expenditures considered. The categories with the lowest average monthly expenditure include theatre, books and magazines, and cinema (SInCA, 2017, p. 40). In 2017, household spending on cultural goods totalled 30 dollars per year. That same year, according to the CSA, cultural consumption represented 2.8% of national private consumption. During the period analyzed, this share ranged from 2.6% in 2015 to 2.9% in 2019.

Figure 8. Percentage of the population engaging in the following cultural practices (2022)



Source: Own elaboration based on data from SINCA (2023).

IV. PUBLIC RESOURCES ALLOCATED TO CULTURE IN ARGENTINA

In order to analyze the allocation and dynamics of resources dedicated to the area of culture in Argentina, we used information from the Investment Account published by the Contaduría General de la Nación (CGN) (2015-2021), which provides details on the public budget assigned to various ministries, public bodies, and organizations. The recording of the data is governed by the accrual concept, meaning it reflects what is actually executed, even if the payment is made in the following period. Information published by SInCA (2023) was also considered.

It is important to keep on mind that examining the budget allocated to the area of culture requires taking into account the changes that have occurred in this Ministry within the government structure. Since its creation in 1973 as the Ministry of Culture and Education, it has undergone various modifications and shifts in hierarchy. This situation complicates the construction of the broader public expenditure on culture series (CulPE), as the Investment Account has been updating its records. Thus, for example, in 2018, the Ministry of Culture was downgraded to the rank of Secretariat during a reorganization of the national cabinet that reduced the number of ministries by half. It regained its ministry status in December 2019 with the assumption of a new national government. Finally, in December 2023, the newly assumed national authorities downgraded the highest state agency responsible for guiding and promoting cultural policies at the national level back to a Secretariat.

The available disaggregated information from the Investment Account could be compiled for the period 2015-2022, categorized by composition and agency. It should be clarified that spending on culture does not only include resources allocated to the sphere of the Ministry of Culture at the time, as other ministries, public entities, and state enterprises receive resources that can be assigned to cultural programs. This information is challenging to visualize in the Investment Account.

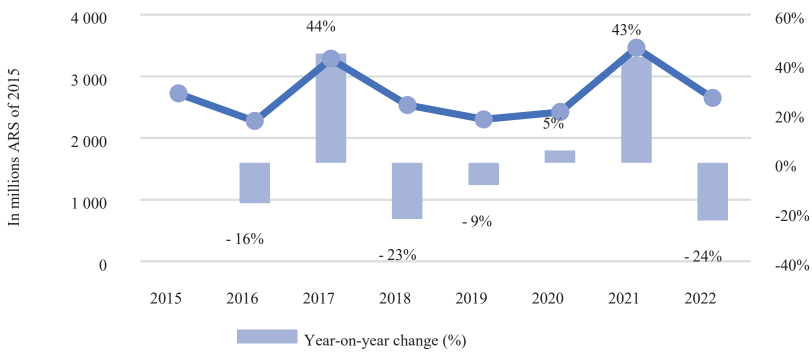
The current budget execution figures are not available at the sub-national level. Data from provincial jurisdictions are fragmented and do not adhere to a uniform methodology, resulting in a lack of comparability. In an effort to systematize information, SInCA produced cultural expenditure series by province from 2006 to 2017. However, this information has been discontinued since that time.

According to SInCA data (2023), the Ministry of Culture executes only 32% of the budget allocated for cultural activities, with 68% falling outside its scope. Within the Ministry's allocation, 6% is designated for (INCAA) and the National Institute of Music (INAMU).

Figure 9 shows the evolution of the accrued budget allocated to the Ministry of Culture for the period 2015-2022. The series is presented at constant prices to eliminate the effect of inflation. In the period analyzed, the executed budget fluctuated around an average of 2500-3000 million pesos in 2015. The year-on-year variation indicates that the Ministry's budget evolved unevenly, demonstrating a decrease of 3% over the entire period. The analysis by sub-periods shows a 15%

decrease in the budget between 2015 and 2019. The increase observed between 2020 and 2021 can be attributed to the Ministry's elevation from Secretariat status, resulting in an expanded structure and broader political scope, as well as the implementation of cultural support programs during the COVID-19 pandemic (SInCA, 2023). However, this increase was not sustained in 2022, as the spending level reverted to the historical average.

