

Abstract:

The mode of governance and its impact on the management of public performing arts institutions: The case of Algeria and France

Introduced by William Baumol in the US in the 1960s, and developed in France in the 1970s, economic analysis of the arts sector has always centered on the idea of the vulnerability of the sector in relation to free market principles of open competition. This theory relies on a number of existing non-economic perspectives in an attempt to classify the cultural sector as belonging to the category of non-productive activities. In other words, activities which are not profitable but are considered useful for society, such as the education or health sectors.

When applied to the arts sector, economic theory, backed up by analysis methods borrowed from the field of management science, enables a more systematic analysis of the issues related to the sector. It allows a focused and specific consideration of each problematic. Using economic theory, we are able to identify and clarify a particular problem – with the aim of rationalizing and objectively identifying the issues specific to the arts sector. Under certain conditions, economic theory allows us to understand a certain rationality that exists in the modes of management for arts institutions. This allows us to have a micro- and macro-economic vision of the field of arts activities.

This research is based on a theoretical dialectic of economics as well as the more practical fields of management and finance. Our aim is to produce an empirical study using a sample of theatre bodies in Algeria and France.

The Algerian study, being carried out jointly with Professor Makhrouf Boukrouh from Algiers University, using the Algerian National Theatre (ANT) and Regional Theatres (RT) as our case study, will form a paper which will be proposed for publication to the *Journal of Cultural Economics* in the next few months. The French research makes up a doctoral thesis and focuses on the National Dramatic Centre in Aubervilliers as its main case study.

The case of Algeria:

As of 16 January 2007, Executive Decree no. 07-18 came into effect in Algeria. Demonstrating the intention of the Ministry of Culture to influence the way state-run theatres are managed, this law concerns the status of Regional Theatres in Algeria and makes changes to the monitoring mechanisms used for state subsidies. The aim is to increase monitoring so as to reduce the budget deficit of these arts institutions. More importantly, it shows that the state wishes to be more involved in the modes of internal governance in theatres, which have at times been ineffective and has thus led to poorer quality performances.

What is particularly striking in this decree is that from now on there will be two government representatives – a minister in charge of finance and a minister in charge of the interior and of local authorities – who will sit on the board of directors. This board has the authority to approve all financial operations. Furthermore, in an unprecedented

development, there will now be an auditor, jointly selected by the Ministries of Culture and Finance, who will work with the main contemporary arts bodies.

In concrete terms, what are the mechanisms that have been put in place on the ground to ensure the application of the decree? Are these decisions really being applied? How have Algerian state theatre administrators greeted these changes?

The case of France:

Adopted in France in 2001, the OLLF (Organic Law on the Laws of Finance) divided the state budget into 34 “missions”, 133 programmes and hundreds of smaller projects. This new budget structure reflects a desire to introduce a culture of performance and accountability into arts governance. It means that managers are henceforth obliged to produce records on how effectively they are using state grants given to them. This legislation attempts to put an end to the culture of ineffective monitoring which existed beforehand. The law also introduced Annual Performance Projects (APPs) which mean administrative bodies must present their planning at the beginning of each year. Evaluation of how well objectives have been achieved is carried out at the end of each year in Annual Performance Reports (APRs).

The Ministry of Culture started putting this law into effect in 2004. The new budget structure is made up of five “missions”. Taking one of these five as an example, the “Culture” mission brings together three programmes, one of which is, for example, the “Creation” programme. This, in turn, is made up of four smaller projects such as “Supporting the creation, production and distribution of contemporary arts”.

This sea change is starting to make an impact on public arts bodies – for the French National Theatre Centers in particular. How will this law impact on internal management in arts bodies? Will programming and pricing policies at these centers be affected?

Problematic:

Our analysis of the case studies in Algeria and France will contrast two differing modes of monitoring which are nevertheless being adopted to achieve identical aims: To identify a form of governance which is more concerned with monitoring so as arts management is better regulated, and to reduce costs so as to make the arts sector more profitable. Juxtaposing the Algerian case with its French counterpart is a highly pertinent research exercise, given that the impact of French culture on Algerian theatre and across the world is so significant.

We will also be exploring the following problematic: Why, given that both countries offer subsidies to fund state theatres (roughly the same level based on the respective standards of living in the two countries), and that both are increasingly monitoring the governance of these theatres, is France so ahead of Algeria in terms of theatrical output?

Let us not forget that Algeria is a country which relies on a bond-based system (revenues from natural resources). The Algerian economic market does not work on the “principle of composition”, and is not governed by “depersonalized relations” or by the salary = wealth gauge.

This dialectic begs the final question: Do modes of governance have only a limited influence on managing state theatres, and is it ultimately each country’s national economy which plays the biggest part?