

Review Paper

State Policy of Cultural and Art Projects Funding as a Factor in the Stability of State Development in the Conditions of Globalization

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ABSTRACT

The article considers the forms and methods of the practice of financial support for an important social sphere culture and art. The experience of financing this sphere as a whole and in the context of individual countries of the world is analyzed and summarized. It is substantiated that each country forms its own models of public financing, and there is a significant arsenal of tools for financial support of culture and arts, including those based on the principles of public-private partnership. Arguments are presented that culture and art represent a tool of the so-called "cultural diplomacy" and soft power, and the financing of cultural and artistic projects today, in the context of globalization and related geopolitical processes, is a very expedient component of ensuring national security.

HIGHLIGHTS

- The article is devoted to substantiating potentials of financing cultural and artistic projects for the benefit of the stability of the state development, both in the plane of the formation of national identity, and in the international arena in the context of globalization.
- The obtained results demonstrated the success of various models and practices of financing cultural and artistic projects in various countries in the aspect of cultural diplomacy.
- The practical significance of the research lies in the possibilities of its use by state regulatory bodies both in the sphere of cultural development and those assigned with the tasks of ensuring national security.

Keywords: Cultural diplomacy, State Policy, Soft Power, Globalization, Cultural Identity, Art Projects

The cultural component of world politics and appropriate state policies, along with other issues of so-called "low security", has traditionally been relegated to a secondary role. It was considered at best as an addition to the intensification of economic

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and military ties between states. Now culture in the interstate relations is again acquiring a significant role, not only due to the fact that there is an increase in tension and conflicts in almost all regions, but also because culture has begun to acquire new functions associated with its 'massization' in the era of globalization.

Promotion of ideals and values is one of the main tasks of the cultural component of the "soft power" state policy. In the concept of "soft power" developed by the American scientist J. Nye, culture, along with foreign policy and political values, is given the leading role in the formation of an attractive, positive image that "is able to convince others to want the same thing you want" (Nye, 2011). At the same time, productive interstate cooperation is often built on the basis of common values. The European Union serves as an example of an interstate association in which states have managed to achieve a high level of integration based on the development and strengthening of common values, while, along with the common European values, each nation within the union managed to maintain its own cultural psychotype.

European programs of cooperation in the field of culture promote intercultural dialogue and unite various ethnic communities into a single socio-cultural continuum, while maintaining their cultural identity. They help people communicate and express themselves without relying on any one language. Such programs allow, while getting acquainted with the culture of "one's neighbor", to better understand new pan-European contexts, new realities (Flew, 2012; Nisbett, 2012).

Thus, one can say that cultural diplomacy (soft power) creates a unique multi-ethnic, multi-linguistic, multi-cultural, multi-confessional European space, which gives stability to the development of modern society.

The connection of culture with politics is also manifested in the fact that it becomes an important factor in economic development. In the era of mass culture, trade in cultural goods and services can become a significant source of replenishment of the state budget. In this regard, the undisputed leader today is the United States, where the production of Hollywood films not only provides multimillion-dollar income to the US treasury, but also solves

practical political problems. Most Hollywood works popularize the American way of life and social ideals, called the "American Dream", which postulates the possibility, in a market economy and democracy, with hard work and the presence of certain knowledge, to fulfill oneself and achieve high financial well-being, and at the same time gain a certain level of personal freedom and respect for own rights. As noted by a number of researchers, the "American Dream" is the main motive for migrants from nearby Latin American countries, as well as other parts of the planet, to move to the United States in order to improve their living conditions and achieve the notorious American freedom (Enaifoghe and Makhutla, 2020). Thus, through the resources of culture, it is possible to disseminate not only cultural values, but also political and economic norms (Dallmayr *et al.* 2016).

At the same time, the culture of society as a whole is a kind of "fabric" of the traditions of social life, beliefs, values, as well as behavioral attitudes and the symbols that express them and regulate all social relations. This is the most stable component of social life, which can be regarded as an objective factor in the stability of society.

It can be said with certainty that the connection between culture as an integral part and the conditions of the entire system of activities that ensure different aspects of human life and national security is obvious. The latter in the context of globalization is ensured not only by the strong defense capability of the country, but also by its worthy status and role disposition in all aspects of foreign and domestic state policy without exception (Deyneha *et al.* 2016). Threats to national security can come from anywhere, and culture, thanks to its all-pervading ability to influence social relations through the minds of people, can become an important means of overcoming them.

Accumulated within the framework of a specially oriented policy, culture is able to achieve important goals the regulation of social development and the stabilization of public life, and at the same time use democratic means, that is, interactive forms of tolerant influence on people's consciousness and behavior in order to avoid socio-cultural crises.

