

PUBLICLY FUNDED THEATRES: AN ANALYSIS OF ISTANBUL
MUNICIPALITY THEATRES

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110622012

İSTANBUL BİLGİ ÜNİVERSİTESİ
SOSYAL BİLİMLER ENSTİTÜSÜ
EKONOMİ YÜKSEK LİSANS PROGRAMI

TEZ DANIŞMANI: DOÇ. DR. AYLİN SEÇKİN
2012

Publicly Funded Theatres: An Analysis of Istanbul Municipality Theatres

Ödenekli Tiyatrolar: İstanbul Şehir Tiyatroları'nın Analizi

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Tezin Onaylandığı Tarih: 19.09.2012

Toplam Sayfa Sayısı: 50

Anahtar Kelimeler (Türkçe)

Anahtar Kelimeler (İngilizce)

1) Tiyatro

1) Theatre

2) Destek

2) Support

3) Sanat

3) Art

4) Devlet

4) State

5) Belediye

5) Municipality

ABSTRACT

This thesis aims to examine the economic structure of the Istanbul Municipality Theatres and how its mechanism works, and the managerial dynamics of the institution. Firstly, the last changes in the regulations and their consequences will be discussed; the extent of government support, and the mechanism of some foreign countries will be briefly reviewed. The debate on privatization will be dealt with in the context of both theoretical and social arguments. Moreover, an empirical part takes place in this study. The relation between budgetary accounts and outcomes will be questioned albeit the limitations of the data. Correlation analyses and interpretation of yearly data will be given place. This work is undertaken for the sake of forging a new way to the interested cultural economists in Turkey because, to our knowledge, this is the first study on the municipality theatre system in Turkey.

ÖZET

Bu tezin amacı İstanbul Şehir Tiyatroları'nın ekonomik yapısını, bu mekanizmanın işleyişini ve kurumun yönetsel dinamiklerini ele almaktır. İlk olarak, yönetmelikte yapılan son değişiklikler ve bunların sonuçları tartışıldı; devlet desteğinin boyutu ve yurtdışındaki bazı uygulamalara kısaca değinildi. Özelleştirme tartışmaları, teorik ve sosyal argümanlara yer verilerek, ele alındı. Ayrıca çalışmada ampirik bir kısma da yer verildi. Bütçe kalemleri ve bunların etkileri sınırlı veri seti dahilinde incelendi. Korelasyon analizleri ve yıllık verilerin yorumlaması yapıldı. Bu çalışma Türkiye'deki Sanat ve Kültür Ekonomisiyle ilgilenen ekonomistler için yeni bir alan açma gayesi de taşımaktadır; çünkü bildiğimiz kadarıyla Türkiye'de belediye tiyatroları sistemine dair yapılan ilk çalışmadır.

ACKNOWLEDGMENTS

I would like to express my gratitude to my supervisor Assoc. Prof. Aylin SEÇKİN for her guidance, Assoc. Prof. Serhan ADA and Prof. Cem BAŞLEVENT for sharing their time and comments to improve the study. I am also grateful to TÜBİTAK for the scholarship through my university education. Moreover, all my friends who stand with me in all my difficult times deserve a special thank, as well. Lastly, I would like to thank my mother Mukadder ŞENER and my father Hasan Hüseyin ŞENER because of their patience, support and understanding to me during this rocky road as it always has been.

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1. Introduction

Arts and cultural activities take place in the current economic structure and have certain effects on it. They cannot escape from being one of the subjects of this branch although neither their production nor consumption resembles any other economic activity. The dynamics that shape their market are different from any other sector. The primary concerns are aesthetic, social and creative issues rather than cost minimization or profit maximization, which makes understanding and interpreting the mechanism of these sectors very complicated but the ever-increasing size of the sector and its effects in the total economy make it imperative to understand it. And, due to the fact that the relation between the arts and cultural sector and the total economy is not a one-sided dependency, the people of the sector should catch on to the ongoing economic structure to be able to survive within the system.

The economics of arts and culture cannot be analyzed outside of the economic context in which their input and output prices are determined and their institutional framework is shaped. Despite their significance in economics agenda, they have only taken place as a branch of the economy since very recent times. Baumol and Bowen's studies in 1960s opened this new window of the economics discipline. They were dealing with the problems of the production side of performing arts, which are still subjects of many who study Cultural Economics because of their complex and highly debated structure. Baumol and Bowen's studies smoothed the path for empirical studies on production and cost structures of cultural services. While economists like Throsby and Jackson, who dwelt upon performing arts and museums respectively, worked on estimating cost functions of cultural activities, applied studies started to take place in the literature. *The Production of Culture* (1979), in which Gapinski looked at British and US performing arts institutions, is the first study in this respect.

As seen above, performing arts have been among the most motivating subjects of cultural economics and the role of government funding is a highly debated issue in the global cultural sphere.

Theatre, as a special form of performance arts, has had its place in human beings' lives since the Dionysiac rituals of Ancient Greek. In today's cultural life, it has an important place, too, and as a result, becomes a significant actor of cultural sector both in Turkey and in the world. Theatre activity in Turkey is run by three different types of institutions: privately managed, state-owned and municipality theaters. The Theatres of Municipality of Istanbul are the most prominent and the leading one among the municipality theatres in Turkey. Its roots come from 1914 with the name of "Darülbedayi-i Osmani" (Ottoman House of Beauties). In 1931, it was adhered to the municipality, and in 1934, it started to be called as Istanbul Municipality City Theatres. Today, it has eleven stages, which are actively in use.¹

In the spring of 2012, Istanbul Municipality Theatres became the subject of a big debate in Turkey. The arguments started with the attempt of the municipality to change regulations about theatres' management structure and the decision mechanism of determining the repertoire content. According to the new regulations, bureaucrats of the municipality gain more seats and General Art Director's responsibilities are restricted. Not only the actors of Istanbul Municipality Theatres but also other theatre members from all over the country and artists from different art fields have protested these changes with their audiences. After these actions, the government made more radical statements and declared its desire of privatizing all publicly funded theatres in the country. These statements have done nothing but heightened the tension. This

¹ <http://www.ibb.gov.tr/sites/sehirtyatrolari/tr-TR/Sayfalar/Tarihce.aspx>

matter is still waiting to be solved and arguments are continuing between artists and the government.

The following statements of the Prime Minister of Turkey is very critical in understanding the magnitude of the issue of privatization of publically-funded theatres in the current policy making atmosphere of the country:

“In almost all of the developed countries, there is not such a thing as state-led theatre. I personally congratulate Mr. Topbaş and will take the issue simultaneously to the Cabinet. I am not supporting a private governance but a complete privatization of theatres... If there is need for funds, us as the government will be providing funds for the plays we select. . . Here is the freedom you want, you can play any play you like and no one will be an obstacle. But not to offend anyone, you will come to the municipality theatre, receive a salary and then give the bureaucratic administration a good dressing-down, there is no such absurdity.”²

Today, whether the mechanisms of publicly funded theatre institutions are being managed efficiently or not is a highly debated topic in Turkey. The government and the artists with their audiences are in conflict mainly because of the government’s desire to privatize these institutions and leaving the administrative mechanism to bureaucrats.

The most recent crisis shows that the political intervention to theatres is opposed by large groups of people. The debate is very heated as have been discussing in this study. Nearly all artists of Istanbul Municipality Theatres resigned from their works on the administrative levels of the institution to protest the government’s decisions.³ The functioning of these institutions should have been opened to question a long time ago, but not in this respect.

² 3rd General Assembly of the Youth Branch of AKP, April 2012.

³ <http://tiyatroelestirmenleribirligi.org/haberler/239-istanbul-sehir-tiyatrolarinda-istifa-ruzgari>, accessed on May 09th, 2012.

Privatization or giving the authority on taking artistic decisions to the bureaucrats may not be the most feasible solution because these arguments hide the essence of the real problems of the publicly funded theatres. Although these institutions' *raison d'être* is to attract more spectators and enrich the artistic tastes of the people, they still continue with a static understanding of arts and do not seem to care about reaching more audiences, and the statistics give signs of this condition.

This thesis aims to examine the economic structure of the Istanbul Municipality Theatres and how its mechanism works, and the managerial dynamics of the institution. Firstly, the last changes and their consequences will be discussed; the extent of government support, and the mechanism of some foreign countries will be briefly reviewed. The debate on privatization will be dealt with in the context of both theoretical and social arguments. With theoretical reasoning, country examples also show that the main thing to be discussed should not be the occurrence of government funding but the mechanisms that creates it and the distribution of the support.

