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AIM & FOCUS

The objective of the ENCATC Journal of Cultural Management and Policy is to stimulate debate on the topics of cultural management and cultural policy among scholars, educators, policy makers and cultural managers. The Journal is based on a multidisciplinary perspective and aims to connect theory and practice in the realm of the cultural sector.

FREQUENCY

This journal is intended to be a yearly publication. However, depending on the number of articles accepted for publication, an extra issue could be considered.

ARTICLE SUBMISSION

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COVER PHOTO

And through it all is the title of this picture taken in the Tate Modern Turbine Hall, in London in 2008.

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Foreword

A word from the ENCATC Secretary General, Giannalia Cogliandro Beyens

Dear reader,

Published for the first time in October 2011, the ENCATC Journal on Cultural Management and Cultural Policy Education is quickly becoming a must read in the sector with its first two issues having to date a combined 30,000 downloads. The results of our readership prove that this publication is clearly responding to the increasing need to align education in cultural management and cultural policy with research being conducted in the field.

This Journal is one of the recent achievements of the ENCATC, the leading European network on Cultural Management and Cultural Policy Education. Established in Warsaw in 1992, today ENCATC is the only European network gathering over 100 higher educational institutions, training and cultural organisations in 40 countries. ENCATC has the status of an international non-profit organization, an NGO with operational links with UNESCO, and of "observer" to the Steering Committee for Culture of the Council of Europe.

It is becoming more and more evident that education in cultural management and cultural policy cannot and should not be separated from research being conducted in the field. Since its creation 20th years ago, ENCATC has recognized this need and has always been very active in pursuing, publishing, presenting, and disseminating research in arts and cultural management and cultural policy to strengthen the understanding of cultural management and cultural policy issues. In line with this objective, ENCATC's research activities already include over the past years the organisation of the Young Cultural Policy Researchers Forum, the organisation of the Cultural Policy Research Award competition, the Online Researchers' Forum in partnership with the European Cultural Foundation and an annual Research Session organised alongside the Annual Conference.

With this latest issue, ENCATC strives once more to stimulate the debate on the topics of cultural management and cultural policy among scholars, educators, policy makers and cultural managers. The Journal uses its unique platform for multidisciplinary debate and offering new perspectives among researchers aiming to connect theory and practice in the realm of the cultural sector.

In this current issue of the ENCATC Journal you can find five articles covering cultural management and policy issues coming from Japan, Italy, Russia, Spain, and the United Kingdom. Readers are in for a treat when they'll read their Journal's opening debate article from Spain that proposes an approach to culture as valuable leisure experience and overviews the main features of the cultural experience from the point of view of Leisure Studies. The second article, from a Russian author who has been researching extensively in the United Kingdom, looks at digital diplomacy rhetoric in an international policy frame and the transformations in diplomatic discourse. Next, readers will cross the globe to learn about theatre management in Japan as the system shifts from subsidies to plural funding. Still on the topic of theatre management, the third article enlightens readers about opportunities and critical points of the introduction of performance measurement systems in

Italian theatres. Finally, the Journal concludes with an informative article about the economic crisis and digital futures and trends in policy and the cultural sector in the United Kingdom.

Because the ENCATC Journal is based on a multidisciplinary perspective and aims to connect theory and practice in the realm of the cultural sector, the submitted papers address different fields: culture and creativity, cultural management, cultural policies, marketing, local development, entrepreneurship, and education applied to the cultural sector.

The ENCATC journal is intended to be a yearly publication. However, depending on the topic an extra issue could be considered. From 2012 onwards, the Journal will be published to coincide with the ENCATC Annual Conference. Once more, our intention is that this Journal will contribute to improving the knowledge and the capabilities for crafting advanced cultural policies and cultural management systems at the European level and beyond.

The international perspective has been shaped by the International Editorial and Advisory Board and by the guest reviewers who are the most renowned experts and researchers on cultural policy and cultural management education in Europe and beyond.

I am very excited to launch this new issue and I sincerely hope it contributes to sharing knowledge in our research community, exchanging new ideas and encouraging debates and discussion on important cultural management and policy issues.

Brussels, 20 December 2012

Can Leisure Studies enlighten the development of cultural audiences?

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ABSTRACT

The aim of the article is to enlighten cultural policies for audience development by introducing an innovative approach from leisure studies that focus the attention on the leisure cultural experience of the citizen. The article begins with an approach to culture as valuable leisure experience and overviews the main features of the cultural experience from the point of view of Leisure Studies. Next, it approaches the reality of audience development, trying to apply in that certain area of management the theoretical concepts identified before. Finally, it concludes with a series of reflections oriented to the implementation of this new approach.

Keywords:

Development of cultural audiences

Access to culture

Cultural experience

Leisure

Introduction

Access to culture and wider participation in culture remain as a challenge across Europe[1]. Available data and statistics regarding access to culture and cultural participation show that a significant part of the citizenship still does not participate in conventional cultural activities such as going to cinema or reading books[2] - the rates of participation are inferior in other sort of activities such as visiting museums and in population with lower income and education profile.

Cultural participation has not only been recognized as a human right, but also as a factor for social and personal development, fostering creativity and well-being among people. The importance of achieving a better and fairer distribution of opportunities to take part in culture life has been remarked by a set of Council conclusions in relation to: intercultural competences (2008); access to culture within 2010 Council conclusions on the role of culture in combating poverty and social exclusion; and cultural and creative competences (2011).

European cultural policies have been focused on improving the conditions of supply - many efforts, attention and resources on the supply of artistic and cultural production have been invested to identify and remove both physical and financial barriers in order to facilitate participation. Nowadays, institutions focus their attention in a wide range of policies, programmes and actions to foster wider participation in terms of creation of a demand or audience development where education is regarded as a key element[3].

In the following pages we intend to enlighten cultural policies for audience development by introducing an innovative approach from a leisure studies perspective that focuses the attention on the leisure cultural experience of the citizen. This approach will enable a two-fold strategy – supply and demand - since it considers both subjective – motivations, benefits, values, etc. - and objective – time, space, resources, etc- issues that meet with the *Arts Council England* concept of 'audience development', which includes aspects of programming, commissioning, promotion, pricing, education, audience engagement and customer relationship management[4].

The article begins with an approach to culture as a valuable leisure experience and overviews the main features of the cultural experience from the point of view of Leisure Studies. Next, it approaches the reality of audience development, trying to apply in that certain area of management the theoretical concepts identified before. Finally, it concludes with a series of reflections oriented to the implementation of this new approach.

Culture as a valuable leisure experience

Visiting a museum, listening to a concert or attending a theatrical performance are examples of different cultural activities that usually are part of the cultural offer of a city and that are available for all citizens for their pleasure and participation. However, a certain activity, such as visiting an exhibition in a gallery, can be perceived as a valuable leisure experience by some people whereas it is not by some other. Which features define the valuable cultural experience? To answer to that question, we will deal with those different involved elements: leisure, experience, valuable and cultural.

The perception and the concept of leisure have changed significantly through time. Thus, in traditional society, only the upper social classes, not involved in the world of work, seemed to have the right to leisure. For the rest of the population, who belonged fundamentally to an agrarian society, leisure was synonymous with idleness, a word with an evident negative meaning. With the advent of industrialization, the main functions attributed to leisure are those of rest and reward for work (Franklin, 1964). As early as the second half of the XX century, there's a broad consensus on Leisure Studies about the need of leisure in human existence and an area of personal development is searched in leisure (Dumazedier, 1964; Sue, 1980; Kleiber, 1999; Cuenca, 2000).

The concept of leisure that guides the Institut of Leisure Studies at the University of Deusto is based on three main pillars: freedom, autotelism and satisfaction. In other words, "Living leisure means being aware of the «non-compulsory» feature and the non utilitarian-purpose of an extern or intern action, having chosen that action according to the personal satisfaction that it provides" (Cuenca, 2011: 60-61).

Now we add the word experience to the concept of leisure. In that sense, our first reflexion refers to the subjective and personal feature of it, considering that it will be unique depending on the protagonist, or even, on the moment of time when the person lives the experience. Related to the temporary aspect, another characteristic element is the processual feature of the leisure experience, which is not limited by the moment when the cultural activity is taking place, but must be also born in mind the previous time (of preparation and setting up of expectations) and later time (of recalling and assimilation) (Cuenca and Goytia, 2012). In addition, related to its nature, the leisure experience is multidimensional. Thus, authors such as Kelly (1987) or Tinsley and Tinsley (1986) have proved that leisure is lived through a wide range of experiences.

[1] European Agenda of Culture (2007); The Council Work Plan on Culture 2011-2014, Priority A: Cultural diversity, intercultural dialogue and accessible and inclusive culture.
[2] European Union, (2011). Cultural Statistics, Eurostat Pocketbooks. Luxembourg: Publications Office of the European Union.
[3] European Union, European Union Open Method of Coordination (2012). Policies and good practices in the public arts and in cultural institutions to promote better access to and wider participation in culture. Report produced by the Working Group of EU Member States Experts (Open Method of Coordination) on better access and wider participation in culture, October 2012. Brussels: European Union
[4] European Expert Network on Culture (2012), Audience building and the future. Creative Europe Programme, Anne Bamford and Michael Wimmer EENC Short Report, January 2012

> "WHILE CREATION DEALS WITH EXPRESSING SOMETHING, RE-CREATION DEALS WITH DISCOVERING IT. [….] THE RECEPTION OF ART IS CONSIDERED CREATIVITY, CONSIDERING THAT THIS RECEPTIVE PROCESS REQUIRES AN ACTIVE LOOK AND A CREATIVE EFFORT."

According to Cuenca (2000), the leisure experience appears in five dimensions: ludic, creative, festive, environmental-ecologic and with solidarity. And, in addition to the previous statements, according to Csikszentmihalyi (1998, 2008), we defend that the experience can reach to be optimal, in a sense of being a producer of self development and psychological growth, as long as the challenges set up by the individual (spectator, visitor, etc.) and her/his own skills are balanced.

Finally, the cultural element places us mainly on the creative dimension of leisure, whose more determining features are personal development, which implies the training and the process of improvement, and self actualization, which becomes true when the set up objectives or challenges are reached. This features can appear through two different processes: the creation or the re-creation (Cuenca, 2000). The creative aspect, maybe the most evident of the two, focuses on the creative process that ends in an artwork. The re-creative aspect is the inner process of the individual that contemplates the artwork and that revives the process of the creation. While creation deals with expressing something, re-creation deals with discovering it.

As it is explained by Amigo (2000), from different disciplines such as arts or aesthetics, the reception of art is considered creativity, considering that this receptive process requires an active look and a creative effort. One of the most important authors that has dealt with the participation of the receptor is Umberto Eco (1979)[5], who as early as 1961 published *The Open Work*. The concept of the open work is based on the several interpretations that a work can have, depending on the cultural and emotional load of the spectator. Along the same lines, López Quintás (2005) has defended for many years that the active reception is creative and Dewey (1949) points that receptivity doesn't mean passivity. According to this last author, the aesthetic experience goes through two different phases: the first, a passive one, and the second, a creative one. In the first phase we need to immerse ourselves in the artwork and collect the different details that are physically dispersed in it. Once the aforementioned is done, we will be in situation to create our own experience, extracting the elements of the artwork that are really significant, that is to say, carrying out an act of abstraction. In order to be able to abstract the essence of the artwork, the spectator undertakes a process of organizing the elements that is similar to the process undertaken by the creator. According to Dewey, who remains in the passive phase, will not be able to perceive the whole.

However, in order to achieve that sentiment of self actualization and psychological growth, we have pointed out before that Csikszentmihalyi (1998) defended the balance between challenges and skills. Thus, when challenges are so high that they exceed one's skills a state of anxiety occurs and the opposite situation leads to boredom. Only a balanced situation between boredom and anxiety can guide us to optimal experiences. This situation of balance will be ephemeral and, in order to avoid boredom, each individual must enhance the complexity of the activity through developing new skills and setting up new challenges. In that process, the training, understood in the widest sense, is essential.

Application of the theoretical reflections in the development process of cultural audiences

The development strategies of cultural audiences are complex and concern several areas of the organization, intermingling educational, marketing and artistic processes, amongst other. In this complex

[5] The work cited here corresponds to the spanish translation of 1979.

"ORGANIZATIONS, GIVEN THAT THEY CANNOT BE PUT IN THE PLACE OF THE SUBJECT THAT LIVES THE EXPERIENCE, CANNOT GUARANTEE THE EXPERIENCE TO OCCUR. HOWEVER, THEY CAN FAVOR THE POSSIBILITY CONDITIONS OF IT, BEARING IN MIND THE FEATURES OF THE VALUABLE CULTURAL LEISURE EXPERIENCE."

context, leisure theory provides a link between different disciplines, laying fundamental pillars, and a common philosophy for the organization. The deep knowledge of the basis of leisure experience can simplify decision making and address it to those decisions that facilitate the experience to occur. Precisely, this is our first reflection. Organizations, given that they cannot be put in the place of the subject that lives the experience, cannot guarantee the experience to occur. However, they can favor the possibility conditions of it, bearing in mind the features of the valuable cultural leisure experience.

We aforementioned that the pillars of every leisure experience are three: the freedom of choice, the non-utilitarian purpose and the satisfaction of the individual. From the point of view of cultural organizations, it is difficult to intervene in any of those three aspects, which are subjective and personal. However, amongst them, the easiest one to handle may be the concept of freedom, a principle that collides with one of the most expanded practices in the cultural sector: The season ticket system. In the specific case of the performing arts, there are several studies that point out the decline of this formula. For example, Kotler and Scheff (2004:27), from the USA, attribute this trend to the fact that people act more and more spontaneously when choosing between several choices of entertainment, as well as people can be afraid of engaging in advance for a whole year and for specific dates, or for a series of shows programmed in advance. From the Leisure Studies we understand, also, that the season tickets that offer fixed titles can instill the sensation of low level of perceived freedom that can finally affect the quality of the experience. No wonder we are detecting an increased proliferation of open-choice season tickets.

Another intrinsic feature of the leisure experience is its processual feature. How can we apply this idea to the development process of audiences? Fundamentally, searching for activities or resources that facilitate the preparation of the experience (previous phase) and its assimilation (later phase). We can find a good example in La Monnaie theatre of Brussels. This organization has a program called "A Night at the Opera", whose aim is to bring the opera closer to young people under 26 years of age. Thus, the experience does not only consist of offering cheaper tickets for the staging of the opera, but on the same day, the experience has different phases. In the first place, they welcome the group of young men and women who are given an original speech as introduction to the opera work, along with a little snack. Then, the group attends the staging and after that, they participate in a lecture with an artist of the production (usually a singer who has played a leading role) and a hot artist of the moment with whom the young people can identify themselves. In this case, the experience is temporally limited to just one day, but it is extraordinarily well prepared and it is more than probable that the participants will leave the theatre with an indelible memory of the experience.

Following with the reasoning, we will deal now with the issue of multidimensionality. In the case of culture, the predominant dimension is the creative, but not the only one. For example, when visiting a museum, the most important part of the experience is the exhibition and what it transmits, what we perceive, etc. But, the museum itself can also be important as the place where the exhibition takes place (environmental-ecological dimension) or the people with whom we share the experience and its community feature. The combination of different dimensions can broaden new horizons at the time of defining more complex new products oriented to new publics. In that sense, the Guggenheim museum has undertaken in Bilbao and New York an initiative called "Art after dark", an event that consists of a night visit to the exhibition of the moment but in a festive atmosphere (music, bar, etc.). The museum is transformed and something magic occurs, in a way that space, party and creativity twine together creating a unique experience.

We can not finish this reflection without dealing with the issue of balance between the challenges set

up to the person that has the experience and her/his own skills. When challenges are too high a state of anxiety can occur, while the opposite case can lead to boredom. Training plays an essential role in this process, so that the publics we are addressing to would go gradually increasing their skills of perception and reach deeper and richer experiences.

The tools that organizations have to facilitate the preparation of a cultural leisure experience are several and very diverse. On the other hand, depending on the public segment some will be more suitable than others. Thus, for example, if we are addressing to children, the programs carried out in collaboration with educational centres can be very appropriate.

However, currently, and mainly thinking of adults, the Internet shows to be, more and more, a tool with great potential. In an emergent society as ours, time is a highly considered value that we try to gain at all times, doing, for example, several tasks at the same time, trying to obtain more intense emotions and transforming dead time in leisure time. The new mobile devices have contributed to it. It is more and more usual to find people in the underground or in a waiting room listening to music, checking the email or watching a film. Igarza (2009) refers to those short periods of time as “leisure's bubbles” and states that they occur anytime or anywhere, even at work. Taking that into account, digital audiovisual contents that are adapted to those short periods of time are, nowadays, very suitable for the preparation of a cultural leisure experience.

Conclusion

In these current times, when the cultural sector is suffering from cuts in public subsidies and tax raising, audience development acquires special relevance and needs new looks. From the Institute of Leisure Studies at the University of Deusto, we are convinced that the moment to go back to the essence, to the basis of cultural leisure experience, has come. It is here, going back to the beginning, where we resort to schools of thought that come from leisure theory and we wonder about the features of cultural leisure experience and about its involvement in in the area of management.

An important conclusion is that the cultural leisure experience is part of a creative and re-creative process through which a transformation of the individual and a personal development are produced to a greater or lesser extent. In that process, the training, understood in the widest sense, is very important. That is why we think that organizations should help their publics, facilitating the preparation of the experience and its assimilation, always bearing in mind the issue of the difficult balance between the challenges and skills that we aforementioned.

Finally, we believe that it is necessary to promote training in leisure for cultural managers, in order to become this approach real. That would enable culture to be comprehended as valuable leisure experience. Thus, programs aimed to facilitate richer and fuller leisure experiences for the public could be favored.

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Digital Diplomacy Rhetoric:

International Policy Frame Transformations in Diplomatic Discourse (The case study of the UK digital diplomacy)

Natalia Grincheva
City University London, United Kingdom

ABSTRACT

The research explores the UK digital diplomacy through rhetorical lenses of the European discourse on cultural agenda. The paper utilizes frame analysis to investigate the nature and objectives of digital diplomacy in the political context of the UK. The study argues that the UK as a part of the European Community successfully employs in its diplomatic discourse five rhetorical policy frames developed and promoted by UNESCO and European Commission. These frames help the UK to identify its own diplomatic goals with the international priorities of cultural development and, as a result, aid the country to project its positive image to the outside world. These policy frames include: preservation of cultural heritage, access to creative content, protection of cultural diversity, strengthening intercultural dialogue, as well as fostering development and the creative economy. The study reveals that despite the interactive and participative potential of digital diplomacy to facilitate cross-cultural cooperation, the UK digital diplomacy hardly goes beyond traditional cultural promotion.

Keywords:

Cultural diplomacy

Digital media

European Commission

UNESCO

UK

Introduction

The European Union (EU) strives to make its diverse culture more accessible to people around the world. Digital diplomacy has become a new and increasingly popular strategy that aims to provide open access to Europe's cultural content and create a new way of interactive engagement with global audiences (Schaake 2011). In recent years, the European Community has been engaged in developing digital platforms for preservation and enhancement of its rich cultural heritage. However, digitizing national assets in the domains of culture and the creative industries is not enough to develop meaningful interaction with various audiences through cultural content:

> In this sense, the development of digital heritage platforms must be assessed from the point of view of what forms of cultural citizenship they promote. The question that every digital heritage project must answer is, what forms of cultural inclusion and participation does it encourage? (Paschalidis 2010: 179).

In the age of the information society, digital diplomacy is promoted within the European Community as a new and powerful instrument that can enable ordinary people, artists, and cultural organizations to become active ambassadors of their cultures. With the significant advance of new media communication tools, the old principles of cultural diplomacy based on a "top-down branding approach, which treats people as targets rather than participants in an exchange of views" (Leadbeater 2010) is no longer relevant. The traditional principles of cultural diplomacy, such as image cultivation, propaganda, and marketing-oriented activities (Melissen 2006, 3) have proved to be outdated diplomatic strategies. Digital diplomacy is able to go beyond mere one-way cultural promotion by utilizing the powerful opportunities of new media to provide means for interactive communication among various parties and to create engaging environments across borders.

The EU is one of the richest and most culturally diverse areas in the world. Due to its diversity and multiculturalism, every nation state within the EU understands and adopts the objectives of digital diplomacy in their own way. The major priorities shaping national cultural policies, as well as international economic and political interests, define how digital diplomacy is structured within the framework of foreign relations. Consequently, digital diplomacy, as exercised by different countries, aims at achieving various strategic goals and exerts specific cultural impacts on foreign audiences. Digital diplomacy discourse can mirror how national and international political contexts define digital diplomacy agenda in different countries respective to articulation by official governments in each nation state.

The United Kingdom of Great Britain and Northern Ireland (UK) was one of the first EU countries that recognized the powerful potential of digital diplomacy. The government enthusiastically promotes incorporating new media technologies into the work of cultural institutions and diplomatic organizations. The report "Cultural Diplomacy" produced in 2007 recommended that new technologies should become "the basis for innovative new working strategies" and online tools "should reflect the full range of possible contributions to cultural diplomacy" (Bound et al 2007:14). Furthermore, the authors of the report advised that their recommendations be regarded as a matter of urgent priority in order to make the UK "stay ahead of the pack on cultural diplomacy." The Chair of the Arts Council of England, Liz Forgan, in her Media Festival Arts speech enthusiastically advocated for wider use of the digital media that enables cultural institutions to work more effectively to reach new audiences. Specifically, she emphasized the opportunities brought by the Internet to best distribute and promote art and culture on a global scale so it can reach the widest possible audience: "We need to open our treasure stores to the public, making the arts a truly accessible and inspiring public service at home, and a powerful ambassador abroad, demonstrating the creativity, vibrancy and diversity of 21st century Britain" (Forgan 2010).

This study aims to critically analyze the rhetoric of digital diplomacy of the UK within the European context. Employing frame analysis as the main methodological approach, the paper intends to understand what digital diplomacy really means within the political context of the UK and how it is articulated to a wider international community. The study argues that cultural and digital diplomacy rhetoric of the UK is built upon the five policy frames developed and promoted by The United Nations Educational, Scientific and Cultural Organization United Nations Educational (UNESCO) and the European Commission. These policy frames include: Preservation of cultural heritage, access to creative content, protection of cultural diversity, strengthening intercultural dialogue, as well as fostering development and the creative economy.

Through the analysis of international policy frame transformations, as identified within the UK diplomacy rhetoric, this paper seeks to investigate to what extent digital diplomacy discourse in the country goes beyond traditional cultural promotion in international communication and if it encourages new digital models for cultural cooperation.

The structure of the paper consists of five parts. The *Methodology* section outlines the methods employed in the paper and justifies its selection for the research objective. The following part, *International Policy Frames,* discusses in detail the frames identified in the discourse of two major international organizations: UNESCO and the European Commission. These frames map the core objectives of the international agenda for cultural development and digital innovations. This section serves to explain the original meanings of each policy frame as articulated

> "IN THE AGE OF THE INFORMATION SOCIETY, DIGITAL DIPLOMACY IS PROMOTED WITHIN THE EUROPEAN COMMUNITY AS A NEW AND POWERFUL INSTRUMENT THAT CAN ENABLE ORDINARY PEOPLE, ARTISTS, AND CULTURAL ORGANIZATIONS TO BECOME ACTIVE AMBASSADORS OF THEIR CULTURES."

by the international organizations. In the next section, *Digital Diplomacy in the UK Context*, these policy frames are identified within the cultural diplomacy rhetoric of the UK and are critically analyzed to decipher its new meaning and reinterpretations. The concluding part summarizes the findings of the research.

Methodology

In the framework of this study, rhetoric analysis serves as a core methodological approach that helps to critically analyze the discourse of the UK's cultural and digital diplomacy. The main objects of analysis are policy documentation, cultural conventions, treaties and regulations of the European Commission and UNESCO adopted within the last ten years, as well as recent reports, corporate plans, agenda documents and diplomatic speeches of the British Council and other UK core political organizations. The UK documents are analyzed as rhetorical pieces because they serve to communicate the official position of the UK government to promote certain ideas and concepts, as well as to influence the opinion of international stakeholders.

The major methodological approach employed in this study is the frame analysis. Frame analysis has been utilized by many scholars as a method to explore mass media and political communication. (Chapman & Lupton, 1994 ; Entman, 1993 ; Iyengar, 1991 ; Ryan, 1991 ; Schon & Rein, 1994). Framing is known as a dynamic process that involves a continued generation of interpretations. "…frames are not static, but are continuously being constituted, contested, reproduced, transformed, and/or replaced" during discourse development. (Benford & Snow, 2000: 614). Framing usually occurs in a specific cultural situation or context as a dynamic process. Because frames can "travel" across cultures, frame development that takes place on a cross-cultural level is known as frames borrowing. It entails reframing cultural ideas or practices in order "to enhance the prospect of their resonance with the host or target culture." (Benford and Snow, 2000: 627). This study explores how the UK government transforms borrowed frames from its national context in order to speak "international language" and generate a meaningful discourse to communicate the goals and objectives of its cultural diplomacy.

Bernford and Snow distinguish four basic processes of frames development: frame bridging, frame amplification, frame extension, and frame transformation. Frame bridging is based on linking of two or more ideologically similar but structurally unconnected frames in regards to a particular issue or problem. Frame amplification is "idealization, embellishment, clarification, or invigoration of existing values or beliefs." Frame extension, as the title suggests, entails extending beyond the primary interests to incorporate new important issues and concerns. Frame transformation is basically a generation of new meanings for the old understanding of existing frames. (Benford and Snow, 2000: 618). In the course of the present analysis, this transformation framework is employed to analyse how the policy frames of the international community change their meanings and acquire new interpretations within the context of the UK cultural and digital diplomacy.

In order to identify the dominant frames selected by UK politicians to articulate digital diplomacy in a cultural context, a series of content categories was developed. First, the cultural agenda contours of the UNESCO conventions, EU treaties and policies are mapped in order to determine the patterns that emerge from the international cultural strategies discourse. Next, the patterns are organized into thematic categories to distinguish digital strategies frames that are emerging around cultural issues. Then, these selected frames were identified and analyzed in the discourse of the UK's digital diplomacy. Through critical analysis of the transformation of these frames within the UK national context, it is revealed how these frames are constructed and to what degree meanings are implied

within a particular frame to correspond to the original concepts articulated by the EU and UNESCO.