The national security of the country as its supporting structure implies culture as a system of strategic

importance. Understanding this circumstance, the ability to support and preserve this culture, to rely on cultural heritage in solving urgent problems of today is a serious state task, which implies appropriate mechanisms and levers of state' participation in funding cultural and art activities and projects.

Literature Review

In the discussions of recent years, three positions have been presented regarding the nature and consequences of the process of cultural globalization (McGuigan, 2005; Melissen, 2005; Enaifoghe and Makhutla, 2020; Filevska, 2019). On this basis, scenarios of cultural policy are formed, reflecting various models of the globalization of culture.

The first scenario of cultural policy is presented by "hyperglobalists" (K. Ohmae, B. Wriston, R. Guenon). They argue that globalization opens a new era in world history. The "locomotive" of this process is economic and technological globalization, the speed of innovation creates a situation of instability, constant race for the leader, changing consumer standards. Economic modernization is the most energetic and active, it intensively involves new spheres, including culture, into its orbit (Gaman *et al.* 2022). It affects the movement of goods and services, ideas and cultural values, creates new needs and ideas about a civilized way of life. Namely economic globalization stimulates the emergence of new forms of cultural policy. The initiative and implementation of the cultural policy scenario belongs to large corporations and international companies that have financial resources to achieve their goals.

Nation-states perform only representative functions and gradually lose real power and authority in cultural policy. Corporate culture becomes a new form of identity, creating a cosmopolitan type of personality, when devotion to the company, its interests, the ability to work in a team become the main qualities of a person. Corporations are more powerful than nation states. They provide social support and protection of human rights, promote education and advanced training, provide comfortable living conditions, provide transport services, organize recreation and leisure, contribute to the upbringing of children, maintaining health, and family well-being. Social and cultural policy is

becoming an important direction in the activities of the corporation. Global international management systems create the basis for global infrastructures, universal communications, and common spiritual values (Filevska, 2019).

The spread of consumer products of mass culture leads to homogenization, the gradual disappearance of national characteristics and traditions, gives rise to new cultural hybrids, devoid of ethnic and historical individuality and uniqueness. Globalization inevitably causes breaking and accelerated disappearance of national cultures. This is the price of progress.

The second scenario of cultural policy in the context of globalization is presented by skeptics (P. Hirst, G. Thompson, S. Huntington). They believe that hyperglobalists are wishful thinking, it is beneficial for them to exaggerate the parameters of economic integration and the scale of influence of international corporations. On this basis, they create a myth about the power and inevitability of the globalization process, the inevitable fall of the political role of national states, their transformation into a disenfranchised appendage of world corporations. In fact, the situation is different (Gavkalova *et al.* 2022). National governments have not lost power at all, their authority is growing, they are developing and implementing the main directions of cultural policy, protecting historical cultural heritage, and supporting new projects. Nation states are becoming the architects of globalization and integration, rather than passive 'victims'. Globalization does not eliminate, but strengthens the social and cultural differences of countries, pushes new national leaders to the forefront of history. A national upsurge can be accompanied by new claims to dominance, promote the development of fundamentalism and aggression, the division of the world into civilizational blocs and the establishment of a new identity. According to skeptics, the clash of civilizations is an inevitable prospect of globalization. Nevertheless, since clashes are possible precisely in the sphere of differences in cultural interests and preferences, nation-states must develop a cultural policy aimed at maintaining and preserving cultural identity in every possible way. The idea of multiculturalism is considered as a methodological basis for the development of intercultural relations, tolerance and dialogue.

The third scenario is represented by “transformists” (A. Giddens, J. Rosenau, M. Castells). They do not attach importance to any one factor in the process of globalization development economic, political, informational. All factors act together, in a complex, and transform society and culture, creating a completely new society and life world, not similar to the previous one (Kalyayev *et al.* 2019). This is not just a new world order, but a different configuration of the social and cultural life of the Earth community. Globalization does not produce partial changes due to some innovations, but fundamentally changes the living environment and projects the emergence of a new type of civilization, culture, and man. Globalization is a powerful transforming force, on the basis of which there is a process of comprehensive “shaking up” of former societies. It develops rapidly, but unevenly. Some countries are entangled in the network of global relations, while others remain on the sidelines and are thus relegated to the background. The power of nation-states is not reduced, but is transformed and restructured, adapting to the new situation. Various regions of the world are becoming catalysts for global processes, initiators of cultural transformations, and coordinators of collective action.

