

ASPECTS RELATED TO ACCESSING FUNDS FOR THE ORGANIZATION OF ARTS FESTIVALS: COMPARISON BETWEEN PUBLIC INSTITUTIONS AND NON-GOVERNMENTAL ORGANIZATIONS

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Abstract:

In the present study, a quantitative research is carried out on the training needs in the field of accessing funds to support some festivals that are organized in the Cluj area, aiming at non-reimbursable financing of cultural actions. Based on the data collected from the questionnaire for the analysis of the financing/development needs of cultural operators relying on a comparison between the experience acquired by public institutions and by non-governmental organizations, we conducted a statistical analysis using the SPSS software package, including the responses of two samples of 30 respondents each, which sought to identify the level of training in the field, as well as the formulation of future training requirements. For necessities linked to the “development support fields”, the results of the survey highlighted a sensitively resembling attitude for the two categories of festivals, as in both cases a request was formulated to train human resources capable of accessing funds from projects, as well as to increase the organizational capacity. In line with the answers of the festival organizers, we concluded that it is mandatory to train and involve organizations in the field of fund accessing as well as to increase the organization’s capacity to gather information and manage the use of the funds throughout the project’s implementation.

Key words: cultural event, project management, non-governmental organizations, public institutions, professional training

JEL Classification: Z11, Z19

1. INTRODUCTION

The increased interest of the public to participate in festival activities creates the need for professional organization of such events, based on financial resources that can include the widest possible range of activities, which would provide economic efficiency to the organizing community (Florio, 2014). The cultural project is an investment of resources over a period of time, art generally faces the problem of insufficient funds available for its projects, taking into account the fact that the cultural sector has a low capacity for self-financing. The financial support is therefore an important, indispensable and decisive factor in the realization of a cultural project, the non-reimbursable funds representing a field of interest for the cultural operators.

EU funds are financing sources that support cultural and creative industries (Manda, Nicolescu et al., 2017); they include actions with a cultural and economic impact that involve various fields: arts and architecture, multimedia, web design and graphics, games and multimedia, entertainment industry, arts and crafts, fashion design, and film (Funding opportunities, 2021). The institutions that organize activities in these fields can develop programmes using European structural and investment funds such as: development of clusters or creative incubators, digitalization of cultural content, planning various cultural actions and investments which can revitalize declining sectors (Čopič, Inkei et al., 2013). Examples of UE funds: the “Creative Europe” programme (Creative Europe in the new Multiannual Financial Framework 2021-2027, 2021) the programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME), Horizon 2020, the EU Framework Programme for Research and Innovation, the European Cultural and Creative Industries Alliance, the national and/or regional

programs associated to cultural and creative industries, together with various other financing sources (Brîndescu, 2014).

The national funds in the cultural field are to a large extent administered by the Administration of the National Cultural Fund (AFCN), “an autonomous public institution established with the purpose to manage the National Cultural Fund, to finance cultural programmes, projects, and actions organized in the country and/or abroad, as well to support Romania’s international cultural relations”. AFCN organizes two annual contests to obtain financing for cultural projects, within a pre-established thematic field, in relation to the financing strategy and priorities of the governmental authorities.

The local budget funds are meant mainly to support independent organizations (local NGOs), but also to grant financial support for the cultural projects of important institutions in the city. For instance, the city of Cluj-Napoca grants annual non-reimbursable financing for such cultural actions as: cultural, artistic, educational projects, projects conducted by foundations or associations established according to Government Ordinance 26/2000, in partnership with public cultural and/or educational institutions based in Cluj-Napoca; youth projects; regional cultural projects; local cultural projects; social projects (Turner and Simister, 2004).

Donations and sponsorships are as a rule directed towards NGOs and according to the law the companies deduct the amount of sponsoring expenses from their turnover by 0,5% (however under 20% of the owed profit tax); according to the valid laws, no contributions or sponsorships from the state budget are allowed. The facility “to sponsor” can represent a significant help for the organizations that are eager to obtain such contracts. “The main fiscal argument is deductibility. This money does not stay in the company anyway – it can go to the state or to a trustworthy non-profit organization. Then, individually, it is the organization’s duty to acquire the companies’ trust in their activity, by transparency and communication” (Nistor and Munteanu, 2013,73).