Moreover, an empirical part takes place in this study. The relation between budgetary accounts and outcomes will be questioned albeit the limitations of the data. Data availability has been the major problem. Thus, the number of observations is not enough to allow a healthy research outcome using econometric tools. Therefore, the motivation of the study is redirected to a descriptive analysis of the available data to assess the economic condition of the Istanbul Municipality Theatres. Correlation analyses and interpretation of yearly data will be given place. In our analysis, among personnel, goods and services, social insurance contributions and capital expenses, the second one has the greatest correlation value (0.66) with the number of audience. Foreign playwrights and dramas seem to attract more audience. Actually, for a more comprehensive analysis, not only quantitative measures but also qualitative issues

should be the concern. But, the available data and conditions do not allow us to do that kind of a study. As a matter of fact, this work is undertaken for the sake of forging a new way to the interested cultural economists in Turkey because, to our knowledge, this is the first study on the municipality theatre system in Turkey.

The remaining part of the study will be organized as follows:

Literature review on the economics of performing arts is presented in the next section. In the third part, theatre funding issue and its theory and practice will be given place along with country examples and the situation in Turkey both in the public and private levels. In the fourth section, the structure of Istanbul Municipality Theatres and the recent changes in the regulations will be discussed. Then, the empirical part takes place. After introducing the data, correlation analyses will be given. And the last part contains the concluding remarks.

2. Literature Review on Economics of Performing Arts

The issues of arts and culture and their dynamics have taken place in the studies of researchers in social sciences. As the economics is interested in both the structure of the market and policy implications, this subject cannot be excluded from being one of the study areas of economists. Starting from Baumol and Bowen's *Performing Arts: The Economic Dilemma*, the literature on the economics of arts and culture has been cumulating. Some economists deal with their place in the market, and some do researches about government policies on the matters. Some works of researchers who has studied on these subjects are given place below.

The production issue of arts is more complicated than any other sector of the economy, and deserves a special attention to its dynamics. First of all, there is not a unique perception of productivity of arts. It is not like other sectors in terms of its

providing benefits, and these are not the things that can be measured or stated in monetary terms. Contrarily, if the topic is the art, the main concerns become aesthetic and social issues rather than profits and expenses. Since it is not possible to talk about standard tastes or cultural experiences, it is not also possible to standardize people's benefits from certain artistic product. Then, the assessment of these outcomes could not be made upon one-specific point of view. Initially, it has to be decided what is meant by the output and how it is measured.

There are many alternative definitions of the output in the production in the performing arts. Throsby and Withers list four of them as the number of performances, the number of different productions, the number of seats at hand and the number of tickets sold. One can prefer the first one if the emphasis of the study is on the supply side while the other with an artistic view gives more importance on how many different plays, opera or ballet performances are occurred (Heilbrun and Gray, 2001). So, the models and their applications differ from each other due to their priorities.

Heilbrun and Gray (2001) also discuss the importance of the arts and culture as a subject matter in the field of economics in their seminal work, *The Economics of Art and Culture*. Their argument is that the performances are produced and consumed as any other good in the general economy. Despite the fact that their major inputs are much different than those required for the production of a standard good, these are basically labor, goods and services and capital expenses which are all parts of the general economy. The prices of the tickets for these performances are determined following the rules previewed by the economic "competition" (pg. 387) among providers of similar goods.

On top of these, the states or local governments decide on how much to contribute to the production of arts and performances with the tax money generated from their citizens. This requires an allocational shift between competing governmental programs. The current situation in Turkey reveals a clear example of a possible crisis in which the desires and policies of the government do not correspond to the wants of the arts and performances' producers, that is to say artists. Hence, as Heilbrun and Gray mention in their prominent book that these material constraints cannot be left out when any type of institution is producing a performance.

The government support to the arts and culture is backed by the idea that these are making contributions to the national heritage; so providing support for them should be accepted as the responsibility of all. The existence of government support gives the courage of starting long-lasting projects and investing more qualified factors of production. On the other hand, people that favor private funding rather than public support state the danger of not being independent enough, but under the pressure of the government. They argue that the organization or the individual will contribute to its reputation while donating artistic activity, which constitutes a bilateral benefit (Heilbrun and Gray, 2001).

David Throsby, in his *The Economics of Cultural Policy*, differentiates the economic and cultural values of an artwork. Since the understanding of only the production and consumption sides of artistic works is not enough to provide a comprehensive knowledge in this area, the term cultural value in addition to the value that comes from the market should be introduced. The production and consumption of arts, cultural identity and symbolism, cultural diversity, cultural preservation and continuity constitute the cultural value. Throsby indicates that to comprehend the

existing conditions and contributing cultural policies, mingling with both economic and cultural values is a must.

Gapinski's work with British and US performing arts institutions opened a window to the studies on the production of performing arts. He adapted a production function, which has been used for health sector in earlier studies of Halter et al. (1957) for those institutions by taking into account the costs of inputs of the production activity. Output is the attendance with tickets whereas inputs are divided into two as primary and secondary ones and without primary inputs, production cannot occur. Artists are under primary inputs while administrative and ancillary staff is seen as secondary inputs, for instance. At the end, marginal productivity of artists and capital show a positive but declining trend for all four activities (theatre, opera, ballet, and symphony), but in the case of ancillaries the situation differs for ballet. While supporting staff has positive and increasing marginal product on the other three, negative but increasing marginal productivity is seen on ballet. And as it is to be expected for the case of a publicly financed institution, profit maximization is not the main concern and especially capital inputs and artists take place more than optimal levels. Technical situation is not an important factor for production in all four activities.

Marta Zieba and Carol Newman, applied Gapinski's work to German Public Theatres in their study: *Understanding Production in the Performing Arts: A Production Function for German Public Theatres*. They analyzed technological aspects of the artistic production process and found compatible results with Gapinski. Positive but decreasing marginal productivity of inputs and excess use of those inputs occur in German case, as well. Again, social responsibilities of this kind of institutions are laid

emphasis on, and the picture is formed of low ticket prices and low revenue as opposed to high expenses.

Another study on German Public Theatres was done by Anne-Kathrin Last and Heike Wetzel with the name of *The Efficiency of German Public Theatres: A Stochastic Frontier Analysis Approach*. Their concern is to what extent cost minimization takes place in German Public Theatres. They complain about the lack of data because the available data does not allow one to cope with the link between efficiency and quality, but they come up with the result that cost minimization is not a determinant of production activity.

When the situation in Turkey is considered, unfortunately, there is not an extended literature about production mechanisms of theatres. Only, some demand side studies are present to give some knowledge about the current condition. Sacit Hadi Akdede's studies, for example, are concentrated on demand for Turkish Public Theatres. In his article with John T. King, *Demand for and Productivity Analysis of Turkish Public Theatre*, they estimated a demand function which is derived from Urrutiaguer's study in 2002. The aim was to detect demand and efficiency differences among cities which are categorized as more and less developed according to their economic, social and demographic characteristics by General Directorate of Turkish State Theatres. According to Akdede's (2006) study based on 2002-2003 season's data, less developed cities seem to have a higher elasticity of demand. While the type of the play affects the attendance (comedy and musical increases the number of audiences), writers' being Turkish or not does not have a significant effect.

Moreover, Akdede's 2012 paper is focusing on efficiency and factors having an impact on total paid attendance. This time, the data belongs to 2003-2004 and 2004-

2005 seasons. To estimate the theater demand, the previous equation from Urrutiaguer, in which attendance with payment is a function of ticket prices, number of performances, capacity, and dummy variables, is used as well. According to his analysis, price elasticity does not occur due to the fact that people do not reserve a remarkable share from their budget to theater tickets. He also found out that plays should not only play in one certain city but also tour to other cities in order to attract more audiences and by this way, increasing efficiency of the use of resources. Especially, less developed cities' audience gives positive reaction to tours compared to the more developed ones.⁴

3. Theatre Funding: Theory and Practice

Since arts and cultural sector does not only contribute to the heritage but they also contribute to the countries' economies in some sense, their being financially supported can be backed by economical aspects, as well. Heilbrun and Gray, in their 2001 book, *The Economics of Art and Culture*, gave place to two of them. Based on the assumption of competitive markets, optimal levels of consumers' choices should be reached. But, in reality, we are not faced with perfect market conditions and the efficient transfers and uses of resources do not occur. Then, in these inefficiency conditions, government's intervention may become acceptable. On the other hand, which situations validate government's involvement is not a matter that economists arrive at a consensus easily. Secondly, the income is not equally distributed and this also gives a moral responsibility to the authorities in order to improve income distribution in the economy.