These scenarios highlight the complexity of defining a cultural policy strategy and its impact on the processes of personality’ identification (Gupta *et al.* 2021). The most promising and humanistic guideline for the process of globalization is the development of a dialogue based on respect and mutual understanding, tolerance and overcoming xenophobia, preserving the cultural heritage and achievements of each culture. The tendency to increase the diversity of cultures should not lead to the disintegration of the integrity of world culture and civilization. It is accompanied by the strengthening of contacts and the development of dialogue as a program and strategy for joint action. The constructive value of the dialogue is to ensure the solidarity of peoples, human rights and culture. Unlike a monologue ideological, political, economic, religious the dialogue of cultures is based on the idea of cooperation, the voluntary rejection of claims to exclusivity, the desire to implement partnerships in all spheres of life. That is why the dialogue becomes the main reference

point for cultural studies and an alternative to the ‘catastrophic’ models of globalization.

Many authors today rightly emphasize that the formation of geopolitical identity is inextricably linked with cultural space (Sehic, 2013; Sesic, 2017). In modern geopolitics, when analyzing and developing concepts of competitive strategies for the behavior of states in the international arena, it is necessary to take into account both the direct influence of culture on the development of geopolitical strategies, and indirect forms of the impact of the country’s cultural resources on competitive positioning and competitive behavior.

In the 1960s of the last century, P. Blau drew attention to this, and noted that the value context of culture is not only a means that forms social relations and common values in a broad sense, but also acts as “... a connecting link of social associations and interactions” (Blau as cited in Nasser, 2019). As a result, namely cultural norms determine the field of political interaction between participants in international relations, because they are based on cultural identity, which forms the collective expectations of participants in geopolitical processes in the international arena.

One of the most common definitions of cultural diplomacy in world political thought sounds as follows: the exchange of ideas, information, samples of art, other types of culture, in order to promote mutual understanding between peoples, the implementation of political and economic goals along the chain “positive view - encouragement for greater cooperation - change in public sentiment - conflict prevention, management and mitigation” (Dallmayr *et al.* 2016). At the same time, the system of objects of cultural diplomacy includes cinematography, choreography, music, painting, sculpture, exhibition activities, educational programs, scientific exchanges, opening libraries, translation of literary works, broadcasting of cultural programs, interreligious dialogue, etc. As a result, these actions are aimed at strengthening (or restoring) the stability of the state in the conditions of globalization.

Such work is also relevant because it largely determines the development of contemporary art, its natural trends and directions. This allows, in many respects, to competently build a policy in the

development of contemporary art, to determine its development prospects and ultimate goals.

MATERIALS AND METHODS

The theoretical and methodological basis of the study is represented by a number of concepts contained in scientific works on cultural studies, sociology, philosophy, and political science. An integrated approach to the analysis of the concepts of “culture” and “cultural policy” was used, which was interpreted as a consideration of formations complex in structure and dynamics from the position of polymorphic integrity, preserving the main core during its transformations.

To study the parts of this integrity, a system-structural approach was used, with the use of a set of research techniques: dichotomy, logical analysis, comparison, idealization, historical analogy, etc. Value-semantic guidelines were considered as the main core of culture in the context of society’s stability. The categories of “culture”, “cultural policy”, “national security” were analyzed as entities that have their manifestations in various spheres of public life (economics, politics, international relations, etc.) and in various forms of its dynamics.

Results

Among the countries that have particular experience in financing culture, let us single out the European and American models, which in their own way dominate the world practice. The main similarity of these models lies in the fact that they exist within the framework of developed market states. The economic, political, and social development of these states is based on liberal values, and above all, the values of freedom.

Most developed European countries recognize the possibility of culture’s influence on economic efficiency and the fact that cultural values are a condition for improving the production process and social responsibility (Karpa *et al.* 2021). The problems of culture are also considered from the point of view of their impact on the development of society and practical benefits in solving other problems, for example, in education, in reducing the level of crime, maintaining stability in society.

Models of funding culture and arts from the state budget in European countries, as well as corresponding state policy in the field, have their

roots deep in history. For example, in France, the lion’s share of funding for culture comes from public funds, despite the introduction of large-scale measures to stimulate sponsorship and patronage in culture since the mid-90s of the last century. In most developed European countries, budget financing remains one of the main forms of support for the sphere of culture and art. However, the costs for these needs in the total budget expenditures of countries make up a relatively small part from 0.2% to 2.5% (Loots *et al.* 2022).

The current trend in the development of the cultural sector in European countries is to improve the work of public services and local administration in order to “bring culture closer to the people”, to consumers and their needs. Incidentally, Europeans and Americans spend more on entertainment than on clothing or health.

In Denmark, Norway, and Great Britain, the population spends about 12.5% of the family budget on cultural leisure. In these states, spending on leisure even exceeds spending on family meals (Lazzaro & Noonan, 2020). Moreover, all “producers” of services, both state and non-state, are called upon to satisfy these needs, which stimulates competitive efforts in the interests of society and is focused on achieving results, and not on maintaining centralized control, rigidly defined functions and strict financial reporting.

