

## Cultural Policy from the Perspective of Support for the Arts: The Experience of the Czech and Slovak Republics<sup>\*</sup>

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**Abstract:** In 1993 the newly democratic Republic of Czechoslovakia separated into two autonomous states. The two new countries, the Czech Republic and Slovakia, shared the same cultural-political history and traditions and similar infrastructure for the arts. Over the past two decades that initial starting point has transformed into two distinct cultural policies. In my paper I seek to identify the changes in the area of state support for the arts in the two countries and to map the current situation relating to funding in the field since 2008. In the period since then substantial cuts were made in the public budgets in both countries and these cuts primarily impacted the arts. In response to this, arts organizations have had to cope with decreasing financial support from the state on the one hand and to adapt to the rapidly changing environment of new technologies and new ways of working with and involving the public on the other.

**Keywords:** the arts; non-profit sector; funding; crowdfunding; Czech Republic; Slovak Republic

**JEL code:** Z1

### 1. Introduction

This paper focuses on the area of the traditional branches of the arts, which encompasses the performing arts, fine arts, crafts, publishing and the periodic press and consists of subjects that do not operate for the purpose of profit. This includes both the non-governmental non-profit sector and state and public institutions, most of which operate as contributory organizations.

The public budget cuts first impacted the non-governmental non-profit sector and then also the sector of contributory organizations and also have influenced the search for potential new sources of funding, including the greater role of crowdfunding, but also foreign sources of financial support. The state is also responding to this changing environment through its cultural policies. This paper therefore tries to answer the question: “What is the role of the state in supporting non-commercial professional arts in these two countries?”

### 2. The Starting Point

From 1969 to the breakup of Czechoslovakia in 1993, Czechoslovakia was a federation of two sovereign

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states, the Czech Socialist Republic and the Slovak Socialist Republic. They had two separate ministries of culture, but they operated according to the same principle of general centralization and control of culture and the arts. After the transition to democracy in 1989 the state divided peacefully in January 1993 into two wholly separate states – the Czech Republic (CR) and the Slovak Republic (SR).

The identical approach to support for the arts the two states had shared to that time then began to diverge along different paths, but the initial conditions in the two countries were the same. The dense network of ideologically and centrally controlled, subsidized institutions underwent mass privatization and denationalization in the 1990s. State institutions such as book and music publishers, film studios, circuses and arts agencies were privatized, while others were closed, and others, such as the state arts funds, were transformed into private legal subjects – foundations or endowment funds (Petrová, 2014).

Another significant step in the democratization process was the denationalization of cultural institutions in connection with the process of regional reform of public administration in the Czech Republic and Slovakia. The reform process had already begun by 1990, but a major part of the process occurred after Czechoslovakia broke up. As a result the individual stages of the reform process in the two countries differed and they varied in terms of their scope and the number of institutions that were transferred from the state to the municipalities and the newly established regions. While in the CR, for example, theatres were transferred to the municipalities in the first stage of the process by 1993, in Slovakia the process of transferring theatres to the municipalities and the regions unfolded gradually up until 2002.

The states began to draw up their first strategic materials. In the Czech Republic the first government cultural policy was the “Strategy of More Effective State Support for Culture” adopted in 1999, and in Slovakia the first policy was adopted in 2002 in a document titled the “Strategy of State Cultural Policy”.

Between 2008 and 2015 the Ministry of Culture of the Czech Republic (MC CR) worked with several state strategic policy documents — the “State Cultural Policy for 2009-2014” and the “State Cultural Policy for 2015-2020 (with a view to 2025)”. These materials were then elaborated in more detail for the field of the arts alone to produce the “Strategy of More Effective Support for the Arts 2007-2013” and the “Strategy of Support for the Arts 2015-2020”.

The Ministry of Culture of the Slovak Republic (MC SR) was in the same period guided by its “Strategic Priorities for the Development of Culture 2012-2016” and the “Strategy for the Development of Culture in the SR 2014 -2020”.

In both countries strategic materials are developed in direct reference to the policy statements of the governments, which in recent years have included support for culture among their priorities, while at the same time there has been a shift in the outlook on this support so that alongside the traditional focus of support for cultural heritage attention has also begun to turn to support for the arts as a creative part of society with impacts on other sectors.

### **3. Defining the Sectors for Research**

Defining the arts, like defining culture, is a complex matter and there is no single definition that is generally shared and applied. DiMaggio (1987) defines systems of classification of the arts in the context of the cultural industries (Hirsch, 1972, 2000). For the purposes of my research the best approach is a micro-sociological perspective and specifically the definition put forth by Howard Becker (2008) that understands art as a work that

has been created and is subsequently valued. Becker highlights the significance of the relations between those who create a work of art and those who consume it. This is a complex perspective that encompasses both the various actors within the arts world who have a hand in the production of art and the final consumer or audience of the work of art.

The different approach to classification is influenced by past experience, historical context, and the current political representation. For example, in the CR and the SR this classification system works with a division between the live and non-live arts, for-profit and not-for profit arts, art and entertainment, commercial and non-commercial arts, and professional and non-professional arts, and the given system of support is then structured accordingly on this basis.

In practice both countries still adhere to a traditional division in their subsidy systems. One branch of support goes to the sphere of cultural heritage, which means support among other things for institutions in the field of the non-live arts, which mainly concerns institutions that create collections. And the other branch of support goes to the sphere of the live arts, which is subdivided into the professional and non-professional (amateur) fields of the arts. The latter sphere encompasses those arts that are understood as the traditional fields and which David Throsby refers to as the ‘core creative arts’ (Throsby, 2001).

My paper restricts itself to analysing support for the live professional arts, which include music, theatre, dance, visual arts, and literature, and which is a sphere of the arts made up of subjects that are not established for the purpose of profit. The paper does not deal with leisure-time activities or folk arts.

### **3.1 Defining the Non-profit Sector**

The CR and Slovakia both base their definitions of the non-profit sector on an internationally recognised institutional-operational definition of the non-profit sector (Salamon, Anheier, 1992), which is further elaborated in the definitions used by respective government advisory bodies – in the CR this means the Government Council for Non-State Non-Profit Organisations, and in the SR the Government Council for Non-Governmental Non-Profit Organisations. These bodies act as advisory, initiatory, coordinating agencies of the government for the sector of non-state non-profit organisations, and their viewpoints and positions form the foundation of the state’s other strategic materials. They are dividing the non-profit organisations into two basic types:

(a) governmental (public, state) non-profit organisations whose purpose is to participate in and perform the work of public administration at the level of the state, the region, or the municipality. In both countries the legal form such organisations in the culture sector assume is ‘contributory organisations’ of the state, region, or municipality.

(b) non-state (non-governmental, civic, private) non-profit organisations in the CR, which in conformity with the Civil Code in effect to the end of 2013 usually took the legal form of civic associations, charity organisations, foundations, endowments, or as church entities. According to the new Civil Code they take the legal form of institutions, societies, social co-operatives, charity organisations, foundations, endowment funds, and church entities. In the SR they most often take the form of foundations, non-investment funds, charity societies, civic associations, interest groups of legal persons and organisations with an international component.

Non-profit organisations adapt their goals to stakeholders and above all to those who provide them with funding. Like in the for-profit sector, in the non-profit sector organisations try to meet the expectations of those who provide them with support. In the past three decades in the West and in the newly established CR and SR non-profit organisations are supported under the careful oversight of the government, on the one hand because government bodies expect the provision of goods and services from non-profit organisations and on the other

because, unlike in the past, they provide large financial subsidies for the production of these services (Brooks, 2004).

