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## **CORPORATE SOCIAL RESPONSIBILITY in CULTURE and ART**

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## Abstract

Although culture and art have an important role in civilization of societies, this does not necessarily mean that culture and art have the value and the support which they need. In the world of economy, every investment expects to be fully returned. Under these circumstances most of the art forms are struggling to survive; not only because of artists' expression difficulties and problems to reach art audience but also because of financial constraints. Problems should not be limited with financial constraints only. The cultural intelligence can only be build with continuous and creative education of the society. Some art forms are also having difficulties to transfer the experience and the knowledge to up coming artists.

With all these problems, globally some art forms are getting more commercialized. New forms of entertainment business overshadow other art activities. Even artist and art critics are having a hard time to distinguish the border of art and entertainment for some art forms. As a result, some art activities become self supporting while the others can not. This gap is tried to be filled with outsource funding, but the necessary support was not only financial. In this point, corporate social responsibility (CSR) in culture and art becomes an important issue for corporations, art communities, institutions and of course for independent artists.

The purpose of this study is to understand and distinguish the mainstream of corporate social responsibility (CSR) in culture and art in Turkey. All parties related to CSR in culture and art; (corporations, artists, art institutes and art communities) and their expectations from CSR are examined. To be able to understand the general tendency, applications and problems of CSR in culture and arts, a series of in-depth interview is implemented with corporations, art institutes, art communities and individual artists from different art fields.

Only a small proportion of cultural and art activities are supported by corporations. This study tries to figure out different perspectives of corporate social responsibility (CSR) in culture and arts in Turkey. Aimed to understand artist point of view and why choosing, which artist/art institution/art community to support and what should be the border of this support is a strategic decision for corporations.

**Key words:** Corporate Social Responsibility, Culture, Art, Turkey

## **CORPORATE SOCIAL RESPONSIBILITY in CULTURE and ART**

Culture and art are living, developing and changing live organisms of the society. They reflect anything that they catch. That is why survival of culture and arts means also the survival of the societies. The need for supporting culture and arts in today's fast consumption economic environment becomes a must for societies since the change is faster than it is observed.

Supporting culture and arts could take different forms which society willingly or unwillingly participate. But managing these supports and offering a sustainable environment for arts, could return to the society more efficient. That is the reason why, major players of economy and society voluntarily interfere this field.

In this study, it is aimed to understand culture and art environment in Turkey and their relationship with corporations in the context of corporate social responsibility. It is also aimed to distinguish the problems and learn prospective solution alternatives from the cultural environment actors themselves.

### *Literature Review*

Although it is not very easy to define culture and art, these terms are tended to be understood very closely. By definition culture relies on the term civilization (Shafer 2001). It is also possible to define culture as the total of one society's language, traditions, beliefs, laws, social behaviors and arts (Peters, 2005). Anything forming a society could be named as culture itself. When it comes to define arts, it is more complex and subjective. Basically, art is the subjective beauty which has turned in to an object (to an art work) (Evrard & Colbert 2000 ; Ferry,1990;

Lacoste,1986). Art is tangible (sometimes intangible) form of personal definition of beauty and esthetics.

These terms are still discussed and tried to be separated from each other. In this century some art forms are accepted as culture and some are not. The reachability of the art work and the popularity may change the definition. There is a huge debate of classification of art and cultures by artists and art critics. The differences also rely of the economic source of the compared art forms. Most of the cultural management literatures do not include popular music, cinema and television as art (Blaug, 2001). In most of the cases cinema refers to be entertainment while low budget independent movies referred as culture (Sheldon, 2005).The economic metrics are also important to define art, since popular art forms (like cinema, popular music etc.) have more audience and financial productivity of their own.

Any kind of support to culture and arts become crucial for them to survive. Subjectivity of the creation of art, builds a disadvantage for artists to spread their message. Additional financial barriers would not make their production and communication any easier. Culture and arts seem to be produced by the surplus values of the societies, and yet again return civilization back. Because of this, completing the circle of this surplus meeting (unfortunately most of the time, not meeting) artists in need, is the first step for a continuous cultural development.

Since there are art works that artists can offer to the society, the expected financial return can be gained by these outcomes. But in reality the need for culture and arts are very low recognized or raided under more survival needs of the society members (Sheldon, 2005). Because of this, the additional funding or support search never ends, especially for the culture and art forms which are not very popular or easy to process by the audiences.

In theory, some main support types of culture and art are defined. The first one is “philanthropy”. Philanthropy is basically a voluntarily transfer of wealth from a donor to a donee, which does not based upon any kind of expectations in return (Shwartz, 1968). Philanthropy can also be determined as donation to other causes or organizations (Voth 2007). Although the donation reminiscent of financial support only, any kind of support also qualifies as philanthropy. Yet again, in the literature usually the financial philanthropy is studied.