For more than 20 years, in many European countries there has been a redistribution of tasks between the state, regions, and local authorities. The state took over the maintenance of national museums, symphony orchestras, theater and dance troupes, often archives and national libraries (Khomiuk *et al.* 2020). The regions became responsible for disseminating, coordinating, and supporting all cultural events, while local authorities are responsible for maintaining the infrastructure for holding cultural events, as well as planning the calendar of cultural events.

In connection with this, the problem of so-called “tied” subsidies is being solved, when, for example, a separate cultural organization, say, a local orchestra or a theater troupe, is financed simultaneously by power structures of three levels central, regional, and local. Moreover, an offer by the central government (for example, to support a cultural

project) in accordance with established procedures is possible only with the consent of the other parties (Hutter and Throsby, 2008). For example, in the Scandinavian countries, if one of the funders refuses to participate, the entire system collapses, and together with it the plans of the organization for the implementation of a cultural project.

The change in cultural policy guidelines also led to the diversification of management mechanisms, the essence of which lies in the predominance of at least two concepts (Klymenko *et al.* 2016). First, the central government should pay as much attention and support as possible to the main directions of cultural policy. Second, the central government should not be involved in the evaluation of artistic works and cultural projects.

The main guidelines for cultural policy for organizations and institutions, regardless of the form of ownership, in many European countries, therefore, boil down to: strengthening cultural production, in particular, active support for art workshops; preservation and development of cultural infrastructure, increasing the active and passive pursuit of the arts, cultural expression projects of ethnic minorities, strengthening ties with the economy of cities, improving their architectural appearance and improvement; it also implies establishing and strengthening links between high technology and art, transformation of libraries into ultra-modern information centers.

In the UK, culture officials favor the principle of public funding for culture and the arts and advocate that culture should be seen as central rather than peripheral to government policy. They believe that the time has come to defeat the sixth “giant” spiritual poverty, which threatens all attempts to lift people out of material poverty (Dalle Nogare & Bertacchini, 2015).

Culture as opposed to entertainment is seen as an art that requires deep insight not only from the creator or from the performers, but also from those to whom the work of art or performance is addressed, regardless of its form. The experience of the UK testifies to the greater involvement of the state in the financing of culture, but the main emphasis is on the spread of charity and individual and corporate patronage.

The cultural state policy of Germany is focused

on preserving the values and traditions of its own culture, asserting the thesis that only those who own their own cultural values are able to easily master the cultural values of other peoples (Levytska *et al.* 2022). At the same time, there are tendencies to weaken the role of traditional cultural values, associated with the assertion of the principle of economic rationality and the influence of mass culture, which is rapidly gaining positions traditionally occupied by ‘high culture’.

The cultural policy of the state, while weakening its monopoly on culture, focuses on cooperation with commercial organizations, is not so much engaged in the redistribution of shrinking budget funds in favor of unprofitable cultural institutions, but rather formulates the concepts of cultural development in the field and helps to implement them. It develops cultural life in society not by the logic of monetary relations, which always limits the possibilities of cultural activity (Kryshtanovych *et al.* 2022). The readiness of German industrial enterprises to support culture has a long tradition of philanthropy, an interest in activities that go beyond the boundaries of enterprises. Such activities form a positive attitude towards business in society, helps to integrate into society and provides public support. Moreover, it increases the motivation of employees, forming a positive identification with the enterprise, creates competitive advantages, regardless of the products and services produced by the enterprise.

In the EU, the sources of information on financing culture are statistical yearbooks online Internet platforms that provide access to the statistical databases of the Organization for Economic Cooperation and Development (OECD Statistics). At the same time, in these publications, information is presented either in an enlarged form (“culture and recreation”, “recreation, culture and religion”), or in scattered or local materials, which makes it difficult to analyze models, forms, and volumes of financing culture and art abroad in its systematized and concrete-logical form.

It is customary to compare the volumes of funding for the sphere of culture and art according to three main indicators: public and private spending on culture as a percentage of gross domestic product; the share of spending on culture in the total state budget; cultural spending per capita. The ratio of

public and private subsidies for cultural activities is not the same in different countries. There are four forms of financing technologies that differ in this ratio:

- ♦ In the form of direct financing (national museums, archives, libraries), in the form of general and targeted budget transfers (implementation of national programs for the development of culture);
- ♦ On the basis of joint financing of authorities of different levels (regional cultural organizations and investment projects);
- ♦ On the basis of mixed public-private funding (cultural heritage, music, theater festivals, exhibitions);
- ♦ Through independent intermediary structures (charitable foundations, public cultural institutions, associations of creative workers).

Based on the country's traditional cultural national relations and the system of sponsorship, philanthropy, charity, as well as the nature of the centralization of public administration and methods of interbudgetary relations, the choice of methods, forms, and mechanisms of financial policy is determined, which shape the model of state financing of culture.