### **3.2 Statistics on the Culture Sector and State Expenditures in the Czech Republic and Slovakia**

In the CR statistics on the culture sector are collected by the MC CR and the National Information and Consulting Centre for Culture (NIPOS), a state contributory organisation, is entrusted with performing this task on this ministry's behalf. One of the tasks established as part of the implementation of the "State Cultural Policy of the CR 2009-2014" (Ministry of Culture of the CR, 2008) was to create the Culture Account of the CR. The purpose of this account is to map the flow of revenue into culture from various sources and the flow of revenue that culture produces. The account should also show the level and effectiveness of financial management in different parts of the culture sector, the scale of employment and investment resources used by the sector, and wage levels, and, last but not least, it should with the aid of financial indicators be able to provide evidence of the overall contribution of culture to the economy.

In September 2011 the results of the first and pilot Culture Account of the CR for 2009 were presented. Since then the results have been published each year. The latest results were released at the end of June 2015 for the year 2013.

The Culture Account of the CR is compiled from a variety of data drawn from administrative sources and statistical surveys. Data from public budgets are obtained from the Czech Ministry of Finance and from available online sources (NIPOS, 2014) or are obtained directly from cultural entities.

Given that the methodology and scope of data observed since the Culture Account was initiated change each year, it is at present difficult to compare the Culture Account results in a time series. Even after several years it is apparent that some cultural activities are still not covered in the account or are represented only to a very limited extent. A fundamental obstacle to obtaining data in general is the high rate of nonresponse (Petrová, 2015).

In the SR, like in the CR, it is the MC that pursuant to the act on national statistics is responsible for collecting and maintaining statistics on the culture sector, and it assigns this task of obtaining statistics to the National Education Centre (NOC), a contributory organisation.

Statistical surveys conducted by the Slovak MC focus mainly on the area of cultural participation. A more comprehensive overview of the entire sector including economic and employment data does not exist. There are no data on the individual branches of the arts at the regional or municipal level. One of the tasks set out in the "Strategy for Development of Culture in the SR 2014-2020" (Ministry of Culture of the SR, 2014) is to set up a separate satellite account for culture, which should address this problem.

Given these findings and the great delay in the collection of relevant statistics and because the Czech Culture Account focuses on all providers of cultural services and not just on non-profit subjects, in my research I draw on my own calculations based on an analysis of all direct data that have been collected, both for the CR and for the SR.

## **4. Cultural Participation**

Cultural participation has long been a component of state cultural policies dating back to when such policies first emerged in the 1960s. It was considered one of the basic indicators of the prosperity of a state and an important criterion for why the state should support the arts (Matarasso, Landry, 2015; Belfiore, 2012). Cultural participation is also a fundamental aspect of the current cultural policy because the forms of participation are

changing. Addressing cultural participation within government strategic documents is a sign that the state is interested in making the arts accessible to the widest possible public (Johanson, Glow, Kershaw, 2014).

There is no universal definition of cultural participation, but some new definitions conceive of two forms of participation — active and passive. This is a very important distinction because it reflects one element of change occurring in the arts environment. Passive participation refers to audiences or visitors in the passive role of an observer, a passive recipient of an artistic experience, while active participation is elaborated as the active involvement of audiences and visitors in the work of art (Novak-Leonard, Brown, 2011). In the case of passive participation, based on the presence of a spectator or visitor, participation is traditionally expressed and measured on the basis of visitor or spectator numbers calculated from admission ticket sales. However, in the case of active participation, which even includes such forms of active participation as crowdfunding, there is very little coverage or measurement of participation. In the comparison below presented for both countries we can observe the increase in active participation in the case of the visual arts.

#### 4.1 Cultural Participation in the Czech Republic

Table 1 shows that from 2008 to 2014 the field of the professional performing arts (theatre, music) remained relatively steady and attendance slightly increased. Conversely, although the number of exhibition venues or galleries remained roughly unchanged, there was a dramatic decrease in the number of visitors at exhibitions. It is also clear that audience development is becoming a very important part of the work of exhibition venues and galleries, the number of creative symposia is growing, and the number of visitors at such events is also growing strongly.

**Table 1 Cultural Entities and Attendance Figures in 2008-2014**

Indicator		Year							Index
		2008	2009	2010	2011	2012	2013	2014	2014/ 2008
Music ensembles	No. of music ensembles	32	29	30	45	39	44	43	1.3
	No. of music groups in them	47	44	47	84	68	67	71	1.5
	Total no. of concerts	2321	2196	2166	2812	2546	2739	2983	1.3
	No. of concerts abroad	410	403	346	422	323	364	470	1.1
	No. of visitors (in thous.)	445	430	439	448	426	455	478	1.1
	Percentage of attendance	75.0	729	74.8	78.0	76.3	77.1	68.3	0.9
Theatres	No. of theatres (not incl. stagione)	133	137	151	153	153	152	152	1.1
	No. of visitors (in thous.)	5606	5657	5805	5794	5699	5846	6108	1.1
	No. of theatre festivals	x	97	97	120	114	125	142	x
Exhibition activities	No. of exhibition halls	411	405	411	412	412	433	436	1.1
	No. of exhibitions	2984	2682	2719	2716	2716	2642	2504	0.8
	No. of visitors (in thous.)	2678	3116	2324	2249	2249	1971	2651	1.0
	No. of creative symposia	56	138	93	328	328	285	176	3.1
	No. of participants at these symposia	1987	7843	2945	7426	7426	8677	5928	3.0
	No. of catalogues published	281	245	229	212	212	237	219	0.8

Source: Based on statistics from NIPOS (2015).

#### 4.2 Cultural Participation in the Slovak Republic

Table 2 shows that the number of music ensembles and galleries remained steady and the number of theatres

grew slightly between 2008 and 2014. Theatre festivals also showed a rising trend. On the other hand, the number of people attending the theatre decreased steadily. The number of concerts and attendance at concerts fluctuated between years with a significant decrease between 2010 and 2013.

In the field of the visual arts it is clear that galleries are struggling with a shortage of financial resources. The number of exhibitions organised has been on the decrease since 2011 in particular, and the number of published titles has also been decreasing since then. On the other hand, like in the Czech Republic, in Slovakia the number of accompanying events and visitors grew.

**Table 2 Cultural Entities And Attendance Figures 2008-2014**

Indicator		Year							Index
		2008	2009	2010	2011	2012	2013	2014	2014/ 2008
Music ensembles	No. of music ensembles and groups	12	12	12	12	12	12	14	1.2
	Total no. of concerts	815	552	575	683	460	685	735	0.9
	No. of concerts abroad	249	104	170	135	130	173	122	0.5
	No. of visitors (in thous.)	1466	1190	893	1048	1035	606	1640	1.1
	Percentage of attendance	82.71	79.04	79.23	82.47	84.36	89	75	0.9
Theatres	No. of professional theatres	51	54	53	49	59	66	77	1.5
	No. of permanent stages	68	74	71	66	87	76	105	1.5
	No. of visitors (in thous.)	1456	1574	1574	1389	1529	1086	1151	0.8
	No. of theatre festivals	32	29	28	24	29	37	41	1.3
Galleries	No. of galleries	25	25	25	25	25	25	25	1
	Total no. of exhibitions	499	519	502	465	446	392	387	0.8
	No. of visitors (in thous.)	428	377	414	420	387	964	490	1.1
	No. of creative symposia	7619	6277	4366	7546	5969	8488	8945	1.2
	No. of participants at these symposia	145018	135445	115993	158487	151312	238133	189850	1.3
	No. of exhibition catalogues published	160	148	133	151	107	93	77	0/5

Source: Based on statistics from NOC and MC SR.