2. CONCEPTUAL FRAMEWORK

The non-governmental organizations are institution-like structures of a private nature, independent from any public authority. They are represented by legal persons and serve public interest purposes. The NGOs in the field of the arts are involved in the provision of cultural services, and attracting funds is an essential aspect in organizing their activities that take place according to an assumed mission, as an NGO function based on clearly stated objectives, goals, and activities. Obtaining material support is therefore the basis on which an NGO grounds its activity, as they are specifically “non-profit” entities, which means that the amounts they receive from the actions they perform are, as a rule, invested in programmes that abide by their mission and objectives. The NGOs usually get the largest part of their income from sponsorships, donations, or non-reimbursable financing (grants) and rather infrequently from economic activities of a profitable nature (Schofer and Longhofer, 2011). The dynamics of an NGO’s activities largely depend on the manner in which funding is obtained and administered, on creating sustainable relationships between professional requirements, activity planning, and the human resources involved in the activities (Ștefănescu, 2005).

Public institutions are coordinated by and function under the supervision of the (local or national) public authorities, having a specific field of activity. These institutions have legal personality and administer public financial resources; they are considered patrimoniale entities which, as a rule, so not derive income or, when they do, the income is allocated from budgets destined to specific expenses (Katz-Gerro, 2015).

In culture, at management level, structures of the Ministry of Culture administer the funds destined to cultural events, by means of the institutions subordinated to it (Grants, 2021). In the coordination of cultural activities, the Ministry of Culture pursues the decentralization of the system that finances this area, either by co-working with other authorities or by providing funds from non-reimbursable financing sources which can be accessed through open competitions, benefitting from specialized evaluations. The Administration of the National Cultural Fund (AFCN) is an

autonomous public institution subordinated to the Ministry of Culture, whose mission is to administer the National Cultural Fund. By means of this Fund, various cultural programmes and projects are financed, thus facilitating the public access to cultural events such as festivals (Online database with in-depth information on cultural policies, statistics and trends, 2021).

3. METHODOLOGY

The study relies on a *Questionnaire for the analysis of the financing/development needs of cultural operators from the perspective 2014-2020*, structured into 10 questions referring to: the capacity of the organization to access funds, the financing sources used as well as the preparation of the human resource in the field of project management. The questionnaire was distributed to staff involved in the organization of eight festivals within the Cluj area (*Trio Transilvan, Cluj Modern, Elektro Arts, Clujotronic, Zilele Imago, Caolin, TIFF, UNTOLD*), in the time span 2017-2020. The population considered relevant for the evaluation of the proposed directions of the cultural operators consisted of: stakeholders, financial managers, artistic secretaries and staff responsible for fundraising. Thus, an intentional, non-random sampling was performed, assuming that these populations will be representative for the financing of events organized by non-governmental organizations and public institutions.

After the questionnaires were completed, we performed a statistical analysis based on two samples of 30 respondents each, based on the SPSS software ("Statistical Package for the Social Sciences"), version 2.0. In the statistical processing, the organizers' answers were coded at first with 0=No and 1=Yes. The descriptive tables presented below contain, for each point of the questionnaire, the number of yeses and nos given by the respondents.

Depending on the type of organization responsible for organizing the events that the respondents were engaged in, the questionnaires were classified into two categories:

- Festivals organized by public institutions,
- Festivals supported by non-governmental organizations.

4. RESULTS

In a first stage of response analysis, we highlighted the experience that the interviewed entities have in the field of project implementation, being worth mentioning that throughout the questionnaire the respondents had the possibility to choose multiple options. In the case of non-reimbursable financing accessed by the two categories, sponsoring appears frequently in the case of public institutions (66,7%), and donations (86,7%) in the case of non-governmental organizations, while the latter category displays a more heterogeneous division of the accessed financing sources (table no.1):

Table no. 1. Types of non-reimbursable funds

Types of financing	Public institutions	NGO
EU funds	33,3%	56,7%
Structural funds	13,3%	33,3%
National funds	46,7%	30%
Funds from the local budgets	56,7%	56,7%
Donations	46,7%	86,7%
Sponsorship	66,7%	83,3%
Others	26,7%	80%

