

## The factors of attractiveness of French non-profit performing arts to patronage

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**Abstract.** The purpose of this paper is to deepen the understanding of the factors that may affect the attractiveness of French performing arts companies to patronage. They face a growing competition between art forms and in the performing arts sector. I use the data of two national surveys on choreographic companies in 2007 and on performing arts companies in 2009. A Probit model as compared to a Poisson model shows their main competitive advantages: local anchorage and involvement in artistic education. However, developing patronage raises a major question: to what extent is intercultural dialogue useful in building a partnership between artistic organizations and for-profit enterprises?

**Keywords:** patronage, competition, non-profit arts, performing arts, inequalities, culture.

### INTRODUCTION

According to Throsby (2001: 146), one of the three main shifts in cultural policy development in the post-war period was a withdrawal of state involvement and an increased influence of commercial sponsorship and private patronage. This trend reflected the general move towards market liberalisation during the eighties and nineties in most liberal democratic countries. During the same period, new market-oriented regulation in Eastern and Central Europe likewise entailed a more significant decrease in the public spending.

Initially France was less affected than other countries, as in the post-war process of decentralisation both the State and local authorities became financially involved. In 2002, subsidies accounted for around 80% of the budget of those French performing arts organisations that were approved on a national scale. The share was about 40% for grant-aided theatrical, choreographic and musical companies (Urrutiaguer, 2005: 300). However, since the mid-1980s the State's cultural budget has slowed down, followed by that of local authorities in the early 1990s. Inter-organizational competition has increased, especially in Paris and the biggest cities. Sources of income have therefore to be diversified, to counterbalance rising wages and technical costs.

As French capitalism is traditionally embedded in the State, relationships between the

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managers of large public or private corporations and senior officials in government administration are intense. Corporate managers' cultural patronage followed the main orientations of the State's cultural policy from the end of the 1970s to the mid-1990s (Rozier, 2003). The pressure of the association Admical<sup>2</sup> to introduce more tax incentives for patronage has been fairly successful. Until 1986, patronage was considered a form of advertising that was tax deductible. In 1987 a law "for the development of patronage" organised a distinction between philanthropic patronage without expected compensation, and commercial sponsoring with attendant benefits. The calls by the Ministry of Culture and Admical for increased cultural patronage were met by resistance from certain public administrations, such as the Ministry of Budget, the Home Office, and the Council of State (Rozier, 2004). For instance, a law passed in 1990 authorized the creation of "business foundations" but with restricted criteria.

In 2003 a law significantly increased the tax incentives for companies' and private individuals' charitable contributions to organisations acting in the general interest. The tax benefits were made more appealing than in most liberal democratic countries: 60% of corporate donations are now deductible from income tax, within the limit of 0.5% of the firm's turn-over. Article 238 bis of the General Tax Code recognizes that patrons may benefit from compensation such as free tickets or communication, within the limit of a quarter of their donation. The net cost of corporate patronage may therefore be restricted to 15% of the expenditure. As the tax income rate for firms is 33.3%, the fiscal benefit has more than doubled. For private individuals, the deduction from income tax has been increased from 50% to 60% of the donation, within the limit of 20% of the taxable income, against 10% previously, if beneficiaries are organizations acting in the public interest<sup>3</sup>. These donations are also deductible from inheritance taxes. These tax incentives have to be seen as cultural policies (Schuster, 1987; Rozier, 2010) and evaluated on the basis of their effectiveness in achieving specific policy goals (Globerman, 1980) as compared to direct aid mechanisms.

The purpose of this article is to deepen our understanding of the factors which may affect the attractiveness of patronage for French non-profit performing arts companies. The paper thereby contributes to a "*re-invigoration of the analysis of the positive and normative aspects*

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<sup>2</sup> Admical (Association for the Development of Industrial and Commercial Patronage) is a French non-profit organization which defines itself as a crossroads for corporate patronage. From 1979 to 2008, the chairman, Jacques Rigaud, promoted a model of partnership which suited firms' interests in terms of communication and cohesion (Rigaud, 2007). Admical coordinates the main network of the firms involved in patronage.

<sup>3</sup> Nevertheless, the direct deductibility of donations to performing arts organisations was granted on 1 January 2008 only.

