

# Study on Government Management Transformation of Performing Arts Industry Management Strategy Under the New Situation

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**Abstract.** Government management of the performing arts industry, involving four major political, economic, cultural and social, is the construction of socialist culture in an industry can not be ignored. Development of new Chinese performing arts industry, along with the historical process of socialist construction, since the initial establishment of the market economy, the tide of commodity economy to the entertainment industry brings opportunities, it also brings a huge impact. The original management can not adapt to the socialist market economy, the government needs to make corresponding changes on the entertainment industry management. Therefore, China can learn from the management experience of western countries successful, comprehensive use of legal, economic, administrative and other regulatory ways of performing arts industry from the "run" to "control" the transformation of government in a market economy, so that the health of the entertainment industry ,prosper.

## Introduction

Since the completion of the new China, it has been in the entertainment industry under the dual leadership of the ruling party and the government. On the organizational structure, it belongs to the Propaganda Department of the leadership of party committees, play a major party's mouthpiece; in funding, mainly, mostly invested by the government fully funded by the state owned, employing part of the formal national cadres. This culture system, in the prevailing political system has played a positive role. But it neither provide the necessary conditions for artistic production can not meet the growing production of spiritual products, hindered the development of the entertainment industry, but also constrains economic growth. After the reform and opening up, China's highly centralized planned economy and cultural management since the reform, in a certain period with good results, but in general, the reform plan is still within the framework of the economic system, as the main means of administrative management so far we can not meet the requirements of the socialist market economy. March 29, 2004, the national statistical agencies to lower levels issued a "cultural and related industry classification", the performing arts industry officially incorporated into the ranks of the cultural industry. Performing arts industry as both a traditional and contemporary arts industry pattern, forming a dominant pattern in performing arts troupes, theater, theater company collaborative development. Due to the present stage of the performing arts industry is still very weak, is in the initial stages of development, the market mechanism is not perfect, the market is not standardized, low level of industrialization, the face of difficulties, how to achieve the industrialization of the performing arts? Due to the special nature of the entertainment industry the value of norms, rules of the market and the political orientation of the entertainment industry, the market can not

Form spontaneously, but requires the Government to strengthen macro-management and regulation. Strengthen macro-control and management can no longer follow the management under the planned economic system, we can learn from Western countries cultural management, combined with China's actual situation, from three government decentralization enliven the market, the development of policies to achieve the government transformation of the entertainment industry management practices.

## **Decentralization - Self Management**

Performing arts industry is the cornerstone of enterprise development, China's performing arts companies at present there are some problems mainly exist in a variety of systems, poor competitiveness, poor management, but directly restricts the development of the performing arts industry. In a market economy, the government authorities acting on relations with enterprises and institutions should be the implementation of separating, the power of performing arts companies, production and management of performing arts groups to give them practical, self-management units, give full play to the market in the basic role of the allocation of resources, give full play to the role of corporate market players as. What production repertoire? How to produce the repertoire? Produced by the body into the market to resolve, the government does not intervene directly in companies and performing arts groups of business activities. Government decentralization contained in two ways, one is the administrative department for the management of the entertainment unit to the entertainment unit. Nonprofit performing arts institutions relative autonomy within the authorized base, performing arts companies to perform according to the modern enterprise system. The second is the development of the performing arts decentralized management rights, the government no longer directly issue mandatory repertory production, no free call units acting human, financial, material, build repertoire government procurement system. At the same time it must be to expand the autonomy of art troupes as the main content of the Administrative System reform groups. In the internal management system performing arts groups, the US imposed artistic director and managing director responsibility system under board of directors. Board of management bodies of major policies, the artistic director of the art of management affairs, formed the main art director, managing director, supplemented by the management structure. Artistic director of performing groups must be qualified artists have artistic authority, with decision-making authority on matters of art; and the managing director is not necessarily an artist, but must have high management skills, and be proficient in the law on administrative matters has Decision-making power.

## **Second, enliven the market - independent operation**

Performing arts industry as an industry, it is the next country from a planned economy to a market economy emerged from the background. Development of the performing arts industry is closely related to the degree of development of the market economy, the higher the degree of market development, the performing arts industry faster. Market-oriented operation of industrial production for the repertoire introduced market competition mechanism, so that the performing arts resources reasonable configuration, thereby improving the management level of the performing arts industry. When repertoire once into the market, by the laws of the market will naturally effect, survival of the fittest in the market. From the development of China's performing arts industry point of view, it is still at a low level, the main role of the entertainment industry is more vague, very irregular operation of the market, even some of the city's performing arts industry there is no market. Therefore, the development of the performing arts industry must enliven the market, mainly from the following aspects:

(A) establish a market concept. In the planned economy period, performing arts groups by the government turnkey unified management, plays are in accordance with mandatory production of government departments, do not pay attention to market demand and the needs of the audience, and therefore there is no marketing repertoire. But in a market economy, whether it is a public arts unit or units operating performing arts, it must operate in accordance with market needs, in order to obtain substantial box office revenues.

(B) actively cultivate market players. Establish, nurture the performing arts market dominant position, it is to invigorate the central part of the market. play

Body arts market should be the first performing arts groups. In a market economy, it must be clear artistic identity performing groups from the functional state, property rights, the formation of a state-owned-led, private auxiliary performing arts market players. Followed by the theater, the

theater has been in a non-dominant position in the entertainment industry, rely mainly on the loan market rent as the main source of income. This will require government departments and theater managers, operators to change the traditional business philosophy, changing the way past the passive operations, should be the main theater as a performing arts market to take the initiative business. Finally, the performance company, which includes the performance of state-owned companies and non-state-owned performance agencies of the entertainment industry to achieve industrialization, performance agency is a very important factor, we must make it a highly innovative entities involved, to become business entities performing arts market .