⁴ Akdede, S.H. (2012), " An extension on attendance and efficiency in Turkish State Theatres", *Economics Bulletin*, Volume 32, Issue 1, pp. 778-788

Another economical side of reasoning for government support is the fact that the cost of this kind of activities is much greater than their revenues. Maybe some commercial theatres may be exempted, but most of them can barely afford their expenditures. This situation may take the ticket prices above the level that people are ready to pay. Musgrave, in his *Theory of Public Finance*, gives the name of “merit goods” to the goods and services whose existence is necessary according to the society. So, these goods should be provided more than the amount that people demand in given market conditions, which results in cheaper prices and increased affordability of the goods. To attain this higher accessibility of goods, governments should give subsidies to decrease the producer’s expenditures and take the prices to lower levels.⁵ Since the production of theatre as a cultural form is classified as merit good, the states should take the responsibility of finding financial resources for them by budgeting on itself or triggering private corporations and people to give financial support.⁶

Moreover, like the other cultural activities, theatre does not only contribute to the people that experience it but also to the society in general terms. Heilbrun and Gray classified under six headings the societal benefits of arts as the legacy to future generations, national identity and prestige, benefits to the local economy, contribution to a liberal education, social improvement of arts participants and encouraging artistic innovation. All these are the things that the officials of the state are mentioning as their concerns and occur as the priorities of most of the policies of governments. Hence support to arts could be rationalized based on these arguments.

⁵ Heilbrun, I. & Grey, C. M., (2001). **The Economics of Arts and Culture**, Cambridge University Press, Cambridge, UK

⁶ Akdede, Sacit. “Devlet Tiyatroları’nın Özelleştirilmesinin Politik Ekonomisi”, *Mimesis E-Dergi*, <http://mimesis-dergi.org/2012/05/devlet-tiyatrolari'nin-ozellestirilmesinin-politik-ekonomisi/>. 2012

The opponents of government support to theatres and other arts pretend not to see these facts and uphold the idea that a very small percentage of the population deal with theatre so that the government should not be thrown under that burden. This view ignores the artistic products other than popular culture but focuses on commercial art. The governments are not profit seeking bodies, but rather interested in general society's benefit. Along with these, the main concern should be taking part of artistic improvement and cultural value.

The necessity of the government's financial support should not be debated actually because theatre, as an artistic form, contains those collective benefits stated above besides its artistic value. On the other hand, the way that the support takes place –in direct or indirect forms- can be discussed and changed according to the countries' priorities. For instance, it can differ if the main objective is a high access of arts or displaying national characteristics or both. On top of that, operating decision-making mechanisms only with quantitative terms may not be helpful to transfer resources properly.⁷

The Mechanism in the EU and the USA

The European Union is giving a high importance to the cultural policies and often making researches about them. In the General Directorate of Internal Policies of the Union's 2006 study on financing the arts and culture, money sources of arts are divided into three categories as the government, the market and a third sphere. Government support is available for the groups or companies in the direction of the criteria that are specified by the authorities and that support's amount is also determined according to those criteria. Governments also provide indirect subsidies

⁷ Throsby, David. "The Production and Consumption of The Arts: A view of Cultural Economics". *Journal of Economic Literature*, Vol.32, No. 1. (Mar., 1994), pp. 1-29.

by stimulating sponsors of arts by subtractions of taxes. On the other hand, the suppliers of cultural activities may sell their productions to the companies or the people to create their sponsors. Lastly, financial support for cultural activities may be provided by the means of donations that may include money, work or time. In the countries like Germany, the Netherlands, and Italy, foundations' primacy is subsidizing arts. For instance, in Germany where local level of organizations are more common, 11% of the spending of the funding agencies' goes to cultural bodies. In the Netherlands, those foundations' payments to arts and culture are nearly equal to 2% of total spending on culture of the whole country.

Lottery funding is a rising way of providing financial support to cultural activities in Europe, as well. Germany, Italy, the Netherlands and the United Kingdom are some of the countries currently applying this system. Lotteries may belong to the states or private organizations and the latter contributes more to financing culture. There may also be mixed-funds as in Germany. A specific percentage of lottery revenues are transferred to culture, health or sports. However, since the money that comes from the lottery is not a perfectly reliable source for financing arts, the government of Finland recompenses the deficiencies whereas in Italy, a certain amount is paid to culture.⁸

A brief explanation of how financial support is created and distributed in some European countries and the United States is given place below, the information has been compiled from the reports of General Directorate of Internal Policies of European Union/Policy Department's Structural and Cohesion Policies "Financing the Arts and Culture in the European Union, the meeting "The Mechanisms of Supporting Art- Presentations and Searching a Model" of Istanbul Foundation for

⁸ General Directorate of Internal Policies of European Union/Policy Department's Structural and Cohesion Policies, "Financing the Arts and Culture in the European Union", 2006.

Culture and Arts, the website of the Compendium of Cultural Studies and Trends in Europe and Akdede's 2012 article:

The United States

The USA has a sui generis system for support and donations. Direct support of the state does not occur. Instead of ministry of culture, a foundation, National Endowment for the Arts and Humanities (NEA) work to provide available conditions for arts to take place.⁹ NEA, who has nearly a-150 million-dollar budget, has given seed money to every province for the purpose of generating arts councils. The foundation also creates resources by the help of funds and provides an equal opportunity to all local managements. Additionally, by making tax deductions, promoting arts is encouraged.

The United Kingdom

Arts Council (England, Wales, Creative Scotland and Ireland arts councils) is an autonomous formation whose head is assigned by the queen and managers are assigned by the head of the council in accordance with the offers of the Council of Ministers. It makes budgets for all kinds of arts and all theatres from the most eminent ones to the smallest ones take a share from it. The government transfers a certain amount of the budget to this council but it does not intervene to the repertoires. The Council transfers the money to the theatres according to the needs of writing new plays, productions and the new programs for attracting audiences after the theatres indicating their demands of money. Also the private sector may invest money on theatres in England. In 2003-2004 season, total music and theatre expenditures were 415 million euros.

⁹ Byrnes, William J., **Management and the Arts**, United States of America: Focal Press, 1999.

France

In France, the structure that the support mechanism is directed is decentralist. There are regional directories of cultural affairs in 22 regions and those are related with the Ministry of Culture. The directories determine the amounts of supports and nearly every cultural event is supported, even the ones that take place in the smallest villages. The theatre halls in France belong to the state or the municipalities. If any group wants to use those halls, it applies to the state and indicates its need of compensation. On the other hand, the theatre halls may want to buy a production among the performed plays.

There are four national theatres which are all placed in Paris. Comedie Française is one of the most eminent and the oldest theatres. It has a special structure because it makes its own money from the tickets and also takes financial support from the state. The Ministry of Culture allocates 21% of its total budget to performance arts. Besides, 35% of local budgets are transferred to them. Private sector may also donate theatres but they are not seen as a main financial resource. Moreover, there are commercial theatres, but the state does not offer them any support.

Germany

In Germany, provinces are reviewing the projects and financing them on their own. The management of the provinces pays a certain amount of the productions' expenditures and the payments are made in given periods. Theatres have an autonomous structure and the state or provincial managements do not intervene the repertoires or any other structural decisions. There are 150 publicly financed theatres. Nearly 20% of their revenues come from ticket sales and for every ticket available they take 95 euros subsidy. 282 private theatres are also backed by the federal and local managements' budgets. All artists are employed as insured within the legal

scope. The artists who work privately pay half of their premiums' and the other half is covered by the federal governments per their employers.

Austria

Both the central and the municipal managements separate money from their budgets for cultural activities and the Arts Senate determines the amount of support. The state theatres are bounded to a limited company that belongs to the state. Financing of the state theatres is under the responsibility of this company. About the repertory and the production processes, the decision mechanism is run by the artists or the theatre managers according to the Law of State Theatres Organization. The state also gives a limited amount of financial support to private theatres and the performers work for them contractually for the given season. In 2002, 1.29% of public expenditures and 0.88% of total GDP belonged to artistic activities and they were done by local, federal and provincial managements. In 2004, the amount of the subsidy for theatres was 367 million euros and that was nearly 17% of total cultural expenditures.