*of competitive interaction within the non-profit arts sector*" (Seaman, 2004).

Unfortunately, detailed data on patrons' expenditures are still scarce in France. Admical publishes a regular survey but the data are restricted to the global structure of corporate patronage, except for the most recent survey in 2014. Since charitable donation is socially desirable, survey data are expected to be inflated (Fisher, 2000). Two national-scale surveys give more details: the *Centre National de la Danse* ran a questionnaire survey on the attitudes of choreographic companies, dancers and production offices towards patronage<sup>4</sup>; and I coordinated a national survey on the main territories and resources of French performing arts companies<sup>5</sup> (Urrutiaguer, Henry, Duchêne, 2012). One of the questions was on their patronage resources.

In this article I first analyse the competitive disadvantages of French performing arts companies in their attempts to develop cultural patronage. I show that while inter-art competition tends to promote music, museums and heritage, the increasing competition in the performing arts sector is reinforcing the market power of the nationally approved theatres. Second, I use the data of the two surveys on the strategy of French performing arts companies to shed some light on the factors that attract cultural patronage.

## CULTURE-RELATED PATRONAGE AND COMPETITION BETWEEN ART FORMS

Before the 2003 law, which significantly increased tax incentives, the French government estimated that global patronage accounted for 2.1% of the Gross Domestic Product in the USA against 0.09% in France, in 2000 (Raffarin, 2002). In 2002, cultural subsidies by the French State and local authorities represented around 0.8% of the GDP, which was far more

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<sup>4</sup> The questionnaire was sent to 795 choreographic companies, dancers and production offices listed by the "companies" office of the Department of Trade at the *Centre national de la danse*. This office is in charge of the production and dissemination of choreographic shows while the Department of Trade provides information on the retraining process for professional dancers. The main mission of production offices is to facilitate the production of shows to bring the artists closer to the distribution networks.

<sup>5</sup> The Ministry of Culture financed the research on French performing arts companies, except for musical groups. The methodology was based on 51 case studies involving interviews with the administrator or artistic manager, and access to data on the distribution of activities, accounts and wages in 2007, 2008 and 2009. Additionally, 572 companies answered a questionnaire focused primarily on ordinal questions. They were asked to rank the time they allocated to cultural action, production, diffusion, artistic research and the management of the company in 2009, from the main activity to the least important one. Another question asked the respondents to rank the importance of the regional, national and international areas for the three main activities, except for the company's management. The companies were also asked to rank their income from performance sales, coproduction, subsidies and cultural action, respectively.

than private contributions<sup>6</sup>. In the United States, the arts, culture and humanities accounted for only 5% of the contributions to all charities in 2002 (Giving USA, 2002).

### Tax price and income elasticity

According to Pelozo and Steel's literature review (2005), estimates for the elasticity of charitable giving relative to changes in the tax price of giving range from -7.07 to +.12. These authors estimate the weighted mean of the tax price elasticity of giving at -1.11 when they remove outliers more than three standard deviations from the mean. Rushton (2008) quotes Bajinka and Heim (2008) who find a tax price inelasticity of giving. Their estimate, with respect to permanent changes in the tax-price, is -0.7 and is lower for temporary changes to taxes. First, the 2003 law was treasury efficient as corporate patronage increased slowly from €283 million in 1996 to €341 million in 2000 (Raffarin, 2002) whereas patronage of the corporations with more than 200 employees went up to €1 billion in 2005 (Admical, 2006) and corporations with more than 20 employees went up to €2.5 billion in 2008 (Admical, 2008). Fifty "corporate foundations" were created in the period from 1990 to 2003, and twelve in 2004 alone (Eshet, 2004). Their number rose to 250 in 2007 (Seghers, 2007a).

Charitable giving is however sensitive to economic growth. The French GDP in constant euro decreased by 2.9% in 2009. According to the Admical surveys, the patronage of French companies with over 20 employees was 20% lower in 2010 than in 2008 (Admical, 2013). For this category of firm, the proportional share of corporate patrons decreased from 31% in 2012 to 21% in 2014 (Admical, 2014).