Source: made by author based on data from questionnaires

The answers to the questions revealed, for the two mentioned groups, statistically significant differences regarding the necessity of training in the specific features of cultural events coordination. 80% of the organizers that come from NGOs believe that it is necessary to attend training sessions in the field of cultural events coordination, unlike the other category, which is interested in a percentage of only 43,3%. Subsequently, we detailed the fields that are significant

for training, by means of the question *Would you be interested in attending training sessions? If yes, which are the fields in which you would like to receive training?*, seeking to identify the interest areas in the training of the human resource, while implicitly these answers highlight the weak points of the organizing institutions. The fields of development support (table no.2) highlight the necessity to train competences in fund accessing, by means of projects that can solve problems related to the insufficient training of the human resource. There appear significant differences of opinion between the two categories of subjects regarding the support for training specific to the cultural field, the marketing field, and the necessity of material support for equipment:

Table no. 2. Areas of support for development

Support for development	Public institutions	NGOs
Skills for project proposal writing	63,3%	76,7%
Development of skills for project implementation	30%	33,3%
Support for increasing the organizational capacity	46,7%	46,7%
Support for equipment	83,3%	20%
Specific training	13,3%	63,3%
Marketing	6,7%	66,7%

Source: made by author based on data from questionnaires

From this perspective we thought it appropriate to investigate the level of information regarding the knowledge on project management, analyzing statistically the answers to the following question: *Have you attended information sessions in this field?* For this question the respondents marked their opinions with “yes” (representing 1 in the chart) and “no” (representing 0 or 2 in the chart). The results revealed that a much higher percentage (66,7%) of the organizers of festivals supported by NGOs had attended training sessions about the financing opportunities in the field, while the ones who organize festivals financed from public funds had attended such sessions in a percentage of merely 40% (table no.3, 4), (figure no.1):

Table no. 3. Festivals organized by public institutions

		Frequency	Percent	Valid Percent	CumulativePercent
Valid	1.00	12	40.0	40.0	40.0
	2.00	18	60.0	60.0	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Table no. 4. Festivals supported by non-governmental organizations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	20	66.7	66.7	66.7
	2.00	10	33.3	33.3	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

This situation is reflected in the following figure, in which NGOs will be represented in green and public institutions in blue:

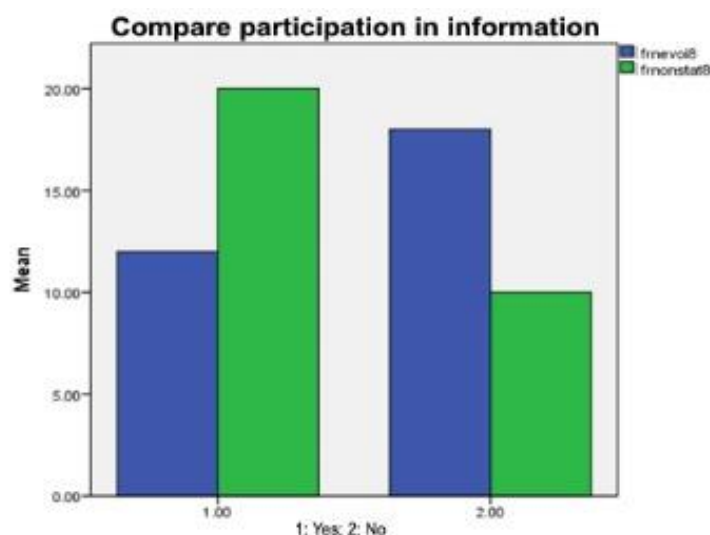


Figure no. 1. Attendance of training sessions

Source: Own elaboration using data from SPSS analysis

Afterwards we analyzed the desire of the investigated categories to participate in training sessions according to two different directions:

- **Training specific to the cultural field:** the organizers of both types of festivals do not consider *training* in the reference field of the organization as representing an urgent necessity (tables no.5, 6):

Table no. 5. Festivals organized by public institutions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	17	56.6	56.6	56.6
	1.00	13	43.3	43.3	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Table no. 6. Festivals supported by non-governmental organizations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	18	60.0	60.0	60.0
	1.00	12	40.0	40.0	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

- **Training specific to project management,** where in the case of festivals financed from public funds, as well as in the case of the others, the percentages were resembling: 53,3% and 56,6% respectively are interested in attending training sessions in the field of project proposal writing (table no.7, 8).

