

# Culture and its Creators – Challenges and Financial Issues

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**Abstract—** Culture and its creators are the driving force of social development. The paper presents the history of financing the culture over the last three hundred years and looks at the cultural policy adopted in Poland. Traditional and modern forms of supporting cultural activities are also discussed therein, also the situation of artists on the labour market in Poland and the possibilities of future change. The fundamental questions asked by the authors are: what is the future of financing cultural activities in Poland?; how important is culture in contemporary society?; will systemic changes be introduced? The aim of the paper is to provide answers to these questions through analysis of sociological sources and reports on the current situation of artists in Poland, and to highlight the dynamics of financing culture and its creators.

**Index Terms—** culture, artists, creators, sources of financing culture

## I. INTRODUCTION

Culture and the state are in constant need of each other. Economists and publicists alike agree that the future lies in culture, and that culture should become the mechanism of economic development in Poland over the next 30-50 years (Pawłowski, 2015). ‘World development tendencies mark a new place for culture on the public arena’ (Dudzik and Ilczuk, 2013). Art and culture have always needed patrons. In the past this role was usually taken by the state sometimes complimented by private patronage. On one hand, creators of culture cannot survive without external administration and subsidies, but on the other, they want to remain faithful to their artistic vision, want to be recognized and appreciated. Creators of culture are often dependent on various cultural institutions and therefore have to be reckoned with them, sometimes for the sake of giving up their own artistic ideas (Kłoskowska, 1981).

## II. FINANCING CULTURE NOW AND THEN

In the nineteenth century, despite changing governments, most countries adopted the principle of taking responsibility for culture and this included the financial aspect. Everyone agreed that the goal of the state is to continue, support and supervise the efforts of ‘enlightenment and cultivation of societies associated with the development and dissemination of culture’ (Bauman, 2011).

The first ministries of culture were established in the twentieth century, and they were entrusted with the task to take care of national heritage, cultivate and share the cultural works for the people in order to defend their identity and national cohesion and to create uniform cultural programs (Bauman, 2011). Culture was defined as pieces of work and artistic activity, and the aim of the ministries was to multiply these works, intensify artistic activity and support its creators. ‘The ministry entrusted with cultural affairs has a mission to make these works accessible to humanity, to program works of art and to provide this heritage with the largest possible audience’ (Malraux, 2015). Ministries of culture have never meant to impose artistic choices on the nation, they are rather supposed to create opportunities for creators to create, for artists to master their artistry and for all other participants in culture to consort with both of the above (Bauman, 2011). The main mission of a ministry of culture is to enable everyone to cultivate their inventiveness and ingenuity, develop their own creative powers, gain artistic training, support regional and local artistic initiatives and support various amateur practices (Bauman, 2011).

The culture sector in the last 20 years has been developing very dynamically (Lewandowski, Mućk and Skrok, 2010). Although cultural policy is closely related to political and economic changes, after year 2000 the number of national



cultural institutions increased significantly. The understanding of culture has also changed and is now treated as a 'long-term economic investment' affecting the country's development (Wąsowska-Pawlik, 2013).

The Polish system of financing culture is based on the public sector (as the main patron) with the private sector playing the complementary role. The last twenty years have brought extraordinary development of the so-called non-governmental sector. Non-profit organizations have become new, non-budget sources of financing culture, but there is also the so called 'third sector' consisting of various foundations and associations (Słaby, 2005). The cultural sector according to A. Wąsowska-Pawlik (Wąsowska-Pawlik, 2013) consists of among others: audiovisual arts, publishing, phonography, fashion and advertising which are currently co-created by institutions financed from public funds, non-profit organizations and entities being active on the market of culture-related creative industries. In the 21st century, the economic dimension of the cultural sector led to the creation of a 'cultural industry' i.e. a cultural domain that on one hand possesses the features of creativity, and on the other, is aimed at generating profit and operates according to market principles.

In the past it was usually the state and specially designated political bodies who were responsible for bringing art and culture to the wide public. However, Poland over the last 30 years, has seen the emergence of new institutions that established themselves in place of state authorities e.g. employment agencies, agents, cultural managers, private patrons and entrepreneurs associated with the art market (Ilczuk, 2013). The art market has become a consumer market (Mead, 2000). The demand for works of art depends, according to D. Ilczuk, on the readiness to participate in cultural life financed from private sources and the degree of state involvement in financing the 'collective consumption of cultural goods' (Ilczuk, 2013). In case of art, the demand is influenced by a taste for given products or artistic services, whereas the consumption of cultural works is related to the level of recognition and understanding of these specimens that can be demonstrated by consumers (Throsby, 2010). The main goal of a state's cultural policy is not only to influence the demand of the market, but also to create new ways of financing both the artists and artistic infrastructure (Fatyga, 2009). The state patronage over national culture is aimed at privatization, decentralization and deregulation (Hausner, 2013). New emerging cultural markets need small, flexible and resilient organizations (entities) that will be able to adapt easily to changing political and social environments. Cultural organizations are focused on detecting new trends in art, implementing artistic productions and distributing goods, as well as increasing the interest of recipients in products created by means of cultural activity.