As in other European countries (Klamer and al., 2006), tax-deductible expenditures on patronage are starting to result in a growing share of private donations in the budget structure of non-profit organisations. This political choice develops competition to attract donations. Admical surveys confirm that corporate cultural patronage still focuses on two main areas: cultural heritage (museums, exhibitions and building preservation) and music, with 69% and 12% of the corporate cultural budget respectively, against 4% for the other performing arts in 2014 (Admical, 2014).

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<sup>6</sup> Own computation from the data of the Ministry of Culture, the cultural expenditures of other ministries and local authorities (in DEPS, 2006).

## Cultural patrons' motivations

The corporate patrons' cultural choices are rather unstable. For instance, the percentage of dance rose from 2.5 in 1998 to 4.5 in 2000 and to 5 in 2009 after a fall to 3.2 in 2005, while the share of theatre in 2000 (12%) was exceptional (Admical, 2001, 2007, 2009). Corporate support is occasional in most instances. Of the 44 respondents in the *Centre national de la danse* survey (2007) who answered the question on the duration of their patronage, 61.4% of the companies said their patronage was occasional, 27.3% signalled continuous partnership, and 11.3% claimed to do both. The fluctuations do not actually call into question the fringe positions of theatre and dance in corporate cultural patronage.

Analysing corporate patrons' motivations is useful to deepen our understanding of the distribution of their donations. Two main topics concern patrons' statements about their objectives, and the inequalities of arts audiences.

First, most corporate patrons profess to support the general interest. This type of justification resonates with the main principle of the 2003 law and the framework of corporate social responsibility. In 2014, the Admical survey showed that this ethical aim ranked first for enterprises with under 250 employees, and second for the bigger ones (Admical, 2014: 10). Piquet and Tobelem (2006) noted that the quest for social recognition explains a shift in patronage from culture to solidarity from the mid-1990s. Firms seek more to enhance their image of responsible citizenship in a context of economic crisis and pollution. Popular actions are orientated to reinforce local social links, to disseminate better education, and to enhance professional insertion or healthcare. In 2005, 55% of the patron companies supported actions for national and international solidarity, and 34% for culture, against 38%, and 58% respectively in 2000 (Admical, 2001, 2006). In 2014, social actions concentrate 38% of the corporate patrons' budget, against 16% for health, 13% for culture and 12% for research (Admical, 2014).

Second, patronage is embedded in marketing strategy and human resources management. Seghers (2007b) refers to Stegers' concept of "corporate diplomacy" to explain the logics of corporate private contributions. Patronage is a way to enhance the enterprise's image among consumers, non-profit associations, public authorities, and business partners. A better reputation is expected to reinforce the market power of the enterprise and the internal cohesion of employees. More competent candidates are likely to be attracted for recruiting. Hence, companies are trying more and more to involve their workers in patronage actions,

thereby encouraging them to adopt the corporate culture.

The Admical survey confirms the importance of motivations based on the promotion of corporate internal values. Enhancing their image is ranked third by the smallest enterprises (fewer than 10 employees) and those with over 250 employees, and second by medium-sized enterprises (between 10 and 250 employees). Personifying the firm's values is ranked third by medium-sized enterprises and first by the biggest ones (over 250 employees). Corporate donations are also a usual way to foster relationships in the board of directors of foundations or large museums (Martel, 2006). Enhancing partnerships with local actors is ranked second by the smallest enterprises. For instance, they more frequently support sports clubs in their region (Admical, 2014).

In the field of culture, the maintenance of built heritage and museums may be perceived as closer to these social needs as they contribute to deepening identity roots. To associate a corporate brand with the preservation of historical memory is then productive for investments in reputation and employee involvement. In 2008, 30% of French people aged over 15 had visited a museum, and 30% a historical building, at least once during the previous 12 months (Donnat, 2008). This is the most popular cultural outing in Europe and the United States (Coulangeon, 2005). On a local scale, corporate patrons may be more sensitive to restoring built heritage than supporting the cultural action or artistic creations of relatively unknown companies. The stakes are high as financial needs are estimated at €10.7 billion. 65% of damaged buildings are in *communes* which have fewer than 2,000 inhabitants (Flouquet, 2008).

The competitive advantages of museums and historical buildings are reinforced by the workforce they can appoint to seek cultural patronage. The *Musée du Louvre* is the most advanced in this respect. Tangible art forms can also match the logics of business more easily as they can attract financial investments.