The Netherlands

Both the state and the private theatres specify their four-year-plans and apply to the Ministry of Culture for financial support. 80% of the budget of an accepted application is met after the reports of the authorities are analyzed. Nearly 5% of the government's budget is distributed to National Cultural Funds annually. Allowances, ticket sales, sponsorships and donations are the main means of their revenues. Also lottery funds provide nearly 10% of the money.

Sweden

With the shares of 60-70% of public support to arts, the system in Sweden looks like a socialist model. The arts council has a great budget and providing support to not-for-

profit institutions. Municipalities may also provide support to projects along with their cultural policies. Localization is a hot topic for Sweden due to transfer some power of the central governance to municipalities. Amateur groups are also given support. Lottery funds system is used to provide money to arts, as well.

Italy

Public support is available for all artistic activity in Italy. The Ministry of Culture has a fund for providing financial support to the cultural events, but the state does not deal with the managerial sphere. Also there are some theatres or operas that take state aid. In 2000, the transfers to cultural activities reach 1.3% of the public expenditures and 0.57% of total GDP.

As in the examples above, there are various forms of public and private support for theatres. Each country has its own dynamics and cultural background, therefore different policies apply to various countries. Although, the amounts and the types of support are changed, the countries give much importance to cultural policies and tend to transfer greater amounts of money to arts.

The Situation in Turkey

Although there is a lack of empirical studies due to the problems of data availability, cultural policies and the situation of publicly financed theatres have been the subjects of researchers in Turkey. Selen Korad Birkiye who works as a dramaturgist at İstanbul State Theatres along with her academic studies, analyzes the difficulties of theatre in Turkey and takes a look to the discussions on financial support of the state to theatres. She criticizes the approaches underestimating the arts. Always emphasizing the importance of education and then, ignoring the arts is not a consistent manner. The first damaging factor is the turn of mind of the authorities. In

the case of supporting theatres, not only the central government but also municipalities should take on responsibility and the principle should be “support but do not intervene”.¹⁰

Also, two new articles of Akdede have been published in a very known theatre magazine of Turkey, *Mimesis*, after the recent debates on privatization and support problems. He stated the possibility of trying new and experimental methods, plays and types in theatre without any financial consideration, and private theatres may also utilize their experiences. If the privatization takes place and the government gives support only to the plays compatible with their ideologies, the number of plays that are performed will decrease, there will be no diversity and the quality of the works will not be satisfactory. All these will result in a decrease in the number of audiences at least in the short term. So, the public support to theatres should not be eliminated, especially in the cities with lower demand. The main issue to be focused should be how the support mechanism will work rather than whether it should be eliminated or not.¹¹

In Turkey, all regional theatres that belong to state are under the responsibility of the General Directorate of State Theatres which works according to the decisions of the Ministry of Culture and Tourism. The ministry gives a certain amount of support every year which is determined according to the yearly budget. Municipality theatres are budgeted by the municipalities and the decisions on which percentage of the budget should be directed to theatres are taken by the municipality. On the other hand, private theatres are also given support by the Ministry of Culture and Tourism under

¹⁰ Korad Birkiye, Selen. “Kültür Politikaları, Türk Tiyatrosu ve DT Örneği”, *Tiyatro Eleştirmenliği ve Dramaturji Bölüm Dergisi*. Volume.10, 2007. <http://www.iudergi.com/tr/index.php/tyatro/article/view/16197>

¹¹ Akdede. S. H. (2012), “Tiyatro Sanatı ve Piyasa”, *Mimesis E-dergi*, <http://mimesis-dergi.org/2012/07/tyatro-sanati-ve-piyasa/>

the name of The Support Fund for Private Theatres along with the related regulations. Contributing to the cultural, artistic and touristic improvement and presentation of the country is a must for the support as stated in the regulation. Also the other requirements of support are given below:

- The contribution of the project to the socio-cultural improvement of the country,
- The success condition in the former projects,
- Improving theatre, letting it have modern and universal dimensions, encouraging new artistic tendencies,
- The number of plays that performed in a given season,
- The investments such as theatre buildings, and the activities of education and publications.¹²

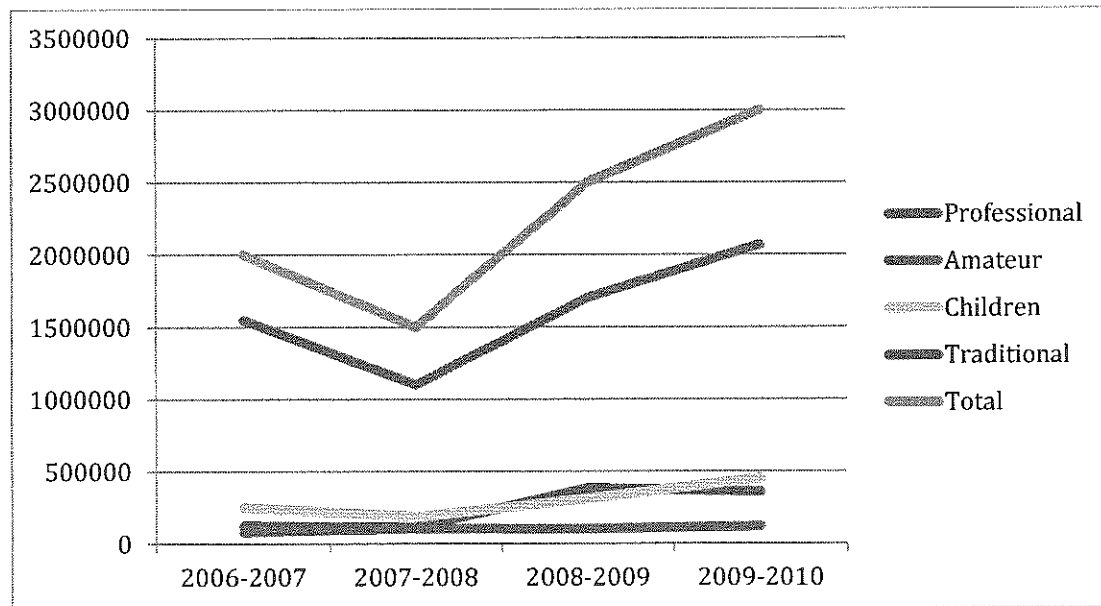
Table I: The Number of Private Theatres That Are Supported in Turkey

	2006-2007	2007-2008	2008-2009	2009-2010
Professional	36	38	51	60
Amateur	15	14	30	41
Children	20	12	17	26
Traditional	14	13	13	25
Total	85	77	111	152

Source: The General Directorate of Fine Arts of The Ministry of Culture and Tourism

¹² The Regulation of Supports to The Projects of Local Managements, Associations, Foundations and Private Theatres by The Ministry of Culture.

Figure I: The Supports To the Private Theatres in Turkey



Source: The General Directorate of Fine Arts of The Ministry of Culture and Tourism

As it is seen above, the support is mostly done to professional theatres and the lists in the website of the General Directorate of Fine Arts of The Ministry of Culture and Tourism display that most of them are in Istanbul. Although the total amount of the support shows an increasing trend, the number of theatres that need financial support is also increasing. Another matter is that, the criteria that are used to determine which projects will be supported are not clear enough and open-ended.

Apart from the ministry's support fund, Turkey does not have an efficient policy to encourage private institutions to present sponsorship to the theatres. Some big and well-known theatres may find sponsors from major private companies, but these are for single project. Furthermore, since they are considered as private firm, they face heavy tax burdens. Currently, the sector needs more concrete and permanent solutions.