International Policy Frames

The European cultural strategy is mostly defined by a number of UNESCO conventions, which are "fully integrated into the European agenda for culture" through pursuing "three shared strategic objectives: cultural diversity and intercultural dialogue; culture as a catalyst for creativity and innovation; and culture in international relations" (Burri 2010: 9). For example, the European Union has developed a significant number of policies that reflect the objectives of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. These cultural policies of the EU are developed in the framework of the Article 167 – Culture Programme – that contributes to the Commission's efforts to emphasize the role of culture in all EU activities. (European Commission 2007 b). Digital technology implications for EU's cultural policies are also in many cases defined through the United Nation ICT[1] framework that outlines the major capacities and potentials of new media tools to support cultural development (European Commission 2007 a).

The following section of the paper will outline the major digital policy frames embracing the complex picture of existing cultural issues in the international arena and within the EU context. These identified categories will capture various trends of UNESCO and the European Commission in implementing cultural agenda policies.

Preservation of Cultural Heritage

UNESCO encourages the identification, protection, and preservation of cultural heritage around the world. This is embodied in an international treaty entitled the *Convention Concerning the Protection of the World Cultural and Natural Heritage*, adopted by UNESCO in 1972.Within this framework, UNESCO supports efforts in developing and employing digital technologies for the preservation of cultural heritage. This includes developing new media based systems for storing "digital information and multimedia content in digital repositories, and support archives, cultural collections and libraries as the memory of humankind" (UN and ITU 2003).

In the European context, a wide variety of cultural projects and programs have been developed over the past years that particularly targeted the preservation and restoration of heritage sites and effective conservation of rare and unique cultural objects for future generations (European Commission 2007). To enhance the preservation of Europe's rich and cultural heritage, digital tools are enthusiastically promoted as effective means to ensure the survival of cultural heritage through digitized analogue collections that preserve and store digital content (European Commission 2005). In the past three years the European Commission launched the eEurope Action Plan, created a National Representatives Group on Digitization, and developed a vast policy framework resolutions and recommendations for digital preservation.

Access to Creative Content

Promoting access to information and creative content was announced as a major priority of UNESCO's line of actions in the 2010 -2011 (UNESCO 2010). Through this framework, digital tools are positioned as powerful means that are able to ensure that cultural institutions, as original and traditional content providers, can share their resources on a global scale. Digital media acquires strong potential to allow "libraries, archives, museums and other cultural institutions to achieve their full potential as content-providers in the Information Society by providing continued access to recorded information" (UN and ITU 2003).

The World Digital Library project developed by UNESCO serves as a vivid illustration of digital access policy within a cultural framework. The multilingual World Digital Library (http://www.wdl.org/en/) has been launched online in 2005 to make available free of charge the materials from different countries and cultures around the world (UNESCO 2011). It is built to expand the volume and variety of cultural content on the Internet, provide valuable resources for educators and scholars, and to narrow the digital divide within and between countries.

Policies enabling access to creative content in the European Union have been promoted to support Europe's rich cultural heritage. The most important initiative started with the Commission of Communication's "i2010: Digital Libraries", (European Commission 2005) that emphasizes the political objective of making Europe's cultural heritage accessible to larger audiences. Following up on this objective, European Digital Library (http:// www.europeana.eu/portal/) - Europeana - was effectively launched in November 2008 which intends to serve as a multilingual access point to European cultural heritage (Europeana 2011). This online resource allows Internet users from around the world to search and gain direct access to digitized books, art works, maps, newspapers, film episodes, and photographs from various European cultural institutions.

[1] ICT (information and communications technology) is an umbrella term that includes any communication device or application, such as: radio, television, cellular phones, computer as well as network hardware and software, satellite systems, etc. It also entails the various services and applications associated with communication devices, for example videoconferencing or distance learning platforms (ITU 2009).

Protection of Cultural Diversity

In recent years, globalization processes set some important priorities for cultural agendas around the world. In many communities, globalization is associated with the growth of cultural homogenization which erodes national and local cultural expressions and traditional identities. The *Convention on the Protection and Promotion of the Diversity of Cultural Expressions* "is a legally-binding international agreement that ensures artists, cultural professionals, practitioners and citizens worldwide can create, produce, disseminate and enjoy a broad range of cultural goods, services and activities, including their own" (UNESCO 2010). The Convention was adopted in 2005 and has been ratified in 118 countries worldwide as of July 2010. Within the framework of the *Convention on Cultural Diversity,* the significant role of digital media is highlighted in three major dimensions. First, digital tools are promoted as a major innovative tool that contributes to development and strengthening of the cultural and creative industries through support of local content development and distribution. Second, digital media is accepted as a powerful means that can foster linguistic diversity through online publishing and translation. Finally, digital technologies are foreseen to reinforce creative, productive and managerial capacities of craftspeople and artisans to strengthen local and indigenous cultures (UN and ITU 2003).

The EU has greatly contributed to the efforts of UNESCO to protect and promote the diversity of cultural expressions through its developed policy framework ensuring the implementation of the 2005 Convention's major principles. The importance of this cultural policy agenda resonates with the promotion of Europe's cultural richness and diversity which is closely linked to the role and influence of the European Union in the world. "The European Union is not just an economic process or a trading power, it is already widely - and accurately - perceived as an unprecedented and successful social and cultural project" (European Commission 2007: 3). The European framework on digital policies is also marked by such objectives as promotion of cultural and linguistic diversity of member states, promotion of the e-mobility of artists and cultural professionals, as well as widening circulation of artistic expressions beyond national borders (European Commission 2007).

Strengthening Intercultural Dialogue

Among UNESCO's main missions is to revitalize various cultures throughout the world in order to counter their segregation. "This cultural dialogue has taken a new meaning in the context of globalization and current international climate in politics. Thus it is becoming a vital meaning of maintaining peace and world unity" (UNESCO 2010). UNESCO seeks to encourage countries to reflect their multi-cultural dimensions through international cultural co-operation policies and to reinforce conditions, capacities and modalities of intercultural dialogue at local, national and regional levels (UNESCO 2010). In regard to digital support of the intercultural dialogue objective, it is widely promoted that ICT can advance cooperation with indigenous peoples and traditional communities and enhance knowledge exchange between developing and developed countries to share experiences and promote best practices on cultural policies and tools (UN and ITU 2003).

With the freedom of movement ensured by the European Community Treaty, the EU has established a stable platform for developing cross-cultural collaborations on various levels. European cultural, political, and economic policy framework facilitates cultural exchanges and dialogue across borders. Thus, the European Commission actively articulates culture as "a vital element in the Union's international relations" and promotes political dialogue with all countries and regions in the field of culture (European Commission 2007:8). The European Community also widely promotes that digital technological innovations bring about new possibilities for intercultural and international communication. Such possibilities include global connectivity and the rise of networks which introduce unprecedented communication advances that can significantly enhance cross-cultural cooperation. The European Union tries to further advance the cause of international cultural co-operation by developing digital strategic support mechanisms to facilitate contact between artists, cultural managers, and curators (Culturelink 2008).

Fostering Development and Supporting the Creative Economy

As the UNESCO Convention on Cultural Diversity indicates, culture should be integrated into national policies and into international cooperation strategies to foster human development goals and poverty reduction. UNESCO urges the parties to integrate the full contribution of cultural industries to "sustainable development, economic growth and the promotion of decent quality of life through the creation, production, distribution and dissemination of cultural expressions" (UNESCO 2005). In this framework, the use of new technologies and the expansion of networked communication systems are particularly encouraged and articulated through the promotion of ICT in the development field. Digital tools employed for the economic growth and support of cultural industries are accepted and promoted as powerful means that can enhance local economies and bring new low cost solutions for development of small local communities. Digital policy in this regard is shaped by highlighting the potentials of new media to connect developing and developed countries in a faster, easier and more mobile mode, to establish a platform for good practices exchange and learning, to reach out to rural areas and to involve vulnerable and marginalised groups in cultural participation and production (UN and ITU 2003).

Within the context of the European Union, fostering the creative economy has become a widely promoted concept to frame the body of recent economic and cultural policies. Culture is advocated to be a catalyst for this "new" economy legitimated by the Lisbon Strategy for growth and jobs (European Commission 2007 a: 8). Especially with the recent economic turndown, the development and reinforcement of the creative industries is recognized as a powerful economic force that can revitalise communities and secure sustainable cultural diversity in the long run (Burri 2010: 28). The Internet, as a new communication channel, is promoted as a "driver of greater pluralism in the media" that is able to provide better access to a wider range of sources, as well as to permit local industries and small cultural communities to express themselves fully and openly. The European Commission is developing a strong body of new policies to support and promote the incorporation of digital media in the cultural and creative industries. By proposing such measures on a European scale, the EU seeks to create new business models which would benefit the cultural industry "by creating a wider market and protecting the intellectual profit and related investments" (European Commission 2010).

In summation, this section outlined five major policy frames that shape the international cultural agenda. In the next section these frames will be identified and analysed within the context of the UK cultural policy.

Digital Diplomacy in the UK Context

The British Council is the main cultural diplomacy organization in the United Kingdom which aims to develop international cultural and educational relations with countries worldwide. Maintaining a nongovernmental status, the British Council is the UK's second biggest charity allowing it to be operationally independent from the UK government. This political freedom allows the organization to sustain trustworthy relationships, especially with countries in a conflict, or in politically tense situations. Over 75 years the British Council has opened more than a hundred offices around the globe and has established its active presence in a wide variety of countries. The main purpose of the British Council is to provide "cultural, diplomatic and economic benefit for the UK" through development of relationships with the international community (British Council 2010 a: 11).

The Royal Charter sets out the major purposes of the British Council's work which are to 1) "promote a wider knowledge of the United Kingdom", 2) "develop a wider knowledge of the English language", 3) "encourage cultural, scientific, technological and other educational co-operation between the United Kingdom and other countries" (British Council 2010 a:11). These strategic goals are embedded within a broad framework of British Council programs that include building intercultural dialogue, fostering the creative economy, and providing access to the UK's expertise, knowledge, and resources.

Digital media technologies are extensively used by the British Council in its major activities and are promoted as powerful tools affecting every aspect of the new society, economy, and culture. "Arts and cultural organisations can now connect with the public in new ways, bringing them into a closer relationship with culture and creating new ways for them to take part" (Arts Council England 2010: 8).

The UK is one of the few countries in the world where digital policy is taken seriously. Digital tools are widely promoted in the country specifically in the cultural and creative industry sectors. The Department of Culture, Media and Sport in the UK advocates that "all cultural organisations should have an overarching digital strategy that fits the overall strategic purpose of the organisation and clearly fits with its vision and mission" (Department of Culture, Media and Sport 2010: 12). Moreover, it is advised that more digitally-savvy people should be on the trustee and management boards of the cultural institutions to give guidance on and support innovative services and partnerships:

> Encouraging digital access means a radically different approach to managing technology from the way that large-scale legacy systems have been managed. Technology needs to be better integrated into creative processes (Department of Culture, Media and Sport 2010: 22).

Digital media is promoted among the creative industries as a powerful means that can develop new business models through employing social networking and "encouraging the culture of sharing" nurturing through the Internet. The Department of Culture, Media and Sport recommends that cultural entrepreneurs use social networks "rather than always attempting to bring audiences to one monolithic site" (Department of Culture, Media and Sport 2010: 15). In the framework of cultural diplomacy, digital media is enthusiastically promoted to support the major objectives of the British Council.

The following five sections will look closely at the British Council's programs and the country's international framework to explore how international agendas on culture and digital media are articulated through UK cultural diplomacy discourse. In each of the sections the framing transformation model will be identified and analysed with the reference to the UK national context. However, before this analysis is presented, it is important to explain why this framing approach is appropriate. This study argues that the UK cultural diplomacy rhetoric employs identification technique to communicate its international goals in a way that most resonates with international agendas on culture set by such organizations as the European Commission and UNESCO. Identifying UK domestic

> "THE UK IS ONE OF THE FEW COUNTRIES IN THE WORLD WHERE DIGITAL POLICY IS TAKEN SERIOUSLY. DIGITAL TOOLS ARE WIDELY PROMOTED IN THE COUNTRY SPECIFICALLY IN THE CULTURAL AND CREATIVE INDUSTRY SECTORS."

strategies related to an international cultural framework is a deliberate rhetoric strategy that can be explained with three main reasons.

First, in diplomatic discourse the UK positions itself as an international political leader that helps to define international agendas and sets innovative approaches in resolving cultural, economic, and political problems. The following five sections will provide a significant number of illustrations from the UK official rhetoric that clearly articulates the intention of the country to lead the international community in cultural development with its "excellence and expertise." Such a position urges the UK to "speak the international language" of recognized, accepted, and promoted concepts, ideas, and values that matter to people worldwide. The British Council tries to advertise high quality and diverse UK culture, as well as its technological and industrial advances to overseas audiences by framing their international promotion work in terms of global peace keeping, development, and cultural preservation efforts.

Second, such identification with international policy frameworks is defined by competition among the European institutions for the "European Union contracts to promote the expertise of their nationals and generate income" (Fisher 1999). In the case of the British Council it is particularly relevant, because the budget of this agency is dependent on external contracts and funding. Around 70% of the British Council income comes from services fees and contracts activities, the majority of which originate from external sources.

Finally, there has been a change in the policies of many European cultural institutes and agencies in the past five years. Foreign policy efforts that traditionally were directed towards presenting a positive image of a country through cultural promotion have been reframed to associate more closely with cultural relations. The substitution of the idea of cultural diplomacy with cultural relations intends to promote mutual understanding and co-operation, rather than a one-sided advantage: "Agencies such as the British Council continue to promote high quality and diverse UK arts to audiences overseas … However, the emphasis is now on the development of sustainable, mutually beneficial, international partnerships in the arts." (Fisher 1999). The European Union National Institutes for Culture (EUNIC), formed in 2006 with driving investment and help of the British Council, can serve as an illustrative example of such a cooperative paradigm in diplomacy. EUNIC is the network of the international cultural relations institutes from the member states of the European Union (EUNIC 2011). Such a collaborative initiative provides the British Council with a direct access to cultural diplomatic institutions across Europe connected with each other through the Council's network agencies, located in most of the countries.

These changes in cultural diplomacy paradigm, as well as the competition for money and power among nation states in the European context explain why the British Council utilises identification as a primary rhetoric device in the cultural diplomacy discourse. The UK borrows international policy frames from the cultural framework of the international institutions such as the European Commission and UNESCO to make its international strategies more relevant to the global cultural agenda.

Preservation of Cultural Heritage

The UK has long recognized the digital potential in preservation and enhancement of national cultural heritage and resources. The National Archives of the UK has been established by the government to preserve the heritage of the country in a digital form which can also be accessible for people online. As the government's national archive for England, Wales and the United Kingdom, it holds over a thousand years of "the nation's records for everyone to discover and use" (The National Archives 2011). This official institution provides detailed guidance to government departments and the public sector including national museums, galleries, and cultural institutions on information management and advises how to take care of historical archives employing new digital technologies (The National Archives 2011).

Until October 2011, the Museums Libraries and Archives Council[2] was a part of the National Archives as a leading national institution that promoted best practice in cultural organizations "to inspire innovative, integrated and sustainable services for all" (Museums, Libraries, and Archives Council 2011). The major purpose of this partnership was to empower national museums and libraries to provide people in England with high quality experiences through connecting them to national cultural heritage.

The preservation of cultural heritage is not necessarily a component of cultural diplomacy as the emphasis is on preserving cultural assets for the national public. However, the UK effectively employs *frames bridging* to connect national priorities with the international cultural agenda of the UK. Therefore, within the national framework on the preservation of cultural heritage, the UK is promoting the 2012 Olympic Games as an important event that through its international significance can revitalize national heritage and can bring more visibility to the national cultural resources.

The 2012 Olympics is widely advertised in the country as an international event that will provide the UK with another opportunity to showcase its excellence in the global arena:

> The London 2012 Olympic Games and Paralympics Games will be the biggest and best event the UK has ever hosted. But the five weeks of the Games will not be the only test of our success (Department for Culture Media and Sport 2008).

Museums, Libraries and Archives Council is using the affiliation with the 2012 Olympic Games to bridge its primary objective to preserve cultural heritage through cultural diplomacy goals to "engage with young people, celebrate diversity and help deliver the best ever Games, sustaining a legacy for people in London and in all regions" (Museums Libraries and Archives Council 2007). The institution intends to "champion the development of collections, audiences and workforce so that the 2012 Games will be a transformational event for the sector" (Museums Libraries and Archives Council 2007).

The "Stories of the World" project (see Picture 1) has been developed by the Council as a part of the London 2012 Cultural Olympiad "to showcase to a worldwide audience innovation and excellence in museums, libraries and archives" (Museums Libraries and Archives Council 2011). The project aims to "welcome the world to Britain" by showcasing UK cultural collections to "tell inspirational stories about the UK's relationships with the world" (Museums Libraries and Archives Council 2011). The project involves 1500 young people from various cultural backgrounds, born or recently arrived in the UK, to work in collaboration with curators to make the UK heritage from past generations relevant and important to contemporary societies" (Museums Libraries and Archives Council 2011). Through the eyes of the immigrants, the British national collections will be reinterpreted with personal and cultural insights to build bridges across borders for better appreciation of British cultural treasures.

The Chair of the Arts Council England Liz Forgan in her speech about the project emphasizes:

> Nowhere in the world can the cultural heritage of the world be seen so completely in one place as in the UK. That story lies partly in the physical evidence of centuries of adventure, exploration, trade, piracy, empire and scholarship but also in the living communities of a multicultural and rapidly changing modern nation… A series of exhibitions across the country will enable the great cultures of the world to see themselves honoured and understood (Forgan 2011).

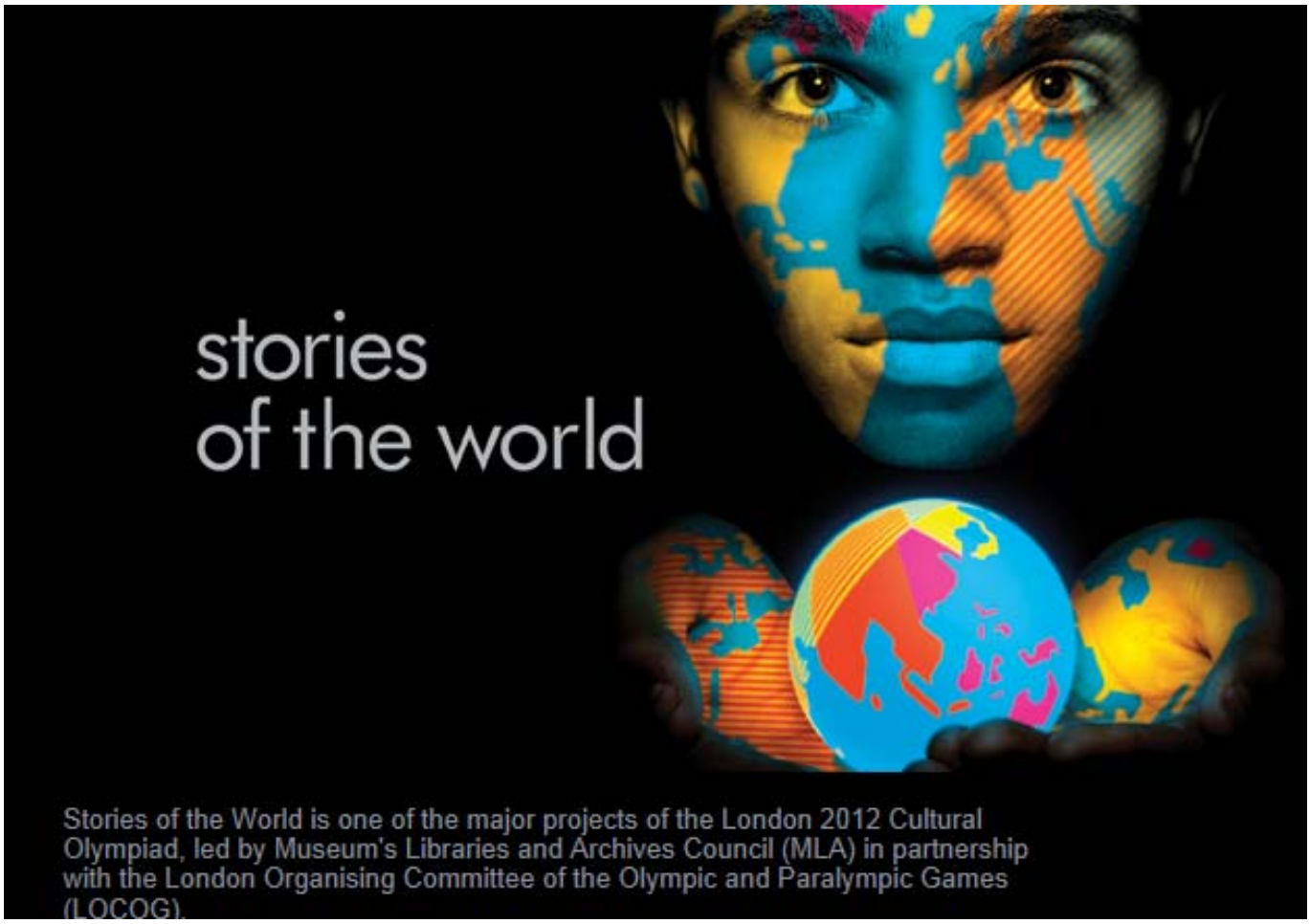
It goes without saying that the impacts and outreach of the project will be reinforced with the support of digital media and a vast Internet campaign. The online activities accompanying the project will aim not only at providing the information on exhibitions across the countries but also at recording and delivering the project to the audiences worldwide.

The section demonstrates how the UK utilises digital diplomacy for the promotion of the national cultural heritage to the outside world. By employing the frame of cultural preservation within their cultural diplomacy discourse, the UK bridges national cultural tasks with the development of international relations and reinforces the importance of national resources within the domestic, as well as global contexts.

Access to Creative Content

The UK utilizes the frame of "access to creative content" as a powerful means to promote its national resources and the English language worldwide. The rhetoric of cultural diplomacy transforms the original concept of "access" promoted by the UNESCO and EU by extending the primary frame. This extension is performed through elaboration on the idea of providing access to the UK cultural resources by including promotion of cultural products and services of the country on the global scale.

[2] The Museums, Libraries and Archives Council (MLA) was until October 2011 a non-departmental public body and registered charity in England with a remit to promote improvement and innovation in the area of museums, libraries and archives. On 26 July 2010 it was announced that the MLA would be abolished under new proposals put forward by the Secretary of State for Culture, Olympics, Media and Sport, Jeremy Hunt, to reduce the number of public bodies funded by government. Its functions relating to museums, libraries and archives were transferred on 1 October 2011 to the Arts Council England and the National Archives (Arts Council England 2011).



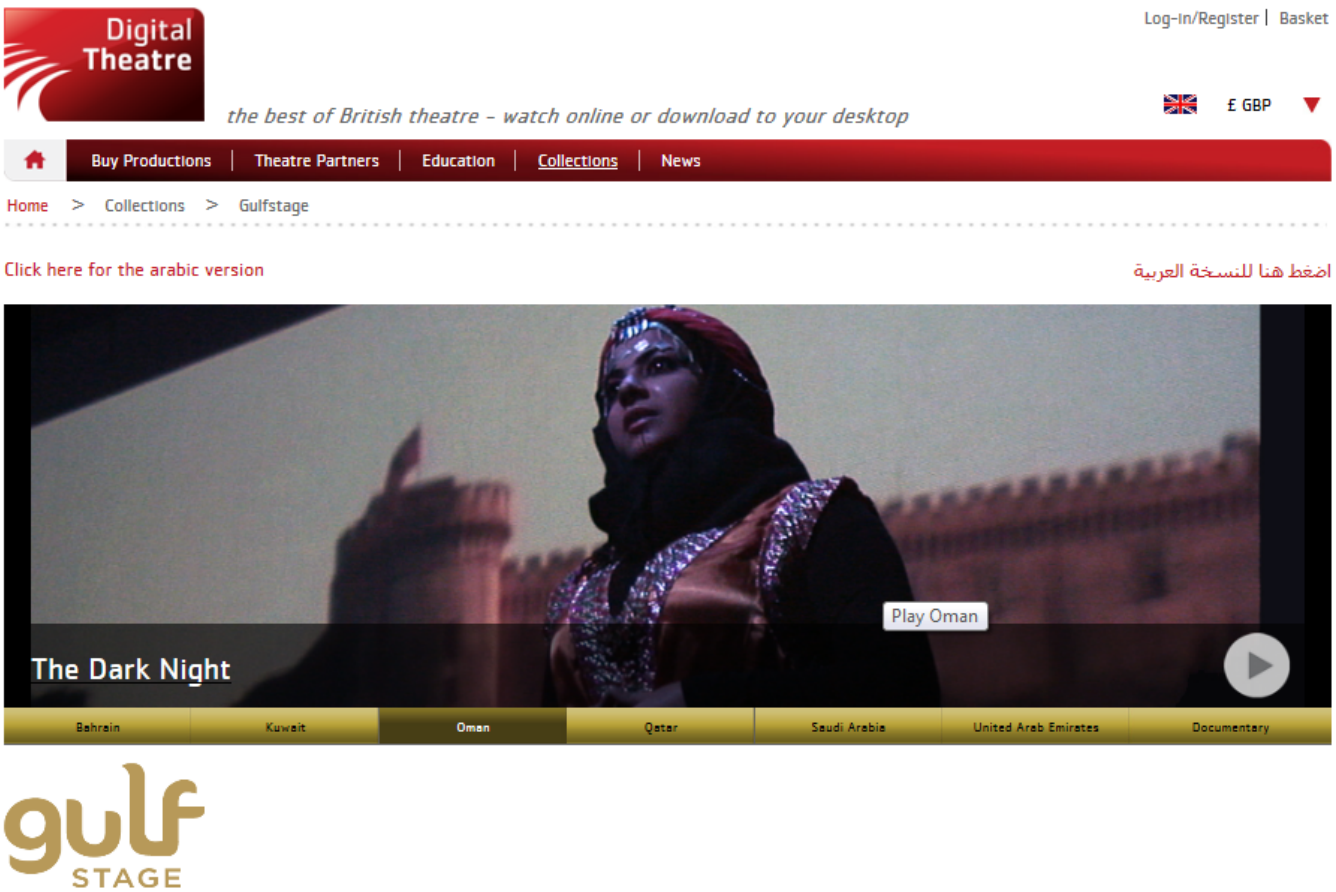
PICTURE 1. "STORIES OF THE WORLD" PROJECT ADD DEVELOPED BY MLA
(AVAILABLE AT http://bit.ly/tULhh8)

In the process of the frame extension, first, the UK positions itself as a leading country possessing extraordinary rich cultural and educational resources that can be employed worldwide to build a secure and better future. The British Council claims that:

> People want to connect with the UK's world-class higher education institutions. We can ensure policy makers have contact with those in the UK who can help in reforming classroom practice so children all over the world have better prospects. People want to learn English and governments understand that English can help them with economic progress. People want to draw inspiration from the UK's creativity and tens of millions of young people are improving their lives thanks to the UK's most attractive of assets, sport, and culture (British Council 2010 a:9).