(C) standardize the market order. Market competition by providing features that reflect the degree of resource scarcity and price signals of supply and demand, so that enterprises produce according to market requirements. In a market economy, the performing arts market management must be consistent, transparent, stable, guide the allocation of resources through the market mechanism to achieve. Under the planned system, government administrative system rejection of the market, acting as a resource allocation function, resulting in irrational allocation of resources, hinder the formation of the market system. Performing a standardized and orderly market is an important condition for the performing arts industry health, prosperity and development. Therefore, we must form a unified, open, competitive and orderly market system in the performing arts.

### **The Policy-Self-Development**

As the market mechanism to optimize the allocation of resources and to promote the economic development of the most extensive and effective manner, like an invisible hand, it plays an important function. But it is due to the limitations and shortcomings of their own capabilities, will cause the problem of market failure, which requires the government to create a policy environment suitable for the development of the performing arts industry.

(A) public service career policies. State-owned art troupes through the structural readjustment after the need to focus on retention and protection, including representatives of national and local ethnic artistic level art troupes, there are exemplary and experimental art troupes, as well as children's services Art troupes, etc., government at all levels should be given to the priority list. When approved its budget, it should increase the amount of subsidy programs and grants, special subsidies or the implementation of policy and policy of subsidies for the creation and performance. Due to the above Art

Performing troupes have quasi-public nature, can not be fully operating by way of the market and the industry must be made by the Government and its financial investment

His way to be guaranteed in order to provide excellent products for the spirit of community. That is why governments invest to support public welfare

The development of the performing arts industry is a common practice. For example, in Italy the annual cultural budget of about \$ 1.8 billion, of which 39.9% for contemporary art to represent their artistic level and production advantages. Annual expenditure Rome Opera House, the direct state funding and various government investment accounted for 90% of its ticket sales accounted for only 10%. In many Western countries, government investment in key arts groups occupy a large proportion of investment in the economy, as it directly determines the economic lifeblood of the entertainment unit.

Further improve fiscal and tax policies. Tax regulation and management is the most effective enterprise acting economic instruments, commonly used in the central government macro-control means. Preferential tax policies include tax cuts, taxes refund policy and tax policy differences.

To encourage the financing of social policy performing arts industry. Social support career refers to enterprises, social organizations and individuals from the material and financial support for the performing arts industry. In the USA, France and other countries, governments usually open up financial resources in the community to seek community support and contributions to the entertainment industry, the practice has proved that this is an effective way to raise funds. In the United States, non-profit arts and cultural activities can apply to the National Endowment for the Arts and the National Endowment for the Humanities funding projects for funding is accompanied

by a condition that get government-funded organization must raise a certain amount of gold quota from the community, That is sponsoring social forces, companies, enterprises or individuals belonging to the quota contributions gold section, it can be fully deducted from the tax. This aspect of the US government to encourage arts organizations in the community to seek sponsorship, on the other hand give businesses or individuals sponsoring some preferential policies to stimulate the enthusiasm of business or personal sponsorship of arts and culture. In France in 1954, "the total tax Code," written in the cultural sponsorship tax provisions. With the development of the times, the French government has developed a "corporate sponsor to participate in cultural Tax Law", "cultural sponsorship tax", "cultural sponsorship Development Act", "co-financed Law", a set of cultural sponsorship tax system, the nature of cultural sponsorship , scope, conditions, objects, and so do a strictly defined purpose. China is now the main business is to provide a donation to the arts, there are four forms: (1) long-term free financing. Such as the Shanghai Stock Exchange, the Central Philharmonic each year to provide not less than 250 million yuan for the development of the cause of the symphony. This donation does not seek any commercial return, the orchestra is not involved in management, so the orchestra can independently pursue their own artistic style. (2) special funding. An enterprise funded a large-scale cultural performances or special units to carry out cultural activities. Multinational companies in China such as Canada - Northern Telecom plans 1995 - invested \$ 251,996 two years, only to be used to finance the Central Philharmonic invite foreign renowned conductor to help train groups and concerts. (3) paper prices marriage. Corporate sponsor arts and cultural development of production units, cultural institutions give some return business. As Shanghai Hui Long Industrial Co., Ltd. established in cooperation with the Beijing Opera Mei Lanfang Peking Opera Troupe, the company financed 400,000 yuan each year for the theater, the mission requires annual performance repertoire Mei school of not less than 100 games. (4) the establishment of literary fund. Funded enterprises set up different types of funds, and incentives to support the development of high art. Shanghai Baoshan Iron and Steel Company invested 10 million yuan to establish high art award funds to reward those who achieve excellence in art and literature.

While enterprise support for the arts has effectively promoted the development of China's prosperity and career, but from the current circumstances, this work is still in its initial stage, it is a spontaneous state of disorder, so far China has not a film about sponsorship regulations. Only in the "People's Republic of China on Enterprise Income Tax in" about culture encourages donations terms. Provisions, a taxpayer by the cultural administrative departments or established non-profit organization focused on donor countries Symphony, Ballet, Opera and Peking Opera performing arts and other ethnic groups in the amount of annual taxable income of less than 3% part, by the competent tax authorities, be deducted when calculating taxable income. Therefore, the Government must formulate relevant regulations as soon as possible, so sponsorship standardization and legalization and further improve the relevant policies.

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