4. Istanbul Municipality Theatres

Istanbul Municipality Theatres is directed with a supplementary budget as it is stated in their regulations. Supplementary budgets are exceptions of the principles of generality and togetherness as opposed to general budgets. In other words, supplementary budgets belong to the organizations that defray their expenditures from their private means and controlled outside of general budgets. The regulations for the general budget are binding and the decisions are taken by the central government.¹³

The purpose of the institution is stated as:

“Istanbul Municipality Theatres are founded for the purposes of contributing to the public’s cultural production, modern education, the improvement and the consciousness of arts in accordance with the art’s and especially theatre’s, which are guaranteed by the Constitution as the fundamental rights, social function, and to fulfill this contribution, letting the audiences have the eminent ones of the domestic and foreign theatre plays, and leading the creative progresses of Turkish theatre.”¹⁴

In the recent debates, the most controversial issue is the Literary Commission, Repertory Commission according to the old regulations, and its structure. The commission determines the plays that will be performed in the season and the General Art Director generates the repertory. The Head of the Cultural Works Department takes the chair. According to the current regulations, the commission consists of seven people as the following:

- The General Art Director
- The Manager of the Theatre
- The Head of the Department

¹³ http://www.ekodialog.com/kamu_maliyesi/butcu_sistemleri_performans_program.html

¹⁴ [http://www.ibb.gov.tr/en-](http://www.ibb.gov.tr/en-US/Organization/Birimler/SehirTiyatrolari/Documents/yonemtelik.doc)

[US/Organization/Birimler/SehirTiyatrolari/Documents/yonemtelik.doc](http://www.ibb.gov.tr/en-US/Organization/Birimler/SehirTiyatrolari/Documents/yonemtelik.doc)

- One officer from the management
- Three members who are known with cultural and artistic studies or being members of employee associations or press members are selected by the mayor.¹⁵

The Literary Commission occurred as a problem at the times of Darülbedayi, as well and it was removed in the 1928-1929 season. Can Gürzap, one of the most eminent theatre people of Turkish theatre, in his book “Perde Arkasından Devlet Tiyatrosu Gerçeği” (The Reality of The State Theatres Behind The Scenes), sees the reasons of the oppositions to this removal as elbowing the group who managed the theatre with ignorance and disturbances and backed unqualified plays out of the work. Gürzap favors the idea that the theatres should determine the plays that will take place because only the people within the theatre can know the quantity, the quality, technical equipment and the possibilities of the stage. So, the people’s, who do not know the operational structure of the theatre and meet on specific days to get money and by this way, have a say in determining the repertory, being excluded is not a surprising instance. Furthermore, he calls the commission as “the commission of censor” in the context of today’s discussions.¹⁶

The Managing Board, which was working with the general art director for determining which plays would take place in the repertory, is the other important structure of the theatre and it is also subject to some changes. Before the changes of the regulations its members were the general art director, the manager of the theatre, the person who was selected by the mayor as the one of three candidates that was offered by the general art director among the artists, two people from the staff of the

¹⁵ <http://mimesis-dergi.org/2012/04/yeni-ibbst-yonetmeligi-neyi-degistiriyor/>

¹⁶ Gürzap, Can. **Perde Arkasından Devlet Tiyatrosu Gerçeği**. Remzi Kitabevi. Istanbul, 2012.

municipal council, the municipality or the theatre. And the artists also choose two people among themselves.¹⁷ But, according to the new regulations the number of members of the board stays the same while the owners of the chairs differ. The new members are the Assistant Secretary General of cultural works, the Head of the Department, General Art Director, the Manager, two members that are selected by the mayor among the contracted officers of the theatre and one member from the municipal council. The Chair is the assistant secretary general of cultural works and if not possible the head of the department takes place while general art directorate or if not possible, a senior artist from the theatre was the chair of the board.¹⁸

Another critical specification is about the duties of the management of the theatre. According to the new regulations, the management should improve the perception of arts and aesthetics, and care about the society's ethical values while giving people the opportunity of dealing with arts without deviating from the theatre's reasons of existence.¹⁹

The mentioned changes of the regulations are the indicators of a new era for not only Istanbul Municipality Theatres, but also for Turkish theatre or maybe for all artistic activities in Turkey. These cannot be seen as some minor regulatory changes since they tend to move away the artists from the managerial functions and replace them with the bureaucrats who can take decisions compatible with their ideological background. The ideas like: "Take the money of the state and then, act on your own. This cannot be the case!" are often stated by the representatives of the government and especially by the Prime Minister, so the aim is not needed to be hidden. The

¹⁷ <http://www.ibb.gov.tr/en-US/Organization/Birimler/SehirTiyatrolari/Documents/yonetmelik.doc>

¹⁸ <http://www.radikal.com.tr/Radikal.aspx?ArticleID=1085456&CategoryID=82&aType=RadikalDetayV3>

¹⁹ <http://www.tiyatrodergisi.com.tr/detay.php?hng=3267>

obligation of caring about the “ethical values” is obviously a prejudicial expression for any branch of the art. Different groups can interpret the ethical values differently and the leading one’s approach will be taken for granted and the artistic products have to be compatible with them. Then, it will become questionable whether they can be seen as a product of an artistic creation or not after being deprived of creativity and originality. So, the main issue to be dealt with is the new mentality in the management.

An additional interesting thing is that Istanbul Municipality Theatres have bought three plays with an auction by paying 2,75 million TLs and this took place not too long ago before the Prime Minister’s privatization speeches. The auctions were done separately for the plays, the directors, and the consultancy (for arts, technical and artists). And this is not a case that contradicts to the new regulations due to the specification of “IBBST may buy productions from outside of the theatre.” The plays (Bir Adam Yaratmak-Necip Fazıl Kısakürek, Harput’ta Bir Amerikalı-Cevat Fehmi Başkut, Hasan Ağa’nın Karısı-Lyubomir Simoviç) are also compatible with the government’s ideology.²⁰

Although the recent changes do not seem to take the theatre to a better position, the fact that the current situation needs some improvements should not be pretended not to see. The managers and the heads of these institutions should work on changing their conditions of not being able to attract audiences, to maintain cultural diversity, to contribute to the cultural evolution. The municipal governors as being local managers are expected to know more about the people that live within their jurisdiction. At least, it is presumed to be easier for them to make research to detect how to attract audience interest. One such attempt came from the Municipality of Şişli deserves to

²⁰ <http://www.internetajans.com/haber/tyatrolara-ilk-saldiri-ibbden-haberi-8129h.html>

be mentioned here. In 2007, the municipality granted a compensation of 30 thousand Turkish Liras to some private theatres such as Kenter, Gönül Ülkü-Gazanfer Özcan, Hadi Çaman Yeditepe Oyuncuları and requested them to provide tickets to teachers and imams on their available days in return of their favor. Both the teachers and the imams are credited people in the society and have the power of reaching the targeted groups like students and communities. This policy may be very helpful to achieve their aims, but we do not have the opportunity to analyze the results of that policy.²¹

Moreover, Selen Korad Birkiye, one of the dramatists of Turkish Public Theatres, in her article “Kültür Politikaları, Türk Tiyatrosu ve DT Örneği” (Cultural Policies, Turkish Theatre and The Example of State Theatres), indicates that lacking of qualified people in the administrative levels of arts organizations is a serious problem for those institutions. She states the idea that while the people who manage them do not know even the missions of the institutions correctly, creation of meaningful visions can only occur by chance. So, the solution is to hire professional art managers. Many organizations in the world prefer to work with people who actively take role in the relevant art institution by choosing their own personnel and managers. Extending special trainings, graduate programs, elective courses in universities and conservatories may help current managers in Istanbul Municipality Theatres to improve their managerial skills. By this way, the number of people that are good at managing and knows about the arts may increase and competent managers may become the answers of arts organizations’ problems.²²

Data

The data set is in a time series form in a yearly manner and divided into two

²¹ <http://www.haberler.com/haberf.asp?haber=537169>

²² Korad Birkiye, Selen. “Kültür Politikaları, Türk Tiyatrosu ve DT Örneği”, *Tiyatro Eleştirmenliği ve Dramaturji Bölüm Dergisi*. Volume.10, 2007. <http://www.iudergi.com/tr/index.php/tyatro/article/view/16197>

categories as budgetary accounts and statistical information. Budgetary accounts consist of personnel expenses, social insurance contributions, purchase of goods and services and capital expenditures that belong to the interval of 2006-2011. On the other hand, statistical information gives idea about the ticket prices, number of performances, capacity, number of audiences, occupancy rate, total number of plays, types of plays (whether it is a drama, musical play or made for children) and whether the writers of plays are Turkish or not that belongs to the period between 2004 and 2011. Some of the data were given from Istanbul Municipality Theatres after long visits to collaborate and some were taken from Istanbul Metropolitan Municipality's performance programs, which are published annually.