## 5. Models of State Funding for the Arts

State cultural policies and strategies describe funding for the arts and the models of funding to be used. In the past in the advanced parts of the world cultural policies focused directly on support for the arts (Throsby, 2012). Tradition components of this support included most notably support for the creative work of artists and arts organisations, support for the operations of arts organisations, and, finally, support for cultural participation and improved access to the arts. Instruments to achieve these ends include regulation, for instance in the form of copyright protection of works of art and support for arts education. Another form of support is provided through indirect state support in the form, for instance, of tax deductions and various voucher programmes. The objective of this support is to stimulate the private sector and private-sector stakeholders to support the arts.

Funding models at the state level in every country that supports the arts contain an element of multi-source financing. This means that the conditions for allocating support include among other criteria the requirement that an applicant for support also obtains funding from other sources or provides co-financing from its own sources of

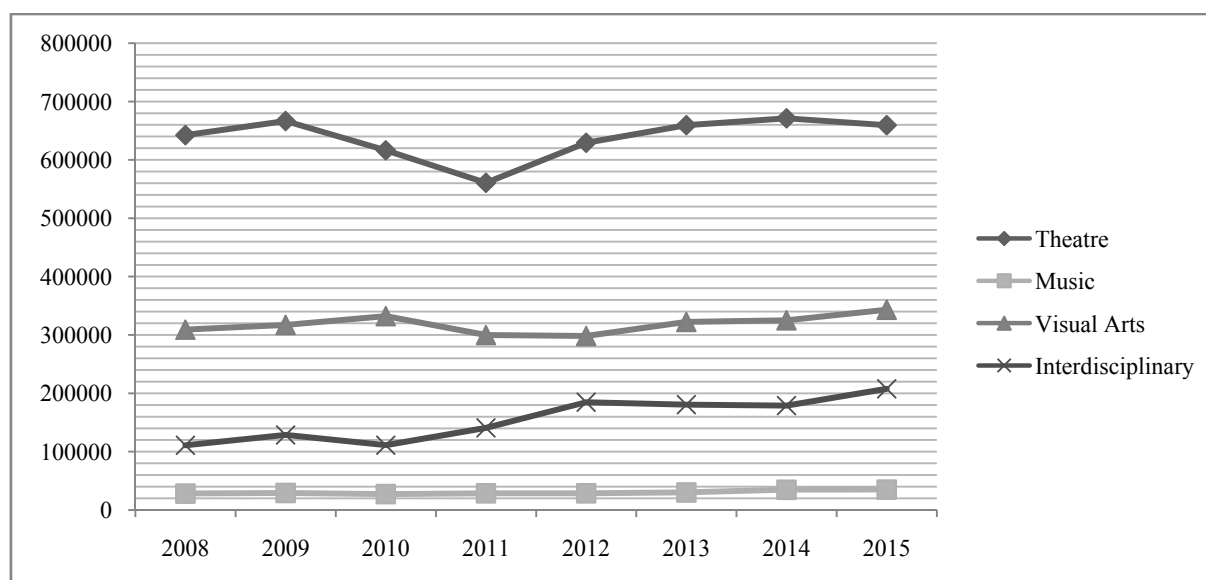
income. The state is in this case a co-financer and not the sole source providing one hundred percent of the funding. This practice, which since the end of the last century has become a firm part of state subsidy systems and generally also of systems of support for the arts using public sources, was adopted from the American model of “matching grants”, combining several sources of funding to support projects originally used in relation to donors in the private sector (Schuster, 1989). One of the basic forms is co-financing, which is a customary practice in the CR and SR. In this approach the state contributes support for a portion of the costs associated with a project.

### 5.1 State Expenditures on the Arts in the Czech Republic

State support for the arts in the CR is provided solely in the form of direct financial support. No new forms of support were recorded during the period under observation. The MC directs the largest volume of funding in this area to support the operations of the state’s contributory organisations — national cultural institutions, of which there are 27 in total, 6 of them national arts institutions.

In the field of the arts there is one intermediary — the Arts and Theatre Institute (ATI)—and then there are the providers of arts services. Current or past providers of arts services in the field of theatre include the National Theatre in Prague, the State Opera Prague, and Laterna magika; in the field of music they include the Prague Philharmonic Choir and the Czech Philharmonic; in the field of contemporary visual arts include Rudolfinum Gallery (part of the Czech Philharmonic), the National Gallery in Prague), and the Moravian Gallery in Brno. The State Opera Prague and Laterna Magika eventually ceased to exist as independent organisations and were incorporated into the National Theatre in Prague. The ATI and the Czech Philharmonic are included under interdisciplinary institutions as they do not focus on just one branch of the arts.

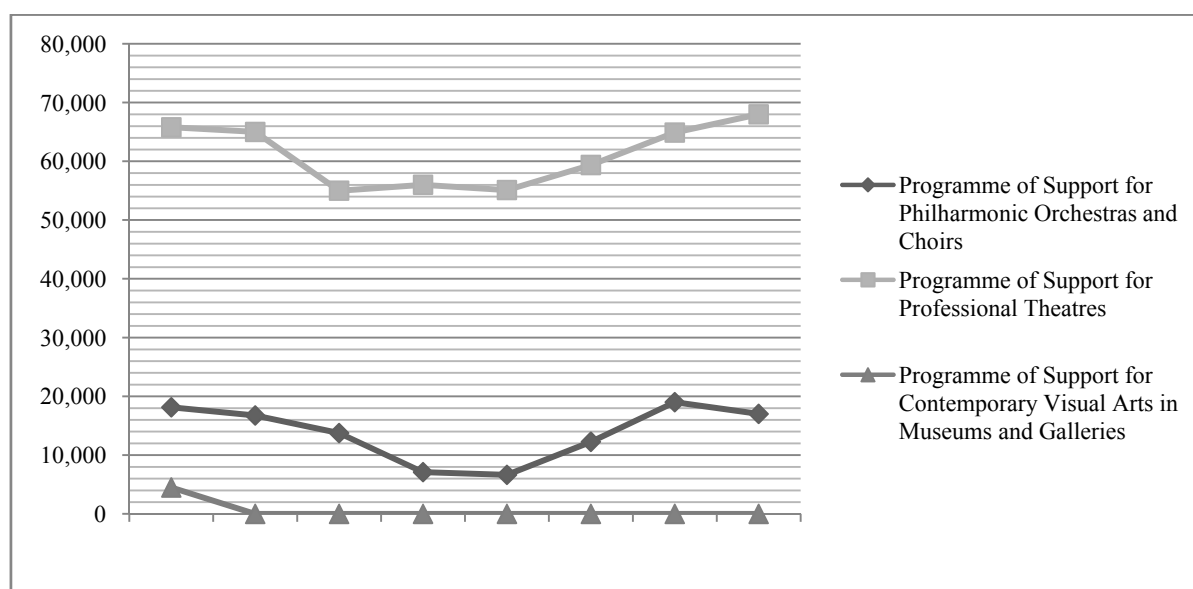
Figure 1 shows that the budget cuts in state contributory organisations began in 2010 and the largest cuts occurred in 2011. The field of theatre suffered the most dramatic impact from the cuts. By 2015 state expenditures on every field of the arts supported through contributory organisations had risen again to a level above that in 2008. Since 2012 both theatre and especially interdisciplinary institutions have seen increases (in support), particularly as a result of the sharp increase in the budget of the Czech Philharmonic.