### III. TRADITIONAL FORMS OF FINANCING CREATORS OF CULTURE

The Polish labour market for stage artists and visual artists is limited. The demand for works created by artists is low and the

artistic infrastructure is rather poor. Artistic institutions due to lack of sufficient funds limit employment of artists under work contracts and prefer forms of temporary employment (fixed-term contracts, contracts of mandate, contracts for a specific work) or decide to hire amateurs, which significantly affects both the economic and mental condition of artists and their sense of financial stability. Artists are also ill treated by the Polish tax system, not to mention the widely used practice of negotiations regarding remuneration for their work.

Evaluation of functioning of artists on the labour market in Poland is not an easy task. The main issues here are: high segmentation of the market, problems with finding permanent employment, low demand for artistic services (especially for music-related services) and low institutionalization of work of artists. 'When it comes to public institutions, artists can rely on a contract of employment, but on the commercial market they are usually commissioned for a specific assignment, conduct freelance business activity or work without any contract at all.' (Hausner, 2013). The institutional labour market for many artists, especially for professional musicians, shrunk after 1989, when many bands and orchestras, cultural centres and music-related cultural institutions ceased to exist. Artists and creators most frequently engage in three types of activity: creative artistic activity, art teaching activity and non-artistic activity. Due to the uneasy current situation on the artistic jobs market, increased professional mobility and flexibility of artists can be observed (Towse et al., 2011).

Innovation (Wójcik-Bubała, Jacenko and Wójcik-Jurkiewicz, 2017) and creativity are valuable attributes of artists, which is why human capital is an important asset of every society (Wójcik-Jurkiewicz). Modern artists are taking every effort to become visible on the art market, to convince potential clients their work is worth buying (Poślusznia, 2008). The primary places of employment for artists and creators are organizations associated with the cultural sector (e.g. museums, galleries, theatres, music bands), the cultural industry (publishing houses, art cafes) or the creative industry (advertising agencies). Artists often cooperate with many organizations (on occasional or permanent basis) taking a number of different jobs and assignments also non-artistic works due to low earnings coming from their artistic activity. Accepting jobs from outside the world of culture is an unavoidable economic compulsion for artists arising from the necessity to provide for themselves and their families or, as the case may be, is an additional opportunity to finance their own artistic ideas and projects. The key stimuli behind taking up additional employment from outside the world of culture are for example: lack of possibility to provide for basic needs from artistic work (Throsby, 2010); for approximately 22% of artists, earnings from artistic activity are the main but not the only source of income. A large proportion of artists are unable to survive by their professional activity therefore they must do other types of work to pay the bills. The phenomenon of multi-employment is very frequent among artists in Poland (Throsby, 2010) with 47% of artists and creators taking up jobs in non-artistic fields (Dudzik and Ilczuk, 2013). About three-quarters of professional musicians combine at least two music

professions: being a musician and an organizer, promoter, publisher, teacher or an orchestral musician. In Poland nowadays it is unthinkable for an artist to work full-time for one employer only (Walczak, Wyrzykowska and Socha, 2016). A number of artists (about 8%) also try their hand on the market as entrepreneurs running their own business activity. Graduates of art academies and colleges constitute a considerably large group of self-employed artists (about 20%) (Bogacz-Wojtanowska, 2015). The tasks performed by self-employed artists include work in the media industry (radio and studio work, speaker's work), creative sector (artistic agencies, theatrical studios), cultural dissemination institutions, educational facilities (teaching art classes at the university, training, consulting and coaching services), in catering sector (running artistic cafes) or in widely understood service sector.

Doing profitable managerial, educational or expert work is one of the possibilities for additional income, but only for a small group of artists. In the Warsaw Metropolis, choreographers (100%) and visual artists work in managerial positions, while the most popular managerial positions in the Bydgoszcz and Torun metropolitan areas are occupied by writers (30%) and composers (50%) (Ilczuk, 2013).

The number of jobs not related to culture available for artists is systematically increasing, for example in business, in the creative industry or in the service sector. Over 85% of writers, 70% of visual artists and 50% of musicians enter into cooperation based on business structure (Ilczuk, 2013). Only dancers (82.1%) are the only professional group who do not provide artistic work for organizations from outside the sphere of culture. Visual artists were the group least frequently employed on the basis of a work contract and constituted the largest group gaining revenues from economic activity (about 15% of visual artists from the Metropolis of Bydgoszcz-Toruń and 25% from the Metropolitan Warsaw) (Ilczuk, 2013). Unlike other artists (e.g. musicians or dancers) visual artists do not rely and do not expect financial support from the state because they believe in the causative role of the market.

Internet is the most effective form of promoting artistic activity. The most powerful tools promoting artists are their own websites (57.5%), fanpages on Facebook (26.8%), profiles and accounts on industry pages (up to 10%) or own blogs (8.7%) (Ilczuk, 2013). A quarter of artists and creators are not active on the Internet at all (e.g. 37% of dancers).