### Culture-related patronage and arts audience

We can assume that the corporate patrons' cultural choices take into account potential paying arts audiences. Museums offer a competitive advantage to attract cultural patronage as their catchment area is wider than for most performing arts organisations. Day opening throughout the year, group visits with the commentaries in several languages, and the cultural legitimacy

of classic visual works of art are incentives to include museum visits in tour-operator programmes. For instance, the *Musée du Louvre* audience increased from 8.4 million in 2010 to 9.7 million in 2012 and the proportion of foreigners is 69% (Louvre, 2013). In 2005, the *Musée du Louvre* alone accounted for 40% of the patronage of public cultural institutions in the heritage programme (Carabalona, 2007).

By contrast, most live performances are held in the evening, during a restricted season which has several breaks during school holidays. Transport constraints limit the potential population of customers for an activity which is also more time-intensive. Businesses are therefore expected to give priority to supporting museums or historical buildings rather than performing arts if they are seeking better visibility at international level.

The disequilibrium between production and diffusion in the performing arts is worsening their disadvantage. The number of companies has increased steeply from the 1980s. This trend reflects the vitality of the wish for artistic creativity in contemporary society as a way to explore more freedom in the process of identity building, especially among young people (Kaufman, 2004). Such expansion has been supported by the unemployment insurance scheme for artists and technicians in the performing arts, who may cumulate working periods with several employers, and phases on the dole. The unemployment allowance is six times higher than social contributions and accounted for half of the average total individual income in 2007 (Charpin and al., 2008). The deficit is borne by the contributions of all French enterprises. This partial social coverage of professional risks has attracted more intermittent employees, whose numbers multiplied by about 3 from 1990 to 2009 (Gouyon, Patureau, 2014). The result has been more fragmentation of artistic production, with an increase in the number of fringe companies. They are all seeking better symbolic and economic recognition, and constantly have to present new shows to attract the attention of the main decision makers. The gap between production and diffusion is therefore widening<sup>7</sup>.

Nationally approved institutions are also concerned. For national and regional drama centres, the mean number of shows produced increased from 4.3 in 1995-1996 to 5.3 in 2003-2004, whereas the mean number of performances decreased from 12.2 to 11.3 at the drama centre and from 24.6 to 19.3 on tour during the same period (Urrutiaguer, 2006). The

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<sup>7</sup> For instance, Jean-Jérôme Raclot (2007) explains that he received around 10,000 show proposals each year when he was managing a city cultural institution without a national label.

survey on French performing arts companies<sup>8</sup> provides more detailed information with the finer-data of the qualitative sample. The mean number of performances increased by 13.5% in 2008 and by 29.6% in 2009. The cycle of the shows did not decrease as the average number of performances by show increased by 13.7% in 2008 and by 5.9% in 2009. The main decline is the decreasing turnover per performance of 15.8% in 2008 and 27.6% in 2009. As the ratio between the artists' and technicians' wages and the number of performances decreased by 22% between 2007 and 2009, we may infer that nearly half of the decline in turnover is associated with smaller casts and the other half with a greater degree of pressure on prices (Urrutiaguer, Henry, 2012). The audience per performance may therefore be smaller.

In the performing arts, music attracts by far the most patrons. The potential audience of concerts is larger, as 31% of French people over the age of 15 attended at least one concert or musical show in 2005, against 16% for theatre or café-theatre (Insee, 2005). Connections with cultural industries amplify the music audience as 75% of the French listened to CDs, discs or cassettes in 2005. Support for music will therefore provide more visibility than that granted to dance or theatre.

## COMPANIES FACING COMPETITION IN THE PERFORMING ARTS

### The market power of nationally approved theatres

Heilbrun and Gray (2001) compare the performing arts market with monopolistic competition as there is a large number of sellers whose products are differentiated by their quality and the location of performances. Each seller may make its pricing decisions without provoking a reaction from others. Although the characteristics of oligopoly are present in some cities when a few large institutions dominate the scene, firms are not involved in pricing strategies at national level. Throsby and Withers (1979: 41-42) note that product differentiation and barriers to entry may confer market power to some organisations, especially when the possible shift towards less labour-intensive art forms is limited. In France the distribution of national labels at a series of institutions is strengthening a barrier to entry in non-profit performing arts, as subsidies and official recognition of quality are

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<sup>8</sup> Music groups are excluded from this survey.



unequally allocated.