The British Council enthusiastically promotes the UK's assets of English language, educational and cultural resources as "attractive to leaders and learners across the world" (British Council 2010 a: 19). The British Council rhetoric is full of claims like the following: "The UK is recognized internationally as a leader in creative practice" (British Council 2010 b:5). The frame of "access to creative content" is employed to highlight the positive contribution of the British Council to global promotion of education and culture through its hard work "to increase access for the millions of people who want to learn from, share in and access what the UK has to offer" (British Council 2010 b:5).

In regards to digital diplomacy, the UK's position is to employ the full potential of the Internet and new media "to encourage new audiences to delight in the richness of our arts and culture – and to enrich and deepen the experiences of those who are hungry for more" (Department of Culture, Media and Sport 2010). Over the past ten years in the UK, museums, galleries, archives, libraries, and other cultural organizations have been experimenting with digital technologies in order to reach out to new audiences. "The best of these have blazed a trail demonstrating the power of the internet and online media to change radically the way arts and cultural institutions communicate with their audiences" (Department of Culture, Media and Sport 2010).



PICTURE 2. GULF STAGE DIGITAL THEATRE PROJECT
(AVAILABLE AT http://www.digitaltheatre.com/collections/gulfstage)

The British Council has developed an impressive number of online programs that provide and access to the creative and cultural products of the UK on a global scale[3]. "British Council Film", "British Council Collection", "Contemporary Writers", "Design in Britain", "Forward Motion" and many more programs (see Picture 2) hosted on the British Council web site demonstrate "the creativity, vibrancy and diversity of 21st century Britain" (Forgan 2010). Therefore, in the context of the UK, one of the main objectives of the digital diplomacy is to showcase UK cultural resources to wider audiences with an emphasis on national excellence and superiority. The descriptions of all the mentioned above programs heavily employ such epithets as "the best creative talent", "world-renowned British collection", "the UK's vast talent", etc. to advertise the UK artists and cultural content creators and to promote British national culture to larger audiences.

Within cultural cooperation framework, Gulf Stage Digital Theatre project, developed by the British Council, is one of the most illustrative examples of how the policy of access to creative content allows the UK to advance its diplomatic objectives in a collaborative context. These objectives are achieved by inviting target countries to share their cultural content on a digital platform that simultaneously promotes national culture and leads audiences to further explorations of the British digital cultural resources. Gulf Stage is a digital project expanding geographical boundaries through artistic innovation and bringing "theatre from the Gulf to an online global audience". It is based on a partnership between the British Council, Digital Theatre and the Ministry of Culture, Arts and Heritage of Qatar along with the Cultural Development Centre of the Qatar Foundation (Digital Theatre 2011). Utilizing digital technologies the online portal showcases 6 theatre plays staged originally in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates.

Though the project does promote cultural cooperation and initiates a dialogic exchange, it is displayed within the British context on the Web space, specifically designed to promote the UK theatre and

[3] "British Council Film" is a comprehensive portal about the British audiovisual industry that includes a database of all British films since 1998. "British Council Collection" is a web-based resource dedicated to the visual art collection which contains over 8,000 British works of art, craft and design. "Contemporary Writers" is an online program that provides an access to detailed biographical and bibliographical information on hundreds of living UK authors. "Design in Britain" is an informational online portal that showcases works of the UK designers, architects and design movements. "Forward Motion" is an online collection of outstanding British screen dance works curated by the British experts. "The Selector" is a weekly two hour radio broadcasting the best of the UK contemporary music (British Council 2011).

"THE MULTICULTURAL STRUCTURE OF THE BRITISH SOCIETY IS ADVOCATED TO BE A POWERFUL MODEL THAT CAN 'NURTURE PROGRAMMES AND ACTIVITIES AROUND SHARED INTEREST AND AMBITIONS' WITH THE OUTSIDE WORLD."

attract attention to national artistic creation. Thus, cultural promotional objectives within this project shape specific reading of the rhetorical discourse communicated through the Digital Theatre platform. The platform, though suggesting cooperative paradigm, heavily utilizes advertising of national culture on each of the Web pages of the project, for example through display of such slogan as "Digital Theatre - *the best of British theatre* - watch online or download to your desktop" (Digital Theatre 2011).

Digital diplomacy in this case serves to help with promotional outreach of national cultural products and creations. However, diplomatic promotion is masked by the extension of the international policy frame of "access to creative content" through inclusion within this policy objective the national strategy to promote the UK culture and English language.

Protection of Cultural Diversity

Cultural diversity is widely promoted throughout the programming and overall strategies and policies of the British Council. The organization emphasizes that the commitment to equality and diversity is "reflected in all British Council activity around the world" (British Council 2011). Moreover, cultural diversity is articulated as the core quality of the Council's work ethics and environment, as well as a model of international cooperation:

> Equality and diversity are at the heart of our cultural relations ambitions. They contribute to the mutual trust, respect and understanding we strive for on behalf of the UK. They are integral to our brand, our reputation, our success and are an integral part of our cultural relations impact (British Council 2011 a).

The British Council works toward further promotion of cultural diversity within the agreement of the international cultural objective set by the 2005 Convention of UNESCO and is guided by its ambition to use its " increasing knowledge and experience to make a leading contribution to international aspects of equality and diversity" (British Council 2011 a). The major approaches selected for these activities include "mainstreaming" and "highlighting what our collective efforts can achieve for individuals, communities, organisations and nations" (British Council 2011 a).

The UK's society is communicated and promoted as highly diverse in terms of cultures represented and social groups included. This society model defines the workforce, partnerships and business relations of the cultural diplomacy actors in the UK context. The multicultural structure of the British society is advocated to be a powerful model that can "nurture programmes and activities around shared interest and ambitions" with the outside world (British Council 2011 a). Therefore, by utilising the frame of amplification the British Council transforms the frame of cultural diversity protection into a powerful rhetorical means to promote the UK in the international arena as a progressive society safeguarding international cultural values.

Through hyperbolization and the idealization of its cultural values, the UK articulates and emphasizes its ambition to represent a unique model of cultural diversity that allows it "to provide the very best practices and services we can, in line with our organisational values and human rights' principles" (British Council 2011 a). Such a strong objective to communicate itself as a best example of culturally diverse community aims to "change outdated perceptions of the UK" and to find an effective way to "to help people to see the UK not just for what it was … but for the very best in creativity and innovation that it offers today and is expecting tomorrow" (British Council 2005).

The Diversity Strategy is based on the premise of mainstreaming by utilizing the potential of new media to share best practices and to showcase the variety of projects and programs being implemented worldwide with the support of the British Council. The Council has launched a "Diversity Website containing information on the main areas of diversity (gender, race, disability, work-life balance, age, religion and sexual identity) as well as examples of good diversity practice from across the British Council and elsewhere" (British Council 2005). This online

PICTURE 3. BRITISH COUNCIL'S DIVERSITY WEBSITE
(AVAILABLE AT http://www.britishcouncil.org/home-diversity.htm)

resource (see Picture 3) features recent projects, programs and initiatives which have a strong diversity focus and demonstrate the commitment of the British Council to provide guidelines for further promotion of cultural diversity principles worldwide (British Council 2011 c).

In this case, digital diplomacy serves the British Council to promote its innovative practices in social and cultural management. This particular image of the UK advertises its unique ability and expertise to help the international community to build democratic and inclusive societies. Through frame amplification the cultural diplomacy rhetoric of the UK aligns national promotion with international agendas on culture. This positions the country as an active member of the international community that enthusiastically addresses social dilemmas and cross-cultural challenges.

Strengthening Intercultural dialogue

Intercultural dialogue is a core, fundamental program of the British Council that is being implemented on multiple levels and involves a wide network of stakeholders through diverse projects and activities. The major mission of the British Council is "to build engagement and trust for the UK through the exchange of knowledge and ideas," and has a strong connection to the promotion and establishment of intercultural dialogue between the UK and other countries. The British Council clearly communicates that it acknowledges differences in cultures with respect and appreciation and works hard to "develop mutual trust and understanding between people with diverse opinions, viewpoints and values" (British Council 2008). The British Council supports intercultural dialogue by initiating projects that aid people from various backgrounds "to find their voice" in a cross-cultural dialogue touching different aspects of human activities: arts, education, governance, and science.

British Council programs that support the framework of intercultural dialogue "celebrate creative expression; promote the knowledge economy; support positive social development; and advance international co-operation in response to climate change" (British Council 2008). Indeed, the Council has developed a wide variety of activities through a network of field offices that respond directly to international cross-cultural issues in the places where it matters the most. The priority regions include "Central and South Asia, Middle East and Near East and North Africa and we are also working with minority communities in Europe, including supporting community cohesion in the UK" (British Council 2010 b:13). These programs aim at:

> …generating international trust; strengthening the consensus against extremism; helping rebuild post-conflict societies; and increasing the capacity of individuals and organizations around the world to contribute to positive social change (British Council 2008).

At the heart of the British Council's approach to intercultural dialogue "lies the idea of mutuality and a

PICTURE 4. BRITISH COUNCIL'S LEARN ENGLISH WEBSITE

(AVAILABLE AT http://learnenglish.britishcouncil.org/en/)

commitment to listen with respect and to communicate with directness" (British Council 2008). One of the programs of the British Council that is listed in the framework of supporting the intercultural dialogue is teaching English language. The vital strategic goal of the British Council is "to increase the use of English as a tool for international communication and intercultural understanding" (British Council 2008). Though the British Council acknowledges that a successful dialogue can be achieved in a variety of languages, still it stresses the importance of English language as international. The British Council emphasizes that English has become "the basis for the self-development of hundreds of millions of people" and a crucial element in "building long-term relationships, understanding and sharing knowledge" (British Council 2010 b: 14):

> For example, the language of the internet is overwhelmingly English – people without it may effectively be locked out of online knowledge and online debates. The British Council is a world leader in English language teaching and we have ambitious plans to expand our global 'offer' (British Council 2008).

By framing the teaching of English as an activity that supports the development of intercultural dialogue the rhetoric of the British Council extends the original policy frame and includes "extracurricular activity" in the original framework of actions. By this frame extension the UK reinterprets its English language promotion to larger audiences as a program corresponding to the fundamental policy on the international cultural agenda.

Indeed, one of the most important activities of the British Council is providing English language training. This activity is crucial not only in implementing the Council's major strategy of expanding of the English language worldwide. It is also imperative for sustaining the financial stability of the organization because more than a half of the British Council budget is earned through the income originating from services, including teaching English[4] (British Council 2010 a: 59). Language training activities are communicated with emphasized promotion by the British Council as the "best starting point for learning English. We have 500,000 learners, over 2,000 teachers, 80+ teaching centres in 49 countries; and a course that is perfect for you" (British Council 2011 b).

Digital media is employed extensively to support the activity of English teaching and promotion. The British Council has developed a powerful interactive resource online – Learn English website (see Picture 4), "currently used by two million teachers and learners each month" (British Council 2010 a:14). The web site provides unlimited, access-free materials necessary for effective language learning and practicing, language examinations resources, and

[4] Total income of the British Council for 2009–10 increased by nine per cent (£60 million) to £705 million, compared with last year. This increase came principally from fees and income from services, including from teaching and examinations operations, which rose by £49 million (16 per cent) to £362 million and constitutes 51% of the total budget (British Council 2010 a: 59).

programs supporting curriculum and teacher trainings. This online platform provides opportunities not only to download resources, listen to the audio podcasts and watch videos with English classes for free, but also enables users to interact with other learners and leave feedback:

> Learn English includes interactive features such as user comments, discussion forums, content rating and polls, as well as media-rich materials including podcasts, flash games and video (British Council 2011 b).

The online Learn English program is designed in the most innovative and progressive web 2.0 mode and one of the few digital activities of the British Council that truly corresponds to the demands of the contemporary society to take an active part in communication processes. Such a strong online representation of the program that appeals to young generation and English learners worldwide highlights the importance of this activity for the British Council.

In addition to general English skills the British Council has developed some programs that provide training for specific goals. For example the Peacekeeping English Project was designed to give "international peacekeepers and disaster relief workers a common language for their operations" (British Council 2008). This program, that has been active in more than 30 countries for the last five years, focuses not only on teaching English but also on "encouraging respect for human rights and democratic values" (British Council 2008).

In the framework of developing intercultural dialogue, the British Council conducts activities that can be better described as promotion and expansion of their national language in the international arena. The cultural and digital diplomacy rhetoric employs policy frame extension by communicating national core strategy as the international cultural policy affecting every society in a global community.

Fostering Development and Supporting Creative Economy

The British Council recognizes the imperative role of supporting cultural and creative industries in domestic and international strategies for economic growth and regeneration. "Their new international agendas see a pivotal role for innovation and culture in forging relationships" (British Council 2010 b:5). The programming of the Council actively supports the development of creative and knowledge economy through a number of activities in China, India, Mexico, Brazil, Nigeria and Russia, the US, and Europe (British Council 2010 b:5). The UK Creative and Knowledge Economy program is one of the core activities of the British Council that encompasses the work in the fields of arts and culture, science, higher education, innovations, and sport.

The importance of the creative economy in the national context has been enthusiastically promoted since 1997. The Department for Culture, Media and Sport actively advocated for employing creativity in the UK's economic, health, and cultural infrastructure development. Therefore, the international work of the British Council "is rooted in the vibrancy of the UK's own creative and knowledge economy." The recent downturn in the global economy has urged the UK to develop programming that allows "the UK creative and cultural sector has access to global markets and ideas" (British Council 2010 b:14).

Drawing on its extensive experiences in developing a creative economy in the country, The British Council incorporates the "the UK's aspiration to become a creative hub for the world" in its rhetoric (British Council 2010 b:5). In the framework of international activities aimed at fostering development and supporting creative economies in developing countries, the British Council actively "promotes the UK's creative excellence" and "understanding of the UK as positive influence power in the modern world" (British Council 2010 b:14).

The UK development work around the world is mostly performed by the Council in the form of "sharing of knowledge and ideas." In building trust and engagement the programs are designed to ensure "that others are not cut off from the benefits of international creative collaboration." This programming positions the UK as an international partner and "a global policy leader and practitioner" in creative economy development (British Council 2010:14). Therefore, the British Councils effectively utilises the frame of creative economy development to promote its expertise and services in economic, social, and cultural management:

> UK Creative and Knowledge Economy programme aims to enhance the UK's reputation as a source of expertise and a partner for skills development; increase the UK's contribution to international co-operation in research and innovation; enhance the UK's reputation as a leader and innovator in higher education; and position the UK as a global partner of choice (British Council 2010 b:12).

In regard to digital technologies, the national ambition of the country is to secure the UK's position "as one of the world's leading digital knowledge economies" (Department for Culture, Media and Sport 2009). The UK clearly articulates that employing digital technologies in economic initiatives aims "to make the UK one of the world's main creative capitals in the digital age" (Department for Culture, Media and Sport 2009). In recent years the UK has been concentrating on developing an effective digital framework for the creative industries. This work was mostly grounded in the belief that creative industries "can be scaled and industrialized in the same way as other successful

“THE UK UTILIZES THE FRAME OF CREATIVE INDUSTRIES AND DEVELOPMENT SPECIFICALLY WITH AN EMPHASIS ON DIGITAL INDUSTRIES TO MOSTLY ADVERTISE ITS STRONG CREATIVE ECONOMY AND PROFESSIONAL EXPERTISE IN DEVELOPING COMMUNITIES.”

high-technology or knowledge industries” (Department for Culture, Media and Sport 2009). Through the promotion of making cultural assets more digitally accessible, the UK intended to create better opportunities for the creative economy. The rhetoric of digital creative industries also emphasised business benefits to arts and cultural institutions and encouraged cultural organizations to engage with partners in experiments with new business models (Department of Culture, Media and Sport 2010).

As a result of this work, now the UK considers itself as a highly innovative country in both technology and the creative industries. Within the UK, many cultural industries and companies work “to provide leadership and ensure the UK is at the forefront of ICT development” (Department for Culture, Media and Sport 2009). The UK enthusiastically promotes its ICT sector internationally to increase trade with international customers, advance investment into the UK from the international businesses, and enhance reputation of the UK and its ICT and creative industry on the global market (Department for Culture, Media and Sport 2009). The government encourages “all sectors of the Digital Community to get involved in cross promoting the UK through the strategy to grow and enhance our digital proposition to the world” (Department for Culture, Media and Sport 2009).

In regards to digital diplomacy, the Digital Diplomacy Group was established in recent years by the Communication Directorate of the Foreign and Commonwealth Office (FCO) of the UK. The aim of the Digital Diplomacy Group is "to ensure that the FCO is a 'web-savvy' organisation and to use digital diplomacy to enhance campaigns in a way that positions the FCO as the best in the world at digital diplomacy" (Foreign and Commonwealth Office 2011). The main objective of the Digital Diplomacy Group is to make the “FCO recognised as world authority on theory and practice of digital diplomacy” (Foreign and Commonwealth Office 2011). Digital diplomacy is understood as a new type of diplomacy employing the opportunities provided by the Internet. This communication medium is articulated as a new means “to listen, publish, engage, and evaluate in new creative ways.” Also digital diplomacy is considered a tool to widen reach for a variety of stakeholders and to provide a channel for direct communication with civil society, governments, and influential individuals:

> Our shift from one-way web publishing into active digital diplomacy reflects the changing way we all use the web - as a multi-way social medium as well as a source of information. We lose credibility and cannot claim to be an open organisation if we don't take part (Foreign and Common Wealth Office 2011).

The UK utilizes the frame of creative industries and development specifically with an emphasis on digital industries to mostly advertise its strong creative economy and professional expertise in developing communities. Through extension of its original policy frame, the UK promotes its national economy, services, and economic management skills to secure its leading position on the global market.

As this section demonstrates, in all five cases of frame transformations the UK cultural diplomacy discourse reflects the major international cultural strategies of the country, such as “promoting a wider knowledge of the United Kingdom” and “develop a wider knowledge of the English language (British Council 2011 a: 2). Though the diplomatic rhetoric refers to international cultural cooperation and development agenda, still much effort is focused on the national promotion.

Conclusion

This study presents research on the cultural diplomacy of the UK with a focus on how digital technologies are communicated through diplomatic discourse. The paper clearly illustrates that digital technology is promoted with a unique enthusiasm in the national context, as well as in international communication. The UK positions itself as a country that fully embraces the potentials and opportunities brought

PICTURE 5. DIGITAL DIPLOMACY WEBSITE
(AVAILABLE AT http://digitaldiplomacy.fco.gov.uk/en/)

about by new media to different dimensions of economic and cultural development. Moreover, the digital media is advertised as a tool that not only brings benefits in the domestic industries, but is communicated as a means to keep the UK stay ahead in its technological and cultural advance on the global arena. Therefore, the rhetoric of UK digital diplomacy serves to promote further the country's professionalism, excellence, and expertise. In such a way, digital technologies are communicated as very powerful tools that can serve the country to compete with other nations.

However, this research also clearly demonstrates that though the UK is a great promoter of new media, in some cases cultural diplomacy doesn't fully employ the potential of digital and new social media technologies that they provide. In many cases, the focus on cultural promotion doesn't allow the UK cultural diplomacy to transform into two-way cross-cultural cooperation and communication. Many online programs of the British Council are not designed to provide foreign audiences with the tools to contribute to the content, leave feedback, or engage with counterparts in a dialogue.

As the analysis illustrates, the British Council does use social media platforms that allow two-way interactions online but only for specific projects. For example, the Learn English website is impressively interactive and allows users to enjoy the full potentials of the cutting edge social technologies. This makes this resource even more attractive for English learners worldwide and helps the British Council to spread the language to wider international communities. Because language learning first and foremost depends on practicing it in a native environment, the Learn English website is a perfect "soft power" tool that can help overseas audiences to master their English online. This strategic use of the social media for the core project of the British Council not only helps users to practice English, but also make them engage more with UK culture, traditions, and values which influence their perception of the country.

Overall, the UK makes a significant contribution to the international discourse on digital technologies. New media tools have a favourable image in the country and are communicated internationally as a means that can help humanity with a number of cultural and development tasks. Though the use of digital media in the UK cultural diplomacy is strategic and employs the full potential of new media through particular programs, the impulse of the UK digital diplomacy is positive and strong. However, it is important to mention that the digital divide still remains present in various economic, political, and social contexts. From the economic perspective, the share of online users who can be potentially targeted through digital diplomacy is rather high in the circle of wealthy countries with strong economies, and in many less economically developed countries the online activity of major population is significantly lower. Nevertheless, the recent report of the Pew Research Center points out that increasing online participation of people from less economically advantaged areas is only a matter of time. The research reveals that the

low level of online engagement in these countries is mainly due to the fact that they have a limited access to the Internet, rather than there being a lack of interest in online activities (Pew Research Center 2010). Though now the digital divide is indeed imposes significant constraints on the audiences diversity on the social Web, it opens up promising opportunities for future. The UK enthusiastic and encouraging promotion of digital media on the international arena helps to spread the digital industries to developing countries and rural communities reinforcing the powers of digital diplomacy in the information society.

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New Systems for Theater Management in Japan:

Problems and Prospects

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ABSTRACT

Western culture was introduced to Japan more than 150 years ago, and since then many cultural facilities, including theatrical venues, have been constructed. In the 1980s in particular, theater construction by local governments was accelerated by financing using local bonds, due partly to the growing demand for culture, but primarily as a measure to stimulate the local economy and create jobs. Most public theaters do not have a clear mission or appropriate staff and have been criticized as being merely expensive "empty boxes." Currently the "Designated Manager System (DMS)" has been introduced to public theaters as part of a series of reforms of public management. Under the new system the mindset of managerial personnel has evolved towards placing more emphasis on customer service. Our CVM results suggest that public theaters should probably not expect funding increases from governments but that theaters provide large benefits even to non-attendees such as bequest values, educational values and thus make a large contribution to the city's image, which might appeal to a diversified group of stakeholders. Also the untapped potential market is estimated to be relatively large. Theaters should explore ways to increase attendance and to attract non-governmental support, which might alleviate the effects of further budget cuts of public funding.

Keywords:

Theater

Management

Designated management system

Market

Values

Introduction

There are currently more than 1,800 theatrical venues[1] (hereafter referred to "theaters") available for artistic performances throughout Japan; over 92% of them were established by local governments[2]. Public theaters were originally constructed as gathering spaces for local residents while in large cities a few private venues presented commercial theatrical performances. However, due to the growing demand for quality of life, cultural infrastructure including theaters has been increasingly established[3], and theater construction was accelerated by financing using a type of local bonds that was abolished at the start of the 21st century.

For these public theaters, there had been no specific legal framework[4] relating to the mission, function or required specialists[5], and theaters are diversified, ranging from production-oriented theaters featuring specific facilities and equipment[6] to halls which just rent space. In 2012, the Theater Management Law (authors' translation rather the official English title of the Law) was enacted, delineating the cultural functions of theaters in general. The national government (the Agency for Cultural Affairs) will probably increase the budget to support activities of theaters. However it does not include significant concrete measures, and its impact will probably not be very significant.

Many of theaters, without a clear mission or appropriate staff[7], have been criticized as expensive "empty boxes".[8] Under the present socio-economic conditions of population shrinkage and economic stagnation in Japan[9], the Policy Evaluation Law was enacted in 2001, aiming at implementing quantitative and objective policy evaluation of government activities. Public theaters are not immune from this trend and now they are required to show the results and outcome of their activities supported by public funds.

Public theaters can play an important role, as they provide opportunities for cultural participation and artistic creation to local residents and artists, especially in non-urban areas where market-based cultural activities are difficult to sustain. They do not generally feature any resident art companies or artists, but they host performances by professional artistic companies, including international ones, rent space for amateur activities, and increasingly produce their own artistic performances. This paper discusses the problems and prospects of new systems for theater management in Japan from a cultural policy perspective[10].

There have been detailed studies in other countries on public intervention to aid arts and culture, including theatrical performances. Classical research by Baumol & Bowen (1966) proposed the so called income gap theory based on "cost disease." They argued that productivity gains in the arts industries cannot offset wage rises in the economy as a whole, which leads to an ever widening gap between costs and earned revenue in arts organizations. In other words, as time goes on, it becomes difficult for them to continue their activities on a pure market basis. However, live performance in particular, might have some externalities, which provides a rationale to justify government support. Throsby (1991) noted that the arts have values which are not necessarily reflected by the market and that without government intervention the private market would undersupply artistic goods and services. This approach was followed by some Contingent Valuation Method (CVM) studies (such as Hansen, 1997). Also, if arts and culture are experience goods (Greffe, 2010), it might be the responsibility of the government to provide opportunities to experience arts and culture. Thus, cultural intervention has been expanded. This expansion, taking a broad view, can be said to be deeply rooted in the so called welfare state doctrine (Menger, 2010), where governments actively intervene in the market and provide not only pure public goods but also mixed goods for improving social welfare.

However this approach is now strongly criticized by small government advocates, and the New Public Management (NPM) paradigm has emerged in response to the financial pressures that are limiting

[1] Only counting facilities with stages for performances and more than 300 seats, according to the definition of the Social Education Survey.
[2] Social Education Survey (2008). There are five national theaters; four theaters staging traditional performances such as Kabuki, Noh, Bunraku etc., and one theater for opera and ballet performances.
[3] Traditional performances such as Noh, Kabuki, Bunraku, and other various forms of entertainment in Japan were historically performed at stages affiliated with temples, shrines, palaces, and private houses. Since the end of feudalism and the start of modern Japan in 1868, many live performances have also been held in private playhouses. However most of these playhouses disappeared in the 1960s due to the introduction of radio, TV and other media for such entertainment. On the other hand, newly introduced western-style performances such as classical music concerts in the 19th century, required stages that differ significantly from traditional stages. Therefore theaters for western-style performances had to be purpose-built.
[4] Legally theaters are defined just as "public facilities" of gathering spaces for local residents, according to the Local Autonomy Law.
[5] Museums are regulated by the Museum Law, while libraries are regulated by the Library Law. Both museums and libraries are categorized as special institutions for education with qualified specialists such as curators and librarians.
[6] For example, there are several theaters which can be used for opera performances featuring four-faced movable stages.
[7] Just as other public facilities, public theaters were formerly managed only by local governments or public organizations in which the local governments have equity of 50% or over and to which they second their staff, such as public foundations. In the case of direct management, these officials would be transferred to other sections of government after they worked at theaters for several years as a part of their normal career progression, and it was therefore difficult for them to develop specialized skills in theater management. Even in the case of commissioned management by public foundations, retired or seconded officials are still in charge of management.
[8] Dugmore (2007).
[9] Population growth stopped in 2004, and economic recession has continued since the 1990s.
[10] According to the traditional definition (Dye,1972), public policy is anything a government chooses to do or not to do.

government expenditures. NPM theory, largely based on the introduction of competition, outcome orientedness, and market based operation, has influenced public policies in many countries despite some variations (Hood, 1995) and criticism[11]. Today there is no doubt that the role of government has to be reshaped in the face of increasing demand for accountability to show the results/outcomes of public funding and improve the efficiency of public activities.