Figure 9. Evolution of the budget of the national cultural authority in pesos at constant 2015 prices (2015-2022) and year-on-year percentage change

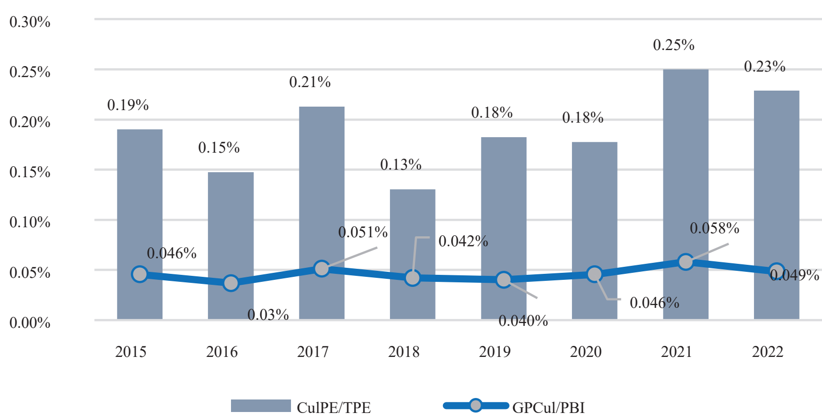


Note: The budget values for 2015 and 2016 do not include resources allocated to public organizations.
Source: Own elaboration based on data from SInCA, INDEC, and the Investment Account of the National General Accounting Office (2015-2021).

The 'Ibero-American Cultural Charter', signed in 2006, sets a fiscal priority target of 1% of total public spending on cultural activities. Motivated by this commitment, a report by the Organization of Ibero-American States for Education, Science and Culture (OEI) and the Economic Commission for Latin America and the Caribbean (CEPAL) proposes two indicators to assess governments' fiscal efforts in this area (CEPAL-OEI, 2021). The first expresses the fiscal priority by considering the weight of the culture budget (CulPE) within the total public budget (TPE), estimated as CulPE/TPE. The second indicator reflects the macroeconomic priority of CulPE by measuring its weight in the gross domestic product, calculated as CulPE/GDP.

Figure 10 presents the evolution of both indicators from 2015 to 2022. The first indicator exhibits uneven behavior during the analyzed period. The year 2018 marks the lowest percentage of spending on culture relative to total spending. Subsequently, it grows in the following years until 2021 and decreases slightly in 2022, when the proportion of spending on culture in Argentina drops to 0.23%. This figure is lower than the average for Latin American countries estimated for 2019 by CEPAL and OEI (op. cit.), representing only 25% of the target set in 2006. While it is true that the fiscal effort considered here pertains to the spending executed within the highest national cultural authority (ministry or secretariat, depending on the year), which constitutes about a third of the total spending on culture, even if this figure were to triple, spending would still not reach the 1% target. In the best year of the period considered, 2021, it barely reached 0.75%, occurring after three lustrums since the charter was signed. As for the second indicator (the weight of CulPE in GDP), it is observed that in the period analyzed it ranged between 0.04% and 0.05%. Comparing these results with those found in the CEPAL-OEI research (op. cit.), the share of CulPE in Argentina's GDP is significantly lower than that of Spain, Cuba, Peru, Portugal, and Mexico, which lead the regional ranking in terms of cultural expenditure as a percentage of annual GDP (ranging between 1.1% and 0.31% of GDP). Argentina presents values similar to those of other countries in the region but below the regional average of 0.23%.

Figure 10. Evolution of CulPE/TPE and CulPE/GDP (in percentage)



Source: Own elaboration based on data from the Investment Account of the National General Accounting Office and the CSA.