Istanbul Metropolitan Municipality publishes yearly strategic plans and the following explanations of the units of budgetary accounts are taken from their 2010 publication:

Personnel expenses: Payments of salaries, rises in salaries, severance pays, gratuities, rewards, social rights and other subsidies.

Social insurance contributions: Consist of insurance premium payments to the social security institution.

Purchase of goods and services: Expenses of stationary and office supplies, energy, vehicles, travel allowance advances, education and communication, advertising and accommodation.

Capital expenditures: These are payments which exceeds minimal amount and done to purchase goods and services that have a lifetime more than one year and to obtain fixed capital investments and intangible assets.

The yearly statistics of available data are provided below:

Table II: The Yearly Statistics of Budgetary Accounts

TL	2006	2007	2008	2009	2010	2011
Personnel Expenses	14718358	15433789	16565700.41	20078456.29	20480690.73	26857624
Social Insurance Contributions	2156431	1597021	2058407.45	2481946.23	3104874.09	4420376
Purchase of Goods and Services	3191802	10171170	3039700	7555365.77	13120550.55	24112000
Capital Expenses	183410	364500	186000	246325	204728.82	200000
Total	20250001	27566480	21849807.86	30362093.29	36910844.19	55590000

Source: Istanbul Municipality Theatres, 2012

Table III: The Yearly Statistics of Target Values

	2004	2005	2006	2007	2008	2009	2010	2011
Performance	1739	1623	1608	1673	1553	1583	1828	1803
Capacity	662724	591244	571723	785783	591544	564172	687837	685019
Audience	387831	404018	393353	423575	389528	401522	421884	409150
Occupancy Rate	58%	68%	68%	54%	65%	71%	61%	59%

Source: Istanbul Municipality Theatres, 2012

Table IV: The Yearly Statistics of Types of Plays

	2004	2005	2006	2007	2008	2009	2010	2011
Drama	48	31	25	20	33	34	35	38
Musical	5	5	3	4	6	6	6	5
Children	9	10	8	11	12	14	13	15
National	29	25	22	21	30	28	36	35
Foreign	33	21	14	14	21	26	21	23
# of plays	62	46	36	35	51	54	54	58

Source: Istanbul Municipality Theatres, 2012

Since those expenses are given under the headings above in an accumulated form, it is not possible to differentiate between primary and secondary sources of production activity.²³ We do not know about the share of artistic staff and supporting workforce in the personnel expenses, so this situation detains a more detailed and comprehensive analysis about their impacts on the number of plays, performances or audiences. And social insurance contributions and personnel expenses are nearly perfectly correlated this is because personnel expenses also reflect the expenditures on social insurance. Due to this fact, for the following analysis social insurance contributions are not used, but personnel expenses are included.

Today, Istanbul Municipality Theatres have twelve stages, which are actively in use and have a capacity of 8352 seats but in 2004, seven stages were available with a total capacity of 6286 seats. In 2006 two stages, in 2009 two stages and in 2010 another stage were opened while three stages were renewed in the years 2008, 2009 and 2010.

²³ A' la Gapinski, 1980.

Whether these new stages and increased capacities have any impacts on the outcomes will be dwelt upon later.

The calculations and correlation analysis made with real values, which are net of inflation. Consumer price index values for the years 2007-2011 are used and they are taken from the web site of the secretariat of Turkish Treasury. Since data is available after 2006, the following years' values are brought to 2006 levels.

The success criteria of Istanbul Municipality Theatres for our analysis will be the number of audiences, the number of plays and the occupancy rate. Although these three are strongly related with each other, their differences deserve to be indicated. It can be said that the number of plays reflects the artistic productivity of the institution as the number of audience gives also a view from the demand side. On the other hand, the occupancy rate demonstrates the relation of the capacity and the number of spectators, so to some extent it actually gives a more realistic sight of people's answers to the actions that are undertaken in order to attract larger audiences.

Correlation Analysis

This research is based upon descriptive analysis due to data collection problems. The concern is whether notable changes are seen in expenses, the number of plays, audiences and the other elements of theatres from time to time. For correlation analysis, budgetary accounts are taken net of inflation to deal with the real values and to come up with more accurate results. The values net of inflation are figured out from consumer price indices of certain years and they are taken from the website of the Undersecretariat of Turkish Treasury. 2006 is accepted as the base year, so that following years' data is taken to 2006 values.

Using ticket prices, weighted average values are obtained. The weights are calculated by finding the share of any type of a play in the repertoire and seasonal performances.

Multiplying those weights with the average price and the type of play and taking the sums of those three weighted prices we find the weighted average real ticket prices.

Then, we will find the effect of weighted average ticket prices for the years 2006-2011 on the number of audiences and the number of performances. Further, we analyze the effects of budgetary accounts on the same variables taken from Istanbul Municipality Theatres.

Hypothesis

The changes in income have different effects on the consumption of different goods. Income elasticity is the term that economists use to explain how any change in income affects the consumer behavior. If people tend to consume a good more as the income increases but the change in consumption is greater than the increase in income proportionately, which means income elasticity is more than one, these goods are classified as luxury goods. So, this type of goods are generally consumed by the individuals who have better financial situations rather than low-income groups. Artistic activities are also classified as luxury goods by the many. As a matter of fact, in the case of the municipality theatres there is a mass of audience, which is solid, that is regardless of the characteristics of the play, this mass attends to performances produced by this institution. Additionally, the prices of Istanbul Municipality Theatres are comparatively less than the prices of productions by privately owned theatres. Hence, even though it is a luxury good, it has a very small ratio in household spending. Therefore, it is expected that the effect of weighted average ticket prices on the number of audiences to be very minimal, if not none.²⁴

²⁴ According to a 2009 paper by Marta Zieba on price elasticities of demand for public theatres in Germany, the demand for performing arts is found to be own-price inelastic. This implies that the prices of public theatres do not affect the number of audiences they attract.

Secondly, we do not expect that weighted average ticket prices to have a significant effect on the number of performances produced. This argument follows from the fact that municipality theatres are publicly funded. Also, since this is a repertory theater, the number of performances for a season is predetermined and strongly related to the mission of the institution.

An increase in budget items indicates that more funds are reserved for personnel expenses, purchases of goods and services and intangibles such as performance venues. This transfer of resources will probably increase the production possibilities. Therefore, the budgetary accounts are expected to have a positive effect on the number of performances. Since this implies that the access of potential audiences to Istanbul Municipality Theatre's productions will be greater, there will be an indirect effect of budgetary accounts on number of audiences and it is expected to be positive.

Lastly, the different types and characteristics of performances are expected to attract different numbers of audiences. To understand the effects of play types, their shares in the total number of plays are calculated, as the ratio of play types and total numbers of plays. For instance, the number of dramas is expected to be positively correlated with the number of audiences per year.

Results

The weighted average ticket prices and the number of audiences and performances are found to be correlated negatively, -0.81. This result is compatible with the demand theory but it may not reflect the situation in practice. The ticket prices and the number of audiences do not show big differences throughout the period in question and ticket prices are relatively stable.

Table Va: Correlation results of weighted average ticket prices with the number of audiences and performances

	watp audience perfor~e		
watp	1.0000		
audience	-0.8179	1.0000	
performance	-0.8188	0.7303	1.0000

Source: Istanbul Municipality Theatres, 2012

Table Vb: Correlations of total expenditures with the number of audiences and performances

	audience	perfor~e	per~nel	goods	capital	total
audience	1.0000					
performance	0.7303	1.0000				
personnel	0.1500	0.5671	1.0000			
goods	0.6569	0.8416	0.7907	1.0000		
capital	0.4555	-0.2127	-0.4500	-0.0577	1.0000	
total	0.5389	0.8129	0.8850	0.9842	-0.1875	1.0000

Source: Istanbul Municipality Theatres, 2012

Correlation analysis displays a positive correlation between expenditures and the number of audience with the value of 0.54. Although all three units of expenditures (personnel, goods & services, capital) are positively correlated with the number of audience, correlation values being 0.15, 0.66 and 0.46 respectively.

An increase in expenditures implies an enlargement of capacities. This is a result of the enhanced production possibilities due to improved or newly built theater halls. We find that the budgetary accounts have a positive impact on the number of performances and the audience. This is due to the increased access of potential audiences to Istanbul Municipality Theatre's productions. Hence, there is an indirect effect of budgetary accounts on number of audiences and this is found to be positive. Hence we can say that Municipality Theatres put more emphasis on quantity rather quality of plays followed policies improving the size of the audience.