**Figure 1 Real Expenditures of the Ministry of Culture Made through State Contributory Organisations in the Field of the Arts (in Thousands of CZK)**

Source: Authors’s calculation based on the annual reports of the MC between 2008 and 2015 and other data from the MC.

The MC also supports the contributory organisations that operate in the towns and municipalities across the country through three programmes: the Programme of Support for Professional Theatres, the Programme of Support for Philharmonic Orchestras and Choirs, and, in the past, the Programme of Support for the Contemporary Visual Arts in Museums and Galleries. Figure 2 also shows clearly how state funding is concentrated exclusively on the sectors of theatre and music, which survived the crisis years of 2011 and 2012 and are now again witnessing an increase in funding. The Programme of Support for the Visual Arts ended in 2008 and no other programme was introduced to replace it.



**Figure 2 Expenditures of the Ministry of Culture Made through Individual Programmes of Support for the Arts (in Thousands of CZK)**

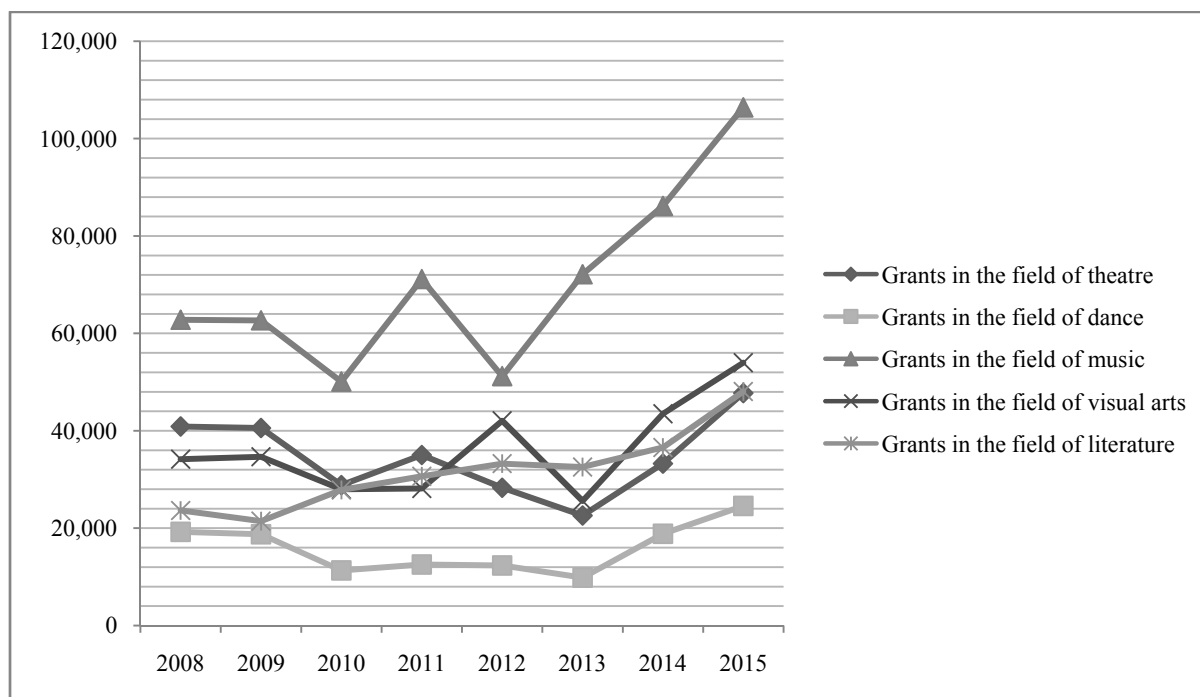
Source: Authors's calculation based on the annual reports of the MC between 2008 and 2015 and other data from the MC.

The MC uses several sources of funding through which it provides support for the arts in the non-state non-profit sector. The majority of funding is provided through grant programmes aimed at supporting theatre, music, dance, the visual arts, and literature. While for contributory organisations in the arts the year 2011 was the most critical one, in the non-profit sector cuts to grant programmes were instituted by the state in two waves, first in 2009-2010 and again in 2012-2013 (Figure 3). By contrast, 2011 was a strong year for the non-profit sector. Since 2014 expenditures on this area have grown substantially.

Figure 4 shows the funding that is provided in support of international cultural cooperation and mobility, an area in which there exist four different programmes of funding support. The figure clearly shows that this is not a priority area within the framework of state support for culture; no new instruments of support have been introduced and existing programmes continue to see their funding cut. The final item in this figure indicates funding from the State Cultural Fund, which was re-introduced in 2012 to make up for decreases in other state funding programmes. It has not, however, been very successful at living up to this objective.

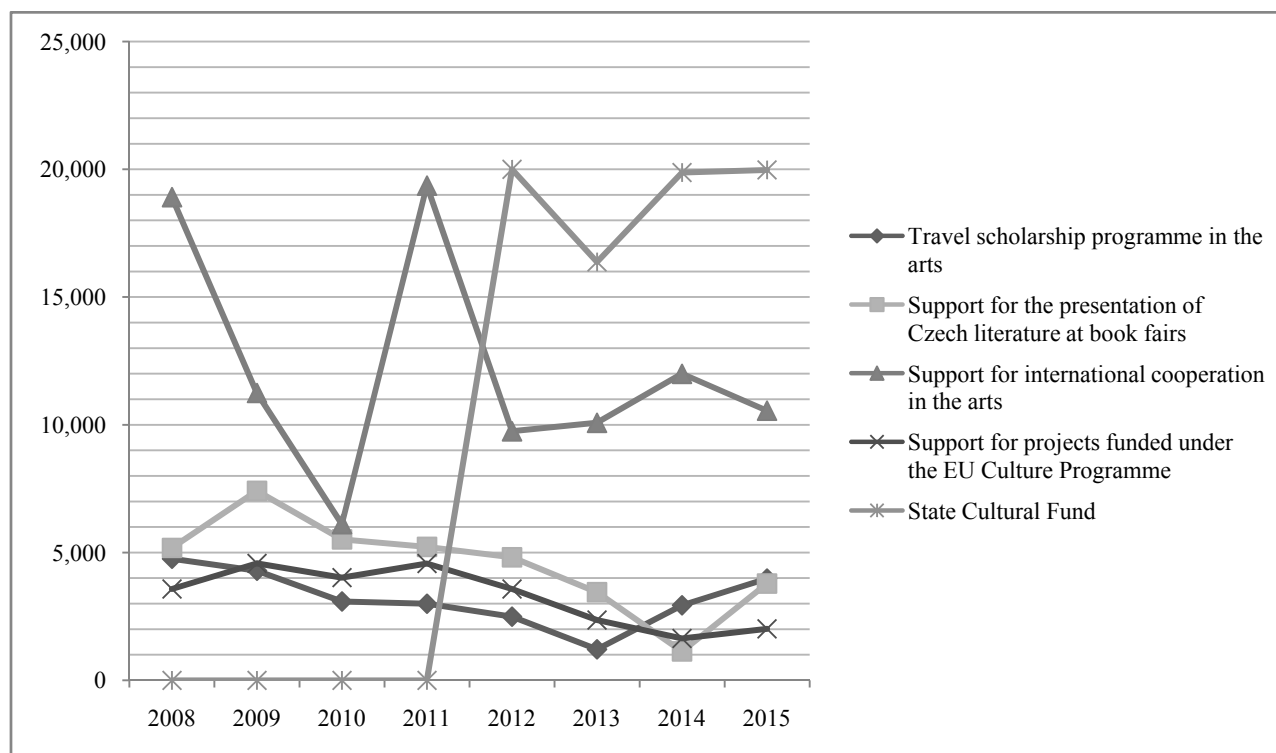
Figure 5 presents the consolidated expenditures based on all types of expenditures on individual fields of the arts. It is very apparent from this overview of support and funding for individual sectors of the arts that the theatre has been the clear priority area for funding under the state's cultural policy. International cooperation and mobility by contrast have been of marginal interest.