Direct financing of cultural organizations in the form of full financing of current costs and investments, special targeted transfers, as well as in the form of grants is carried out in all European countries, but most of all it is associated with the budgets of unitary states, such as Great Britain, Italy, France, Spain, the Netherlands, Portugal, Nordic countries.

In France, 99% of the total funding for cultural activities is paid by the state, while the share of patrons and sponsors is only 1%. Significant expenditures of the central budget of Austria fall on the performing arts (46.6%); in the central budgets of Italy, the Netherlands and Switzerland, expenditures on museums, archives and architectural monuments prevail (39-44%). In the UK and Spain, only 1.8-1.9% is allocated for these purposes. While in Germany only less than 2% of the budget is allocated for the same purposes, spending on such social and cultural events as exhibitions, festivals, days of culture and art, etc. dominates (76.4%). In the UK, this item accounts for just 1% of spending (Lazzaro & Noonan, 2020).

The same diversity in approaches to financing of culture can be noted at the regional and municipal levels. Thus, in the Netherlands, the structure of regional budgets for culture is dominated by expenditures on libraries (42%), in Germany on social and cultural events (45%), in Denmark on performing arts (41%) (Lazzaro & Noonan, 2020).

A common form of direct state support is grants, the variety of which distinguishes the Swedish system of funding culture and the arts. Here, special importance is attached to individual grants designed to ensure the "economic security" of spiritual creativity. These include the following: honorary perpetual grants to outstanding cultural figures; guaranteed income grants awarded to outstanding writers; five-year grants for young writers; grants that give authors the right to receive income for the use of their works in public libraries (Litvinova *et al.* 2020). The Swedish grant system is characterized by a simplified procedure for granting and complete freedom of organizations or individual recipients in their use. Such grants not only improve the financial situation of cultural organizations, but also help them adapt to the market environment by attracting non-state financial sources and developing commercial activities.

In European countries, state funding of culture is also carried out on the basis of interbudgetary transfers by transferring general and targeted transfers to regional and local budgets. In Norway, municipalities receive a block grant from the government to finance health, education, and culture. Danish municipalities are given a block grant to fund libraries; funds are distributed between local budgets in proportion to the population.

State policy' support for culture on the basis of co-financing from the central and territorial budgets is carried out within the framework of broad socio-economic programs. The government of the Netherlands builds interbudgetary relations with large cities (Amsterdam, Rotterdam, Utrecht, and Hague), concluding separate agreements on the joint financing of cultural institutions in these cities (for example, the Royal Opera, the Dutch National Ballet, the Netherlands Opera, the Rotterdam Philharmonic Orchestra, etc.).

Another promising form of subsidizing the cultural sector is the partnership between the state and

corporate sponsors, which contributes to a significant inflow of funds from the private sector. Joint projects, for example, in the UK, are funded from the central budget and sponsorship in a ratio of 1:1 for the first project and 1:3 for subsequent projects. In France, a larger share of state participation is envisaged the budget contribution and the sponsor's funds are 5:1, the money is allocated subject to the preliminary collection of a certain amount of sponsorship funds (Malshina and Firsova, 2018).

Entrepreneurial sponsorship differs from actual charitable (philanthropic) activities in that it is directly related to the market policy of corporations and serves advertising purposes. National tax laws do not usually provide special incentives for sponsorship, but do provide ample opportunity to reduce the taxable income of companies by deducting the cost of advertising and other marketing activities. Companies use it by including sponsorship costs in the relevant expense items. Thus, the states actually subsidize sponsorship.

The American elite opposes state' intrusion or involvement in the management of culture. It is convinced that the state suppresses creative initiative, extinguishes artistic inspiration, and imposes a certain standard of 'good taste'. This is partly why in the United States there is no ministry or department that would be in charge of cultural affairs at the highest, federal level. Culture is administered by the states and cities. The American state is interested in culture, but this interest is based on the division of the cultural space into three components.

The first one covers culture in general, understood in the anthropological sense as a set of mores and customs inherent in a given community. This culture develops and functions spontaneously, naturally and does not need any outside interference.

The second component actually coincides with mass culture, which is a product of the cultural industry, that forms a separate sector of the economy and is subject to the laws of the market (Novak *et al.* 2022). American popular culture, of course, is dominant, not only within the country, but also abroad. The market nature of mass culture makes the participation of the state optional and perhaps unnecessary.

The third component includes mainly traditional artistic culture, classical art. Here the participation of the state or some other external support seems necessary. Although in the US culture and the arts are under the jurisdiction of the states and cities, the law allows the federal government to allocate appropriate subsidies, and the practice of subsidies is becoming more common.

