

# Specifics of Modern Culture and Arts Management and the Models of Its Functioning in Europe, the USA, and Russia

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## ABSTRACT

The present article focuses on understanding and substantiating the specific features of culture and arts management in comparison with general production management. It presents the analysis of the most effective models of interaction between culture and arts and the state on the issue of financing culture in Europe, the USA and Russia. The suggested overview will allow not only structuring the knowledge of culture and arts managers in this complex subject area, but also increasing the efficiency of their companies' management. In addition, the article discusses and analyses the issue of overproduction in creation, preservation and distribution of artistic values.

**Keywords:** Profit, Budget, Material and spiritual values, services, Public, Model, Project.

## 1. INTRODUCTION

In comparison with general production management, culture and arts management is a more complicated process, since it covers not just financial, economic and material components, but also primarily creative, social, and spiritual resources. Instead of continuous-flow production of material assets, which creates clones and directly depends on coherence among its mechanisms, culture and arts management focuses on the creator, the individual who develops an original, unrepeatable product. However, the human factor in making managerial decisions in the sphere of culture and arts is both its strength and weakness.

## 2. SPECIFICS OF MODERN CULTURE AND ARTS MANAGEMENT

The first and most important distinctive feature of culture and arts management is a different targeted impact. The general business management aims at profit making, whereas management in culture and arts is intended to encourage spiritual and moral values in society. For this reason, the majority of culture and arts institutions are non-profit, and material gain is just an auxiliary objective for them, not the primary one.

Another fundamental difference and characteristic feature of culture and arts management is its focus on provision of services, rather than production of material assets. As a rule, culture and arts institutions do not produce material goods.

People who entice the audience into culture and cultural values, play a special role in culture and arts management. Cultural values are not physically transferred to the purchaser as property (except for works of fine arts, sculpture, etc.), the audience acquire them spiritually.

It is also essential to emphasize that the quality of service provided in the sphere of culture largely depends on the performer's contact with the audience (for music and theatre performances, museum, etc.). For example, a poorly rehearsed performance or singing out of tune can make it difficult for the audience to enjoy the performance.

Another difference lies in the fact that creation of spiritual values can take considerably more time than material production. For instance, composing symphonies or operas, creating paintings and sculpture may take years or even decades.

The last but not the least, culture and arts management cannot exist without state support or sponsorship.

### **3. MODELS OF INTERACTION BETWEEN CULTURE AND ARTS AND THE STATE ON THE ISSUE OF FINANCING CULTURE**

Taking into account the role of state support and sponsorship in culture and arts management, we would like to discuss the most common models of interaction between different sources of funding for culture and arts institutions.

According to Professor Yu.P. Kulikova, there are four models: the Romance (France, Spain, and Italy), the Germanic (Germany, Sweden, Finland, Norway, and Denmark), the British and the American ones. [1] It is highlighted that the European models are grounded in the principle of full or partial state support. [1] In France, for instance, this principle has been respected since the 16th century. However, practice had shown that the funds allocated by the state for the functioning of culture and arts institutions were not enough, for which reason in 2003, a law on patronage of the arts was adopted. The law assumes that about 60% of the sponsors' financial contribution is equivalently deducted from the income tax paid by their companies. In this case, patrons find investing in culture beneficial, due to the fact that it partly exempts them from taxation and earns them public respect at the same time. A similar situation is in Austria, where state funding for culture and arts institutions constitutes from 75 to 100% of their maintenance costs. Attracting sponsors' funds is also allowed. Similar models are applied in other European countries.

#### ***3.1 The British model***

Even though the British model of financing culture and art institutions shared certain common elements with the models applied in Europe, it was still markedly different. In particular, before the Prime Minister Margaret Thatcher took office, the institutions of culture had been fully financed from the state budget. Later, the situation changed, Margaret Thatcher ensured that only 60% of the budget of culture institutions was provided by the state, whereas the rest 40% had to be attracted by the institutions of culture themselves.

#### ***3.2 The American model***

The American model is entirely different from the European models, because it is mainly based on fundraising. Following Professor N.G. Fedotova, fundraising is defined as an activity aimed at raising

funds for the implementation of non-profit projects and programs. [2] Considering the essence of this definition, it should be said that culture and arts institutions in the USA are maintained through contributions from patrons and charity, the state does not assist them financially. Even in 2008, during the world economic crisis, American patrons and philanthropists invested about 300 billion dollars in culture. At the United States dollar's current value, it is equivalent to over 22 trillion roubles. As for investment in grants, it amounted for 45 billion dollars, which equals 3.3 trillion roubles. For instance, the Boston Symphony Orchestra is supported by over 10,000 anonymous sponsors (individuals, companies, funds, etc.). This is a comprehensive system, which has taken decades to establish. [3]

Nevertheless, since the outbreak of Covid-19, the institutions of culture and arts in the USA have been disbanded, and performers have had to rely on the benefit of 600 dollars per person. Considering the high costs of housing and utilities, this obviously is not enough to live on, and many professionals have been forced to work as street performers. In Russia, in turn, institutions of culture have received full funding from the state, and personnel have earned the same salaries as before.