Nationally approved theatres have better visibility than performing arts companies. As their official mission is to combine artistic excellence and democratisation, their artistic productions tour at national and international level mostly, and they programme far more performances. For instance, during the 2004-2005 season, the national mean number of performances was 338 for national theatres, 209 for drama centres, 108 for *scènes nationales* and 59 for national choreographic centres<sup>9</sup>, as opposed to 30 for theatrical troupes (Opale, 2006: 10) and 11 for the choreographic companies, respectively, in 2005 and 2007 in Île-de-France (Arcadi, 2007: 14)<sup>10</sup>.

Nationally approved theatres can employ specialised staff for fundraising. Furthermore, these institutions have the capacity to carry out an aggressive commercial strategy to capture patrons, particularly by using the measure on compensations, which may represent a quarter of the donation. We may infer that performing arts companies with only a few multiple-task workers are disadvantaged in this respect. The 101 responses of the *Centre National de la Danse* survey (2007) on choreographic companies supports this view on knowledge inequalities: 9.9% of the respondents said they knew the 2003 law and 41.6% said they had an overall idea of it, whereas 41.6% were unaware of it and 6.9% did not answer the question. Only 28.7% of the choreographic companies created a file of contacts for their patrons. The artistic manager was signalled as the person in charge of seeking patronage in 69.6% of the cases.

The survey on French performing arts companies obtained 569 full responses to the 28 questions on their resources and their territories of activity in 2009. Most questions were ordinal for classifying the importance of various parameters. One question asked whether they received patronage and from which contributor(s) (foundation, corporations or/and individuals). Table 1 gives the contributor structure for the beneficiaries of cultural patronage.

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<sup>9</sup> Own computation from Cardona, Lacroix (2007).

<sup>10</sup> The median number of performances is similar in the 2009 survey on the territories and resources of French performing arts companies.

**Table 1** – The distribution of companies according to artistic discipline and source of patronage in 2009 (in %)

	Foundations	Foundation + corporations	Corporations + individuals	Corporations	Individuals	Overall patronage
Theatre	4.8	0.0	3.3	5.1	4.0	17.2
Dance	5.5	0.9	1.8	8.3	6.4	22.9
Circus	0.0	2.9	0.0	2.9	2.9	8.6
Street arts	7.0	0.0	0.0	0.0	4.0	0.0
Puppets	0.0	2.9	0.0	2.9	0.0	5.9
Story telling	0.0	0.0	0.0	0.0	17.6	17.6
Multidiscip.	1.7	1.7	1.7	5.1	3.4	13.6
Total	4.0	0.7	2.1	4.9	4.5	16.3

Only 16.3% of French performing arts companies attracted patronage in 2009. Street arts, puppets and circuses were under-represented whereas the choreographic companies ranked first. Story tellers captured only individual patrons. Multidisciplinary companies referred to several main disciplines for defining their artistic identity<sup>11</sup>.

A Probit model can be appropriated for a view on the factors that significantly influence the probability of collecting patronage without being confined to an artistic discipline. The dependent variable is a dummy which is equal to 1 if the respondent attracted patronage and 0 otherwise. However, the dependant variable has an abundance of zeros. To check the robustness of the estimated coefficients, a Poisson model is also used. As the dependent variable is not ordered, the other count data model, the negative binomial regression equation, is giving the same results. Furthermore, even though zero-inflated models are more appropriate when the frequency of zeros is high in the dependant variable, these models are useless here since there was not a question on the former attraction of patrons or the will to attract them in the future.

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<sup>11</sup> They represent 10% of the quantitative sample. Half of these companies mix theatre and dance.

## Modelling the factors of attractiveness for the companies

First the Probit model is based on the significant variables at the 10% level for:

- the artistic discipline
- the type of contracts for the diffusion of performances (transfer contracts or box office revenue sharing)
- the importance of the five main sources of public subsidies (Ministry of Culture, other ministries, town, department, region) and the options on the conventions with the different public authorities
- the rank of income from performances (the turnover), coproduction, subsidies and cultural action
- the options on non-monetary help in relationships with other companies, cultural institutions or public intermediaries (administrative or technical competences, work secondment, access to artistic or administrative premises)
- the options on administrative externalisation (production office, sales agency, accountancy firm, none) and artistic direction (man, woman, tandem, collective).