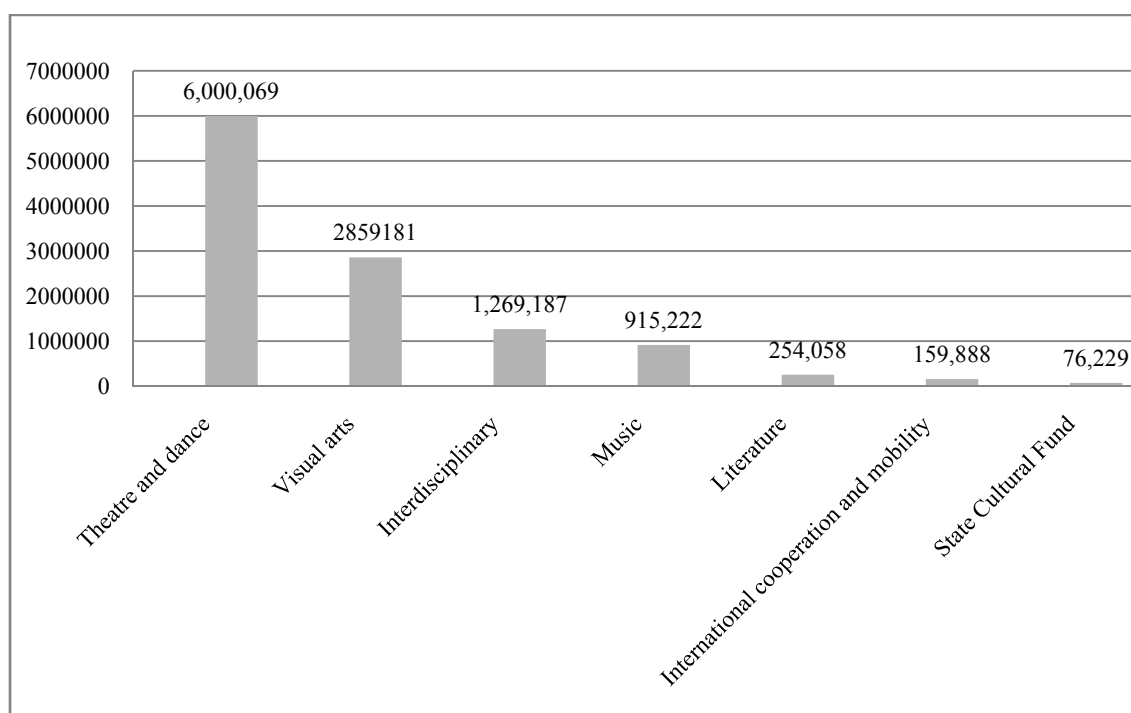
**Figure 3 Expenditures of the MC Made through Grant Programmes in Support of the Arts in the Non-profit Sector 2008-2015 (in Thousands of CZK)**

Source: Authors' calculation based on data from the MC for the years 2008-2015.



**Figure 4 Expenditures of the MC through Individual Funding Schemes in Support of International Cooperation in the Arts in the Non-profit Sector International Cooperation and the State Cultural Fund 2008-2015 (in Thousands of CZK)**

Source: Author's calculations based on data from the MC for 2008-2015.



**Figure 5 Expenditures of the MC on Individual Artistic Fields — Consolidated Expenditures from All Types of Expenditures of the MC from 2008 to 2015 (in Thousands of CZK)**

Source: Author's calculations based on data from the MC for 2008-2015.

## 5.2 State Expenditures on the Arts in Slovakia

The Slovak MC began during the period under observation to view the arts and culture as important economic factors that should be stimulated. It sees the state, culture, and the economy as basic interconnected systems of creating the tangible and intangible wealth of society. In definitions of the creative industries in strategic materials in Slovakia (Ministerstvo kultúry SR, 2014), all the traditional arts are part of these industries.

Unlike the Czech state Slovakia uses several instruments of state support for the arts, both direct and indirect.

### Indirect instruments:

- Income tax deductions

A 2% income tax deduction can be made for contributions to specific recipients in the non-profit sector. A 3% income tax deduction is allowed if the taxpayer engages in volunteer work for more than 40 hours a year. Arts organisations draw attention to the deduction option in campaigns targeting the public and visitors.

### Direct instruments:

- A personal contribution for singers, musicians who play wind instruments, and dancers

The contribution exists since 1997 when it was introduced in legislation<sup>1</sup> and it is granted to persons in the aforementioned professions who are employees of state arts institutions after they have worked there for a prescribed minimum number of years.

- Culture vouchers/coupons

These are provided for the purpose of enhancing schools' access to cultural values and the arts. They are intended for school students and arts and cultural institutions.

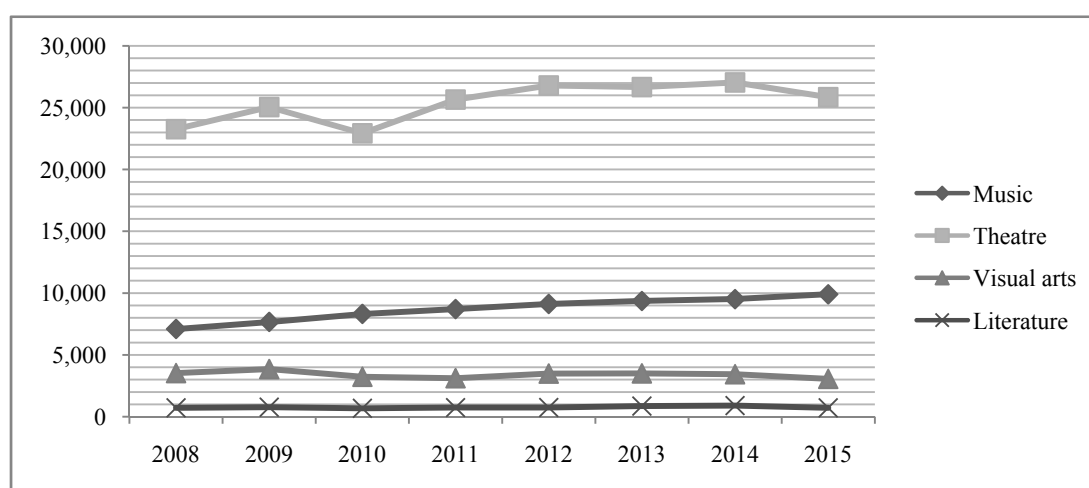
<sup>1</sup> Act No.103/2014 on theatre.