Table no. 7. Festivals organized by public institutions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	16	53.3	53.3	53.3
	2.00	14	46.6	46.6	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Table no. 8. Festivals supported by non-governmental organizations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	17	56.6	56.6	56.6
	2.00	13	43.3	43.3	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Starting from the premises that it is necessary to attend training sessions in the field of project management, we subsequently analyzed the **directions in which the organizations** need support for development, offering the following options:

- **Developing skills for project proposal writing:** for this item the organizers of both types of festivals appeared interested in obtaining support for project writing, 63,3% for festivals financed by the state, 76,7% for the organizers who come from NGOs (tables no.9, 10), (figure no. 2):

Table no. 9. Festivals organized by public institutions

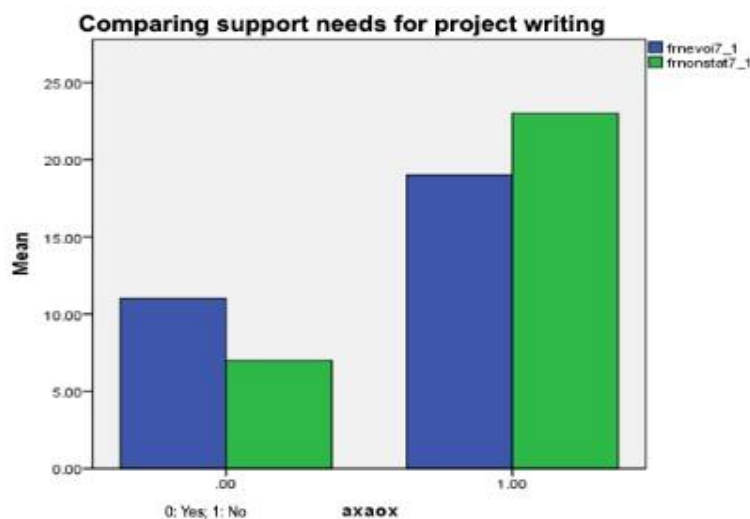
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	11	36.7	36.7	36.7
	1.00	19	63.3	63.3	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Table no. 10. Festivals supported by non-governmental organizations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	7	23.3	23.3	23.3
	1.00	23	76.7	76.7	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

**Figure no. 2. Skills for project proposal writing**

Source: Own elaboration using data from SPSS anlysis

- **Development of skills for project implementation:** the organizers of the two types of festivals have an almost similar attitude towards the needed support for the development of skills necessary in the implementation of projects, with predominantly negative responses that show a low need for training in this respect (tables no.11, 12), (figure no.3).

Table no. 11. Festivals organized by public institutions

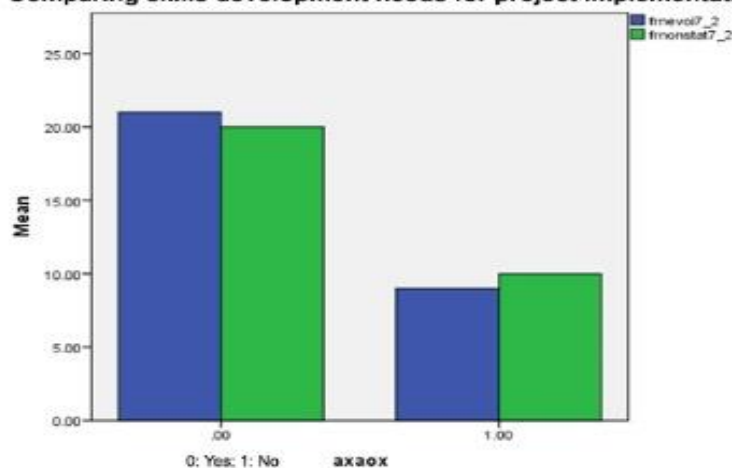
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	21	70.0	70.0	70.0
	1.00	9	30.0	30.0	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Table no. 12. Festivals organized by public institutions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	20	66.7	66.7	66.7
	1.00	10	33.3	33.3	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Comparing skills development needs for project implementation**Figure no. 3. Skills for project implementation**