V. DISCUSSION

The previous sections focused on an essentially descriptive presentation of the contribution of the cultural sector to the Argentinean economy and the public expenditure allocated to the promotion of this activity. A first point to highlight is related to the important contribution of cultural activities to the economy. By 2022, the cultural sector contributed 1.8% to the total GVA of the economy at current prices and 2.5% at constant prices, surpassing the contributions of the energy and hotels and restaurants sectors. This indicates that the cultural sector's potential extends beyond more developed countries, where it has already started to play a key role in economic expansion. Numerous authors also highlight the importance of this sector in Latin American countries (Aguado Quintero, 2010; Achury Rojas, 2014; among others). Furthermore, the private cultural sector employs 314 786 workers, constituting 95% of the total in 2021, evidencing its relevance in the economy. This is also reflected in the CulPE/CulGVA ratio, which stood at 2.6% in the same year, indicating a significant participation of private investment in the sector. Furthermore, the results of the CulPE/TPE indicator show that the country is far from reaching the fiscal priority target defined by the Ibero-American Cultural Charter. The above highlights the potential in the country for developing cultural policy and expenditure on culture. However, achieving this requires shifting the perspective that allocates public resources to cultural activity from being seen merely as an expense to recognizing it as an investment. Although there is academic debate on the advisability of investing in artistic and cultural activities, consensus exists that arts and culture are meritorious good that generate positive externalities, enhance social cohesion, foster knowledge accumulation, and promote human growth, both individual and collective (Delgado Ruiz, 2000). Palma Martos and Aguado Quinteros (2011) noted that there is general agreement in the literature regarding various cultural policy actions focused on public funding. These include promoting arts education to stimulate cultural capital from an early age, subsidizing demand, and allocating resources for protecting or safeguarding cultural heritage activities recognized by the community.

Finally, the limitations of this analysis should be highlighted. As already mentioned, we only considered the CulPE executed through the Ministry of Culture, excluding public spending on culture channeled through other national ministries. Moreover, public spending on culture by the provinces has not been taken into account. Given the stable structure reported by the SInCA (2023), where spending concentrated in the highest national cultural authority accounts for one-third of total cultural spending, even if the budget execution figures for the period 2015-2022 are tripled, the national state's public resources remain below the desirable targets and the Ibero-American average. On the other hand, as Argentina is a federal country, spending is also carried out by the provinces and local governments, which were not included in this analysis due to a lack of comparable information. Therefore, considering only central government records executed by the Ministry of Culture and public bodies underestimates the country's efforts to mobilize resources to promote culture in its various areas. However, although the CulPE/GDP figure is understated, CulPE/TPE is not, since the latter also includes provincial spending.

FINAL REFLECTIONS

This paper aimed to measure the economic contribution of the cultural sector to the Argentinean economy and analyze the cultural public expenditure executed by the central government.

In order to demonstrate the importance of the sector in the Argentinean economy, information provided by the CSA and the SInCA was used. SInCA collects, systematizes, and disseminates information from the CSA and the NCCS.

The indicators analyzed to observe this contribution include CulGVA across various branches of activity, levels of employment, and cultural consumption. In 2022, the cultural sector contributed 1.8% to the GVA of the Argentine economy and accounted for 1.45% of total private employment. The latter percentage represented a total of 341 300 jobs, with 40% being registered employment. The sub-sectors with the highest participation in CulGVA are related to local creative industries such as audiovisual, publishing, music, video games, visual arts, and design, among others. The audiovisual and digital content sub-sector exhibited the greatest dynamism from 2010 to 2022, whereas sub-sectors linked to performing arts and artistic shows and cultural material heritage decreased their participation in 2020 due to COVID-19 health measures. It should be noted that these contributions are not the only ones, as income generated from cultural tourism within the country has not been accounted for.

In addition, Argentina has experienced modest growth in two key macroeconomic variables that illustrate the cultural sector's contribution to the economy: CulGVA and employment within the sector. Meanwhile, national cultural consumption in relation to national private consumption has remained practically stable, ranging between 2.6% and 2.9%.

In general terms, public expenditure on culture in Argentina is below the target set by the Ibero-American Cultural Charter, even 15 years after its adoption. Moreover, the CulPE/CulGVA ratio is consistently low throughout the period, underscoring the limited public sector involvement in cultural promotion and validating the study's hypothesis.

Given that artistic and cultural goods are often considered public or quasi-public with inherent merit, and in light of the consensus among researchers on the importance of public spending in culture, it is imperative to discuss various cultural policy actions focused on public funding. Enhancing arts education to generate cultural capital from an early age and providing subsidies to stimulate demand could potentially increase public cultural expenditure, which currently averages 2.6% of national private expenditure. Increasing the resources allocated to protecting or safeguarding cultural heritage will expand supply through the preservation of new cultural resources.

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