In light of the studies cited above, in this paper, we consider some empirical studies in Japan and their policy implications to examine the fundamental changes taking place in theater management: the shift from public funding to more plural funding. How can these publicly built and funded theaters survive under the present circumstances and contribute to society as expected? In order to answer this question, we discuss such issues: who are the beneficiaries and what are the benefits of theaters? Is public funding justifiable, to what extent, and why? How large is the potential market? We start with a historical overview of the development of theaters in Japan, including the socio-economic background, in section 2. We then analyze statistical data to examine fundamental changes in the arts funding system, from government subsidies to more plural funding in section 3. The impact of the newly introduced Designated Manager System (DMS) as a driver of NPM reform is considered in section 4. Empirical studies using CVM, visitor surveys, and market size estimates are discussed in section 5, and a foreseeable and feasible support system for theaters which includes non-governmental support is discussed in the final section.

Evolution of cultural policy system and theaters

Introduction of western arts and culture - Foundation for arts policy in Japan

The modern era in Japan started in 1868, when the Meiji restoration ended several hundred years of national isolation and opened the nation to international society. In order to avoid colonization by western powers, the Meiji government took strong measures to help Japan emerge in terms of civilization and military power. The concept of "civilization and enlightenment," a political slogan of the Japanese government at that time, was regarded as nearly equivalent to "westernization." For this purpose, introducing western arts and culture was one of the major areas to be promoted while Japan's own traditions were also kept and protected. Since then, there have been two mainstreams of cultural policy in Japan: arts policy mainly focusing on promotion of western-rooted arts, and heritage conservation policy. These two streams have been gradually integrated, but still remain separate, even now.

Arts policy has two main targets: music and fine arts. In the field of music, "western classic music",[12] was eagerly imported, and the government established schools to train teachers (for elementary schools) and artists[13]. As for the other performing arts such as drama and theatrical performances, strong censorship was imposed by the government, especially during World War II[14].

Post-war period - Building a "Cultural Nation"

After World War II, building a "Cultural Nation" became a national goal. The Constitution of Japan renounced war, and placed priority on peace, aiming at building a "cultural nation," in which culturally developed citizens would play an important role in nation building. However, limited resources were used mainly for education rather than culture. Also, in general, Japan placed a strong focus on economic development. In addition, the government did not take strong measures on cultural promotion, as they recognized the fact that the strong censorship during the war had distorted cultural activities severely. The then Ministry of Education only started to subsidize arts companies in 1959.

Economic growth and arts support

In the 1960's and 70's, the government took several policy measures for economic development[15], and Japan experienced rapid economic growth. On the other hand, serious social problems such as disorderly development, public nuisance, and depopulation of rural areas became part of the political agenda. In order to tackle these problems, the Japanese

[11] For example, Change (2008) pointed out that NPM does not work as expected due to corruption.

[12] There are more than 30 professional orchestras performing western classical music on a regular basis in Japan now (Association of Japanese Symphony Orchestras http://www.orchestra.or.jp/), and more than 1,000 amateur orchestras, operating at schools, companies, and local areas throughout the nation (The Federation of Japanese Amateur Orchestras Corp http://www.jao.or.jp/,http://www2s.biglobe.ne.jp/~jim/freude/). As music classes are taught in all elementary and secondary schools, all Japanese can read the music scores of classical music such as Beethoven, Bach, Mozart, and others.

[13] Tokyo Fine Arts School and Tokyo Music School were founded by the national government in 1887, and they were merged into the Tokyo University of Arts in 1949.

[14] Under the National Mobilization Law, only registered performers could perform, and only films and stage performances that supported government propaganda were allowed.

[15] The National Income Doubling Plan in 1960 aimed at doubling GDP within a decade, a goal which was successfully attained. In 1964, the Shinkan-sen (bullet train) service was inaugurated, which greatly improved transportation in Japan. The Tokyo Olympic games were held, and Japan joined OECD.

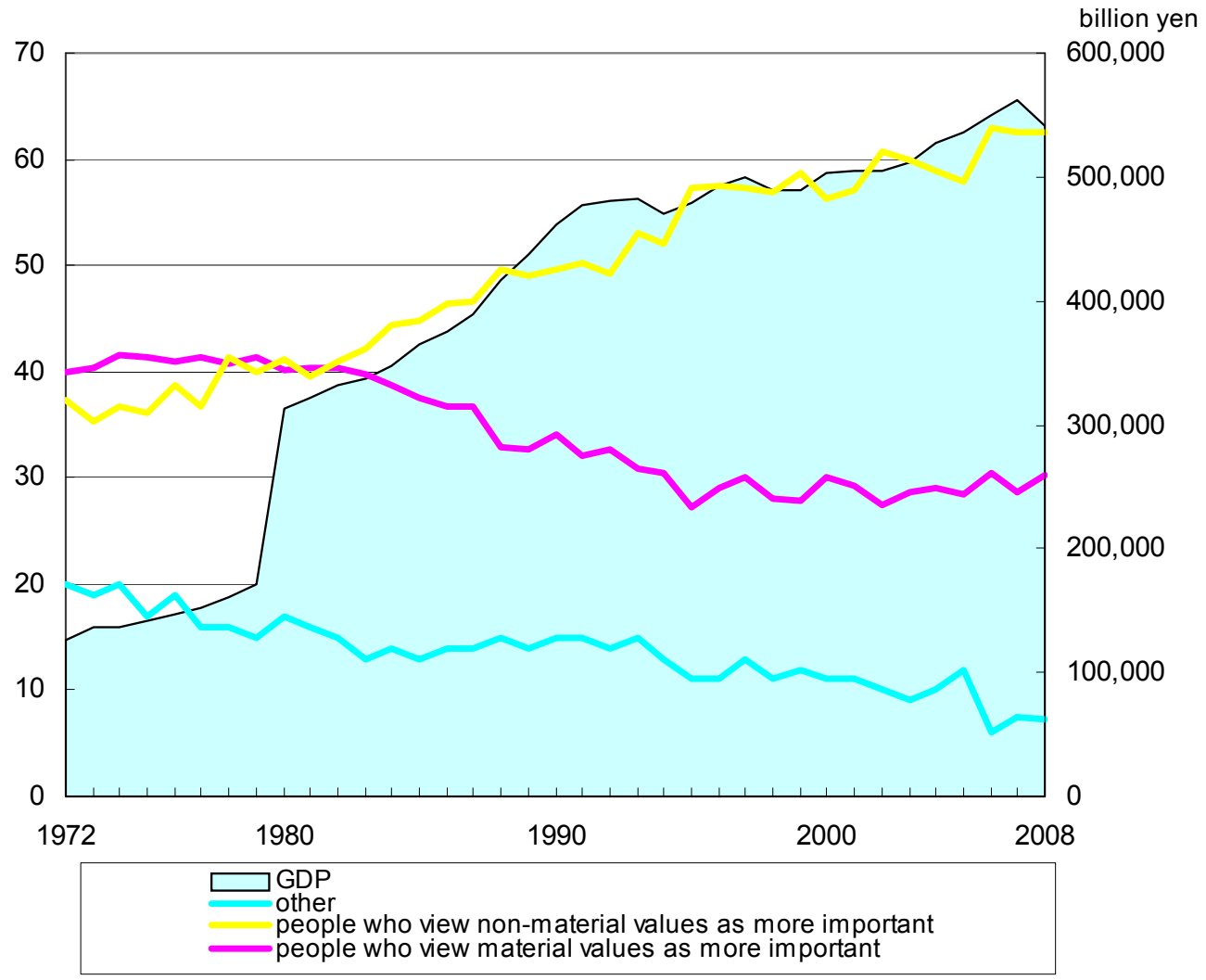


FIGURE 1. NATIONAL SURVEY ON VALUES AND TREND OF NOMINAL GDP

(CABINET OFFICE, "PUBLIC OPINION SURVEY ON THE LIFE OF THE PEOPLE.", AVAILABLE AT http://www8.cao.go.jp/survey/index-ko.html)

government launched a series of national development plans whose main element was large public investment in local communities, with the goal of attaining balanced land development throughout the nation.

With these socio-economic changes, people came to consider non-material satisfaction more important than material satisfaction in this period (Figure 1). Based on this changing set of values, people sought better quality of life, which led to a growing demand for access to arts and culture in daily life. In response to these demands, local governments started to establish artistic and cultural facilities, mainly museums and theaters.

At the national level, the Agency for Cultural Affairs (ACA) was established[16]. It extends subsidies to arts companies and theaters, and it also supported construction of theaters during the period from 1967 to 1995[17].

Impact of the bubble economy

In the 1980s, with a large trade surplus due to export drives mainly to the US market, a credit relaxation

[16] The Agency for Cultural Affairs (ACA) was established in 1968 as a part of an administrative reform that required every ministry to eliminate one section. The Ministry of Education complied by integrating its arts section and heritage section into the ACA.

[17] "The Administrative Review on Promotion of Arts and Culture" (1995) recommended the elimination of ACA subsidies for theater construction, suggesting that enough theaters had already been constructed.

policy was introduced by the Japanese government. This led to the bubble economy, characterized by soaring land and stock prices. At the same time, strong measures to increase domestic demand, rather than depending on overseas markets, proceeded mainly by implementing large-scale public work projects. In order to remedy the shortage of social and cultural infrastructure, the category of "local comprehensive project establishment bonds (chiso-sai)" [18] was introduced, and since the mid-1980s, in particular, greatly expanded[19]. A large number of infrastructure facilities such as expressways, dams, railways, and also cultural facilities in non-urban areas were constructed under this system, including theaters[20].

The "lost decade" in the 1990s and arts support

The economic downturn started in 1990. In order to stimulate the economy, large public works projects continued, which partially led to the huge government debts that now exist. Maintenance of public facilities is largely supported by local governments, but due to debts and financial constraints it is difficult for them to cover operating costs at previous levels. Therefore, these public facilities are now being forced to become more efficient, and in some cases are being privatized.

On the other hand, the bubble economy had some positive effects on cultural promotion. First, many profitable private companies started to support culture during the bubble economy. With some fluctuations, this corporate support continued even after the bubble burst. The increase of companies' profits led to an increase in government budgets, a part of which established the "Japan Arts Fund" in 1990. The fund's interest income is used to support a wide range of artistic activities, including those at theaters.

In 1994, the Japan Foundation for Regional Arts-Activities (JAFRA)[21] was also established by funds from local governments. In addition, a more positive legal environment for non-profit activities evolved[22], partly as an outcome of the Great Hanshin-Awaji earthquake in 1995[23]. Thus it can be said that plural supporters for arts and culture emerged.

21st century-new trends

The 21st century is characterized by an increase in the number of attendees at cultural events and the total amount spent by the attendees[24], and also by the adoption of a legal framework[25]. At the same time plural funding proceeded due to the emergence of various sponsors. At the same time, under financial constraints, government support has been diminishing and more efficient management is required. In light of this necessity, quasi-privatization of public cultural facilities is ongoing.

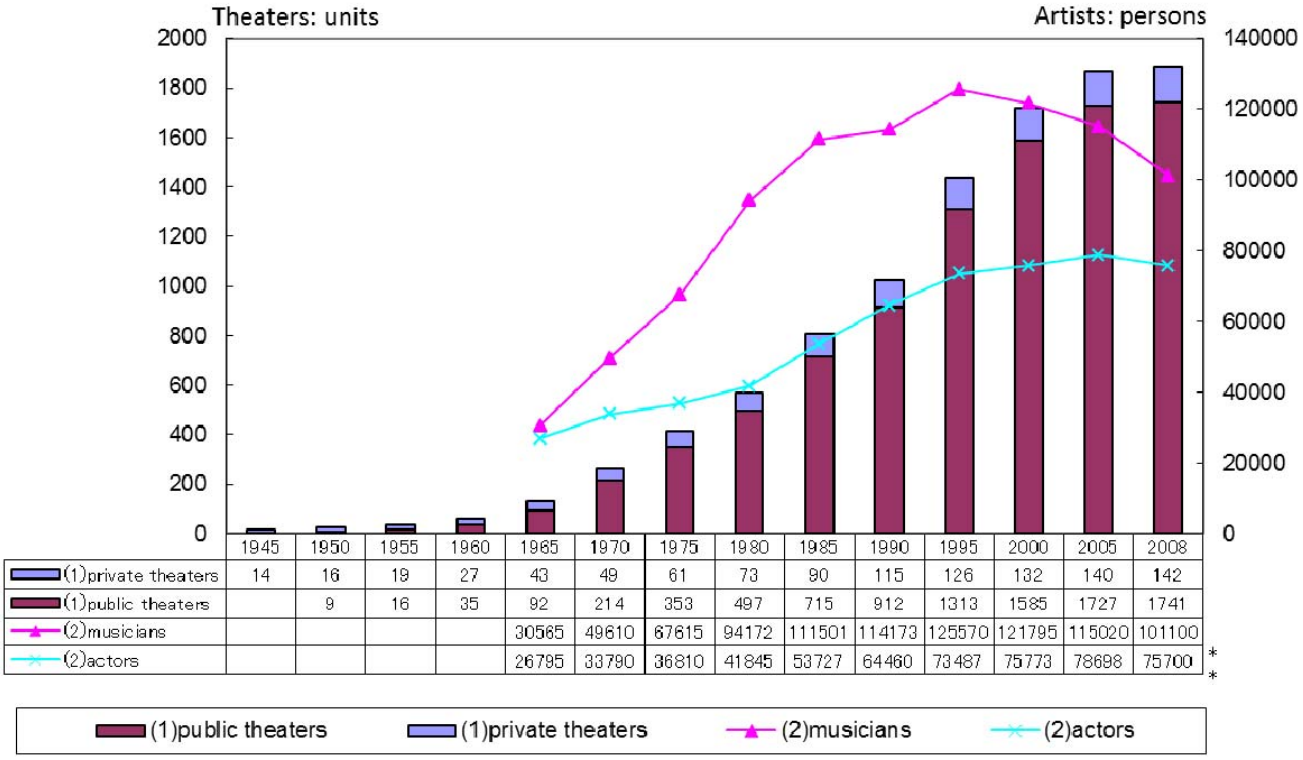
At the national level, all of the former national museums and theaters were transformed to "independent administrative bodies" [26] in 2001. At the local level, the Local Autonomy Law[27] was revised and the DMS was introduced in 2004. In the past, public facilities including theaters established by the local governments were managed only by governments or public organizations. But due to the relaxation of the Local Autonomy Law, not only public organizations but also non-profit organizations (NPOs), and even private companies are now eligible to manage public facilities.

Present support for theaters

Overview of theaters

The number of private theaters, most of which are located in large cities, increased from 43 to 142 in the period from 1965 to 2008 (Figure 2), and the number of musicians and actors[28] increased threefold in the period of 1965 to 2010. Thirty thousand musicians and twenty-seven thousand actors in 1965 increased to more than one hundred thousand and more than seventy-five thousand now, respectively. On the other hand, the number of public theaters increased by roughly 19 times, from 92 theaters in 1965 to 1,741 in

[18] This local bond system of funding for social infrastructure development, unlike the previous subsidy system where the national government set strict standards and criteria, allowed local governments more discretion to decide what kind of social infrastructure to develop in their area (Hirashima & Ueda, 2001).
[19] Under this system, most of the costs of the local bonds for construction of infrastructure were borne by the national government, depending on the financial capability of the local government. This means that financially stretched local government could raise funds for construction of public facilities, and create jobs in their area.
[20] According to "the Administrative Review on Promotion of Arts and Culture" (1995), 29 out of 35 randomly sampled public theaters were constructed in 1980s and 1990s using this local bond system.
[21] JAFRA aims to promote local development through artistic activities.
[22] The Law for Promotion of Specified Nonprofit Activities was enacted in 1996.
[23] NPOs' important contribution to recovery from the disaster was socially recognized, and welcomed by financially squeezed governments.
[24] White Paper on Leisure Activities, Japan Productivity Center, Tokyo 1989-2009
[25] The Fundamental Law for Promotion of Arts and Culture was enacted in 2001. This law calls for policy efforts of not only the national but also local governments, and culture was authorized as an important policy area.
[26] These bodies are somewhat akin to "quangos" (quasi-autonomous non-governmental organizations) in the U.K., such as the "Next Step Agency." These independent administrative bodies are required to be more independent financially.
[27] The Local Autonomy Law, enacted in 1947, is a basic law concerning the organization and operation of local public entities.
[28] In the National Census, occupation refers to work undertaken by individuals with or for compensation, and is classified on a self-declaration basis. Musicians are those individuals who are engaged in composing or performing music, or conducting performances, and actors are those individuals who act in film, theater, television and other media.



	1945	1950	1955	1960	1965	1970	1975	1980	1985	1990	1995	2000	2005	2008
(1)private theaters	14	16	19	27	43	49	61	73	90	115	126	132	140	142
(1)public theaters		9	16	35	92	214	353	497	715	912	1313	1585	1727	1741
(2)musicians					30565	49610	67615	94172	111501	114173	125570	121795	115020	101100
(2)actors					26795	33790	36810	41845	53727	64460	73487	75773	78698	75700 *

FIGURE 2. NUMBER OF THEATERS, MUSICIANS, AND ACTORS

(1) SOCIAL EDUCATION SURVEY, AVAILABLE AT http://www.e-stat.go.jp/SG1/estat/List.do?bid=000001026002&cycode=0

(2) NATIONAL CENSUS, AVAILABLE AT http://www.stat.go.jp/data/kokusei/2010/index.htm

* ESTIMATES OF THE NUMBER OF ARTISTS IS 2010 INSTEAD OF 2008.

2008. These public theaters, established by local governments where the arts market is not necessarily large enough, now comprise more than 90% of total theaters in Japan and they require public funding.

According to the Social Education Survey[29] (Table 1), in the decade from 1998 to 2007[30], around 80% of public theaters (1,300) were in operation[31], providing more than 21,000 stage performances with roughly 12 million attendees per year in average, while roughly 70% of private theaters (100) provided more than 5,300 stage performances with 10 million attendees. In the same period, less than half of the public and private theaters (800 and 50 respectively) provided other activities such as lectures, workshops, classes and other activities, with attendance of 4.5 million and 1.6 million, respectively. In addition to productions organized by initiatives of theaters[32], theaters rent their facilities to residents and artists[33].

The number of staff slightly increased in this decade, with an average of roughly 10 staff members working at each theater now. However, full time staff is gradually being replaced by part timers[34] (Table 2).

Public funding for theaters

The main support for public theaters has come from local governments. Local expenditures for arts (excluding heritage conservation, which is quite small compared to arts) fluctuate according to financial conditions. In the late 1980s, local expenditures for arts jumped, when local governments eagerly constructed cultural facilities. Immediately after the bubble economy burst, local expenditures for arts reached its highest level (around 850 billion yen) in 1993, while it has decreased to around 300 billion yen

[29] http://www.e-stat.go.jp/SG1/estat/GL08020101.do?_toGL08020101_&tstatCode=000001017254&requestSender=dsearch

[30] Statistics for Figure 2 and Table 1 in this section are based on the same Social Education Survey (each year) but the survey year differs slightly and thus the data differ slightly.

[31] Those not in operation were closed due to renovation work, etc.

[32] These performances are produced by theaters jointly with other organizations and artists in most cases.

[33] Data on the number of users who rent theatrical halls are not available in the official survey.

[34] Social Education Survey, each year.

	a) Public theatres				b) Private theaters			
Year	1998	2001	2004	2007	1998	2001	2004	2007
1)	1,565	1,662	1,736	1,730	162	155	135	140
2)	1,248	1,364	1,341	1,350	116	103	90	83
3)	19,210	24,138	20,650	22,014	6,055	5,567	5,286	4,540
4)	11,180,883	12,283,425	11,435,070	13,094,884	10,083,064	9,403,194	12,427,847	9,213,788
5)	798	862	821	803	50	58	39	47
6)	11,437	15,890	13,587	13,644	3,067	2,430	1,716	2,293
7)	5,064,950	5,483,310	3,928,467	3,612,906	1,601,927	1,866,148	1,788,489	1,268,185

TABLE 1. STATISTICS ON THEATERS

1) total number 2) number of theaters providing stage performance 3) number of stage performances 4) number of attendees of stage performances 5) number of theaters providing other activities 6) number of other activities 7) number of attendees of other activities

(SOCIAL EDUCATION SURVEY, AVAILABLE AT http://www.e-stat.go.jp/SG1/toukeidb/GH07010101Forward.do;jsessionid=Ll7nP9CCnM9NQFJDgsBLC0K64g434FT1jBL7ypL9pQbP964lQr6V!1415150557!-1684695639)

Year	total	full time	joint appointment	part time
1987	8.5	6.4	0.2	0.4
1990	9.4	6.7	0.3	0.5
1993	10.4	7.1	0.2	1.0
1996	10.2	6.2	0.3	1.4
1999	10.4	6.1	0.3	1.5
2002	9.9	5.7	0.3	1.5
2005	9.8	5.0	0.3	2.2
2008	10.6	4.7	0.3	3.0

TABLE 2. AVERAGE NUMBER OF STAFF PER THEATER

UNIT: PERSONS

(SOCIAL EDUCATION SURVEY, EACH YEAR)

now. Total local expenditures followed almost the same trend until 1995, but this drop is not as sharp as the drop in local expenditures for arts.

Taking a closer look, we see that the major part of local expenditures for arts was made for the construction and operation of cultural facilities in the 1980s and 90s. Expenditure for “arts and culture” projects was moderate at best. The maintenance cost of cultural facilities (facility operation) now comprises a large part ofl ocal expenditures for arts (Figure 3).

At the national level, the main support is provided by the ACA. However the budget of the ACA has been at the level of 0.11% of the total general budget of the national government for several decades (103 billion yen in 2012), which is much smaller than the total of local budgets for arts. A breakdown of the ACA budget shows that roughly 60% has been allocated to heritage and the rest to arts support (Figure 4). Among arts support, roughly 1.5 billion yen was allocated to supporttheaters in 2012. In 2013, the support for theaters will be increased in order to facilitate the newly enacted Theater Management Law, focusing more on empowerment of staff as well as activities.

Another major public institution, JAFRA, allocated 1.3 billion yen in 2012 for local cultural promotion, of which 0.9 billion yen was allocated to theaters and museums[35]. The Japan Arts Fund also extends financial support to culture, and 0.2 billion yen was allocated to specifically for performances at theaters in 2012[36].

Other supporters

The scale of corporate support for culture was estimated to be 25.4 billion yen as of 2009[37], most of which supported artistic activities in the field of music and fine arts. This corporate support aims mainly to fulfill corporate social responsibility through supporting arts and culture, and the results of this support are evaluated mainly based on the response of participants and attendees.

[35] JAFRA, http://www.jafra.or.jp/j/about/summary/
[36] Japan Arts Fund, http://www.ntj.jac.go.jp/kikin/results.html
[37] Association for Corporate Support of the Arts, Mecenat White Paper, http://www.mecenat.or.jp/%E8%AA%BF%E6%9F%BB%E7%A0%94%E7%A9%B6/%E8%AA%BF%E6%9F%BB%E7%B5%90%E6%9E%9C%E3%81%AE%E6%A6%82%E8%A6%81-%E3%83%A1%E3%82%BB%E3%83%8A%E3%83%AA%E3%83%9D%E3%83%BC%E3%83%88/

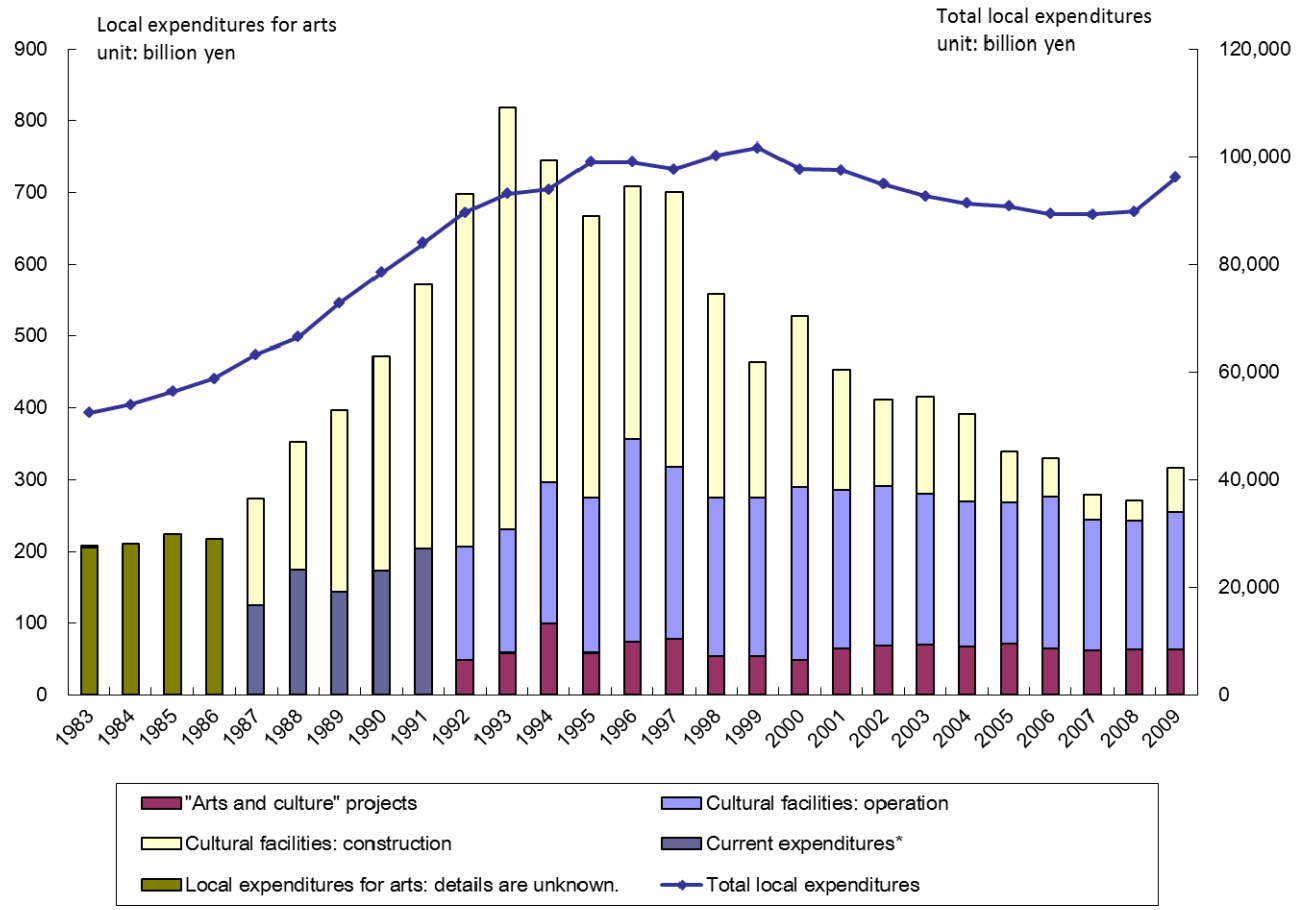


FIGURE 3. LOCAL EXPENDITURES FOR ARTS 1983-2009
("INVESTIGATIVE REPORT OF LOCAL ART CULTURE ADMINISTRATION", THE AGENCY FOR CULTURAL AFFAIRS, http://www.bunka.go.jp/bunka_gyousei/chihou/index.html)
TOTAL EXPENDITURES FOR ARTS 1983-2009
("WHITE PAPERS ON LOCAL PUBLIC FINANCE", MINISTRY OF INTERNAL AFFAIRS AND COMMUNICATIONS, http://www.soumu.go.jp/menu_seisaku/hakusyo/chihou/23data/index.html)
* CURRENT EXPENDITURES = "ARTS AND CULTURE" PROJECTS +CULTURAL FACILITY OPERATION; DETAILS ARE UNKNOWN

There are 43,630 organizations legally authorized as NPOs, of which 14,715 (33.7%) are engaged in science, arts, culture and sports[38]. The number of volunteers is estimated to be 29.7 million persons, of whom it is estimated that 4.2% are engaged in education, culture and sports[39]. The number of NPOs and volunteers has been increasing, with diversified missions and motivations.