- Direct expenditures in the form of subsidies

Subsidies are intended to help in the distribution or dissemination of works of art and artistic reflection. Subsidies are provided by state-founded arts organisations, arts organisations founded by the regions or municipalities, and non-profit non-governmental organisations to physical persons.

Like the CR, the Slovak state directs the largest volume of its expenditures on the arts into the arts organisations founded by the state. The Slovak MC has 29 contributory organisations, 12 of which are arts organisations. These include four intermediaries — the Theatre Institute, the Music Centre, the Centre for Information on Literature, and the Slovak Design Centre. The other organisations are the eight institutions that provide services in the arts — in theatre these include the Slovak National Theatre, the State Opera, State Theatre Košice, and the New Scene; in music they include the Slovak Philharmonic, the Slovak State Philharmonic Košice, and the Slovak Sinfonietta; and in the visual arts there is the Slovak National Gallery.

Figure 6 shows that state contributory organisations did not suffer significant expenditure cuts during the period under observation and with the exception of the visual arts they in 2015 received the same level of state support or more than they did in 2008. The field of literature remained at roughly the same level without major fluctuations, while expenditures grew significantly in the field of music and to some extent also in the field of theatre.



**Figure 6 Real Expenditures of the MC through the State Contributory Organisations in the Arts (in Thousands of EUR)**

Source: Author's calculations based on the annual reports of contributory organisations and the MC for 2008-2015.

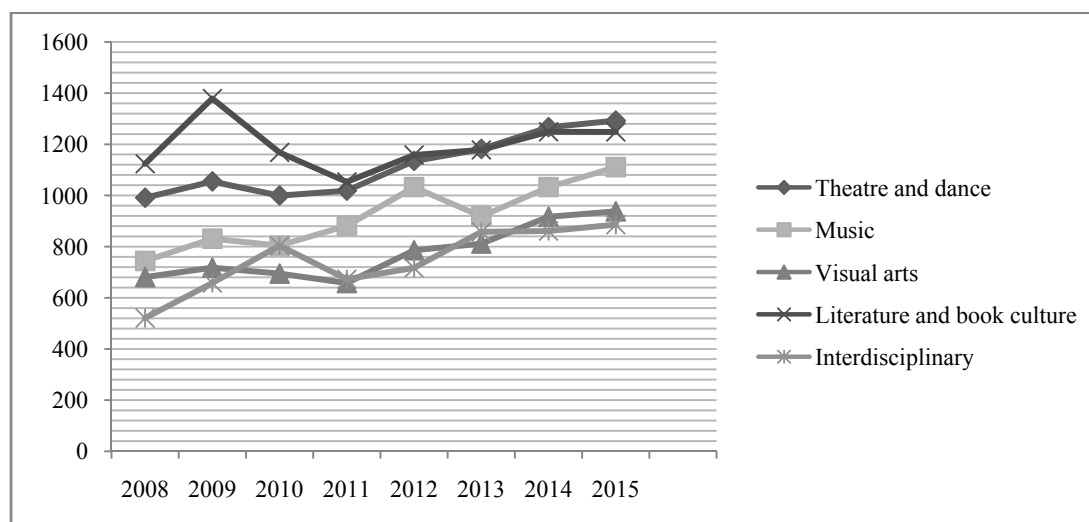
As well as direct support of its own contributory organisations the MC also provides support to the rest of the non-profit sector in the arts, and during the period under observation it did this through two subsidy programmes — the Programme for the Arts and the Pro-Slovakia Programme. This system was in effect until the end of 2015. As of 2016 the entire system has undergone a transformation and support has been transferred from the MC to the State Arts Fund, a public institution that has been newly founded and whose work is funded by the state.

The Programme for the Arts focused on the creation and distribution of art, artistic reflection, and education in and through the arts. Special attention was devoted to supporting artists up to the age of 35. The Programme for the Arts was divided up according to the different branches of the arts.

The Pro-Slovakia Programme focused on supporting international cooperation in the sector of culture and the arts and on the mobility of artists and other workers in the culture sector. The programme also provided support to

projects supported under the EU's Culture and Creative Europe programmes.

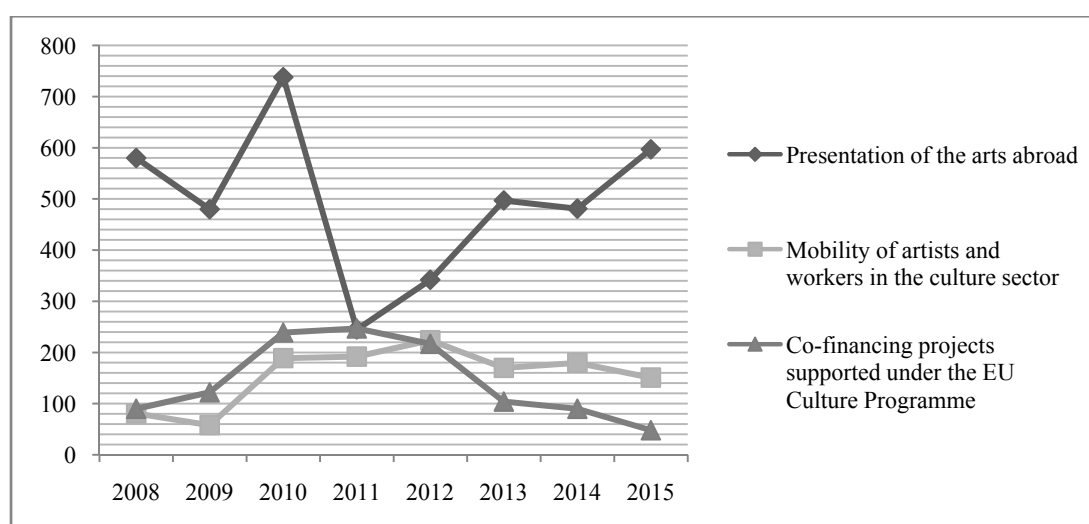
As can be seen in Figure 7, while the non-profit sector in the arts was not seriously impacted by budget cuts in 2009, in 2010-2011 the fields of music and the visual arts were both hard hit by budget cuts. Since 2012 state expenditures in every field of the arts have slowly begun to increase again.



**Figure 7 Programme for the Arts (in Thousands of EUR)**

Source: Author's calculations based on data from the MC for 2008-2015.