To estimate the importance of the factors concerning the territoriality of performing arts companies, two main questions were asked. A question was asked to classify the importance of the regional, national and international levels with regard to the time that the companies allocated to production, diffusion and cultural action. Another question asked the respondents to classify the importance of the regional, national and international levels for performance sales, coproduction and cultural action.

The Principal Component Analysis on the filler-data of the qualitative sample from 2007 to 2009 and the survey data of the quantitative sample in 2009 of the study on French

performing arts companies shows that the most discriminating typology is based on the territorial barycentre of diffusion. Four groups are distinguished: the “regional” companies which perform almost exclusively in the region where their head office is located; the “cross regional” troupes which favour their region but put on a significant proportion of their performances nationally or internationally; the “multi-regional” companies which put on the majority of their performances out of their region yet still keep a significant number in the region of their head office; and the “out of region” troupes which ranked sales of performances in their region last or did not even prospect this area (Urrutiaguer, Henry, 2012: 42). Last, the variable “licence category 1” specifies the companies which also manage a theatre.

Last, some questions were asked to precise the type of involvement in cultural action. A question was asked on the degree of autonomy for this involvement in artistic awareness. Are the companies mostly independent or do they meet the demand of local authorities, or of cultural, academic or other institutions? Another question was asked about the options for the company's residence in the institutions, according to their main activity.

The Poisson model estimated the coefficients of the significant variables for the Probit model. The descriptive data for these variables are given in table 2.

**Table 2** – Descriptive data for the significant data at 10% level in Probit model

	Mean	Stand. Dev.	Min	Max
<b>Artistic genre variable</b>				
Dance	.19196	.3938	0	1
<b>Monetary resources variables</b>				
Sharing box office performance	9.054	23.015	0	346
Rank of turnover	3.059	1.214	0	4
Subsidies from communes	1.552	1.528	0	4
State support for cultural action	.0878	.2833	0	1
Regional convention	.1687	.3748	0	1
<b>Non-monetary support variables</b>				
Administrative competences	.2759	.4473	0	1
Work secondment	.1529	.3602	0	1
<b>Administration variables</b>				
None of the externalisation operations	.4552	.4984	0	1
Tandem for artistic direction	.1335	.3405	0	1
<b>Territoriality variables</b>				
National level for production time	1.044	1.185	0	3
International level for cultural action time	.2267	.584	0	3
National level for coproduction revenues	.5413	1.055	0	3
Regional level for cultural action revenues	2.032	1.364	0	3
Regional companies	.2935	.4557	0	1
Cross-regional companies	.3251	.4688	0	1
Licence category 1	.0334	.1798	0	1
<b>Cultural action variables</b>				
Autonomously conducted	.5993	.4904	0	1
Request from other organisations	.0791	.2701	0	1
<b>Resident artists variables</b>				
Centre national de la danse	.0422	.2011	0	1
Youth and Culture Centre	.0861	.2808	0	1
Other place	.1652	.3717	0	1

## Results

The LR chi2 tests show that both Probit and Poisson regressions are highly significant. The independent variables that are significant at the 10% level only for Probit model are given in Table 3. As compared to Probit model, Poisson model is a little less significant, especially for three explanatory variables.