The application and impact of DMS

Application of the DMS

The DMS was introduced to Japan in 2004, and since 2006 all public facilities established by local governments are either managed by local governments directly or by designated managers. This is a part of NPM, as mentioned in section 2, in order to reduce operating costs and provide better service. Before the introduction of DMS, local governments could have an administration entrustment agreement with only limited types of public organizations such as public foundations, and only administrative management could be entrusted. Now all competent organizations, including private corporations, are eligible to become designated managers, and these designated managers have a general mandate over all of the operations of the public facility that they manage.

In general, designated managers are selected by a public competition, and successful candidates contract with local governments to operate the public

[38] Cabinet Office; about Non Profit Organization, https://www.npo-homepage.go.jp/
[39] Survey on Time Use and Leisure Activities, 2006, http://www.e-stat.go.jp/SG1/estat/GL08020101.do?_toGL08020101_&tstatCode=000000000322&requestSender=search

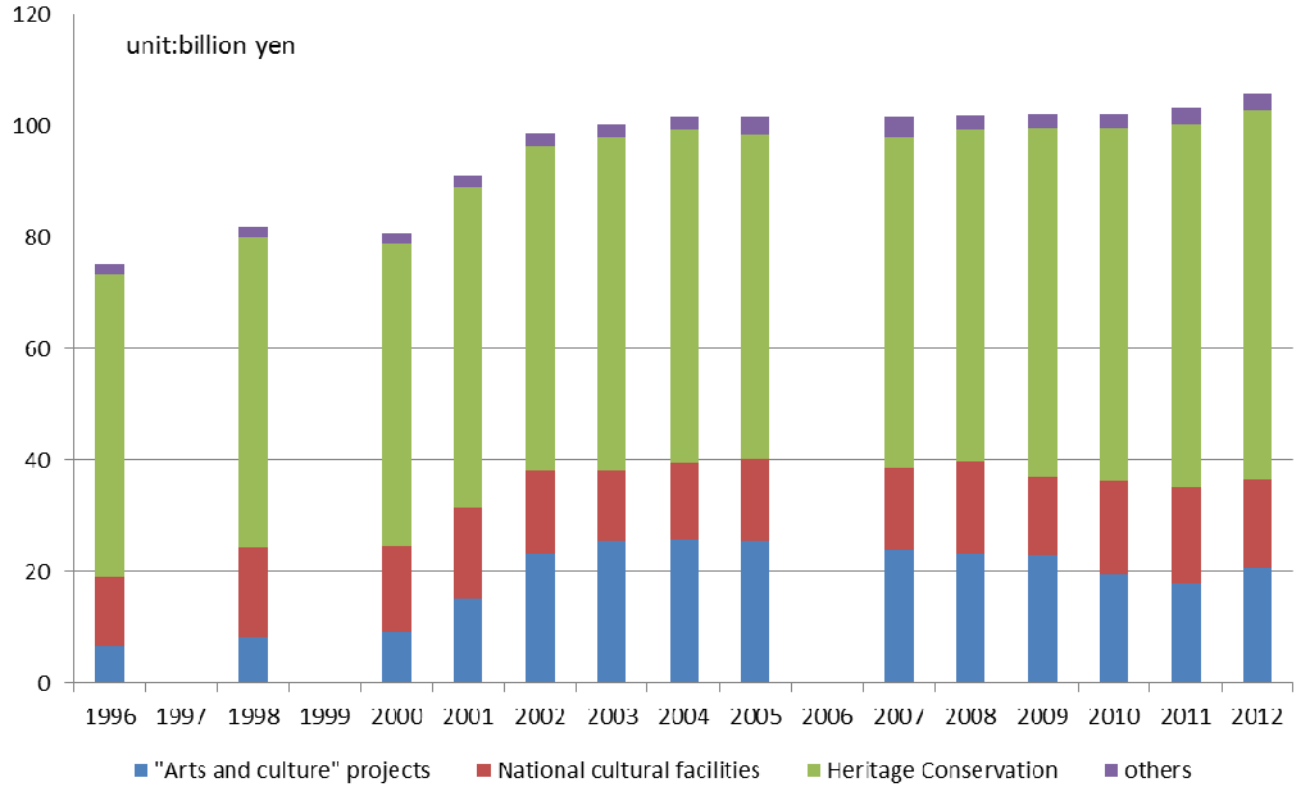


FIGURE 4. TREND OF ACA BUDGET

(THE AGENCY FOR CULTURAL AFFAIRS, http://www.bunka.go.jp/bunka_gyousei/pdf/bunkacho2010_ver04.pdf)
*DATA FOR 1997, 1999, AND 2006 IS NOT AVAILABLE.

facilities. In actual implementation, they are asked to make an operational plan of 3-5 years duration, indicating objectives and targets. The progress of these plans is checked by the government every year. As of 2009, there were more than 400,000 public facilities[40] (recreation and sports, industrial promotion, social infrastructure, medical, and cultural and educational facilities) throughout Japan, and among them 70,000 facilities have introduced the DMS[41].

Cultural facilities

Cultural and educational facilities amount to 95,000 (roughly 65,000 sports facilities, 17,000 community learning centers, 6,000 museums, 3,000 libraries, 1,900 theaters and others). Among them, 56,000 are public and DMS has been introduced by a total of about 13,000 as of 2008 (23.4%)[42]. DMS was introduced by 874 public theaters, 50.2% of the total, as of 2008[43] (Figure 5), which is an increase from 626 in 2005 (35.8%).

The proportion of DMS in public theaters is quite high compared to other types of public facilities. This might be partly because public theaters had been already managed by public foundations rather than directly managed by local governments before the introduction of the DMS. According to the same Social Education Survey, roughly 53 % of public theaters had been managed directly by local governments while the remaining 47% were managed by public foundations in which the local governments have equity of 50% or more and to which they second their staff[44]. This proportion of entrustment was quite high compared to other cultural facilities. In other words, many theaters had already experienced entrusted management before DMS.

In detail, 582 former managers (public foundations) were selected as designated managers (66.5%) in 2008 (Figure 5). The number of private corporations serving as designated managers is 175 (20%), which has increased from 43 in 2005.

[40] Fire and Disaster Management Agency http://www.fdma.go.jp/neuter/topics/houdou/2312/231209_1houdou/01_01.pdf
[41] Ministry of Internal Affairs and Communications, Survey on Introduction of DMS to Public Facilities (2009) http://www.soumu.go.jp/main_content/000156595.pdf
[42] Social Education Survey (2008), http://www.e-stat.go.jp/SG1/estat/List.do?bid=000001023462&cycode=0
http://www.mext.go.jp/b_menu/toukei/chousa02/shakai/kekka/k_detail/__icsFiles/afieldfile/2010/04/01/1268528_2_1.pdf
[43] Social Education Survey (2008), http://www.e-stat.go.jp/SG1/estat/List.do?bid=000001023462&cycode=0
[44] Social Education Survey (2002), http://www.e-stat.go.jp/SG1/estat/List.do?bid=000001012340&cycode=0

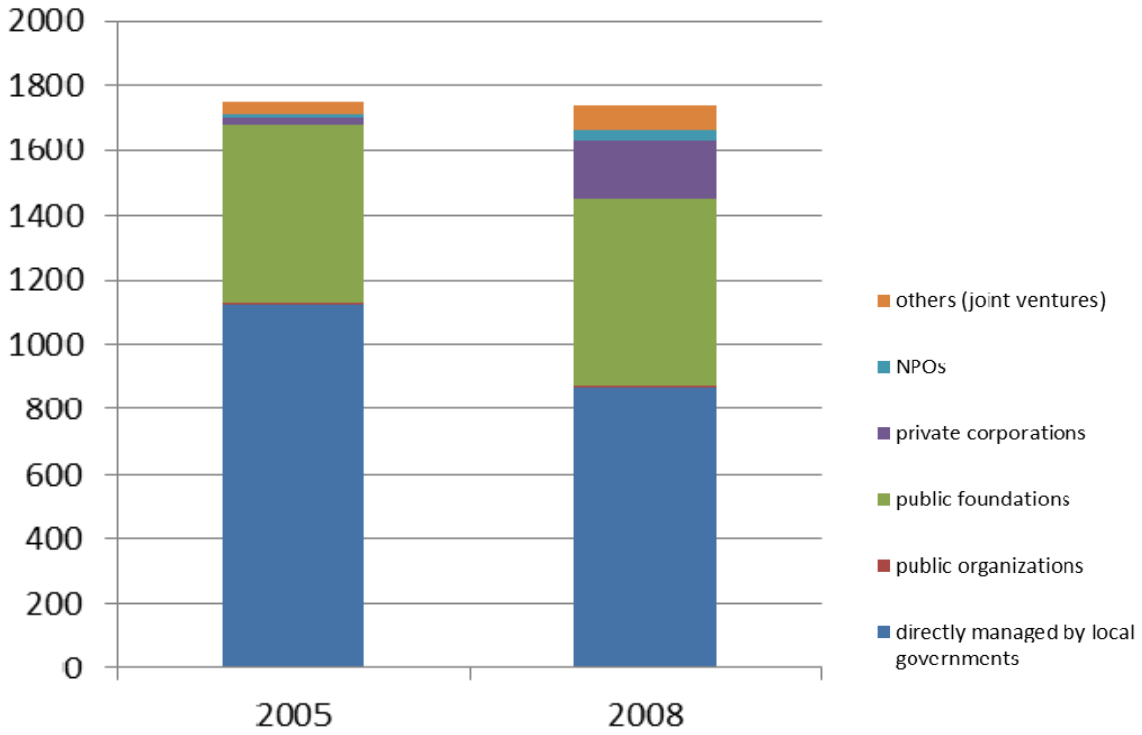


FIGURE 5. THE NUMBER OF THEATERS MANAGED BY VARIOUS SYSTEMS

(SOCIAL EDUCATION SURVEY 2009, http://www.mext.go.jp/b_menu/toukei/chousa02/shakai/kekka/k_detail/__icsFiles/afieldfile/2010/04/01/1268528_2_1.pdf)

Impact of DMS-cost reduction

DMS has two major purposes; cost reduction and service improvement. There has been some criticism of the DMS, mainly claiming that it is difficult to simultaneously attain these seemingly contradictory goals, and that DMS will have a negative impact on artistic quality due to cost reduction. It may still be too early to fully assess the impact of DMS in the decade since its introduction. However it is possible to see some trends engendered by the introduction of DMS.

As for the cost reduction, local governments, the main supporters of public theaters, are allocating smaller budgets for culture in general (Figure 3). In detail, a sharp drop was observed in construction expenditures (compared to the peak of 1993, a drop of more than 90% in 2008), while the facility operation expenditures dropped by roughly 40% from the peak in 1996. After the introduction of DMS, both expenditures for “arts and culture” projects and facility operation dropped by roughly 10%. These local expenditures include not only those for theaters but also for museums and subsidies to cultural organizations, and there are no detailed official data about the percentage of these local expenditures which were made specifically to theaters. However assuming that the proportion of local expenditures made to theaters has remained constant, it is quite likely that expenditure for theaters has not been reduced greatly due to introduction of DMS.

This tendency was also observed in a sample survey of the local hub theaters[45] (Kakiuchi et al., 2010, Table 3). During 2003-2007, annual revenues and expenditures of local hub theaters, even after the introduction of DMS, show relative stability at the level of one billion yen per theater. Local governments’ subsidies comprised more than 80% of all subsidies to cover the deficits in 2007, although business sponsors and other resource decreased. However it should be noted that more funds have been allocated to operating costs such as maintenance of theatrical venues, while production expenditures dropped by 20% since 2003. In other words, the increased local government subsidies were not used for artistic creation by theaters, but to keep the venues open to be available for rental.

Impact of DMS-service not degraded

Many factors should be considered in evaluating the service improvement, while cost reduction could be easily measured in numerical way. However in this

[45] In this survey supported by the ACA, a study was conducted of around 60 major theaters which were designated by the ACA as regional centers with specialized staff which actively “produce performances” and receive national subsidies for their activities.

	Expenditures		Subsidies		
	production	Operation		local government	companies
2003	502.5	449.4	598.6	462.8	13.8
2004	515.2	430.2	598.6	475.9	18.6
2005	450	548.6	678.7	524	16.1
2006	384.6	571.7	731.6	591.3	17.4
2007	413.6	516.6	700.5	568.6	11.3

TABLE 3. ANNUAL EXPENDITURES AND SUBSIDIES PER THEATER IN AVERAGE

UNIT: MILLION YEN

(BASED ON THE SURVEY BY KAKIUCHI ET AL., 2009)

	Operation (days)	Attendees (persons)			
		Total	Rent hall activities	Produced performances	outreach programs
2003	226	302,027	250,942	46,572	4,513
2004	235	348,708	294,396	47,848	6,464
2005	238	312,621	263,582	43,857	5,182
2006	244	325,303	273,709	45,298	6,296
2007	260	316,979	271,441	38,382	7,156

TABLE 4. AVERAGE DATA FOR OPERATIONS OF LOCAL HUB THEATERS

(BASED ON THE SURVEY BY KAKIUCHI ET AL., 2009)

paper we assume that total attendance is one of the main factors representing service quality, as, if service degraded the number of events and attendance would decrease. Theatrical attendance, according to the Social Education Survey (Table 1), has stayed basically at the same level in the 21st century, perhaps with a slight increase as far as stage productions are concerned.

Stage performances provided by public theaters have remained at roughly the same level in this decade from a quantity perspective, despite a worsening working environment (Table 2). Considering that DMS requires detailed annual reports of the manager's activities, this check system might have had a positive effect on improvement of service quality in general.

According to a sample survey of the local hub theaters (mentioned above in subsection 3), the average number of attendees per theater increased, especially performances that rented the halls (Table 4). On the other hand, the number of attendees for productions staged by theaters themselves (as opposed to those for productions that rented the facilities) has been proportionately small and decreasing.

Summary

The direct impact caused by the introduction of DMS and pre-existing issues revealed by the introduction of DMS should be discussed separately. As for the direct impact, it is difficult to say that DMS caused a significant decrease of expenditures for theaters, considering that local expenditures for arts were already decreasing before DMS was introduced. On the other hand, service can be said to be mostly the same, according to total attendance. Thus there is no clear evidence that the DMS successfully attained either cost reduction or service improvement.

However it seems relatively clear that DMS has shifted the priority and focus of activities of theaters from artistic creation by theaters to rental of space to external users. As already mentioned above in section 2, theaters have been increasingly producing more performances according to their artistic consideration. However this trend might be reversed by the introduction of DMS, which caused criticism of DMS by those who have been involved in these artistic creations[46]. Now if theaters want to create their own productions according their artistic consideration, they must seek resources other than public funding, such as ticket sales or other sponsorship.

Also some indirect impacts should be pointed out. In general DMS requires each local government to clearly and quantitatively specify the mission, goals and expected achievements of the bidders as part of

[46] For example, the Japan Council of Performers' Organizations and the Association of Public Theaters and Halls in Japan are among those who criticized the DMS.

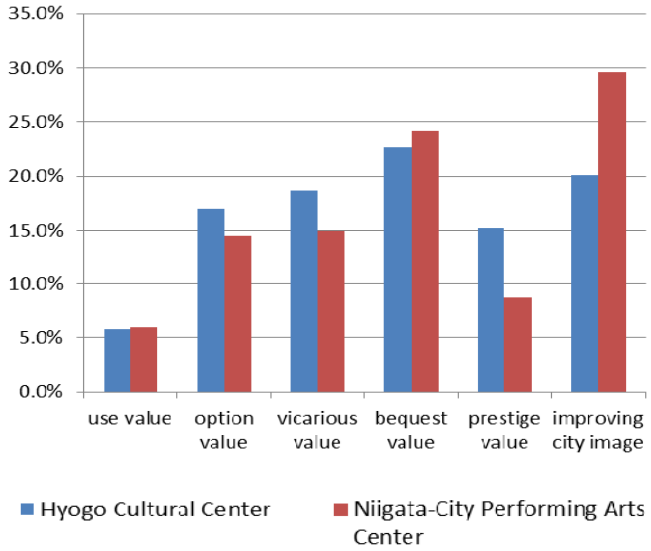


FIGURE 6. VALUES OF THEATERS
(OKUYAMA & KAKIUCHI, 2007; KAKIUCHI & OKUYAMA, 2011)

the document soliciting bids from candidate managers. Thus the expected role of these theaters in local cultural policy is clarified, which is certainly a positive outcome of DMS. Also, in actual implementation, evaluation and assessment is required and accordingly many theaters have started to take feedback from users and audience. Thus the impact of the DMS is not only the change of the managers but also the change of the mindset of incumbent managers, thereby leading to cost consciousness and customer consideration.

As mentioned above, in many cases, public foundations who managed theaters before the DMS was introduced continue to be designated as managers. Although private corporations have started to become active in theater management, the penetration of private initiatives is still low. Even including joint ventures, private corporations comprise less than 30 % of designated managers (Figure 5).

In fact, theaters located in non-urban areas of small markets are difficult for private companies to operate. At the same time, the former managers have some advantages due to local networks and knowledge about the local environment accumulated through their previous activities. It should be noted that public foundations, with retired and seconded officials from local governments, have a strong advantage of human network, good knowledge about how governments work, and budget negotiations in particular, which might lessen the anticipated effectiveness of DMS in cost reduction.

Potential market and benefits of theaters

Let us now come back to the original questions: who are the beneficiaries and what are the benefits of theaters? Is public funding justifiable, to what extent, and why? How large is the potential market?

Values of theaters

Detailed CVM surveys of regional theaters[47] indicated that theaters provide relatively large social benefits[48] to the respective community and that these social benefits derived from not only use values of theaters but also non-use values such as bequest value, vicarious value and prestige value which are reflected by the WTP (Willingness-to-Pay) (Figure 6), which is slightly different from the results of European case studies[49]. One of the major elements correlating with WTP is the recognition that theaters improved the city image, which can be interpreted as showing that regional theaters enhance the attractiveness of cities by contributing to cultural diversity. These non-use values are much larger than use value.

Residents' WTP is correlated with age and household income in both cases, as well as the number of visits to theaters. In other words, increasing the visitors to theaters certainly increases non-use values and their social benefits. From this point, increase of the number of users, which could potentially increase the social benefits, might be crucial to maintain the present level of public support. Also non-use values, including bequest value, vicarious value, prestige value, icon of the city and so on, would appeal to various segments of the society, and it would become much easier for theaters to gain support from various entities which emerged as arts supporters, as mentioned in section 2.

It should be noted that there is a large difference between the mean WTP and the median WTP. The median WTP, which indicates the level that half of the population would agree with, can be interpreted as the appropriate level of resource allocation for the governments to justify funding under a democratic

[47] Taking the case of Hyogo Cultural Center which opened in 2005, and the case of Niigata-City Performing Arts Center Ryutopia which opened in 1996, we conducted CVM surveys of citizens to estimate the social benefits of theatrical activity (Kakiuchi & Okuyama, 2011; Okuyama et al, 2007).

[48] The total amount of aggregated individual WTP (Total Willingness-to-Pay: TWTP) can be interpreted as indicating the volume of social benefits derived from activities of theaters. TWTP of the citizens of both local areas was estimated to be large enough exceeding the present annual budget allocated by respective local governments. (At least 5.6 billion yen of annual TWTP of residents for Hyogo Cultural Center which receives around one billion yen subsidy from the prefectural government per year, and 1.5 billion yen for Niigata-City Performing Arts Center Ryutopia which receives 0.9 billion yen subsidy from the city government).

[49] (Hansen, 1997) shows that the option value is the most important element for WTP and (Heilbrun et al, 1993) indicated the importance of option values, bequest values and educational value.

decision making process[50], while the mean WTP, which indicates the social benefits, can be interpreted as an appropriate level of resources to be allocated for the activities of theaters. In the case where the median WTP is significantly smaller than the mean WTP, governmental support will never be sufficient to cover the cost of theaters.

Visitors and users

There is no detailed official information about visitors to theaters in Japan. However, according to our survey on regional theaters[51], attendees to classic music concerts were statistically more aged, more educated and with higher income, as compared to non-visitors. The same survey indicated that only age had a statistically significant correlation with repeated visits. Once attendees experience performances, regardless of their education and household income, they will decide whether or not to visit the theater again based on their evaluation of the value of the performances.

Potential market

According to a nationwide internet survey we conducted in 2007 (GRIPS Cultural Policy Program, 2009), the potential market[52] for theatrical attendance can be estimated as roughly half of the total population (over 20 years old, 51.3%), around 50 million people. However those who had attended stage performances in the past (41.2%) number around 40 million people, and 10 million people were not motivated to visit theaters, although they were aware of their existence. Those who have visited so called major theaters in the past are estimated to be 34.8%, around 35 million, which means that these major theaters failed to gain 5 million potential visitors (Figure 7).

At the same time, considering that theaters in Japan attracted roughly a total of 20 million attendees per year, as discussed above in section 2, it can be said that the potential market is still reasonably large.

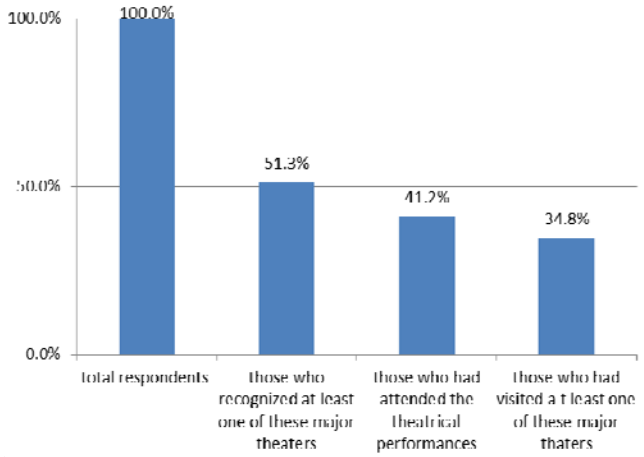


FIGURE 7. POTENTIAL MARKET FOR THEATRICAL PERFORMANCES
(GRIPS CULTURAL POLICY PROGRAM, 2009)

Summing up-future directions

Theaters, public theaters in particular, have been constructed to improve cultural access for residents throughout Japan. Facing population shrinkage, economic stagnation, and the necessity for efficient management of public expenditures, a series of reforms has been ongoing. As a part of this, DMS has been introduced to theaters in this decade. At present, despite criticism and concerns about DMS degrading artistic quality for the sake of cost reduction, DMS so far has not caused catastrophic damage to theatrical performances service due to the moderate budget cuts; nor has it led to dramatic improvements in efficiency. Instead the most important impact of DMS may be not the change of the system but the change of the mind-set of managers as well as local government officials from government-dependent management to a more customer-oriented approach. Customers are not only viewed as the audience but also as stakeholders.

This observation can be supported by our CVM results based on benefit analysis. The findings suggest that government will not be able to provide sufficient support to theaters. Also, if our survey results for the attendee profile can be generalized, the income and education of attendees differs from the average, and government funding might thus be criticized as supporting only a portion of the population using tax revenues from all of the residents. Therefore public theaters should probably not expect funding increase from either local government or the national government.

On the other hand, our estimates show that theaters provide large benefits even to non-attendees such as bequest values, educational values and large contribution to the city image. These values and benefits might appeal to a diversified group of stakeholders and certain segments of the society. Theaters should take more initiatives to gain better

[50] (Asano & Kodama, 2000; Yoshida, 1999).
[51] We conducted visitors surveys in the Hyogo Cultural Center and Niigata-City Performing Arts Center (Kakiuchi & Okuyama, 2009; Kakiuchi, 2012).
[52] We presented a list of major theaters (about 60 theaters) which are regarded as the representative theaters in Japan to respondents, and most of them are public theaters established by local governments. It is difficult to imagine that respondents who did not recognize even one of these theaters would be interested in theater attendance.

understanding of the impact of their activities, and at the same time, to actively introduce various measures to mobilize potential support. The untapped potential market might be relatively large. Although the present audience might be unrepresentative in terms of income and education, these factors might not be decisive factors, as once they experience high quality theatrical performances, attendees might make repeated visits. In conclusion, theaters should make every effort to increase the number of visitors and users, even if this does not immediately increase their revenues. Such efforts might also alleviate further budget cuts of public funding and attract additional supporters.