Table Vc: Correlations of performance characteristics with the number of audiences

	audience	dramas-e	musica-e	childs-e	turksh-e	foreign-e	play
audience	1.0000						
dramashare	0.5141	1.0000					
musicalshare	-0.2005	-0.6869	1.0000				
childshare	-0.5478	-0.9876	0.5799	1.0000			
turkshare	-0.4992	-0.5116	0.2593	0.5288	1.0000		
foreignshare	0.6628	0.5809	-0.2178	-0.6208	-0.9467	1.0000	
play	-0.2656	-0.5758	0.3137	0.6345	0.6671	-0.6573	1.0000

Source: Istanbul Municipality Theatres, 2012

The correlation results of performance specific factors and number of audiences are reported in Table Vc. Dramas seem to attract more audience as having the only positive correlation value, 0.51, as opposed to musicals and children's plays. This situation is also compatible with the repertoire choices due to the fact that dramas have the greatest share with 66% on average. On the other hand, while the theater's tendency is giving more place to Turkish playwrights and through years, the share of their plays are increasing, the audience seems to be mostly attracted by foreign plays, which is indicated by the correlation value, 0.66.

Interpretations of Yearly Data

In Table VI, we observe that over time the number of Turkish playwrights has increased from 47% in 2004 to around 60% after 2010. However, the percentage of plays written by foreigners has decreased from 53% in 2004 to around 40% in 2011. This is the result of the policy encouraging more Turkish playwrights in the repertoire of Turkish State Theatres over the last couple of years.

Table VI: Variables over years

Variables	2004	2005	2006	2007	2008	2009	2010	2011
Performances	1739	1623	1608	1673	1553	1583	1828	1803
Capacity	662724	591244	571723	785783	591544	564172	687837	685019
Audiences	387831	404018	393353	423575	389528	401522	421884	409150
Occupancy	58%	68%	68%	54%	65%	71%	61%	59%
Drama	48	31	25	20	33	34	35	38
Musical	5	5	3	4	6	6	6	5
Children	9	10	8	11	12	14	13	15
Turkish	29	25	22	21	30	28	36	35
Foreign	33	21	14	14	21	26	21	23
Plays	62	46	36	35	51	54	54	58
Drama/Plays	77%	67%	69%	57%	65%	63%	65%	66%
Musical/Plays	8%	11%	8%	11%	12%	11%	11%	9%
Children/Plays	15%	22%	22%	31%	24%	26%	24%	25%
Turkish/Plays	47%	54%	61%	60%	59%	52%	67%	60%
Foreign/Plays	53%	46%	39%	40%	41%	48%	39%	40%

Source: Istanbul Municipality Theatres, 2012

It is observed in this table that dramas' share has decreased from 77% to 66%, whereas the share of children's plays has increased from 15% to 25% for the years 2004 and 2011. The reason for this increase in children's plays may be due to two new theatre halls particularly for children's plays, namely Kağıthane Küçük Kemal and Gaziosmanpaşa Ferih Egemen Theatres. The share of musicals is observed to remain to be about 11% throughout the years.

The changes in capacity over the years can be attributed to the inclusion of and new stages to the Istanbul Municipality Theatres. For example from 2006 to 2007 we observe an increase in capacity by approximately 214 thousand. This is because Kağıthane Sadabad and Üsküdar Kerem Yılmaz stages have been opened. In 2008, two stages have been closed for renovations. This has led to a reduction in the

capacity. The opening of two children's theatre halls in 2009 and the completion reconstructions for Harbiye Muhsin Ertuğrul and Gaziosmanpaşa stages have helped restore the capacity to 687,837.

The increase in the number of plays since 2008 may be the sign of a new policy about the diversity of repertoire. In 2008, Orhan Alkaya and in 2009 Ayşenil Şamlıoğlu have been appointed as the General Artistic Director. Both of these theater personalities are known for their concern about the need to diversity in selected plays. Despite the economic crisis and budgetary cuts, the increase in number of plays from 35 to around 50s after 2008 represents this.

There are fluctuations in the number of audiences over the years. However, even in the largest observed change, we can deduce that the number remains above 387 thousand. This is probably caused by the mass of audience, which is solid, as previously discussed. Additionally, the capacity of the institution does not directly increase the number of audience attracted. One could claim that the quality of the plays might increase the number of the audiences. However, this quality dimension is hard to be observed given the lack of data.

5. Conclusion

This study is undertaken to examine Istanbul Municipality Theatres as a publicly funded art institution in the biggest city of Turkey. This institution has continued its existence since 1914 and it has created a tradition with its existence. Many eminent figures of Turkish theatre such as Muhsin Ertuğrul, Bedi Muvahhit and Cahid Sonku have been trained there and for the theatre lovers in Istanbul, it has been irreplaceable with traditional and modern plays in its repertoire. In its 98-year-existence, it has been the subject of many debates but this time radical changes have taken place in its

regulations and these have not stayed in the level of municipality theatres but the public theatre system of the country has become the subject of a big debate.

Today, whether the mechanisms of publicly funded theatre institutions are processing efficiently or not is a highly debated topic in Turkey. Unfortunately, these institutions are being seen as a burden for the state since many years and it seems like the main problem is the economic efficiency for the state rather than their artistic productivity. Another problematic issue is the theatres' and the government's ideologically contradicting stands. The Prime Minister's declarations display clearly this matter. Along with these ideas, the managing chairs are brought to the bureaucrats of the municipality, which has not been accepted by the artists and the audiences, as a matter of course. Both State Theatres and Istanbul Municipality Theaters are needed some reforms, but not in this way. The changes should not be done independently from the artistic staff of the institutions.

In spite of the fact that the financial support of the state to cultural activities is one of the controversial issues in Turkey, it is a must in Europe. Many countries, more or less, give support to those, but any intervention to repertoires or the contents is absent. So, the issue that is debated should not be the existence of the support but its structure and distribution mechanisms. Since every country has its own dynamics and culture, taking an exact application of a country to ours is not possible, but a new system may be created by considering those examples.

Nowadays, the Ministry of Culture and Tourism is said to be in a search for a new model for theatres in Turkey, but there has not been an official statement yet. Actually, private theatres' case should be thought, as well, and a policy about sponsorship should be designed. Firms and people should be encouraged to support theatres by giving promotions like tax deductions and the mechanism of sponsorship

should be simplified in both monetary and bureaucratic terms. On the other hand, the state should give up the approach of backing only the productions compatible with their ideologies. These are not serving to the artistic improvement, but only to an ideological war.

In the empirical part, the data set does not consist of a sufficiently large sample, the analysis is highly restricted and the study has to be carried out as a descriptive one. So, correlation analysis is used to interpret the current situation of Istanbul Municipality Theatres with the help of the data. According to our analysis, Istanbul Municipality Theatres have a settled audience about 400 thousand who seem to prefer dramas to musicals or children's plays. The tickets prices do not have remarkable changes, but the institution have been trying to reach more audience by increasing the number of venues and the investments on capital. These attempts may result in some improvements but the permanent solutions will come from managerial ways. Professional theater managers should be trained and theater management should be seen as a specialization area. The studies on understanding the target groups' interests should be done and policies to attract them should be adopted. While the tradition is being protected and the settled audience is being preserved, the ways of drawing new audience should be concentrated on, as well.

The success of the theatres are tended to be evaluated according to their quantitative results rather than qualitative ones. However, displaying more plays does not mean so much, but less plays with high quality productions in terms of their actors, playwrights, décor, costume, music, etc. may attract greater number of audiences and stay in the program for a longer time. But, in today's conditions, even quantitative analyses do not show reliable analysis due to the data problems. Lastly, the current General Arts Director of Istanbul Municipality Theatres has acknowledged the

problematic of the lack of a healthy data collection system. In one of his talks he declared that the statistics' condition is problematic one because of being in aggregated forms. This fact avoids many questions to be answered; so these statistics should be revised and also qualitative issues should be given more importance to. A well designed and monthly collected data set will allow quantitative research to be done in a more detailed way, such as making it possible to include seasonal factors. It is important that more emphasis should be put on qualitative issues rather than quantitative ones. After all, in the case of arts and performances, the explanatory power of an analysis based on quantitative observables only, remains to be limited.