**Table 3** Probit and Poisson estimation results

	<b>Probit</b>	Model	<b>Poisson</b>	Model
	Coef.	Z	Coef.	Z
<b>Artistic genre variable</b>				
Dance	.443**	2.35	.582*	2.23
<b>Monetary resources variables</b>				
Sharing box office performance	.004	1.90	.005	1.88
Rank of turnover	-.193**	-3.22	-.256**	-2.83
State support for cultural action	-.484	-1.76	-.725	-1.74
Subsidies from communes	.110*	2.33	.135	1.92
Regional convention	.521**	2.83	.662**	2.57
<b>Non-monetary support variables</b>				
Administrative competences	.318*	2.05	.363°	1.62
Work secondment	.366*	1.96	.518*	1.99
<b>Administration variables</b>				
None of the externalisation operations	.385*	2.28	.459*	2.09
Tandem for artistic direction	.396	1.90	.534	1.77
<b>Territoriality variables</b>				
National level for production time	.232**	3.48	.303**	3.12
International level for cultural action time	-.316*	-2.08	-.385	-1.69
National level for coproduction revenues	-.303**	-3.60	-.435**	-3.10
Regional level for cultural action revenues	.125*	2.17	.172	1.87
Regional companies	-.390*	-2.19	-.553*	-2.15
Cross-regional companies	-.624**	-3.38	-.792**	-2.85
Licence category 1	.865**	2.62	1.06**	2.57
<b>Cultural action variables</b>				
Autonomously conducted	.316*	1.99	.511*	2.10
Request from other organisations	-.798*	-2.21	-1.234*	-2.01
<b>Resident artists variables</b>				
Centre national de la danse	-.830	-1.87	-1.034°	-1.64
Youth and Culture Centre	.496*	2.19	.623*	2.09
Other place	.307	1.66	.367°	1.43
<b>Constant</b>	-1.51**	-5.38	-2.66**	-6.02
LR chi2(22)	107.9		84.81	
Pseudo R <sup>2</sup>	.213		.162	

\* significant at the 5% level; \*\* significant at the 1% level; ° not significant at the 10% level

Both models confirm that dance attracts more patronage than do the other artistic genres, as their variables are not significant at the 10% level. The coefficient for the rank of turnover in the different resources is negative, whereas the coefficient of the variable for box-office sharing is positive and the variable for transfer contracts is not significant.

We may infer that a high capacity to sell performances is not a factor of attractiveness. With regard to the subsidy structure, the coefficient is positive the rank of *communes* which expect local anchorage of the supported companies. Concerning the dummies representing

the conventions with public authorities, the variable for a regional partnership is only significant with a positive coefficient and the variable for a State support concerning cultural action is negative. With regard to the forms of administrative externalisation, the coefficient is only significant for the variable “none of the operations” and is positive. Hence, the biggest companies are not the most attractive for patronage. The coefficient is positive for the artistic directions with tandem whereas other variables for men, women and collectives are not significant. As regards the non-monetary support variables, the coefficients are only significant and positive for administrative competences and work secondment. We may infer that the patronage based on competences plays a role for the beneficiaries. However the coefficient is no more significant in the Poisson model for administrative competences.

With regard to the territorial variables of the activities, the coefficient is highly significant and positive for the rank of the national level in production, whereas the coefficient is negative for the rank of the international level in cultural action. Concerning the territorial variables of the different resources, the coefficient is significant and negative for the rank of the national level in coproduction and is positive for the rank of regional level in cultural action revenues. As regards the diffusion profile, the coefficients are negative for regional and cross-regional companies. The latter variable is the most significant. Last, the coefficient for the variable “licence of category 1” is significantly positive. The companies that manage a theatre therefore attract more patrons than the troupes which only produce shows. This result is consistent with the data on the distribution of subsidies as regards local anchorage.

The view on local anchorage as a factor of attractiveness is therefore nuanced. Patrons do not support those companies which attract more coproduction at national level or give priority to cultural action at international level. Culture-focused patrons are nevertheless interested in companies which do not localise all their activities at regional level and which work on the production of their shows on a national scale.

As regards the options on the ways to design cultural action devices, the coefficient is significantly positive for autonomy in design, and negative for companies that meet the demand from organisations other than cultural, academic or local authority institutions. Heavy involvement in artistic education is therefore valued by sponsors, whereas positioning to meet the educational needs of non-institutional organisations is rated poorly. With regard to the type of residence in the Probit model, the coefficient is negative for the offer of the

*Centre national de la danse* and is positive for some non-artistic institutions: the Youth and Culture Centres and other places like social centres. However, the coefficient is only significant at 10% level for the Youth and Culture Centres in the Poisson model. Therefore the level of the institutional reputation is not a positive signal for the attractiveness of the choreographic companies. The willingness to donate is for companies which propose artistic educative actions in their local environment, especially with young amateurs. These troupes can more easily attract local patrons whose motivation is to reinforce the social cohesion in their territory. The Admical surveys show that firms are more interested in mixing support for culture and solidarity with artistic education or creative experiences involving young people in outlying suburbs.