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Opportunities and Critical Points for the Introduction of Performance Measurement Systems in Theatres

A Comparison between Theoretical Assumptions and Empirical Realities

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Keywords:

Value for money

Management tools

Performance measurement

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Municipal Theatre of Ferrara

ABSTRACT

In recent years, cultural organisations have introduced and tested new management tools to achieve their institutional goals. The "Value for Money Approach" has played a relevant role in influencing these changes for non-profit cultural organisations. This paper specifically considers one kind of management tool: performance measurement (PM) systems. Their goal is to give to the management quantitative and qualitative information that can guide strategic choices in the long-term. We will analyze the possibilities of application of a good PM system in cultural organisations, with particular focus on theatres. More precisely, the aim of this work is to verify and discuss opportunities and critical points implied by the introduction of a PM system in theatres. Our research starts with an analysis of the theoretical framework of PM systems and theatre management. The theoretical approach is supported by the reference to a specific case study analysed in this paper, the Municipal Theatre of Ferrara (Italy), and to other case studies provided by the literature in arts and cultural management.

Introduction

This work aims at analysing the possibilities of application of some management tools to cultural organisations, in particular to theatres. In recent years, the number of cultural organisations that have introduced new management approaches, systems and tools has constantly grown (Turbide and Hoskin 1999; Chatelain-Ponroy 2001; Basso and Funari 2004; McNicholas 2004). As a matter of fact, some important changes of the institutional context have highlighted the need for a more efficient and effective management for arts and cultural organisations (Gilhespy 1999; Cavenago et al. 2002; Dewey 2004; Last and Wetzel 2010).

More specifically, we aim to consider the following elements:

- The general difficult situation in public finance in Western countries in the last 10-15 years and the crisis of the financial system started from 2008, which has negatively impacted on the overall situation (Bonet and Donato 2011);
- The growth of cultural "consumptions" and the constant development of mass cultural events; these phenomena have extended on the one hand the economic impact of the cultural sector and on the other hand the general attention of media and general public to the quality of cultural services (Urrutiaguer 2002; Raajpoot et al. 2010);
- The increasing demands of transparency and accountability (Gray et al. 1996) to the management of cultural organisations (Rentschler and Potter 1996; Carnegie and Wolnizer 1996); this is a corollary of the previous points, because less financial resources and more attention to their use imply being responsible and transparent in the choices of allocation of those resources.

These three points are valid for every kind of cultural organisation, but their effect has been particularly strong for public sector organisations in the cultural field. The public sector, in a general context not related only to culture, has lived and is still experiencing an important period of changes, reforms and maybe even revolutions (Torres and Pina 2002; Pollitt and Bouckaert 2011). New Public Management (NPM) held a fundamental role in these processes (Stewart and Walsh 1992; Dunleavy and Hood 1994): it could be considered their inspiring principle and theoretical substratum. The evolution of the NPM principles towards a post-NPM agenda (Polidano and Hulme 2001) – which is still an open subject of the current debate in the managerial sciences (Goldfinch and Wallis 2010, Christensen and Lægreid 2011) – has not changed the relevance and the impact of the NPM main topics, in particular of its "Value for Money" approach. This approach has had great importance not only for the public sector, but for all the non-profit organisations.

> "THE AIM OF THIS WORK IS TO DEEPLY ANALYSE THESE ASPECTS, IN ORDER TO EVALUATE THE REAL OPPORTUNITIES FOR THE INTRODUCTION OF MANAGEMENT TOOLS IN ARTS AND CULTURAL ORGANISATIONS."

The aim of this work is to deeply analyse these aspects, in order to evaluate the real opportunities for the introduction of management tools in arts and cultural organisations. As shown in the following paragraphs, we develop our study on a specific management tool – performance measurement (PM) systems (Mayston 1985; Eccles 1991; Kaplan and Norton 1992; Simons 2000) – and on a specific type of cultural organisation – theatres.

From a methodological point of view, first we present some studies concerning the introduction of management systems and tools in the cultural sector and their links with NPM and concerning the basic points of PM (section 2); second, we analyse these points specifically for theatres and consider some empirical evidences of theatre emerging from managerial literature (section 3). Then, we present a specific case study related to these subjects, the Municipal Theatre of Ferrara (section 4). Finally, the conclusions (section 5) outline the main points emerging from this work. In particular, the concluding remarks try to answer to the following research questions:

1. What are the main advantages of the introduction of a PM system in general and, more specifically, in theatres?

2. What strategies should be introduced in order to implement a good PM system?

3. What are the difficulties and the critical points of the introduction of a PM system?

However, the answers to the research questions will not be included only in the last sections, but will be rather highlighted throughout the different parts of this paper. In particular, the answer to the research questions one and two will be addressed in the second section, while the third research question will be discussed in the sections three and four as well.

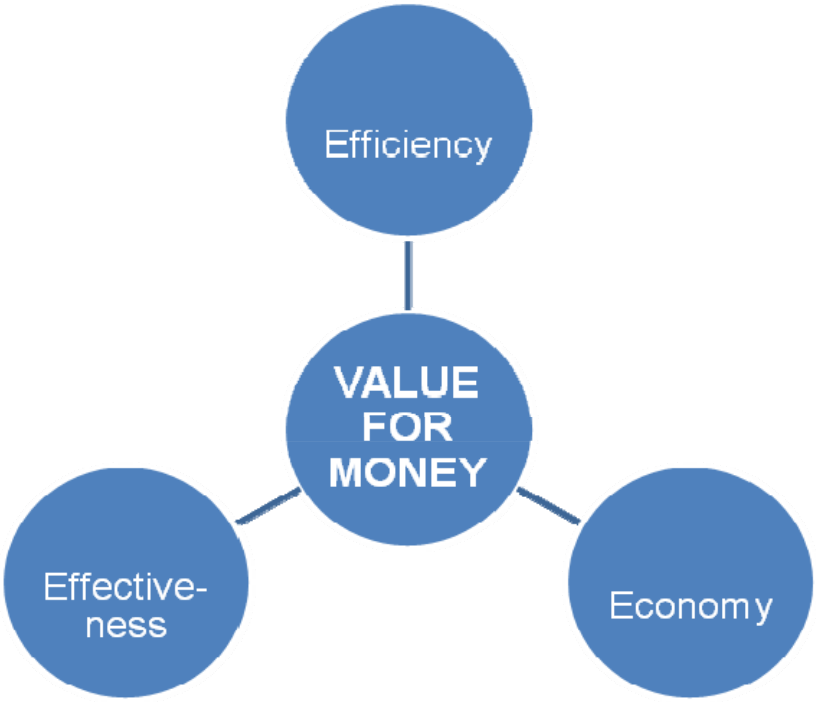

FIGURE 1. THE VALUE FOR MONEY APPROACH.

New Management Tools for Cultural Organisations

Since the '80s, the public sector has experienced a crucial transformation, in almost the whole Western world, through a series of legislative initiatives of a number of National Governments. In every country involved in this kind of transformation, the reforms have been linked to the spread of the theoretical paradigm of NPM (Hood 1991; Stewart and Walsh 1992). NPM includes, among its basic features:

- The use of the managerial culture of private organisations rather than the traditional bureaucratic culture, typical of the public sector; this change of perspective brings a more complete use of principles, tools and methods of business and management sciences to public sector organisations; in some contexts, like the Italian one, this concept has been reproduced with a specific word, "aziendalizzazione" (Anselmi 1993), a term largely used in the managerial literature in Italy, that could be translated as "corporatisation";

- As a consequence of the previous point, the promotion of the "Value for Money" approach (Glynn et al. 1992; Lee and Woodward 2002; Martin 2002), based on the "3 E's" (efficiency, effectiveness and economy); in short they were defined (NAO 1988) as "spending less" (economy), "spending well" (efficiency) and "spending wisely" (effectiveness); the combination of the 3 E's is considered the real guarantee for the pursuing of the social interests linked to the existence of public sector organisations [see the Figure 1];

- A clearer call for subsidiarity (Hood 1991) both vertically and horizontally oriented; the first term means delegating and decentralising the decision-making process and promoting the autonomy of single bodies in the public administration, especially those most directly in contact with citizens (e.g., local authorities and other bodies supplying services directly to the community); horizontal subsidiarity regards instead the cooperation between public and private sectors for the provision of public services; it could be however promoted, where necessary, through forms of competition within the public sector;

- The focus on the satisfaction of the citizens, who should not be considered not as mere undifferentiated users of services, but rather as customers (Boyne et al. 2002), interested in the quality of the public services; this could be reached through a careful analysis of their needs, both expressed and unexpressed (hidden);

- The impressive change to public sector accounting systems, with (a) the introduction of accrual accounting, alongside or instead of the traditional cash accounting methods (McCulloch and Ball 1992; Pallot 1994; Lapsley 1999), (b) the development of new accounting standards (like IPSASs) (Sutcliffe 2003; Christiaens et al. 2010), and (c) the wide-scale use of the techniques of PM (Cave et al. 1990; Buschor and Schedler 1994;

Lapsley 1996); in particular, the introduction of PM should aim at giving a contribution to the managers and making them more responsible, by linking the performance with the remuneration system.

The adoption of the theories of NPM has promoted important changes to managerial functions and roles in public sector and to the procedures of provision of some public services. With reference to the provision of public services, policies of outsourcing, privatisation and liberalisation have been developed. Outsourcing policies consist in entrusting public services to external organisations that are usually private, while maintaining direct control over the achievement of the results expected by the public administration. Privatisation may assume two distinct features: the so-called 'formal' privatisation regards only a change of the juridical form, which turns into private law; the so-called 'substantial' privatisation is present when there is an actual concession of the (majority of) shares or of the entire public utility company to private investors. Liberalisation concerns the promotion of a competitive context in markets traditionally taken up by public sector organisations. Liberalisation could be analysed either focusing on the development of a system in which various producers deal directly to users-customers (competition in the market) or carrying out a public competition in a particular sector/market of public utility; the winner will be in charge of the monopolistic supply (competition for the market).

As first conclusion of this general part, we should consider that a real and definitive change in the public administration has not been completed yet (Minogue et al. 1998; Christensen and Lægreid 2011), due to some difficulties in the implementation process and to the necessity to discuss some controversial points of the reforms (e.g., the weight of public expenditure on the GDP, the role of the civil servants, the choice about the public utilities to privatise and liberalise).

However, the above-mentioned reforms have regarded all the public administration sectors and markets, culture included. This consideration is important because the relevance of public sector organisations in the cultural sector is preeminent, particularly in Europe. One of the most important claims of NPM in the cultural field has been that of efficiency in the use of public resources (Turbide et al. 2008): historically cultural organisations were more targeted on the artistic and cultural profiles rather than the economic profiles (Lafortune et al. 1999). Many practitioners consider this aspect a necessary and unavoidable consequence of the social value of culture, but probably in some cases the negligence about the economic and financial profiles was not sustainable, in particular in the light of the current context of financial crisis.

Some other aspects are worth mentioning beyond the quest for more "Value for Money" in public sector cultural organisations. However, they might be applied also to arts and cultural organisations in the private sector and could be summed up in the following points:

> "ONE OF THE MOST IMPORTANT CLAIMS OF NPM IN THECULTURAL FIELD HAS BEEN THAT OF EFFICIENCY IN THE USE OF PUBLIC RESOURCES ."

- The specific focus on the satisfaction of the "public" (visitors, audience, spectators) and the quality of the services (Soren 2000; Bourgeon-Renault et al. 2006);
- The promotion of horizontal subsidiarity, through the collaboration between public and private sectors and the use of contracting-out, out-sourcing and formal privatisation policies by the cultural institutions (Harrison 2000; Sicca and Zan 2005);
- The impact of marketing principles in the strategies and in the communication processes of cultural organisations (Kotler and Kotler 1998; Colbert 2001);
- The implementation of new and more advanced financial and management accounting systems, based on accrual accounting and PM (Chatelain-Ponroy 2001; Paulus 2003; Boerner and Renz 2008; Weinstein and Bukovinsky 2009).

Performance Measurement, the main subject of this paper, appears to be necessary in two cases (Badia 2011):

- When the traditional economic-financial indicators do not give a complete set of information about the concrete results of the organisation and its "health status";
- When the economic and financial results are not measurable (or not expressible in a clear and irrefutable way). This point characterizes typically not-for-profit organisations.

In a few words, PM could be seen as a managerial process, whose goal is supporting the decision-making process (Simons 2000), linked to the strategic control (Lorange 1977), with reference to the pursuit of

"THE IMPORTANCE OF CONSIDERING A 'SYSTEM' OF INDICATORS IS CRUCIAL BECAUSE THE EVALUATION OF THE RESULTS DOES NOT DEPEND ON A DISCONNECTED ANALYSIS OF SINGLE INDICATORS, BUT HAS TO CONSIDER THEM IN AN UNITARY WAY."

the pre-established goals. The implementation of a good PM system starts with the identification of the key points of the strategy of the organisation (or its "mission"). This requires relevant efforts in non-profit organisations (Sheehan 1996; Herman and Renz 1999), where managers are usually oriented to the short-term and the yearly aims, rather than to the long-term ones (i.e., strategic objectives). This is true also for arts and cultural organisations (Voss and Voss 2000; Weinstein et al. 2007).

The most common systems of PM, like the Balanced Scorecard (BSC) (Kaplan and Norton 1992) consider four basic principles for their application: 1) to harmonise short-term with long-term perspective for the management choices; 2) to consider not only the financial dimension, but also other quantitative and qualitative dimensions (e.g., attention to the customers/external stakeholders, quality of products/ services, quality of internal processes, care of the human resources, etc.); 3) to implement (as a consequence of the previous point) a "multidimensional" indicators' system; 4) to balance the orientation of the whole system between internal and external dimension.

"Balance" is a key word in the BSC model and, at the beginning of its application, BSC was a tool for the measurement of the achievement of balance in its different dimensions (between short-term and long-term, monetary and not-monetary indicators, internal and external perspective). At a later stage (Kaplan and Norton 2001), BSC becomes a complete system for supporting management in the decision-making process. With this orientation, BSC seems one of the best currently available models of PM system. The managerial literature offers some examples of application of the BSC to arts and cultural organisations (Weinstein and Bukovinsky 2009; Zorloni 2012).

In its basic model, the four perspectives of BSC (financial, customer, internal business, innovation and learning) are closely linked to each other by cause-effect relationships and each measurement has a final effect on the financial performance, which is therefore the last horizon, even if it is not the only dimension to be considered (and measured). As a consequence, the management has not only a financial indicator, not always easily interpretable, but can observe all the process which has led to that result.

In the re-interpretation of the BSC model made by Kaplan and Norton (2001) for not-for-profit organisations, the last horizon is not the financial dimension, but the customer perspective, which represents the need for satisfying the interests of the "promoters" of the not-for-profit organisation, i.e., the community in the case of a public sector organisation. We could call this perspective a "social" perspective (although this is not the word adopted by the authors of the model). Nevertheless, since this "social" perspective is actually the final aim of a cultural organisation (Gilhespy 2001), it should be strongly developed in the implementation process of a PM system in organisations like theatres, which are the specific subjects of the next parts of this work. Moreover, the management literature in the cultural field shows an important debate (Turbide and Laurin 2009) about the most opportune ways to introduce performance indicators (PIs); in particular, the importance of considering a "system" of indicators is crucial because the evaluation of the results does not depend on a disconnected analysis of single indicators, but has to consider them in an unitary way.

Main Topics on Theatre Management

As stated above, the process of application of managerial tools to theatre management may present some difficulties. Many articles on the application of performance measurement and management tools to theatres and the performing arts strive to justify the use of these means in the sector (Boerner and Renz 2008; Radbourne et al. 2009; Weinstein and Bukovinsky 2009).

On the one hand, the difficulties in using management tools for theatres rely in the intrinsic differences between economics and arts: as noted by

Doyle (2010, p. 246) "*economics is a discipline at the heart of which quantitative methods typically feature very strongly but, by contrast, the realm of arts and culture can be seen as ephemeral, porous and in many respects not easily subject to the 'intrusion' of scientific analysis. Yet, the field of cultural economics is thriving, and the appetite amongst potential end-users for economic research into cultural and creative industries is stronger today ever it has been in the past. Oddly, culture seems to both attract and resist economic analysis*".

On the other hand, those difficulties are more evident for theatre management since they are even more challenging to manage, due to the complex nature of performing arts. Developing an effective performance measurement system for theatres, especially for quality evaluation, means taking into account their manifold stimuli and aspects, that include staging, setting, language, plot and sometimes also music and choreography, making performances some of the most complex aesthetic experiences (Boerner and Renz, 2008).

In order to analyze the different phases of the application of managerial tools to theatres, we will delineate the history of the application of cultural economics theories to theatre management. From the '60s onwards, economics studies have gradually entered the field of social sciences and there has been an increasing interest in management systems for museums, theatres and cultural institutions in general. It all started with the ground-breaking researches of Baumol and Bowen (1966): the publication of their studies in the mid-1960s made a relevant contribution to the development of cultural economics.

Baumol and Bowen identified a sort of syndrome implicit in cultural organisations, which they call "cost disease" or "income gap" (later called "Baumol Effect"), and which implies an increase in costs without a growth in productivity and incomes; as Chong explains, "performing arts organizations, as "patients", had severe difficulties in achieving productivity advantages as achieved in manufacturing industries" (Chong 2002, p.102).

This income gap is experienced by theatres too, due especially to the high costs for productions and projects in the performing arts sector. Moreover, the performing arts are a sector that often experiences stagnation due to its traditional incapability to appropriately use technological innovation and improvements. In their analysis, Baumol and Bowen focused also on some facets of management that did not concern exclusively the economic and financial aspects of cultural organizations, nevertheless considering them as key issues for arts management. These studies were further developed by Peacock (1969). Starting from the studies of Baumol and Bowen, he elaborates a new theory based on the assumption that it is necessary to combine the financial needs of the cultural institution with the needs of its visitors or audiences. According to Peacock the key to better address issues related to the cost disease is to broaden the focus on the quality of the overall experience. After Baumol, Bowen and Peacock, the link between economics and culture has been deepened by a number of other studies.

In the following years, a group of researchers, amongst whom Blaug, approached the cultural management field focusing on the reasons why public funding should be used for the cultural sector, and concluded that arts possess intrinsic value that justifies public expenditure. They then studied the ways to evaluate public expenditure on arts organizations (Blaug 1976). In the 1980s Mulcahy focused on the economic impact of the arts, trying to define the economic impact of arts on the economy – especially local economy; in particular he analysed the main quantifiable benefits, both direct, indirect or induced (Mulcahy 1986).

In the last twenty years, scholars concentrated on cultural "consumptions" (Colbert 2001) – exploring the relationships between the expenses in the education and those in the entertainment sectors and trying to define a possible balance between public and private funding – and on the forms of communication between the various stakeholders of the cultural sector.

All the above things considered PM could be a useful tool for the strategic management of theatres, especially when it is associated with quality, governance and accountability. Designing and effectively using good PM means also rationalizing and reinforcing the image of public control (Power 1994). Performance indicators are particularly helpful to analyse the already mentioned cost disease; management control techniques are important to ensure financial stability and to reach the objectives of economy, efficiency and effectiveness; auditing practices, as part of those techniques, could become a crucial passage to understand how a theatre could improve its performance in the long run. Accountability should not be sustained by informal relations but rather rationalised and managed according to the vision and mission statements of the cultural institution (Chong 2002, p. 107).

The above analysed "Value for Money (VFM)" model demands that effectiveness be quantifiable. This is an important issue for theatre management. PIs could offer benefits such as important information for measuring the progresses of the theatre (especially when the on-going results are compared with the past performance) or could be used to plan improvements to the overall strategy and to the organisational design. Indicators could give important data to assess strengths and weaknesses, thus aiding the management of the theatre in better allocating resources and better directing the decision-making process. PM in theatres could also be a mean to encourage and motivate staff, identifying the training necessary for the staff or the needs of the audience. Performance evaluation is a relevant part of management practices and processes; there is a strict relationship between mission, objectives, do-wells (or critical success factors) and PM (for each do-well). Theatre managers should attempt to link PM with the

> "PM SYSTEMS FOR PERFORMING ARTS SHOULD PUT MORE EMPHASIS ON THE QUALITY OF THE PERFORMANCES AND ON THE SATISFACTION OF THE PUBLIC RATHER THAN ON THE FINANCIAL ASPECTS, SINCE THE MISSION OF THAT KIND OF ORGANIZATION IS TO ENRICH THE CULTURAL ENVIRONMENT THROUGH ARTS."

institution's mission and objectives, in order to develop the institutional management talent and restructure the whole institution with less financial expenditure.

In recent years, management studies applied to performing arts have paid increasing attention to the relationship between PM and quality. Starting with the recognition of the peculiarities of live performance, Turbide and Laurin (2009) have pointed out that PM systems for performing arts should put more emphasis on the quality of the performances and on the satisfaction of the public rather than on the financial aspects, since the mission of that kind of organization is to enrich the cultural environment through arts. In particular, non-financial indicators seem to be the ones that most reflect the peculiarities of the cultural sector. As for this aspect of performance measurement, we will consider four case-studies analyzed in the literature on this subject: the first was made in the Province of Quebec, Canada (Turbide and Laurin 2009), the second at the Cologne Opera House, Germany (Boerner and Rend 2008), the third in Melbourne, Australia (Radbourne et al. 2009), and the fourth at the Boston Lyric Opera, United States (Weinstein and Bukovinsky 2009).

The first research (Turbide and Laurin 2009) is a further proof of the difficulties encountered by theatre managers in applying non-financial performance measurement indicators to assess the quality of their organization. The survey was conducted through a questionnaire given to more than 300 general managers of not-for-profit performing arts organizations in Quebec, among which approximately 30.5% were theatres. The research was meant to assess the use of multidimensional approaches in measuring the performance. The questionnaire was divided into 6 parts; part 4 examined performance indicators. The outcome of the survey highlighted that the most of organizations use multiple indicators and that financial performance was assessed at least as often as artistic achievement. Furthermore, although the organizations were mainly concerned with the artistic dimension in terms of mission and goals, they tend to use mainly financial indicators to measure their performance. According to the authors, this outcome highlighted once again the difficulties of arts organizations in measuring qualitative results.

The second survey (Boerner and Renz 2008) aimed at underlining the role of audience in quality measurement of a particular kind of theatres, opera theatres. The authors started with the remark that performance measurement in professional opera companies had been often limited to quantitative indicators, using criteria such as attendance and subscribers' levels, number of performances, number of new productions, and earned income and noted that these objective data are unsuitable for assessing quality. They argued that subjective judgments could be more appropriate, and that they should be based on the audience's personal experience.

The study was realized during a live performance at Cologne Opera House. The authors developed a method for performance measurement that aimed at combining reviews published on national newspapers and qualitative analysis made through questionnaires distributed randomly among audience members. The authors showed that the audience experience of opera performance had been undervalued; the majority of opera goers are extremely specialized in the field and therefore could be good raters in order to ensure valid quality judgments. Audience members are therefore experienced evaluators who are able to be express reliable reviews on performances.

The last case study is a research undertaken in three performing arts organizations based in Melbourne, Australia: Musica Viva, Melbourne Theatre Company and Malthouse Theatre (Radbourne et al. 2009). The authors bore in mind the research of Boerner and Renz and highlighted how audience experience could be validated as a possible indicator of the quality of the performance, but they also went a step further; their study aimed at proving that knowledge, risk, authenticity and collective engagement are key elements of the subjective

MEASURES OF QUALITY

Traditional measures

- Attendance number
- Number of performances
- Number of new works
- Critical reviews
- Peer assessment
- Value of earned income
- Access for audiences

Outcome

= quality in the performing arts

→ government funding, sponsorship, philanthropy

Proposed audience experience measure

- Knowledge/information transfer or learning
- Risk management
- Authenticity and performer interaction
- Collective engagement

Outcome

= audience engagement and repeat attendance (quality in the performing arts)

→ increased box office, government funding

FIGURE 2. MEASURES OF QUALITY
(RADBOURNE ET AL., 2009, P.27)

experience of the audience and proposed a new scheme of measures of quality, that is underlined in Figure 2. They stressed the link between the measures and their use for funding or monetary investment.

Their measurement model maximizes indicators derived from the most frequent audience expectations: collective engagement, risk management, authenticity and knowledge transfer or learning.

The last case (Weinstein and Bukovinsky, 2009) introduces another very controversial theme in performance measurement: the legitimation of the high costs of application of a performance measurement system such as BSC. The case of the Boston Lyric Opera (BLO) proves that BSC could be a determining factor to improve the performance of the theatre both in the long and in the short term.

In BLO, the implementation and use of a scorecard began in late 1999 and brought about a series of organizational changes that affected not only the redefinition of the strategic goals, but also the entire organizational structure of the theatre as well as the internal consensus building process. All full-time employees of the different departments of the BLO were involved in the formulation of scorecards for their own areas. Notwithstanding the complexity of the process, the definition of a BSC helped each department to find its own direction and goals. Since the BSC was a constantly on-going process, it was implemented during the following years. The first review of the scorecard was performed in 2005 and it showed the high level of commitment reached through its use, since its completion implied that each member of the staff had to take responsibility for developing new goals and indicators.

The final results showed that BSC had provided both tactical and strategic benefits for the Boston Lyric Opera. On the tactical level, the scorecard had provided a framework that employees may use to evaluate how their activities sustain the strategies of the organization. From a strategic point of view, the scorecard had helped the whole organization to better center its activities. The authors quoted as example the fact that previously the company had no formal mechanism for choosing the ideas that were worthy of its resources; the BSC provided that mechanism as well as a structure for assessing the outcomes of its various projects.

As for the situation of theatres in Italy, some public theatres' managers have tried to introduce performance measurement systems in their institutions. This attempt has often been criticized as a

process that approaches theatres as for-profit companies, whereas it means simply that theatres should be analyzed within frameworks and logics of management sciences (Brunetti 2000). In some cases, priorities and objectives of performing arts organisations have been changed; hence, those changes have impacted on the management, the organisation and more generally the "culture" of Italian theatres.

Studies have also drawn attention to the opportunities and threats of such developments for theatres. Deeper analyses have been conducted in the field of project management for theatres (e.g. the various projects of opera production), in theatre communication and marketing (both inward and outward communication), cost analysis and fundraising techniques. The majority of the studies agree on the fact that PM systems might work as useful tools to improve theatre's capacity to reach objective; the indicators in those systems should be adapted, to some extent event tailor-made, on the characteristics of the performing arts institutions and measure theatres' performance both at the qualitative and at the quantitative level (Donato 2004). They should therefore be multi-dimensional, i.e. consider both monetary and non-monetary factors and qualitative variables, taking into account also management and strategy issues and including also indicators concerning the so-called "intellectual capital" or "intangibles", quantities or factors that sometimes are determining the quality of theatres' activities and their perceived value.