Nevertheless, "before the pandemic, aggregate funding for the arts reached a new high water mark of the last two decades, an increase of almost 17% during the past 20 years" (see Fig. 1 below) (Stubbs and Mullaney-Loss, 2021).

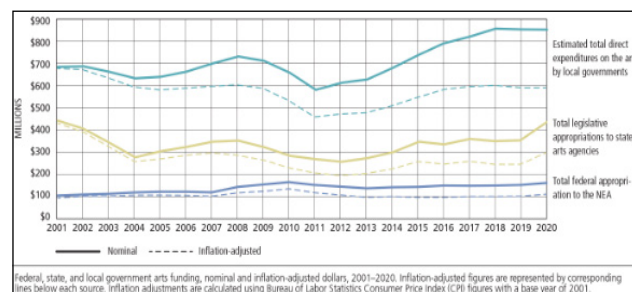


Fig. 1: Federal, state, and local government as funding, nominal and inflation-adjusted dollars, 2001-2020

Funding for culture and the arts in the United States is carried out through four channels: through income from its own activities, income from investments, through funds allocated from the state budget, and through support provided by private and corporate foundations. Hence, the share of individual private donations of Americans is 40%, while the percentage of charitable foundations and corporations is reducing on a decreasing scale.

Consequently, in this country, the share of state support for culture is insignificant and is carried out in the form of grants, not subsidies. The main funding comes through sponsorship and philanthropy mechanism. The state creates conditions for effective interaction between business and culture.

Cultural organizations' own revenues (proceeds from ticket sales, advertising, contributions from members of professional associations, etc.) account for about 55% of their budget. Another 25% of their budgets are formed by grants from private and corporate foundations, donations from individuals and companies; 12% comes from investments in securities, and only 9% of expenses are covered by the state (Handke and Dalla Chiesa, 2022).

Here, culture develops mainly on the basis of private initiatives, and the state plays an indirect, auxiliary role: it provides various tax benefits, actively uses administrative resources to encourage private initiatives and patrons.

The American model of state policy in the sphere of culture is that the state does not control culture. But the state understands that culture (artistic creativity, protection of historical heritage, development of folklore, humanitarian projects) is one of the most favorable areas for investment. Culture is essential for America to remain a key power in the world. Legislative conditions are being created in the country for business to develop culture and invest in its institutions. Relatively modest investments in culture bring not only solid material dividends, but also the cohesion of society, that is, benefit its stability (Troschinsky *et al.* 2020). Cultural activities contribute to the solution of many problems, including increasing the activity of the population, supporting economic development, improving the level of education, attracting tourists, and reviving the urban environment. The creative work of people is generally associated with the ability, using various images, texts and sounds in a new way, to influence others, informing them, entertaining, teaching and educating.

Americans believe that the cultural industries are developing like big business, as one of the most prosperous sectors of the American economy, exporting products for more than \$60 billion annually. The competitive benefits of cultural workers are no longer associated only with wages and are motivated by the factors of attractiveness, quality of life, and knowledge. Also, entering of cultural products to the level of international trade enhances the importance of the state in preventing illegal trade in cultural property, national heritage.

In the context of globalization, the development of competent and optimal mechanisms for financing projects in the field of culture and art is of strategic importance, related to the factors in the formation of the national security landscape, since culture and art today represent an important tool of "soft power".

The concept of "soft power" is the main vector for the implementation of the state's cultural diplomacy, aimed at strengthening its geopolitical and geocultural positions. The term "soft power"

was first used by Nye, who gave it the following definition: "Soft power" is the ability to achieve what one wants on the basis of the voluntary participation of allies, and not through coercion or payments (Nye, 2011). According to Nye, language and culture is a "soft power" that plays a key role in the international relations, directly or indirectly influencing world politics and business ties. "Soft power" state policy is based on the cultivation of the attractiveness of moral ideals and positive examples of lifestyle that have developed in a particular culture. This is the power not of material factors, but of information and images. The use of "soft power" is the use of the power of values.

Later, in *Soft Power and the Public Diplomacy Revisited*, published in 2019, Nye supplemented the previous definition by conceptually describing "soft power" as "the ability to influence other states in order to achieve own goals through cooperation in certain areas aimed at persuasion and the formation of positive perceptions" (Nye, 2019).

The international rating of "soft power" takes into account such indicators as the integrity or degree of integration of a nation and its culture, global integration and image, which includes migration flows, tourism, the country's attractiveness, culture, the number of Olympic medals, legitimate political values that have unconditional moral authority.