Since the 1970s, the professional situation of musicians on the market has been characterized by low wages and insufficient safeguards in the area of health and social insurance. One must be really lucky to make an international career. Such situation may generate high level of stress and pressure. Many musicians with higher education degree, and this is common not only in Poland (Kaczmarek, 2017), have no choice but to accept fixed-term or part-time contracts. In the near future, around two thirds of music graduates will work without permanent contracts. Many promising music careers end in failure due to unsuccessful interviews, financial obligations (paying off student loans), the need to provide for a family or an erroneous career path model (Kaczmarek and Posłuszna, 2018).

Artistic activity in Poland is subject to general legal norms, which means that there are no special regulations regarding the tax system or, for example, the copyright law. In other countries, tax advantages for artists are more favourable and flexible i.e.: it is possible to average income, make deductions from income tax etc. In Poland such special regulations have never been introduced.

One of the most important aspects of conducting cultural activity is the need to create a health insurance and pension security system specially designed for the specificity of the artistic profession. Lack of systemic solutions guaranteeing minimal social security for artists means that independent artists are probably 'largest active professional group without access to healthcare in Poland' (Ilczuk, 2013). Social security in the form of medical and pension insurance, in the absence of favourable system solutions, is becoming a luxury for the richest people (Ilczuk, 2013). Since the 1990s, no changes have been introduced in Poland in the scope of extending instruments for the protection of social rights of artists, supplements to pensions or assistance for unemployed artists (special retirement benefits). Currently the Ministry of Culture and National Heritage is working on a new special social security system (health and pension) for artists with the so-called 'artist status'.

In the current market situation, Polish stage artists advocate the following improvements:

- establishment of a social insurance system specially tailored to the specificity of the artistic profession;
- creation of a separate health and pension fund for artists;
- creation of an artistic fund that allows to pay own contributions;
- increasing the amount of money allocated to grants for artists; development of a richer program of scholarships and grants for creators, simplification of procedures for applying for grants and scholarships (competition documentation);
- increasing budget subsidies for culture and support of cultural institutions;

greater transparency, clear mechanisms and criteria for assessing the award of grants and scholarships, and greater competence of those who sit on the evaluation committees (Ilczuk, 2013).

#### IV. NEW CHALLENGES IN CULTURAL POLICY

Culture has been recognized as a new area of beneficial investment and job creation, a source of creativity and innovation (Ilczuk, 2013). Jerzy Hausner (Hausner, 2015) thinks culture will become a 'new economy', a new mechanism of development therefore a shift in thinking about culture will be needed. In thirty years' time in order to be competitive on the market in economic sense, businesses and individuals will need an economy which to a large extent will be based on culture. This will allow the production of more complex, innovative technologies and goods. The development of culture

will trigger the development of business activities. It should be emphasized, however, that a certain part of culture should be excluded from the processes of economization, commercialization and instrumentalisation. However, this does not change the situation that the job market for artists in Poland is strongly deregulated, on this market the demand has the greatest impact on the situation of employees.

But culture should not be understood only in relation to market activity, it should maintain its freedom, independence and autonomy (Kłoskowska, 1981). It is a necessary precondition for the development of society in general. In the future, it will be necessary to transform economy into culture, because culture has no smaller development potential than the market. In the struggle for culture of the future, societies should continue to attach importance to understanding the language of theatre, film, music, poetry and art. Thanks to the knowledge of these 'universal' languages, people can learn about other dimensions of the world, because 'there is no development without meaningful actions, and there is no meaning without axiological reflection i.e. without culture' says prof. Jerzy Hausner (Hausner, 2015). He adds that fair economy cannot exist without focusing on the subjectivity and dignity of people and without thinking in terms of what is common. Such forms of imagination and expression are provided by culture. Culture is common public good, common heritage, a part of collective identity, a collective code of communication now and in the years to come.

## V. CONCLUSION

A characteristic feature of the cultural sector is its high variability and seasonality of employment (e.g. short-term contracts, engagements, fixed-term work, contracts for a specific assignment), insecurity of employment (inability to find stable employment, lack of professional stability), irregularity of revenues, insecurity and lack of social security (artists have to survive long periods of time without health insurance or pension and retirement schemes). An additional burden for this professional group is very frequent multi-employment (which is more often a necessity rather than a choice), work based on short-term contracts and payment for effects, not for the amount of time spent on the project. Robert Kuśmirowski, in such words, reflects on the development of culture in the future: 'check what was, because sometimes while speeding forward it is worth to immerse yourself backwards' (Kłoskowska, 1981). Variable cultural policy of the state, dependence on local government subsidies and the grant system, existence in a situation of constant underfunding of public cultural institutions - these are the problems faced by artists on the labour market in Poland (Walczak, Wyrzykowska and Socha, 2016). In the future there should be a change in the situation of artists on the labour market which will contribute to strengthening of their professional and material status. In addition, it seems necessary to educate politicians about the specificity of the artistic profession and the importance of fair financial support for cultural work and cultural institutions.

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