By the financing purpose, two types of fundraising are distinguished: project and operational. The first implies targeted fundraising for a certain project, while the second - for general operational activities of a creative team or a particular person. By the method of fundraising, there is external fundraising (with participation of external companies that attract sponsors) and internal fundraising (when a creative organization/team or a creative person raise funds directly, on their own). [1]

#### ***3.3 The Russian model***

Before the October Revolution, the Russian tradition of philanthropy was consistent and correlated with the European one. Thus, under Peter the Great, charitable assistance was provided by monasteries. They educated children, taught them music, icon painting, and trained many talented artists. In 1874, Empress Maria Feodorovna founded a number of institutions funded by herself and the state. The Russian philanthropic tradition also involves the activity of the Imperial Society for the Encouragement of the Arts, which was created in 1820. Karl Bryullov, Alexander Ivanov, Vasily Vereshchagin and other artists received scholarships and could study and live abroad for several years.

Considering modern Russian practice, it should be mentioned that leading Russian musicians, including Vladimir Spivakov, Yuri Bashmet, Denis Matsuev, and Yuri Rozum, have established their own funds to provide financial support to young talented performers.

### **3.4 The principal issues of Russian management in culture and arts**

According to the statistics, in the Russian Federation there are 98.3 thousand institutions of culture and arts, including 1,820 museums, and over 1,000 theatres, concert halls, philharmonic organizations, and opera houses. Additionally, there have been established 60 universities of arts, 236 vocational education institutions, and 4,803 art schools. However, are these considerable figures and what do they mean? This question is difficult to answer. For example, currently in Moscow there are 38 professional symphony and chamber orchestras. The natural question to follow: is this the exact required number? Also in Moscow, there are six opera houses. Who decided that this is the exact optimum to satisfy the needs of opera devotees?

Now to another issue: if we consider that art embraces the spheres of creation, preservation and distribution of cultural values, the management-related question arises: who ensures integration of these spheres or are they independent? It is not unlikely that they operate on their own. Composers create music inspiredly, and training composers in conservatories does not account for how many of them are required. The same is with artists, actors, musicians, and performers. This issue seemed to have been heatedly discussed at the end of the 20th century [3], but soon initial interest waned.

Thus, there is the next issue for discussion: whether there is a problem of overproduction in culture and arts in Russia. Overproduction always leads to devaluation, so if experts and managers in culture and arts do not regulate these processes themselves, do not balance production and consumption of spiritual values (including training professionals in educational institutions), society will face not only the problem of overproduction in culture, but also arbitrariness of officials in its regulation.

What has caused the current situation is the neglect of consumers' opinion. Unfortunately, there is no research into what music and how much of it the average Russian audience would like to be presented in concert halls, for example.

The spheres of production, preservation, and distribution of values of art should be integrated. It is important to note that the field of culture and arts does not always take into account the customer's request, however, we may recall some examples of the opposite from the history of music. Thus, the Requiem by Wolfgang Amadeus Mozart, his greatest composition, was created on commission, and so was The Year 1812 Solemn Overture, one of the most popular orchestral works by Pyotr Tchaikovsky.

Teachers of higher education institutions of arts should cooperate more not only with students, future arts professionals, but also with their intended audience – consumers, and their interests should be studied more thoroughly. If people of arts do not pay enough attention to this, the so-called young reformers will come to power and force the sphere of culture and arts to operate on their own resources.

Moreover, there are not too many people that can understand higher art. If we assume that only "original" music compositions become widespread in our society, then the calculations could be made by analogy with journalism. The French sociologist A. Mol claimed that 98% of periodicals published annually contain repeated information, whereas only 2% present original information. [5] Art experts have not even bothered to study these two percent: what music would people appreciate, who would they like to see on stage, what movements of painting would they like to enjoy?

## **4. CONCLUSION**

People of arts have heard politicians say that culture and arts should finance for themselves and should not require budget funds. In particular, this thesis is actively promoted in times of economic crises.

In order to prevent this, art experts should develop an effective culture and arts management model and put it into practice. However, it will not be possible to implement without scientific understanding and analysis. In this regard, we can assume that in the near future it is effective management as a way of developing culture and arts that will become the most relevant topic in culture and arts.

## **AUTHORS' CONTRIBUTIONS**

This paper is independently completed by Alexandr N. Yakupov.

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