DISCUSSION

Each country is developing its own model of state financing of the sphere of culture and art, types of economics of culture, adequate to the national system of budgetary relations and traditions of state support for this sphere. At the same time, all countries have a common approach to culture as a factor in the innovative development of society. With all the diversity of its industries and the difference in their economic situation, the sphere of culture is considered as a single important sector of the national economy, the development of which requires an integrated approach and modernization from the state. The formation of an integral concept of state regulation and support of this sphere is a necessary prerequisite for ensuring an effective national policy in this area.

The main problems to be investigated are related to the nature, principles, and methods of state support in the field of culture and art. A wide range

of developments is devoted to recommendations on budgetary financing of the socio-cultural sphere, models of multi-channel financing with the participation of private and foreign partnerships are proposed.

Current trends in the institutional modernization of the social sphere indicate that it should function on the basis of a multi-channel financing mechanism, when the state should set the directions for development and take on certain social responsibility for the development of society, and at the same time, private financing should develop in market conditions within the framework of social responsibility of businesses for the provision of social services, one of the types of which are cultural and artistic projects.

As noted above, a feature of the current stage of funding art and culture is the search for additional, non-state sources of financial support for institutions in this area. One of the main tools for attracting additional financial resources is the development of the institution of public-private partnership (PPP) as an element of state policy.

In this context, the content of the public-private partnership concept can be considered in the broad and narrow sense of the word. So, in a broad sense, public-private partnership represents any interaction between the state and business in achieving common goals of socio-economic development based on the distribution of income and expenses, non-property benefits and risks arising from the joint implementation of publicly significant and social projects.

In a narrow sense, public-private partnership is a targeted co-financing of large-scale projects or other financial participation of the state in business projects. In this context, within the framework of public-private partnership, the goal of the state is to attract private investment in the implementation of social programs and investment projects of strategic importance.

Joanna Wegrzyn (2014) proposes a model of PPP, which, in its very concept, in fact demonstrates the vision of PPP in the field of arts and culture (see Fig. 2).

Public-private partnership in the field of culture has a number of features, but the principles and mechanisms are similar to the general one state

assets are provided on a temporary basis at the disposal of private business, which profits from the provision of services, but at the same time takes on investment risk. The function of the state remains to control the volume and quality of services provided on the basis of PPP. This state of affairs is not due to the lack of interest of businesses in projects of this kind, but to the presence of a significant number of barriers (Borin, 2017).

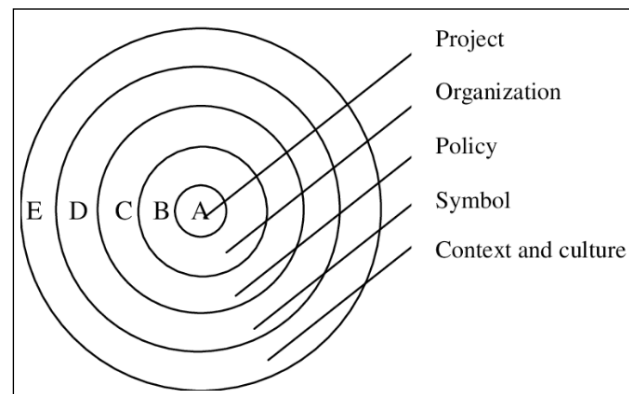


Fig. 2: Conceptual model of public-private partnership in the field of culture

Currently, various forms of public-private partnership in the field of culture can be used, which have specific features and differ from possible forms of public-private partnership in other sectors. An analysis of the variability in the use of various forms of public-private partnership in the field of culture allows concluding that an important direction in their adaptation is the identification of preferred forms in accordance with the specifics of the field of culture. In the structure of state property of cultural institutions, there is a fairly high proportion of cultural objects, the privatization of which is prohibited or inappropriate. But at the same time, for the effective development of these facilities, it is necessary both to attract private investment and to introduce new business ideas.

When choosing the most appropriate forms of PPP in culture, there is an increasing view in the economic literature that the most preferred forms of public-private partnership here can be concession, outsourcing, investment agreements (Ventura, Cassalia, and Della Spina, 2016).

As noted above, in the context of a significant evolution of the information space, the role of flexible factors, "soft" instruments in the system of international relations has noticeably increased. The

main mechanisms of the “soft power” of the state are seen in the cultural factor and the use of cultural diplomacy to export the cultural and national values of the state. PPP in the field of culture and art allows the implementation of multiple and large-scale projects, which at the same time are not isolated, but united by a systemic vision, that contributes to the formation of an optimal landscape of soft power.

For example, having such “soft power” as the French language and culture, France skillfully uses it in the national interests. The spread of the French language and culture is recognized as one of the most important factors in strengthening the influence of France in the world, so culture and foreign policy interests for France are inextricably linked. The cultural and humanitarian orientation throughout the history of the French state has been an integral part of the country’s foreign policy. Since the 17th century, one can trace the close relationship between the instruments of “soft” and “hard” power in France, when the state was the largest military power and at the same time the representative of the greatest culture, which spread its influence everywhere.