Source: Own elaboration using data from SPSS analysis

With regard to the fields of interest for fund accessing, festival organizers state different priorities: in public institutions there is an interest for investments and acquisition of cultural resources, while coordinators in NGOs are interested in creating added value, and equally in the necessary investments in human resources (table no.13):

Table no. 13. Fields of interest for accessing projects

Project fields	Public institutions	NGOs
Investments	76,7%	16,7%
Cultural entrepreneurship	56,7%	56,7%
Cultural resources	76,7%	60%
Creating added value	20%	93,3%
Creating cultural events	26,7%	80%
Human resources	23,3%	93,3%

Source: made by author based on data from questionnaires

The lack of human resources, the manner in which a project is administered in the lack of appropriate staff is bound to influence the development of a project, so that festival organizers frequently appeal to compromise solutions, hiring inexperienced staff and supporting them in on-the-job-training.

In this regard, for the public budget festivals, problems were highlighted in the area of qualified human resources in a percentage of 63,3%, unlike in the case of the NGOs, which encountered this problem in a percentage of merely 13,3% (table no.14, 15), (figure no. 4):

Table no. 14. Festivals organized by public institutions

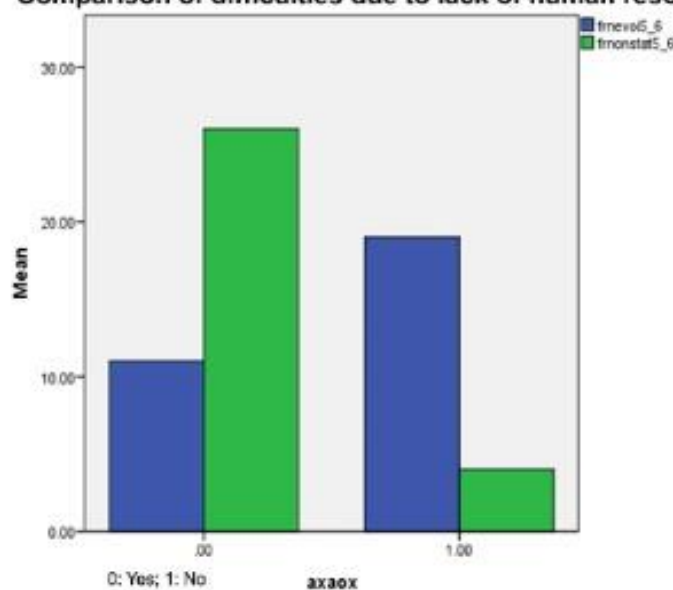
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	11	36.7	36.7	36.7
	1.00	19	63.3	63.3	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Table no. 15. Festivals supported by non-governmental organizations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	26	86.7	86.7	86.7
	1.00	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

Source: own projection, using SPSS

Comparison of difficulties due to lack of human resources**Figure no. 4. Lack of human resources**

Source: Own elaboration using data from SPSS analysis

5. CONCLUSION

Summarizing the results of the analysis, we noticed a high interest of the NGOs in accessing projects, as well as in the necessity of training in project management. Even though there is not sufficient interest in the training of specialists in project proposal writing, they expressed a necessity for specialization in the area of project management, as they are aware of the difficulties that arise throughout project implementation as well. We should mention that every type of organization specializes in a certain type of financing, for instance the answers of the respondents revealed the fact that the festivals organized by public institutions appealed to national funds in a percentage of 46,7%, while the festivals organized by non-governmental institutions of merely 30%. The statistical analysis performed for the funds of the local budgets revealed that both types of festival organizers appealed to local funds in a percentage of 56,7%, whereas the percentage of non-governmental organizations that resorted to donations and sponsorships is higher (83,3%) than that of state budget institutions (66,7%).

We believe that, in line with the answers of the festival organizers, for the management of the financial resources the important and successful elements (Nistor et al., 2015) in accessing funds to support arts festivals must be related to:

- Expertise in the field of the programme proposed for financing;
- Involvement of the organization in funds accessing (Valeri, 2017);
- The capacity of the organization also to be informed and to properly manage the use of the funds throughout the implementation;
- Adapting the programmes depending on the events' impact (Ahn and Back, 2018).

The study emphasizes the need to develop appropriate skills in obtaining funding for cultural activities, ensuring a training framework for cultural operators in the field of project management.

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