Performance Measurement for Theatres: the Case of the Municipal Theatre of Ferrara

Preliminary remarks

The case of the Municipal Theatre of Ferrara, which will be described in this section, represents an interesting empirical evidence of the methods of implementation of PM systems, concretely adopted in theatres. Briefly, the main points of interest are:

- The need to implement a broad measurement system for an organisation with multiple activities and the difficulties to integrate financial dimensions with not-financial dimensions;
- The poor consideration of the artistic quality of the performances in the PM system, coherently with the evidences of the literature examined in the previous section, even though quality is considered the most important performance dimension;
- The critical points for the implementation of a PM system linked to the mission of the organisation and its strict dependence on the public funding system.

The analysis of these points, with specific reference to the case of the Municipal Theatre of Ferrara, confirms in practice the empirical evidences of the managerial literature presented in the section 3 of this work. The difficult balance between financial and non-financial dimensions, the poor consideration of quality in the PM system and the troubles in linking strategy and measurement systems are topics highlighted in the above mentioned works. A more complete analysis of the relationship between the case of Ferrara and the other cases will be possible after the examination of the Municipal Theatre of Ferrara presented in this section and therefore it will be developed in the Conclusions.

Some of the considerations arising from this section seem to be valid for the implementation of PM systems for theatres in a general context. However, some reflections appear more applicable to the specific Italian context: this is the case, for instance, of the great difficulty to get private funding and of the dichotomy between artistic and financial planning processes.

Presentation of the main features and figures of the Theatre

The Municipal Theatre of Ferrara can not be considered one of the primary theatres in Italy for its audience and prestige, even though it is one of the 28 Italian "teatri di tradizione" [literally "theatres of tradition"]. Teatri di tradizione are defined by the Italian law 800/1967 and the Ministerial Decree of November 9th, 2007 as theatres with the duty to "promote, favour and coordinate the musical activities, with particular reference to opera, in their local areas"; therefore, the Municipal Theatre of Ferrara could be reckoned quite important, at least at regional level and particularly for its opera season.

Its foundation dates back to 1798. During the last century, after a closed period caused by World War II, the Municipality of Ferrara acquired its property and reopened it in 1964. An important change of the juridical status occurred in 1994, with the transformation into "institution", a juridical form which gave a little more autonomy to the Theatre. But the most important juridical change took place in 2009, with the adoption of the status of "foundation". The purpose of this last change was to stimulate the participation of private subjects in the Municipal Theatre. This kind of participation – which implies financing – would entitle private subjects to be involved in the management of the Theatre. Actually, so far this goal has not been reached and the Municipality of Ferrara is still the only founder member. Therefore, the funding system of the Theatre is mainly based on the contributions allocated by the Municipality every year.

With reference to the size of the Municipal Theatre of Ferrara, it had 58 employees at November, 2010, among which 23 people have permanent contracts. Each year, from October to June, about 80

plays are staged, counting over 160 performances of dramas, ballets, operas, concerts, experimental theatre and theatre for children. The season ticket holders are over 4,000 and the yearly audience is more than 25,000 people. The seasons combine classic repertoire with international contemporary repertoire. In particular, the most important seasons are drama (October – April), ballet (October – April), opera (November – May) and concerts (October – May).

As "theatre of tradition", the opera season requires a relevant financial and organisational engagement of the Municipal Theatre of Ferrara. The permanent collaboration of Maestro Abbado since the early 90's is worth mentioning. Furthermore, orchestra leaders, soloists and orchestras of international relevance regularly participate in the concerts' season. In particular, Ferrara has hosted for 13 years the Mahler Chamber Orchestra, composed of 15 well-known young musicians. The playbill is enriched by meetings, such as presentations of the companies, historical and literary workshops for teachers, students and general public. Finally, the Municipal Theatre of Ferrara has an archive and a library that are open to the public.

The Theatre has stable relationships with the Municipality of Ferrara (its founder member and owner), and the other companies owned by the Municipality of Ferrara: "Ferrara Musica", co-responsible for the organisation of the concerts' season, and "Ferrara Arte", in charge of the organisation of the most important art exhibitions in Ferrara; the partnership with Ferrara Arte is prevalently oriented to the promotion of combined tickets and special offers for the public. The Theatre has further collaborations with the University of Ferrara and the Emilia-Romagna Region.

Towards the definition of the PM system: the stakeholders and the accounting system

Before introducing the details of the PM system of the Municipal Theatre of Ferrara, we should consider an important element for its implementation: the definition of the stakeholders of the organisation.

According to the management, the public is the main stakeholder, considered both as audience and as general community. The Municipality of Ferrara, the Theatre's employees, the sponsors and the members, the local public administrations and the private firms are considered important stakeholders as well. The attention to the local community is proved by frequent initiatives, promoted during the seasons:

"CittàTeatro" ("CityTheatre"), oriented to the direct participation of the community in artistic and theatrical events:

- "Meetings with the public", aimed at explaining the main plays of the seasons;
- "Young Area", addressed to the under-30-public, in order to favour their interest in the performances;
- "Theatre and School" and "Theatre and University", promoting the activities of the Theatre among students.

The analysis of the PM system should not be addressed without a wide reference to the general accounting and information system, of which the PM system is a component.

The accounting and information system of the Municipal Theatre of Ferrara is based on the classical tools of financial and management accounting. The basic document of prior and final analysis is a profit and loss account, at opposing sections; in practice, this document functions as an economic budget. During the consumptive stage also the statement of financial position is produced, in conformity with the Italian laws.

The management accounting system is quite comprehensive; the charge criterion of the costs is direct costing, where every play is a cost (or profit) centre of first level, whereas the seasons are centres of cost (or profit) of second level. In this process the "general" costs are not subdivided, because the management considers too expensive and too discretionary their charge to the different cost centres.

The accounting system shows that the accounting method used for the Municipal Theatre of Ferrara is accrual. This is an important circumstance, because accrual accounting is necessary to implement a performance measurement system where the financial perspective is properly represented. This is remarkable, since in Italy and in the most part of the continental Europe a lot of public sector cultural organisations still adopt a cash accounting system, which is unfit to support the management in the long-term decision-making process. In the case of the Municipal Theatre of Ferrara, the use of accrual accounting is partially a direct consequence of the juridical status of "foundation", but it is also the result of a precise managerial choice, since its adoption is preceding the change of juridical form.

The "missing link" between strategy and PM system

Important observations regarding the PM system could be deduced from the timetable of the accounting data gathering. In particular, in the previous paragraphs, we said that the link between strategy and PM system is absolutely essential. This is not possible in the situation of this theatre, which reflects however the general situation of theatres in Italy. Here below, we will further explain this point.

The first element which does not permit a good process of strategy definition is the misalignment between artistic and financial decisions: the financial year is the solar year; this choice is considered unavoidable by the Theatre managers, due to the connection between the management of the Theatre and Ferrara Municipality, which sets up its financial

system, by law, on the solar year. The artistic decisions are instead linked to the seasons, which run from October to May. As a consequence, there are obvious difficulties in the planning processes. The artistic planning starts every year in March, with the definition of the drama season. In the following months the decisions about the other seasons and the fringe activities are taken. The definition of the budget – through the estimated profit and loss account – is in October: this process is completed without any certainty about the real feasibility of the programme, because the extent of the funding from the Municipality remains unknown till March of the following year. The very high dependence, even of the ordinary administration, on the funding of the Municipality gives a high level of uncertainty about the future and the real possibility to implement the chosen artistic strategies. In this circumstance, the weak contribution of private subjects to the funding system highlights one of its most critical aspects. Unfortunately, this is a very common situation for the Italian public sector cultural organisations.

Moreover, the misalignment implies having an estimated document that is not only uncertain, but also incomplete, because during the summer months only the next season is planned and not the whole scheduling of the following solar year. The seasons' planning is rather fixed for its first part (the months from October to December, for which the funding is known), but this is not possible for the second part (from January to May), because it belongs to the future fiscal year for the Municipality.

"THE ONLY MEASURED RESULTS ARE THE FINANCIAL-QUANTITATIVE ONES, WHILE THE QUALITATIVE AND THE NON-FINANCIAL-QUANTITATIVE ASPECTS ARE SCARCELY CONSIDERED."

The critical points emerging from the development of the PM system

The above discussed points of time-misalignment in the planning process are not the only critical points in the definition of the PM system. Other troubles are emerging from the analysis of the process of realisation and implementation of the PM system. First of all, the PM system has been created by the financial direction of the Theatre, without a full support by the artistic direction. Normally, a PM system should be implemented inside the strategic direction of the organisation; when two directions of the same importance are present, as in the case of the Municipal Theatre of Ferrara, a complete cooperation between them would be necessary. Therefore, in our case we could note another misalignment which has an impact into the strategy implementation.

This lack of concordance is not the only critical organisational aspect in the process of implementation of the PM system. As Weinstein and Bukovinsky (2009) point out for the previously presented case of the Boston Lyric Opera, the implementation of a PM system necessarily needs the involvement of the whole organisation in the definition of dimensions, goal and indicators. Consequently, the definition of the PM system should request the involvement also of the managers of every function and the employees. In this case, this aspect appeared to be incomplete, if not absent at all.

Finally, another requirement for the implementation of a PM system emerges when the funding flows of the organisation depend prevalently on a main financing subject: this is the case of the Municipality of Ferrara for the Theatre. In this circumstance the definition of the performance dimensions and of the lead PIs should consider the management priorities also for the financing subject, i.e. the Municipality. From the empirical analysis the definition of these variables seems to have been realized by the management of the Theatre in a separate way from the Municipality officers. So, neither this aspect has been considered in appropriately.

As a consequence of these points, i.e. the poor attention of the artistic direction to the PM system and the weak involvement of the whole organisation and the Municipality, the only measured results are the financial-quantitative ones, while the qualitative and the non-financial-quantitative aspects are scarcely considered.

Another relevant point for the implementation of a good PM system is the balance between internal and external orientation. The attention to the internal aspects of the management is surely present – although in a not well defined picture of strategy definition. Unfortunately, the attention to the external dimension is poorly developed inside the PM system with proper measurements and indicators, in spite of the amount of previously described initiatives devoted to the local community. The only elements related to these profiles, inside the PM system, are some occasional analyses of customer satisfaction and the participation of the Theatre in the social reporting of the Municipality (this initiative, however, has been recently given up by the Municipality).

All the critical points we have described are well-known by the management which is studying some possible corrections of the PM system for the future.

First concluding remarks deduced from the case

To sum up, this case is interesting for this paper because it analyses a cultural organisation which tries to implement a performance measurement system despite some difficulties, omissions and critical points. A positive aspect is surely the attention paid to the financial dimension, which is not common for a cultural organisation, particularly in Italy. Omissions and critical points are mainly due to the little collaboration between artistic and financial directions, to the weak organisational involvement, to the poor consideration of the external dimension of the performance and to the very modest use of qualitative and non-financial-quantitative measurements. Difficulties are primarily connected to the strategy implementation process, where a deep series of misalignments is present.

In our opinion, a shift of the fiscal year of the Theatre management in the direction of its alignment with the season would be a rather easy change to introduce, although the fiscal year of the Municipality has to be the solar year. The adoption of this perspective would allow the use of the funding of the Municipality for every calendar year to plan the events and the performances of the following season. In practice, this simple change (which, of course, would create some problems during the first year of its introduction) would allow the misalignments we have observed to be solved, except the one between artistic and financial directions: this misalignment could be corrected only with decisive and important changes in the organisation that are not directly linked to the implementation of the performance measurement system.

> "THE IMPLEMENTATION OF AN EFFECTIVE PM SYSTEM REQUESTS THE CLARIFICATION OF THE STRATEGIC AIMS OF THE ORGANISATION."

Conclusions

In the first section, we clarified the three research questions of this work: (a) the search for the main advantages of a PM system in general and, more specifically, for a cultural organisation; (b) the attention to the strategies to be implemented to reach a good PM system; (c) the possible difficulties and critical points in the introduction of a PM system in a cultural organisation.

With reference to the research questions (a) and (b), we think that the picture emerging from sections 2 and 3 provide readers with a clear answer. However, we believe it might be useful to summarise the main points:

- A good PM system allows every kind of organisation to orient the management towards the strategic aims, considering the necessary balances between financial and non-financial perspectives, short-term and long-term horizons, financial and non-financial dimensions of the performance;
- For a cultural organisation, particularly in this period of financial crisis and public spending cuts, a PM system could contribute to reach the aims of efficiency and social effectiveness in a converging way;
- The implementation of an effective PM system requests the clarification of the strategic aims of the organisation, its circulation through the organisation structure and the consideration of a multidimensional system of PIs that should be able to catch all the crucial perspectives of the performance.

These points partially match with the instructions for the implementation of the BSC. Actually, they can be integrated with the new concepts introduced in two more recent works of the BSC's authors, regarding the "strategy maps" (Kaplan and Norton 2003) and the strategic alignment (Kaplan and Norton 2006). In brief, strategy maps aim at strengthening the integration of the strategic dimension in a performance measurement system based on the BSC. In this way, the BSC is not only a tool for the control, but becomes the basis of the corporate governance system of the organisation. The concept of strategic alignment regards instead the necessity of looking for the synchronisation of the managerial activities, in order to develop the internal synergies and to integrate them with the governance of the organisation.

The answer to the research question c) may be addressed with the support of the emerging evidences of the cases provided by the literature and analysed in section 3, in comparison with those arising from the

"A PM SYSTEM, IN PARTICULAR FOR COMPLEX ORGANISATIONS LIKE THEATRES, IS NOT APPROPRIATE AND COULD EVEN BE USELESS, IF IT IS TOO COMPLICATED, WITH USE OF TOO MANY INDICATORS, AND IF THE INVOLVEMENT OF THE AVAILABLE HUMAN RESOURCES HAS NOT BEEN TAKEN INTO ACCOUNT DURING THE PHASES OF ITS PLANNING AND CONSTRUCTION."

analysis of the case of the Municipal Theatre of Ferrara, showed in section 4.

First of all, in comparison with the case of the Province of Quebec, the case of Ferrara confirms the difficulties to measure the performance linked to the quality. Theatres (and arts and cultural organisations in general) often have recourse only to financial measurements, although quality is considered more important. Therefore, the choice of dimensions and indicators of the PM system is subject not to the assumed utility of the measurements, but rather to the easiness of the measurement process.

For the case of Ferrara, this choice is also linked to the weak involvement of the artistic direction and of the whole organisation in the process of definition of the PM system. In this sense, we noticed a link with the points emerging from the case of the Boston Lyric Opera, where the process of implementation of the BSC has seen a long time, on-going process and multiple reviews made with a complete organisational support.

A last critical point, emerging in a coherent way between the case of Ferrara, on the one hand, and the cases of Cologne and Melbourne, on the other hand, is represented by the difficulty to make use of the judgements of the audiences in the PM system. This difficulty regards the consideration of the "social" dimension of the PM systems. In the current scenario, cultural organisations have to be accountable for their social performance, in order to give again credence to the role of cultural organisations in our society.

In this concluding part, we propose an analysis of some possible risks of an inappropriate adoption of performance measurement systems:

- PM is the means, not the end goal; if this concept is not properly taken into account, the risk is to create a self-referential system, not target-oriented to the needs of the organisation;
- The expectations of the different stakeholders should be carefully evaluated and balanced; too much information is not only unnecessary but potentially harmful;
- Finally, another crucial requirement of the information system is the timeliness; to have the information too late is equivalent not to have the information.

Finally, we would like to propose some general conclusions. First of all, a good PM system can give a very important contribution to the decision-making process in a theatre and help its strategy implementation processes; second, a good PM system could also support the accountability of theatres and their external reporting. However, a good PM system is not so easy to implement; it could present high costs for the organisation and it should not be too rigidly connected to the strategy, but necessitates of a flexible "alignment" to it. Conclusively, a PM system, in particular for complex organisations like theatres, is not appropriate and could even be useless, if it is too complicated, with use of too many indicators, and if the involvement of the available human resources has not been taken into account during the phases of its planning and construction.

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Digital Futures in Policy and the Cultural Sector in the UK

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ABSTRACT

The global economic crisis has had a widespread impact across the cultural sector in Europe and the UK in the past 5 years. We are now witnessing the rise and fall of the 'Creative Economy' which has emerged in the past 15 years through neoliberal policies. New hope to revive the economy is envisioned in the 'Digital Economy', where policies intend to place digital innovation at the heart of economic growth. In order to participate in the digital economy, arts organizations are pushed to become 'digital organizations'. The Digital Economy presents a number of opportunities and challenges for the cultural sector including standardizing and professionalizing the digital delivery of cultural content, finding new economic models through digital, monetising digital content and building digital knowledge, skills and resources in the sector. What is lost in the new policies is a value in the creative practice that supports experimentation and risk-taking, which is where true innovation takes place. There is a need to re-think the entire cultural and economic system today in the face of a global economic crisis. Despite depreciating funding for the arts, new possibilities can be found in ideas and practices of digital culture and the digital arts.

Keywords:

Digital economy

Arts management

New economies

Digital culture

Open source

Introduction

Through policies of the Creative Economy, first outlined in 1998 by the Department of Media Culture and Sport in the UK, culture and creativity has been proclaimed as the driving force of the economy in the UK (DCMS, 1998).The Creative Economy, however, has shown to disregard the true value of culture and creativity, where artists and creative communities are instrumentalised in the regeneration and branding of cities, and then pushed out in favor of corporate investment. The Creative Economy creates a competitve environment hardly condusive to creativity, and a largely deskilled labour market with highly precarious and low paid jobs. Simultaneously, we see the development of digital in ways that are reconfiguring the social and cultural landscape. We see new discourses of the 'Digital Economy' emerging that place digital innovation at the core of the economic growth and renewal. The Digital Economy aims to build stronger links with the cultural sector and public broadcasting such as the BBC and Channel 4 in the development and delivery high-quality digital content. The partnerships however, are more one-sided and are designed to benefit the development of the commercial media sector to support economic growth with little gain for the content producers and arts organizations. These new policies are not aimed to support creative practice, but rather the interests of commercial media and technology businesses-. Arts organizations are pushed to become more 'digital' in order to compete in the wider economy and are required to raise their level of digital competency and resources. Digital technology is evolving structure and practice of arts organizations that strive to remain relevant in today's digital economy.

In the current economic crisis, arts organizations are facing up to 100% cuts to their budget, where organizations that are seemingly more politically engaged or experimental are strategically cut. Amongst those organizations are a number of digital art organizations including: Folly, Onedotzero, PVA Media Lab, Media Art Bath, Isis Arts and Mute (Boddington, 2011). It becomes clear that when the UK government speaks of the "Digital Economy" it does not equate to supporting the Digital Arts. It is in values and practices in digital culture, where new possibilities for a renewed cultural economy can be found

This text discusses the recent developments of the Digital Economy and its impact on the cultural sector and maps out ways of understanding the current state of the arts in a digital era. We will look at some of the digital innovations and challenges emerging in cultural sector today. We will then explore digital culture that offers ways of thinking about cultural organizing in hopes to open up debate on digital futures in the cultural sector in a time of crisis and change.

The Digital Economy

The Digital Economy has emerged in the UK as an extension of the Creative Economy. In April 2010, the Digital Economy Act passed following a review of the Digital Britain Report that was produced in June 2009. In order to remain economically competitive, the UK positions itself at the forefront of digital innovation where it sits at the core of business and society. Communication channels, and business infrastructures are all being updated to support the latest innovations, which then has an impact on the way we work, produce and engage with each other in society.

So, what does the Digital Economy mean for the cultural sector? The Digital Economy Act outlines policies to improve networks and communication, provide wider access to satellite television, digital radio, high-speed broadband and 3G mobile technologies, and to "boost digital participation" (BBC News, 16 June 2009). Ofcom is given a larger role in the policing illegal downloading by tracking and reporting copyright infringement online through the development of more sophisticated digital rights management systems (DRM). In recent reports, the Arts Council England has expressed a concern on the new Digital Economy legislations on intellectual property. In their 'Response to the Digital Interim report', it state a need "to ensure that they are flexible and responsive enough to enhance rather than inhibit the creativity of artists and the public" and "frameworks are overly complex and ownership of rights is unclear, artists are often being forced to take undue risks or to be overly protective and risk averse, limiting creative ambition and inhibiting artistic innovation in digital media and other areas." (ACE, 13 Mar 2009) The Arts Council England questions the need for a new digital rights agency that would likely be funded by the industry contributors with a strong weighting towards commercial industries that will be a larger stakeholder (ACE, 13 Mar 2009). Strong rights management places limitations on creativity and learning that thrive on sharing and the free remixing work that allows for collective and collaborative innovation to flourish. A fairer model is required that allows artists to control the use of their work, which does not restrict creative practices by the strict enforcement of illegal downloading. Alternatives to copyright have emerged in Creative Commons and free content licensing. At the same time, creative producers continue to struggle to make a living through digital distribution of their work.

For the cultural sector, the Digital Economy opens up new opportunities to forge new partnerships with the media and technology sector. Arts organizations are being pushed to become 'digital organizations' where digital delivery is incorporated into their remit to produce content and engage more audiences. 'Building Digital Capacity for the Arts' is a new programme developed in partnership with BBC Academy to assists organizations in the Arts Council England's National Portfolio to develop knowledge and

> "FOR THE CULTURAL SECTOR, THE DIGITAL ECONOMY OPENS UP NEW OPPORTUNITIES TO FORGE NEW PARTNERSHIPS WITH THE MEDIA AND TECHNOLOGY SECTOR. ARTS ORGANIZATIONS ARE BEING PUSHED TO BECOME 'DIGITAL ORGANIZATIONS' WHERE DIGITAL DELIVERY IS INCORPORATED INTO THEIR REMIT TO PRODUCE CONTENT AND ENGAGE MORE AUDIENCES."

skills in the delivery of high-quality digital content. The initiative aims to encourage partnerships between arts organizations and the media sector. New initiatives such as the Digital R&D Fund for Arts and Culture (supported by the ACE, AHRC and NESTA) introduces a fund of £500,000 to support arts and arts organizations that want to work with digital technology to expand audiences and build new business models. This fund aims to encourage and support digital development in arts organizations and start-ups, but is highly competitive. Areas of research that are supported by the fund include: user-generated content and social media, distribution, mobile, location and games, data, resources and education and learning (ACE, 7 Jun 2011).

To compensate for the cuts to the Arts Council England's budget since the economic crisis, new initiatives have been introduced to encourage partnership with the media and technology sectors to support the development of skills and knowledge to develop high quality delivery of digital content. Arts organizations face many challenges as they attempt to manage significant cuts to their budgets, while attempting to find new revenue models through digital. The following section describes some of the trends and challenges for arts organizations in a digital economy.

Towards a Digital Cultural Sector

In light of the Digital Economy, arts organizations are encouraged to become 'digital organizations', where the Internet has become a means to broaden audiences through the distribution of content online, to market and sell cultural products and live events, to generate dialogue and to find new ways of engaging audiences through learning and participation. There is a growing need for organizations to innovate in order to remain relevant in today's digital economy. Practices in digital are still evolving and have not yet standardized across the industry. Organizations have varying levels of skills and knowledge, and use digital in a variety of different ways. Organizations are required to keep up with the latest technologies and practices in the digital industry and need to reflect on what is right for the artform and audience of their organization. There are a number of groups and events in London, such as the Art of Digital monthly meet-ups[1] that help facilitate dialogue and knowledge sharing on digital practices within the sector, as well as a number of research initiatives that aim to facilitate learning on digital development in the arts. Reports commissioned by the Arts Council England provide a framework for understanding digital media and audience engagement for arts organizations in the UK. The research proposes a language and way for thinking about a digital cultural sector, however, the role of arts organizations can also be questioned within this framework. The following provides a scope and context for the cultural sector and their level of digital engagement.

In a report by MTM London for their Digital R&D Programme, three levels of digital organizations were identified including:

1. 'Digital creative organizations that have digital media at the core of the cultural output' (i.e. FACT and Furtherfield, who have a mandate to support artists working in media and digital arts);

2. 'Multi-platform cultural institutions that embrace digital media both for audience engagement and creative practice' (i.e. the Barbican Centre, which offers online content on live programming, as well as an integrated shop) and;
3. Traditional arts and arts organizations that primarily use digital media as a tool to market their live offer',

[1] http://www.meetup.com/Art-of-Digital-London/

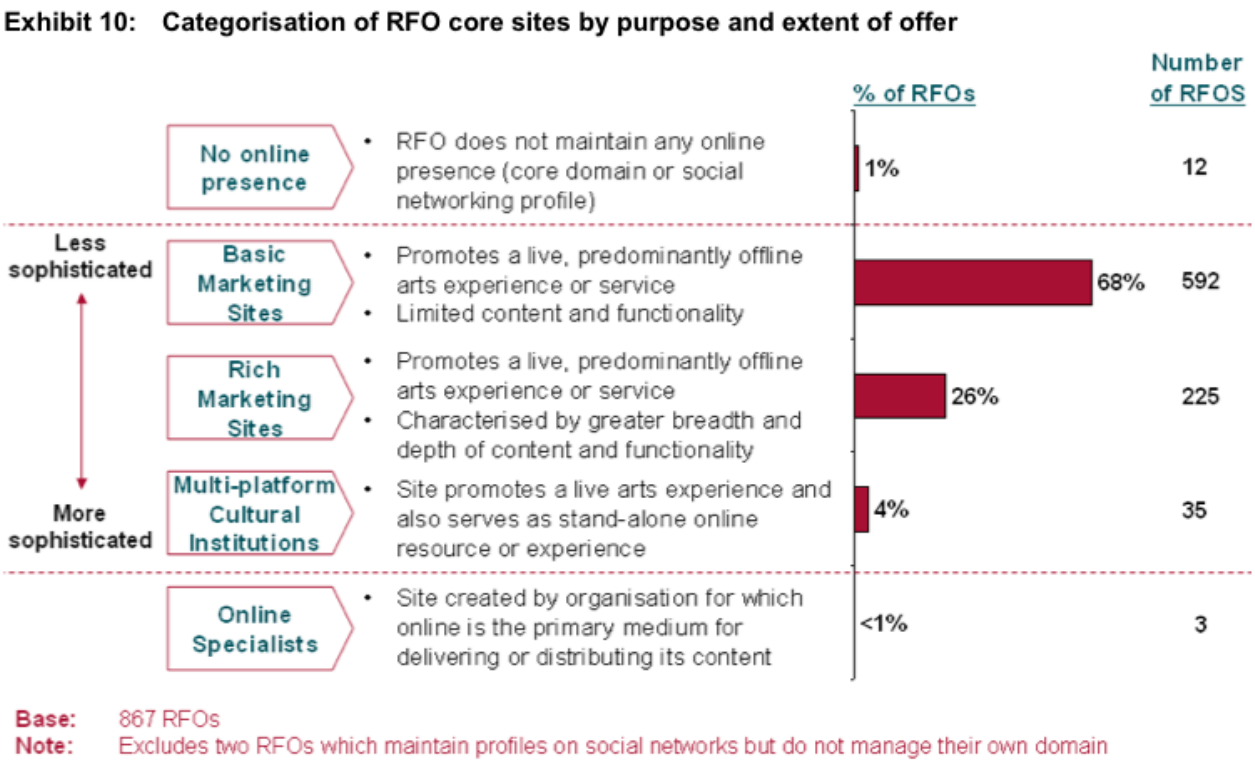

FIGURE 1. DIGITAL CONTENT SNAPSHOT
(MTM LONDON, 2010)

which represents most of the Arts Councils national portfolio.