The British Council, the French Institute, the Goethe Institute are recognized leaders and pioneers of cultural diplomacy with large budgets, experience in diversifying financial sources and global cultural projects.

It is necessary to dwell on the impact of culture as a “soft power” not only in international relations, but also within the state itself (which, as a rule, is ignored by most authors). In studies of the “soft power” of culture, it is important to keep in mind that this impact almost never occurs immediately, but most often is realized in a fairly long term, similar to the impact of family and school education, books read, movies watched, etc.

The most important and very well thought out and complex line in the cultural policy of the state should be the education in citizens of the desire for culture as a natural need, carried out precisely in this way by thinking people, “aristocrats of the spirit”, as it would be said in the Enlightenment era (Bonet and Négrier, 2018). A culture that is not subordinated to political goals, not controlled and not directed by people who are far from culture, having become liberated, will bring the greatest

benefit to the country. At the same time, becoming a universal property, it can most effectively serve the real unification of mankind.

In the academic and political discourse of China, namely culture is given special emphasis when using the term proposed by Nye. The richness of the national culture and the success of Chinese modernization are considered to be the main sources of China’s cultural diplomacy. The dissemination of national ideals and spiritual values is served by such activities as the promotion of Chinese culture and language, effectively implemented by the expanding network of Confucius Institutes, informing the wider international public about their country through the media, cultural exchanges and hosting mega-events (Nakano and Zhu, 2020).

Museums are active participants in the intercultural exchanges, in the course of which the cultural policy of China’s “soft power” is being implemented, that is reflected in bilateral and multilateral agreements governing cooperation in the cultural sphere. In 2002, as part of the “soft power” initiative, the Chinese government declared culture a strategic goal and set the objective of building a thousand new museums by 2015 (which was partially implemented). In characterizing the features of the “museum boom” in China, the Center for the Future of Museums of the American Museum Alliance highlights such features as a huge leap in quantitative growth, an emphasis on architecture, an additional symbolic function of China’s museums, a shift observed in the last year to work on the activation of museum spaces and the development of museum education (Zhang and Courty, 2021).

Cooperation in the field of protection of historical and cultural heritage, museum activities represent one of the areas of cultural and humanitarian cooperation within the framework of the SCO, to promote which in 2002 a mechanism was created for regular meetings of the ministers of culture of the participating countries. China uses this platform to strengthen its “soft power” influence in Central Asia. The BRICS format is also used to promote soft power tools. In 2017, the Chinese presidency of this organization was marked by the institutionalization of cultural dialogue, including through the creation of the BRICS Museum Association (Zhang and Courty, 2021). An important element of China’s “soft power” toolkit is the One Belt, One Road

initiative, among the main directions of which there are strengthening humanitarian cooperation and supporting the country's image (Nakano and Zhu, 2020). Under the influence of this component of the Chinese foreign policy and foreign economic strategy, such forms of international cooperation as alliances of Silk Road museums are developing, in which Chinese organizations play a leading role.

CONCLUSION

The role and importance of cultural and artistic projects as an important factor in ensuring the stability of the state based on the strengthening of identity, as well as a key component of soft power for strengthening the competitiveness of the state in the context of globalization allows concluding that in modern conditions it is important to achieve a rational combination of state support for culture and its commercial component. At the same time, it is necessary to take into account the existence of free competition and ensure the development of the creative initiative of workers in culture and art.

The financing of culture in each country is determined by the traditions of the state and business in relation to culture. At the same time, various trends can be distinguished that determine the degree of influence of culture in society and the usefulness of culture in business development. There are various models of budgetary and interbudgetary funding of culture and art, as well as private support for cultural activities, the provision of financial and material resources to culture organizations and figures.

Each country is developing its own model of state financing of culture and art, adequate to the national system of interbudgetary relations and the traditional areas of state support for this area. At the same time, all countries have a common approach to culture as a factor not only in the spiritual, but also in the economic and geopolitical progress of society. With all the diversity of its industries and the difference in their economic situation, the sphere of culture and art is regarded as a single important sector of the national economy and national security, the development of which requires comprehensive support measures from the state.

A realistic assessment of the situation in the modern globalized-glocalised world predetermined a noticeable evolution of views on culture as a "soft power". While at the beginning of the 21st century

it was considered as an instrument of geopolitical influence, as well as counteraction, now the emphasis began to shift from "war by other means" to the tasks of completely peaceful positioning and ennobling the image of own state (and not only on the international arena, but also within the state itself). There is every reason to believe that the time has come for the third round of the evolution of "soft power" to naturally occurring cultural cooperation as the most important prospect for the modern divided and extremely 'explosive' world.

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