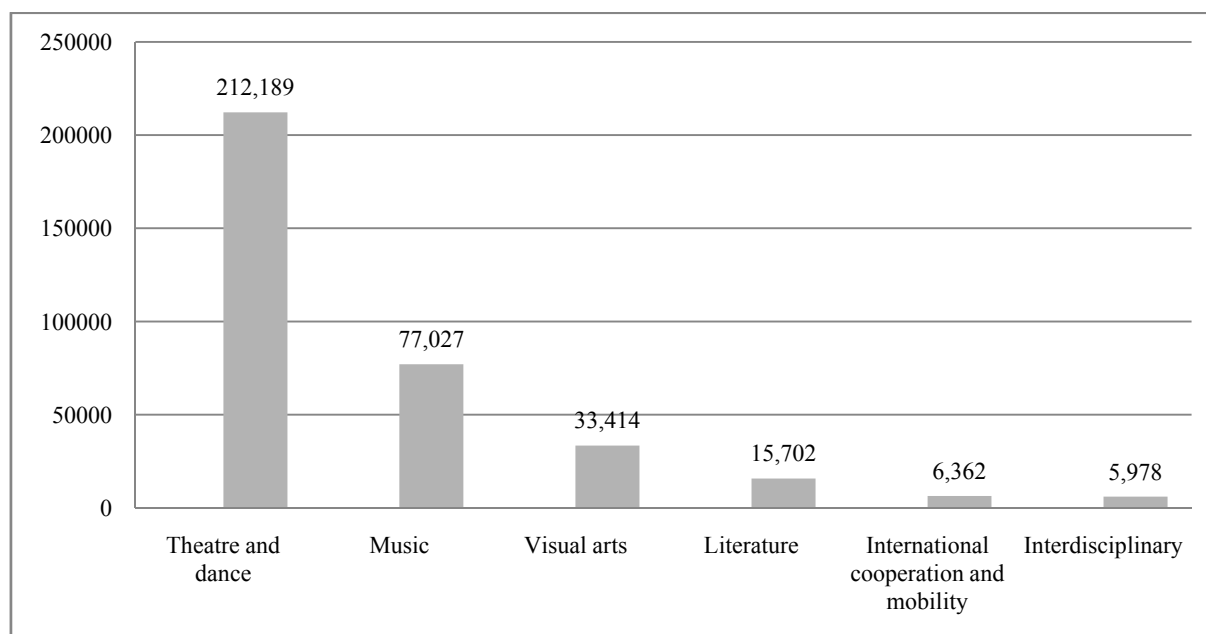
In Slovakia support for international cooperation was, like in the CR, suffered more substantially from budget cuts than support for the actual creation of artistic work. Figure 8 shows the large fluctuations in the annual amount of financial support allocated to international cooperation and the instability of this area of activity, with no significant increase in support having occurred even in the past three years. The decline in co-financing for projects supported under the EU's Culture and Creative Europe programmes has less to do with drops in total expenditures and more to do with the small number of Slovak projects that are successful in these programmes (see below on support from international sources).



**Figure 8 Pro-Slovakia Programme (in Thousands of EUR)**

Source: Author's calculations based on data from the MC for 2008-2015.

When we look at the consolidated expenditures in each branch of the arts in Figure 9, we see that, like in the CR, theatre and dance are the fields that continued to enjoy the strongest support followed then by music. This is understandably due to the number of state contributory organisations that exist in Slovakia and the focal activities of these organisations. International cooperation and mobility are clearly the most neglected priority areas.



**Figure 9 Expenditures of the MC in Individual Branches of the Arts — Consolidated Expenditures from All Types Of Sources (in Thousands of EUR)**

Source: Author's calculations based on data from the MC for 2008-2015.

## 6. International Sources of Support for the Arts in the CR and Slovakia

The non-profit arts sector has few opportunities open to it for obtaining funding from abroad or from international sources. Between 2008 and 2015 the main such opportunity was through the EU Culture Programme. During the second programme term of the EU Culture Programme in 2007-2013 there were 160 projects from Czech organisations that received support: 44.14% of them in the performing arts, 42.88% were interdisciplinary projects, 8.27% were projects in the visual arts, and 4.71% were in the field of literature. Slovak organisations had a total of 89 projects supported under the programme: 48.99% in the performing arts, 24.0% were interdisciplinary projects, 8.83% were projects in the field of the visual arts, and 18.18% projects in the field of literature 18.18%.

A new international source of funding for the arts in the CR is the arts funding that is provided through a programme supported by the countries of the European Economic Area (EEA) — Norway, Island and Lichtenstein — in the form of grants administered by the Financial Mechanism. Support for the arts was newly introduced in the current programme term (previously support went solely to cultural heritage). Funding is distributed through the CZ 06 Cultural Heritage and Performing Arts programme, and in 2014 for the first time projects in the arts received support that amounted to a total of 40,004,000 CZK: 27% of the funding went to projects in the field of music, 33% to theatre, 17% to dance, 17% to the visual arts, and 6% to interdisciplinary projects. In the second call for applications issued in 2015 a total of 32,728,327 CZK was distributed in support: 40% to music, 9% to theatre, 6% to dance, and 45% to the visual arts. All these projects were supported under Programme Area 17 “Promotion of

Diversity in Culture and Arts within European Cultural Heritage”.

In Slovakia the EEA Financial Mechanism in the culture sector are solely directed at cultural heritage, so the arts sector has been unable to receive any financial support from this funding source.

## 7. Crowdfunding in the Arts

Over the past decade cultural policies in the CR and Slovakia have been working more and more with data on cultural participation. Visitors and attendance have always been important factors in support for the arts, but their significance and role have transformed significantly in recent years.

New technologies and the development and growth of the internet in the knowledge society are offering new forms of communication and changing the relations between artists and their audiences. The public no longer wants to remain just a passive recipient, it wants to participate in an active and engage way. Active participation can either be direct in form, for instance, as workshops, or can directly intervene in the creative process and thus influence the course and content and so forth of the artistic process.

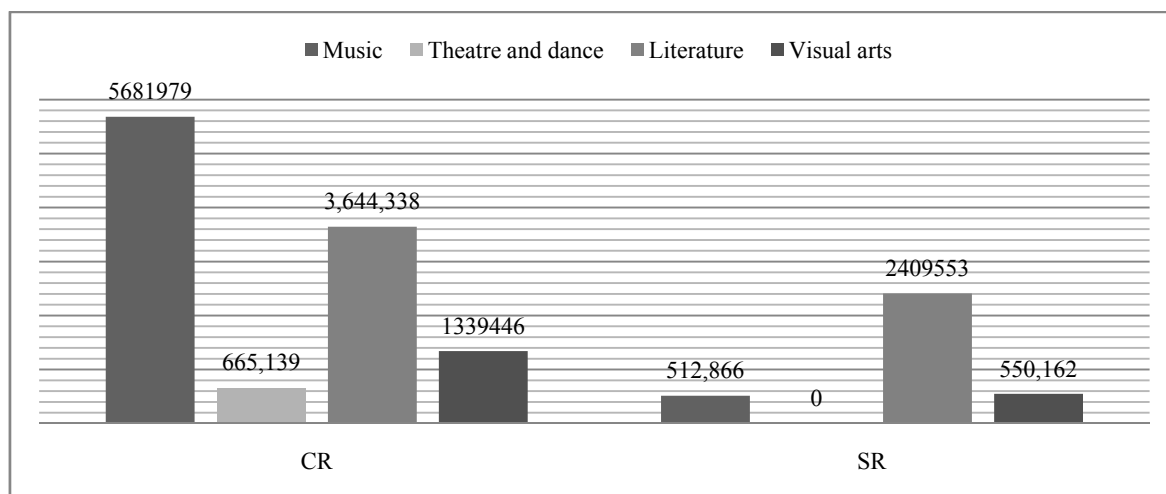
There are strong links between the arts working with the public and crowdfunding, which is a new area of opportunity for funding in the arts. A growing search for new resources has been driven by cuts in the budgets of cultural organisations both in Europe (Alexander, Bowler, 2015) and the United States (Colbert, 2009; Boeuf et al., 2014). The reduced budgets, which are largely the result of the reduced budgets of traditional supporters of the arts, have led institutions to focus more on their audiences and widen their view of who could potentially become their supporters. The development of new technologies and the internet have proved to be ideal tools in this respect.

The first crowdfunding platforms began appearing in 2006 in the United States. The largest American crowdfunding platform, Kickstarter, soon began to be used for cultural and arts projects, and not just by entities in the United States but also by those in other countries, including in Europe and eventually also the CR and Slovakia.