The answers of the 68 respondents in the *Centre national de la danse* survey confirm this: 42.6% of the dance companies contacted national or international corporations, 27.9% local firms, and 29.4% both. The success rate was 48% for the former against 79% for contacts with local firms and 70% for both requests. As the largest dance companies are under-represented in this survey, patronage seeking by small or medium-size companies seems to be more successful among local enterprises.

### Discussion: the challenges for organizational cultures

To secure cultural corporate patronage requires a cultural transformation of both performing arts companies and non-artistic enterprises. As regards the former, the logic of partnership is shifting from seeking a lump-sum subsidy to negotiating on a specific agreement which could satisfy both economic and managerial interests. Some artists may be reluctant to take into account the values and the image of the corporate patrons in their production. Patrons' preferences may modify the structure of subsidised artistic production. For instance, Feld, O'Hare and Schuster (1983) highlight the market distortions as cultural patronage encourages arts that please rich people. In the United States, they note that the poorest patrons concentrate their donations on religion, whereas high-income taxpayers are more attracted to the arts.

Corporate or foundation involvement in cultural patronage requires a project manager's personal interest in the artistic or cultural plan. Sensitivity to the supported art form is necessary. In the case of non-profit organisations, managers need to develop a psychological approach of reciprocity to give them a feeling of self-accomplishment. The negotiation of



counter-gifts involves the presence of the public or professional patron's logo in the cultural organisation's information documents, and the advantages granted in exchange for support.

However, the relationship may be unstable as the project manager may resign or modify the choices due to a change in the group's communication policy (Carabalona, 2007). With globalization, mergers, acquisitions and delocalization mean that corporate patronage varies significantly from one year to the next<sup>12</sup>.

The use of crowd funding digital platforms has recently increased to secure micro individual patronage. Performing arts companies can appeal to the public for donations, with a description of their artistic goals and the use of private funds. Kisskissbankbank is a prevalent model for non-profit organisations. The terms of exchange concern counter gifts such as a poster for the show, an invitation to a rehearsal or performance, or a meeting with the artistic team, depending on the amount of the financial gift. Kisskissbankbank selects the funding projects, depending on the viability of the demand and is not restricted to culture. In France in 2012, 600 funding projects out of 1,500 reached their financial objective on time and €300 million were collected (Lescure, 2013: 602). Non-profit organisations can quite easily reach the first circle of family and friends and make some complementary earnings if their plan and the counter-gifts are attractive enough. Access to further circles however requires corporate recognition and renown.

## CONCLUSION

More intense competition between art forms is expected to favour the preservation of cultural heritage and the support for music. Yet the growing competition in the performing arts sector is more likely to reinforce the market power of the nationally approved institutions, to the detriment of those companies which may develop the diversity of their activities with less valued forms of cultural action. The brand name of great museums, such as Opera and Comédie-Française is particularly attractive. The Probit models show that the

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<sup>12</sup> In her tribune on the *Rue89* website, Benhamou (2008) quotes the examples of the withdrawal of Chevron Texaco's support to the New York Metropolitan Opera in 2003, and that of the Reader's Digest Association to the Metropolitan Museum of Art at the end of the nineties. The yearly cultural patronage of around \$7 million by Altria (formerly Philip Morris) in New York City may disappear as the corporation recently decided to move to Richmond. Benhamou (2006: 159) remarks that the share of patronage in the acquisitions budgets of French national museums rose from 2% in 1990 to 17% in 1999 but decreased to 7% in 2002.

performing arts companies can attract the patronage of small local enterprises with their common interest in local anchorage. More patrons may wish to mix acts of solidarity and support for the arts, especially in the field of education. A significant share of the production of the shows at national level is another factor of attractiveness, whereas the considerable weight of box-office turnover in the company's income and the importance of cultural action at international level have the opposite effect.

Preserving artistic pluralism raises not only the financial question of public contributions but also the issue of artistic education, which may shift preferences towards more contemporaneous forms among patrons and audiences overall. It also raises the question of a better symbolic and artistic recognition of amateur participation to support the social development of creativity and artistic multi-activity (O'Hare, 2008).

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