The above mentioned declaration of the current General Arts Director, Hilmi Zafer Şahin, is promising about future research and it is hoped that more detailed studies could be done with reliable data sets and the arts issue could become a subject of more strong debates in order to achieve improvements in the understanding and the application of arts. It should be accepted that central impositions cannot solve the problems on its own, but studies with broad participation should be done and as being the indispensable elements of the system in question, theatre people should be given the place that they deserve.

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7. Appendix

Table VII: Summary Statistics of Budgetary Accounts

Variable	Observations	Mean	Std. Dev.	Min.	Max.
Personnel Expenses	6	19022436.4	4518205	14718358	26857624
Social Insurance Contributions	6	2636509	1007040	1597021	4420376
Purchase of Goods and Services	6	10198431.4	7867058	3039700	24112000
Capital Expenses	6	230827.3	69279.02	183410	364500
Total	6	32088204.4	12992194	20250001	55900000

Source: Istanbul Municipality Theatres, 2012

Table VIII: Summary Statistics of Target Values

Variable	Observations	Mean	Std. Dev.	Min.	Max.
# of performances	8	1676.25	103.1099	1553	1828
Capacity	8	642505.8	76691.11	564172	785783
# of audiences	8	403857.6	13730.85	387831	423575
Occupancy rate	8	.63	.0590399	.54	.71

Source: Istanbul Municipality Theatres, 2012

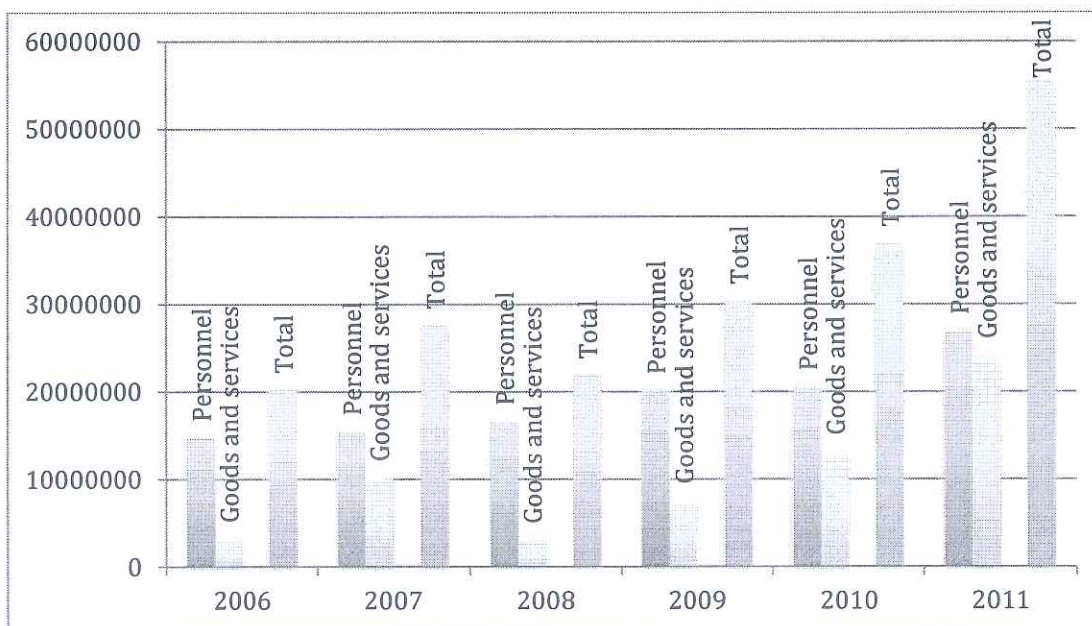
Table IX: Summary Statistics of Types of plays

Variable	Observations	Mean	Std. Dev.	Min.	Max.
Drama	8	33	8.383658	20	48
Musical	8	5	1.069045	3	6
Children	8	11.5	2.44949	8	15
National	8	28.25	5.496752	21	36
Foreign	8	21.625	6.186102	14	33
# of plays	8	49.5	9.827076	35	62

Source: Istanbul Municipality Theatres, 2012

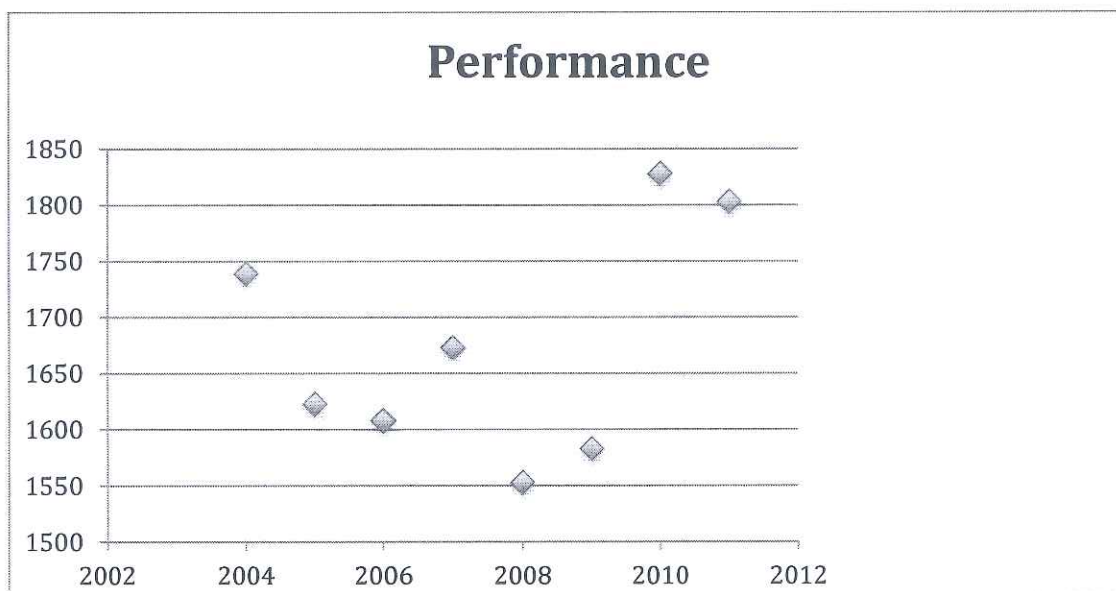
Additional Figures of the Data

a. Personnel and Goods and Services Spending Over the Years



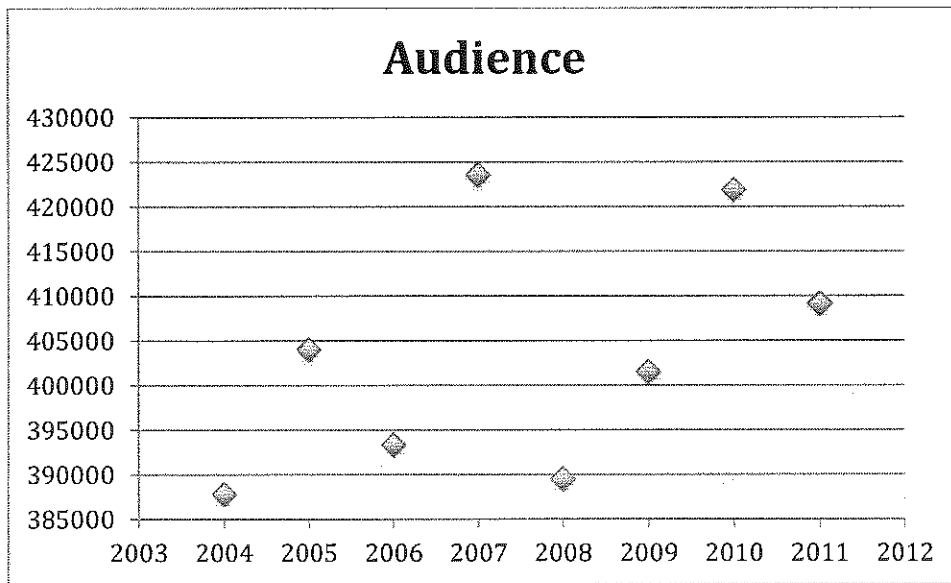
Source: Istanbul Municipality Theatres, 2012

b. Figure II



Source: Istanbul Municipality Theatres, 2012

c. Figure III



Source: Istanbul Municipality Theatres, 2012