Kickstarter was the model for the first crowdfunding platforms in the CR, which began emerging around the year 2011. They began appearing in Slovakia in 2013, but none of the Slovak platforms has ever focused specifically on the field of culture; [ideasstarter.com](http://ideasstarter.com), [dobrakrajina.sk](http://dobrakrajina.sk), [ludialudom.sk](http://ludialudom.sk) and [dakume.sme.sk](http://dakume.sme.sk) and all the new platforms that have emerged, if they still exist, operate only on a very limited scale.

My research revealed that because of the small market in Slovakia the arts in Slovakia make use of some platforms set up in the CR. The one used most frequently is [Startovac.cz](http://Startovac.cz) and to a lesser extent also [Hithit.cz](http://Hithit.cz). Support provided through [Startovac.cz](http://Startovac.cz) for Slovak and Czech arts projects is broken down in Figure 10. The largest numbers of successful Slovak projects were from the fields of literature (22), music (11), and the visual arts (7). The largest numbers of successful Czech projects were from the fields of music (81) and literature (71). Unlike Slovakia, there were also successful Czech projects in the fields of theatre and dance (15) and the visual arts (6).

In the CR crowdfunding platforms focused on support for the arts are not yet surveyed or taken into account in terms of their annual contribution to funding for the arts in the country. Based on my own research, which I conducted based on data I collected from individual crowdfunding platforms and based on interviews with selected cultural entities and the platform operators, from 2011 to the end of 2015 a total of 37,214,000 CZK was collected on crowdfunding platforms in support of projects in the arts.

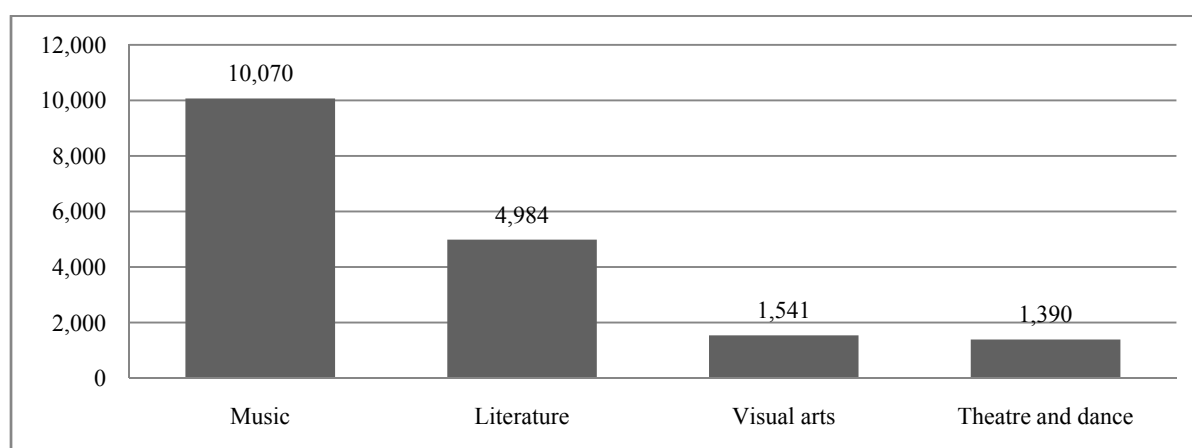


**Figure 10 Crowdfunding Platform Startovac.cz – Support for Czech and Slovak Arts Projects in CZK**

Source: Author's calculations based on data available from Startovac.cz. Support for Slovak projects is converted to Czech crowns based on the average exchange rate in 2015 – 27.283 CZK per 1 EUR.

There are currently eight different platforms on which Czech and Slovak arts can look for support. Based on the data that have been collected the market in this sector appears to be fully saturated and the competition between platforms has pushed some platforms out of the market or forced them to specialise more narrowly and provide other service.

Figure 11 shows the volume of funding provided by all the aforementioned crowdfunding platforms in existence to individual branches of the arts summed up to include both Czech and Slovak projects. It highlights the fact that while under traditional grant-funding schemes and direct forms of state support the performing arts and especially theatre and classical music predominate in terms of total allocated funding, when it comes to funding tools in which creativity and innovative marketing are primary for obtaining support, other fields dominate, pop music in particular. In some artistic fields the amount of support provided through crowdfunding even exceeds the amount of state support that it is possible to obtain and in the period of crisis in public funding generally this funding tool is beginning to become a powerful tool of support, even though it is still just a supplementary tool (Petrová, 2015).



**Figure 11 Crowdfunding in the Arts 2011-2015 (in Thousands of CZK)**

Source: Author's calculations based on data available from individual crowdfunding platforms.

## 8. Conclusion

In my research I tried to capture the main changes that occurred in or affected support and funding for the arts in the CR and Slovakia between 2008 and the end of 2015, and to assess the approach the two states take to support for the arts. In 1989 Hillman-Chartrand and McCaughey (1989) outlined four models of state cultural support for the arts. Each model is characterised by a different approach taken by the state to the arts and by a different form of support. The models also differ according to whether they direct more support towards the creative process or the resulting artistic product. The US was seen as a ‘facilitator’ of the arts (through tax relief), the UK and Australia as ‘patrons’ (through arms-length arts councils), France as an ‘architect’ (a strong ministry of culture), and the former Eastern bloc countries as “engineers” (full control over the production of culture).

These models exist but in practice we tend rather to see combinations of various components of each model. Given that cultural policies derive from the dominant political actors in a country the prevailing model in any country will change over time. In the two countries compared in this paper there occurred a shift from the engineer to the architect model. In Slovakia there are efforts to combine the architect model with that of a facilitator.

Even more than a quarter century after the collapse of the communist regime we can clearly see in both countries that they are still trying to retain some control and influence over the infrastructure in the arts by means of direct financial support channelled through state-chartered arts institutions. There are 6 such arts institutions in the CR, and in Slovakia, which in population size is half that of the CR,<sup>2</sup> there are 12 such institutions. Nevertheless, even in the CR there is still a disproportionate imbalance between the amount of support for the arts that is channelled through state institutions and the amount that proceeds through the non-profit arts sector.

State support for the arts in both countries is still one of the most essential sources of support for the arts given that not many new instruments are emerging that could spark the development of other forms of support. In Slovakia we can see that as well as direct state support the MC also has other direct and indirect instruments of support. Nevertheless, the impact of these instruments again is primarily aimed at state organisations.

State support for the arts experienced some of its most critical years in the first half of the period that is the focus of this paper. The most critical year was 2011. In the CR in particular the state did not respond to the economic crisis with any new stimulus instruments and just introduced budget cuts across the board, and made securing the operations of state organisations the priority. The research showed that the largest amount of support for the arts goes to theatre and dance, while international cooperation and mobility is of almost no priority at all.

The non-profit sector responded to the economic crisis by looking for new avenues of funding, which different branches or entities did by rediscovering who ‘their’ audience is and, in this connection, through the rise of crowdfunding platforms. In 2012 another source of support in CR was re-introduced – the State Culture Fund. Nevertheless, the resources obtained from crowdfunding, the State Culture Fund, and even from international sources of support for the arts, are only supplementary sources of funding for the arts.

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<sup>2</sup> Based on data from the Czech and the Slovak national statistics bureaux, as of 31 December 2015 the CR had a population of 10,553,843 and Slovakia a population of 5,426,253 inhabitants.



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