Four primary objectives for arts organizations have been identified including: creative practice, audience engagement and marketing, digitization and distribution, and new business and organizational models. The diagram above (Figure 1) illustrates the current level of digital development of Art Council England's 869 RFOs.

Currently, 68% of organizations have a basic marketing site and a minimal level of digital engagement. In this case, websites are used primarily for marketing purposes with limited content and functionality. These organizations represent the majority that fit into the category of "traditional arts and cultural organizations that primarily use digital media as a tool to market their live offer". Nearly all organizations have a website that has basic functionality, where only 1% do not have an online presence at all. More digitally 'sophisticated' organizations provide richer content on their website including higher quality video and audio production, which includes not only better quality technical production, but value of the content in building a story or expressing and idea in learning beyond a static documentation of an event. 'Multi-platform cultural institutions' are a step up and have a website that has a stand-alone online resource such as a virtual venue or online archive or collection, in addition to their live offer. Lastly, some organizations are 'digital specialist', which are organizations that support creative practice involving digital technology and as a result embody digital in their content and delivery. The level of audience engagement increases with the level of digital development of an organization. Audience engagement with online cultural content can be classified into the following five levels: Access, Learn, Experience, Share and Create.

The pyramid diagram (Figure 2) provides perspective on how online media can be used to engage audiences in incremental levels. On a basic level, websites are used to provide access to information such as i.e. information about the organization, events and programming etc. On a deeper level, a website can provide richer content for learning and developing knowledge and skills of the art form. On the following tier, websites can be used to provide cultural experiences through presenting artworks or performances online, and above that, they can be used to encourage participation through the sharing of content through social media. The top level involves engaging audiences in creation of artworks through games or interactive platforms that enable users to create. This pyramid illustrates the depth of audience engagement for an arts organization online, and helps build an understanding of the current digital developments within the sector. There is a need to rethink the relationship between organizations and their audiences, where audiences are no longer passive consumers of culture, but the creators.

Exhibit 13: Benefits classification framework for online engagement with arts and culture

Note: Based on combined analysis of quantitative and qualitative research data.

- ***Access:*** *discovering what's on, filtering opportunities and planning attendance or participation*
- ***Learn:*** *acquiring new skills and knowledge (for example, finding out more about the life of an artist)*
- ***Experience:*** *experiencing the full creative or artistic work online*
- ***Sharing:*** *using the internet to share content, experiences and opinions*
- ***Create:*** *use of the internet to assist with the creative process itself.*

FIGURE 2. DIGITAL AUDIENCES: ENGAGEMENT WITH ARTS AND CULTURE ONLINE

(MTM LONDON, 2010)

Digital Innovations in the Cultural Sector

Further more, there are a number of trends and key innovations in digital delivery for arts organizations including: social media, audio/visual content, IPTV and internet TV, mobile apps, games, online archives and resources and user-generated content. What is the impact of these technologies on the practice of arts organizations?

Firstly, social media has had a large impact in the way organizations communicate and build their networks. Social media is used primarily to promote an organizations events and live offer. Channels such as Youtube (or Vimeo), Facebook, Twitter and LinkedIn have become a standard tools for organizations to build and manage their networks and to maintain dialogue with their community. Networks can include audiences, artists and organizations and other professional contacts including funding bodies and academic institutions. Twitter is a conversation tool that requires frequent updating and maintenance, the question often for many organizations is who is responsible for updating it and the kind content should be widely shared. Increasingly organizations are becoming more and more transparent in their everyday practice. Facebook is not as frequently used by arts organizations, but provide a platform to create and share events and build a network of followers. There are also many niche social networks such as Art Rabbit[2], which provides a resource for contemporary art galleries and organizations in London to promote their exhibitions and events. Linkedin is primarily used as a professional network to link up with other organizations and partners and can also be used for recruitment. Many organizations are developing social media strategies in their communications, and exploring ways of engaging audiences via social media beyond simply marketing. Generally, successful use of social media involves not only promoting the organizations' live offer, but contributing useful or interesting information and participating in conversations within the community. An online voice of the organization must be considered, as well as a protocol for dealing disputes online and general PR.

Audio/visual content includes podcasts and videos such as video documentation of events, interviews with artists, and additional content surrounding a live programme. These are relatively easy to produce though can vary widely in quality. Free video and audio services such as YouTube or Vimeo or Soundcloud allow for easy uploading and embedding of content on websites or blogs and sharing on social media. How regularly content is produced and how receptive the audience is to this format can vary according to the organization and their primary audiences. Many organizations today have some form of audio/visual content on their site to promote their live offer, which may include a short preview into the event or exhibition or include an interview with the artist.

IPTV and internet TV provides another channel for video content distribution that is generally longer in length and higher quality. Internet TV is a platform that

[2] Art Rabbit, http://www.artrabbit.com/

allows for the streaming of video programming or online channel for videos. Examples include Fact.TV or BBC iPlayer, which offer a large number of videos, or content series that tend to be more editorial in form. Videos are surfaced through meta-tagging and searching or presented in a blog format that can be more journalistic in form. Internet protocol television (IPTV) provide opportunities for arts organizations to create cultural programming for broadcasting on digital television networks such as Virgin TV and BT Vision. The formats are standardized and high quality for public broadcasting on television networks. The Digital Economy, currently supports partnerships with broadcasters such as the BBC and aims to collaborate with arts organizations in the creation of high-quality cultural programming for digital television. These partnerships intend to build digital skills and knowledge in in the cultural sector through the creation of an arts and cultural channel that also introduces new possible revenue streams for the sector (Art of Digital, 2011). It is seen as both an opportunity and a threat where arts organizations generally get the underhand in partnership with large television networks.

Mobile apps are becoming increasingly important in engaging audiences 'on-the-go'. They are becoming easier to produce and can serve a range of functions for organizations, including as an event listings with regular updates and ticket booking functionality to provide cultural content and learning resources for audiences. One of the first pioneering museums to develop a mobile app is The National Gallery in London, who created the 'Love Art' app, which features 250 artworks with audio guides, videos, hi-res images and virtual tours of the gallery (Wong, 2009). Apps can also be used to guide audiences around a site-specific works or location-based experiences (MTM London, Jun 2011). Augmented reality apps, which use image recognition are also used to overlay live content that can bring to live a static image or installation. An example would the the Frontlines photography exhibition at Somerset House in January 2012, which invited users to download and app and view additional commentary through video overlays ontop of the photographs[3]. Other applications of mobile technologies use QR codes, which link off to additional information or places where the user can participate.

Games can be developed as an app or online as a means to engage audiences creatively with a particular art form. Games can be an educational tool to build an interest amongst young people through play. Play has become increasingly important in education as mode of learning and engaging young people (Play England, 2008). For instance, games that encourage children to play a musical instrument such as Guitar Hero, help to develop new interests and skills in the arts. Games contribute to learning, but can also be a form of art in itself as a creative artwork online.

Online archives and resources allow for audiences to research and learn about a particular art form by providing access to a range of digital content including articles, artworks, videos and audio. Digitization and maintenance of content becomes a challenge, where content should be kept fresh with newly curated features shared on a home page or newsletter. There is also the issue of copy rights when presenting artworks online. Resources such as Ubuweb[4] has proven to be an invaluable resource for hosting and making available rare avant-guard and experimental work online. Free Music Archive[5] also provides a platform for the sharing of music content that is free to sometimes download, play and remix. They also have regularly curated programs from invited guest curators to present different work from the archive. Archives can also act as a database for a physical archive or collection. Lux collection and the Tate Archive are examples of online archives that serve as a public resource. Other resources include resources for artists such as Art Quest[6] provides a comprehensive directory and guide for an artist to develop and manage their careers, which is constantly updated and expanded upon by experts in the field. Open data and access to knowledge is a core value for arts organizations to ensure equal access to learning. It is also possible to consider access as a means to generate revenue to sustain the resource through subscription or membership models.

User-generated content (UGC) is content contributed by audiences online including through participatory projects, open calls, competitions, comments, questionnaires and polls. Audiences can now aid in decision-making of an organization, contribute ideas and opinions, and even become artists and curators themselves. For instance, social media blogs like Tumblr, photo sharing platforms like Flickr, and Pinterest now enable audiences to become curators of their lives and creative interests. By creating dialogue with a community through social media, audiences can now participate in voting or commenting that can influence future programming. An organization can also produce surveys to understand how to better serve the community. Audience participation allows for a deeper engagement with an art form and within a creative community to help foster a more inclusive arts economy. User-generated content can also include wikis where knowledge is pooled from a community network to form a shared knowledge resource.

In summary, these digital innovations have all had an impact on the work and role of arts

[3] Frontlines: A Year of Journalism and Conflict exhibition at Somerset House, Jan 2012. Online: http://www.somersethouse.org.uk/visual-arts/front-line-a-year-of-journalism-and-conflict
[4] www.ubu.com/
[5] www.freemusicarchive.org
[6] http://www.artquest.org.uk/

"DIGITAL DEVELOPMENT POSES SOME INTERESTING QUESTIONS FOR ARTS ORGANIZATIONS, WHERE AUDIENCES CAN NOW PLAY A MUCH LARGER ROLE IN DECISION-MAKING AND CONTENT PRODUCTION. ANYONE CAN NOW EASILY PRODUCE, UPLOAD AND SHARE CREATIVE WORK ONLINE, AND THERE IS LESS NEED FOR ARTS ORGANIZATIONS TO PLAY THE ROLE AS DISTRIBUTORS."

organizations today. Organizations need to reflect on how the technologies are used and the platforms that are necessary for their work. Organizations also face a number of challenges when embracing digital, which include developing resources and skills to support the work, intellectual property and finding new revenue streams through digital.

Challenges for Arts Organizations

There are a number of challenges for arts organizations to consider in becoming a digital organization. This includes considering how large a role digital will play in the overall remit of the organization, and the structure and platforms they will use, and the kinds of content that will be produced and the resources required in producing and maintaining them. Depending on the size of the organization, digital responsibilities are often placed within marketing departments. In larger organizations, digital departments are placed in close relationship with the marketing departments, but can also serve a role within learning and creative departments. Digital departments can also have the role of supporting IT and audio/visual for events and office communication systems. The Philaharmonia Orchestra for example, has created a digital department distinct from the marketing department that also has a role in producing programmes including the 'Re-Rite' project, which was an interactive installation were audiences can conduct and play through audio and video projections of the orchestra's musicians performing Stravinsky's 'The Rite of Spring'. The project has also been transferred to an online platform, to allow audiences to engage with the project following completion of the exhibition (Wong, 2009). The digital department within the Philaharmonia Orchestra is highly developed with its own budgets for developing creative projects, and also assists in the organizations' marketing and IT functions.

Digital development poses some interesting questions for arts organizations, where audiences can now play a much larger role in decision-making and content production. Anyone can now easily produce, upload and share creative work online, and there is less need for arts organizations to play the role as distributors. Artists today can create and promote their work online, as well as play the role of producer and curator in organizing their own events or exhibitions for their work. Learning and participatory projects are having a larger role in organizations today, where audiences become the creators rather than simply as spectators. Digital raises important questions in the role of the organizations, where rather than selecting and presenting work to a public, organizations can facilitate or provide a platform for the self-organization of cultural activity by people. Education is playing a larger role to build interest, knowledge and skills about an art form and to foster a new generation of practitioners. Digital media enables communication and learning amongst the community through the sharing of knowledge. Organizations are. Moving beyond a model of presenting and delivering work to audiences, in the digital age, organizations are now taking the role as facilitators by creating the tools, platforms and resources to encourage learning, sharing, creation and dialogue.

Another major challenge for arts organizations includes navigating intellectual property issues, where the use of content online must be carefully considered. Artists must specify and agree to the terms of use and distribution of their work online. Free licensing models such as Creative Commons and Art Libre allow for more flexible controls in the terms of use beyond a blanket copyright. In general, the more views a work receives online the better, as it provides wider exposure to a work. In the commercial industry, viral media is a primary marketing tool in this regard. The value of distributing work online for free is marketing, where audience may alternately buy a ticket for a live performance after receiving a free download or seeing a video online. Increasingly web analytics and

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monitoring online traffic has become a key tool for understanding your audiences and their needs, interests and responses. E-mail contacts are considered extremely valuable in building your networks and can be used to promote future projects (though the issue in the digital industry of personal data protection remains a area of debate). Overall, in all the changes occurring across the sector and the economy, the question of sustainability is a major concern where there is a need to find new economic models for culture. There is a need to find new models in between public and private revenue streams. There are new models emerging in digital that offers a few new opportunities.

Digital Economic Models

In the economic crisis and the widespread cuts to the arts and public sector, a major challenge for arts organizations today is sustainability. With the push to become digital there are new economies emerging to support new forms of production and distribution. However, digital economic models are still emerging and have not yet standardized. In general, online content is expected to be free with filesharing and Youtube or Vimeo widely available for artists to upload and share their work online. However, there are new possibilities to generate income online with examples borrowed from the digital industry. In the industry income is now being generated from user data, web traffic analytics including pay-per-click advertising (PPC), search engine optimisation (SEO), social media and a wealth of tracking and reporting methods to either drive traffic or monetize data for more effective marketing. Some of these methods may not be appropriate for many smaller organizations, however provide insight on ways to generate income online. Goals for non-profit arts organizations are more directed towards learning, producing high-quality content and supporting artists, rather than driving sales and web traffic. From the emerging models, the relevant revenue streams for the cultural sector include: e-commerce and web-ticketing, content licencing, subscription and membership, cross-subsidies, third-party, and crowdfunding.

Ecommerce and web ticketing is the primary source of income for arts organizations to sell tickets for live events through online booking services. Some larger museums and cultural institutions will often have an online shop for goods such as CDs, DVDs, t-shirts, posters or other design products and editions of artworks. Income is generated through the sale of physical goods or tickets to events, which requires the development of online payment and delivery system. This can include generation of e-tickets and credit card processing systems. There are often partnerships with ticketing services such as TicketMaster or SeeTickets, however many larger venues spaces have their own box office.

Content licensing offers possibilities to earn income through the licensing of digital content such as film or recorded material. High-quality content can be sold or used in marketing campaigns or television productions. Income is generated through the use of the material for commercial purposes where royalties for the use of content are given to the artist. Content licensing requires a contract agreement with the artist, where the organization holds the rights of the content produced. In general, this model is not fully self-sustaining, but rather contributes to the cost of production. An example would be the Philaharmonia Orchestra, who produces high-quality recordings of their performances, which are then licensed out for use in film or broadcast media. They are also valuable to the artist for their portfolio or as official documentation of their work.

The subscription and membership model is becoming a standard model for organizations to generate income online., Users pay for an annual or monthly subscription that may have incremental levels of subscription and service i.e. standard and premium memberships that vary in price and amount of benefits. The 'freemium' model offers a limited service for free such as in the previous Spotify model, where the free service contains ads, and the paid service provides unlimited access to streamed music without ads. Many arts organizations have a membership

system to allow for special access to priority tickets, newsletters, professional networks, listings and other resources. There are a number of organizations sustained by a strong professional network of subscribers such as A-N[7], which is a publication and resource for artists that also provides liability insurance and other services for members. New Work Network[8] is also another artist-run paid membership social network for interdisciplinary artists in London. Some organizations may feel restricting access to content online limits access to knowledge, which can be considered exclusionary or elitist, however, memberships can also be a primary source of income for an organization.

Cross-subsidies is a model borrowed from marketing, which involves enticing audiences with free giveaways only following the purchase of a product or subscription. Content is bundled together to make audiences feel they are getting more for their money and is used as a means of generating further interest and investment in the organization. This is a model generally used for one-off campaigns to build the profile of an organization.

Third-party income models involves providing free access to content where income is generated through a third party such as an advertiser. Banner ads such as Google Ads generate income through pay-per-click, pay-per-transaction or pay-per-view. Advertising space on a website can also be sold for the size and time the ad is left on the page. Advertising is dependent on the traffic on the site in order to generate income where income is often marginal (wagering in the pennies per click) and is best for sites with high traffic. Some organizations feel that hosting advertising may reduce the credibility of a website, however, promoting other organizations or relevant links to the art form could be a means of building up a network. Cross-promotion between organizations is common to exchange of links or banners on partners and collaborators websites to build up a network that provides mutual benefit through association, which also helps in building an online presence and improving SEO. Cross-promotion is often a free exchange and may not generate direct income, but will help in build up an organization's online presence. Third party models also includes the selling of data for market research, which is perhaps less relevant for arts organizations.

Crowdfunding offers new possibilities for arts organizations to raise money through online donations. Platforms such as Kickstarter in the US, and WeDidThis[9] and Sponsume[10] in the UK provide a tool to raise funds for individual projects online. The platforms helps to develop a fundraising campaign that is shared through social media to provide wider access to potential donations. They offer a system for processing donation transactions that can range from 50p to hundreds of pounds. In this model, audiences becomes stakeholders within a project and depending on the amount donated, they will receive gifts such as free tickets to an event or a limited edition of a work at the completion of the project. Projects depend on raising the full amount before they can be executed, however ensures that there are enough funds in order to produce a project. Crowdfunding is best for smaller individual projects and cannot cover full operation costs of an organization. Fundraising events with patrons would require a larger campaign and involve larger amounts of funding.

Overall there are a number of new revenue streams offered by digital media, where this is only a brief overview. E-commerce and ticketing, memberships and fundraising remain the most relevant and viable models for arts organizations. Models explored in the marketing industry such as third-party or cross-subsidies streams, may appear less relevant though are still useful to consider. However, the role of digital in arts organizations can go far beyond simply marketing and growing audiences as consumers of content; digital can also engage audiences in learning, sharing and creation in a participatory model of cultural production. Digital today is changing the role and shape of arts organizations where there are new breeds of organizations that are entirely digital. The current economic crisis provides an opportunity to rethink the possibilities for culture in the way we produce, share and sustain cultural activity. Digital arts and digital culture offer ideas and practices for thinking about ways of working and cultural production and organization that provide new opportunities for thinking about the wider economy[11].

Digital Futures: Towards a Renewed Cultural Economy

In the UK, the digital arts continue to remain at the fringes of the wider cultural sector where despite emphasis on digital development in the Digital Economy, many digital art organizations were cut in the recent reshuffling of the Arts Council portfolio. Digital art refers to art made with technology including video, sound, interactive, mobile and web art. Digital policies focus on the ability of arts organizations to

[7] http://www.a-n.co.uk/
[8] http://www.newworknetwork.org.uk/
[9] http://www.wedidthis.com/
[10] http://www.sponsume.com/
[11] Link and resources on digital development in the arts in the UK:
http://digitalcapacity.artscouncil.org.uk/
http://www.getambition.com/ (Scotland)
http://artsandbusiness.org.uk/Central/Research/Digital-creative-futures.aspx
http://www.museumnext.org/

deliver high quality content to audiences, and ensuring viable economic growth through stronger content rights protection. The policies often skip over the intrinsic value of experimental creative practices and the key role it plays in innovation. The Council of Digital Arts (CODA) a group of digital art organizations in the UK working together to lobby the Arts Council wrote in their 'Letter to Arts Council England on the Development of Digital Culture in the UK': "Whilst we appreciate that digital technologies have created exciting opportunities to engage with audiences, and to disseminate and distribute arts programmes in new ways, it is critical that funders and policy-makers understand that this is not the extent of digital culture. If we are to make the most of the digital opportunity, it needs to be recognized at a national policy level that digital culture is about more than extending the reach of existing arts practices. It is about entirely new forms of production, expression, practice and critical reflection that digital technologies have made possible." Digital culture is "networked, hybrid, innovative, improvised, tactical, distributed, de-centralized, local, creative and skilled; and to cut across art forms" and is active in "engaging with groups such as technologists, scientists and the creative industries". Digital arts and culture challenges traditional models of arts organization in the kinds of art and the new possibilities in production and distribution that is introduced with new technologies. Digital culture offers ideas and practices that can allow us to reshape and rethink the cultural economy. Some ideas and practices found within digital culture include: open source and free culture, collaboration, network culture, crowd-sourcing, new forms of organizations, and experimentation with new technologies.

> "DIGITAL CULTURE OFFERS IDEAS AND PRACTICES THAT CAN ALLOW US TO RESHAPE AND RETHINK THE CULTURAL ECONOMY."

Open source is a model of software development where the code is open to be modified by others to improve and build on the code. Open source is also a way of working together or collaborating that allows for plurality and innovation to flourish through a collective effort. 'Open source' does not necessarily mean 'free' as in 'free beer', but as in 'freedom of speech' allowing for free distribution and modification of the code. The open source movement is also referred to as FLOSS meaning 'free libre open source software', which is a philosophy supporting peer-to-peer collaboration. Open source is a way of working that does not restrict use and sharing as in policies in the Digital Economy, but supports rather believes in the possibilities of open contribution. Similarly, free culture also values the free distribution of creative works, which permits the altering and creation of derivatives of an original artwork. Placing a work online and permitting others to alter your work, allows for an original idea to take on new meaning, and build upon an existing idea. Ideas in free culture are allowed to evolve, grow and take new shape in a dynamic cultural ecology, where possibilities of creation go beyond the creative abilities of a single person or artist. The issue with free culture is that it is difficult to attribute the work or remunerate individuals appropriately for their work. Open licensing has become a common practice within the arts that allows for a more fluid exchange and flow of ideas.

Digital culture supports and nurtures a philosophy of collaboration through ideas found in open source and free culture. Additionally digital art organizations are more open to collaboration and partnerships with the commercial technology sector. In digital culture there is a strong value in skills and resource sharing beyond individual interest. There is a value in contributing to a community for the greater good. Collaboration is becoming a necessity for organizations in today's economic climate, where there is a need to pool resources and to work together in order to sustain.

Networked technologies such as the internet allows for communication and collaboration across networks around the world. The digital arts communities are particularly interconnected across the globe through a number of channels including mailing lists such as Nettime and Netbehaviour. Online collaborative working tools such as Google Docs allow for real-time contribution on a document or project from parties around the world. Network culture is a model of working together that use networks to sharing knowledge and resources amongst a distributed community of contributors that can reside in any corner of the globe. In thinking globally and participating in discourses, maintaining and openness to each other, there is possibility to build support networks and communities through collectivity, contribution and collaboration. Crowd-sourcing also utilizes networked technologies to gather contribution from a wider community. It is a means of collective decision-making, problem solving and knowledge building. By throwing out a problem or question, answers can be sourced, challenged and questioned. However, crowdsourcing in the industry

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today can be viewed maliciously as a means of getting ideas for free that are then monetized by corporations. An example would be Nike's shoe-design competitions that encourage audiences to submit their designs for production.

Digital culture has used digital technology as not only a tool or method, but also as a philosophy to facilitate collaboration across networks and sectors. Digital arts organizations also have a unique relationship with other organizations that are more interconnected and collaborative. Perhaps a networked and collaborative model for arts organizations is necessary in more difficult economic times. Digital culture poses opportunities for the economy in emphasizing a more collaborative model based upon contribution such as in Bernard Stieglers 'economy of contribution', which operates in a gift economy that supports the development and health of the greater community over the individual. The digital arts also open up to economic models between public and private, where digital arts can also generate revenue in the commercial design, architecture and media industries. Experimenting with mixed economies, digital culture explores possibilities for sustaining cultural practice through projects that can be both commercial and non-commercial, whereas some more traditional organizations may struggle to diverge from existing models. Digital arts organizations can take different shapes and roles as agencies, consulting firms, research labs and online digital platforms.

Lastly, creative practices in the development of new technologies sit at the forefront of innovation, where places like the MIT media lab work at the crux of art, society and technology. Fields of emerging technologies include: mobile technologies and locative media (i.e. RFID tags), artificial intelligence, interactive media, software art, nanotechnologies, networked media etc. Experiments by artists working in the field of digital arts may invent new technologies that could once again reshape our entire economy. New technologies can open up to the development of new tools for communication, new ways of relating to each other and working together, and interfacing with the world that we cannot imagine. Digital culture allows for thinking about organizational practice beyond the frames of the cultural sector, economies and limits of geographic location. Thinking beyond, experimenting and finding ways of working together is where true innovation for the economy lies, where it does not exploit creative workers within the industry, but rather finds a sustainable environment for everyone. There is a need to self-organize, to build networks and embrace opportunities offered by digital to build a thriving cultural economy.

Conclusion

In summary, for the cultural sector, the Digital Economy means furthering collaborations with the media and technology sectors, and developing knowledge and skills for the delivery of cultural content. New initiatives and funds are emerging to support digital innovation within arts organizations and start-ups to explore new business opportunities through digital. With the Arts Council England seeing 30% cuts, funds seemingly shift away from supporting creative practice to supporting business development and innovation. Arts organizations face a number of challenges in building digital skills and resources in the new economy. There are many new practices emerging that require constant updating as they are constantly changing. Arts organizations are required to consider their practice in using emerging technologies and exploring ways of engaging their audiences in the digital era. New economic models need to be

considered, as well as the role of the contemporary art organization in society.

Despite a dire situation in the cultural sector, digital culture models and practices that present opportunities for a renewed cultural economy. Open source, networked and collaborative models encourage the sharing of knowledge, pooling of ideas and resources across sectors, amongst organizations and amongst creative practitioners. Digital art organizations are generally more open up to exploring economic models and the role and function of arts organizations in their engagement with new technologies, which allows them to take new form. Sustaining creative practices remains a question when online content remains free. Beyond the more traditional sales and membership models for arts organizations, economic opportunities lie in exploring mixed economies and models based upon the sharing resources and skills, and online micro funding.

Digital innovation is not about becoming leaders in digital business development where high quality content contributes the branding of the country, but opening up and supporting the free sharing of ideas and content that is networked and distributed. Support for the frameworks for building collective knowledge and cultural resources is required to allow for a cultural economy to flourish. Additionally, support for research and creative practice with new technologies that helps open possibilities for digital innovation where new technologies introduced to society could reinvent the economy. There is hope in finding a renewed cultural economy in crisis through new ways of working together and imagining new forms of organizations and structures for a world that is collective and shared.

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