Individuals, corporations and governments are the three main donors of these financial sources (Shwartz 1968, Voth 2007). The fist support source is individual philanthropy. Individual reasons and motivations for philanthropy could be charitable tax deductions (Boatsmann & Gupta 1996), self-esteem and personal satisfaction, religious teachings about giving (Bremmer, 1994 as cited in Voth 2007) and of course consciousness on social welfare (Bremmer, 1988 as cited in Voth 2007).

Although individual philanthropy is an important source of art funding in United States and Europe (Voth 2007), in Turkish culture and art environment, this is not seen very often. Instead of individual philanthropy, corporate philanthropy or government funding in culture and arts are more common.

Government funds for culture and art is the second financial source. Governments have their own cultural policies and based on these policies, they do plan the education of arts, invest of infrastructure for culture and arts, establish art schools and art facilities (like theaters, opera houses etc.) recruit artists for these facilities and fund independent art organizations. They give public funds to private art communities or organizations if these groups meet governments’ cultural policies. Since governments have very large financial sources it is desired by culture and art organizations to be supported by government, but on the other hand, the control and the

management of the governments could limit the projects and freedom of these organizations at the same time (Lindqvist). It is also possible to limit their free speech against the government implementations in every field.

The third source for culture and art support is corporate. Since the surplus of the societies are mostly produced and managed by businesses, the corporate support is tend to be understood financially. It is sometimes hard to distinguish the corporate funding in culture and arts. There are some different forms of corporate funding, differentiation with the motivations or management structures from each other.

Corporate philanthropy, as donation or supporting a non-profit or charitable organization seems to cover other types of aids done by businesses. But in theory the differences between the motivations or management of these supports change the nature of the giving. Corporate philanthropy is mainly distinguishes it self from corporate sponsorship and corporate social responsibility by managing the donations which are not directly related with the activity of the business (Svitkova 2006).

There are several models which are trying to explain the main motives of these supports to the non-profit or charitable organizations. But unlike the definition of philanthropy, corporations expect something in return for their donation. Donating and receiving a tax deduction can be very important motive (Svitkova 2006; Boatsmann & Gupta 1996). Anything reflecting positively on companies' productivity or profit, it could be evaluated as feasible to invest or donate. (O'Hagan & Harvey, 2000).

It is also common for corporations to initiate enterprises, associations and funds and act over these enterprises, associations and funds in order to limit government's interference and grow their own power and authority (Young& Burlingame as cited in O'Hagan & Harvey, 2000).

In today's business world it is not easy to see such a giving, which is really unexpected. For corporations the main purpose of the philanthropy is to promote the corporations strategic objectives (Mullen 1997). And never less than their business activities, these activities also should be managed strategically (Marx, 1999). It is seen that the corporate objectives could be met by corporate sponsorships, which is also very common in practice. To be able to promote their brand/company name or image, corporations could support events, charity funds etc. By definition, there should not be any relation of corporations' core product and the supported event or funds etc. (O'Hagan & Harvey, 2000) but there are different ways to implement corporate sponsorship. Cash or any kind of fee paid property donation aiming to promote message and image of a company or a brand could be named as sponsorship (Beggs, 2004).

Corporate social responsibility is another kind of corporate philanthropy, in which the aim of the action is more social and altruist. Corporate social responsibility is more complex than donating money or goods, it is a corporation's promise to be held accountable for its actions and therefore the corporation promises to take care of the societies and environment's best interest as well as the corporation's (Wulfson, 2001). In this content, corporate social responsibility covers more than donating for a good cause, but also taking the responsibility for the meaning of that cause.

Corporate social responsibility studies mainly focus on how and why corporate social responsibility implementations are done. As a total it is seen that, to achieve long term and sustainable profit for the corporation, using corporation's power in a responsible way, meeting society's social demands and acting ethically correct for the welfare of the society are the main headlines of the corporate social responsibility theories (Garriga & Mele 2004). It is also seen that corporate social responsibility becomes a part of corporate communication and marketing

communication of the businesses (Lantos, 2001; McWilliams & Siegel, 2001; Bronn & Vroni, 2001) since it is also for the society's welfare to declare the corporate social responsibility projects as well as the corporation's.

All these support systems could work in a society for culture and arts and yet there could still be problems. To be able to understand the situation of cultural environment every case should be studied in its own conditions.

### *Methodology*

In order to understand culture and art environment in Turkey, seventeen in-depth interviews with art institution, art communities, universities and corporations were done between June-July 2008. High profile corporate funded art institutes, art communities, art museums and cultural organizations were included in this research. Before the interviews web sites of these institutes, organizations, museums and communities were also examined.

The interviews were done with employees and managers of institutes, museums, organizations and corporations. Individual contacts were preferred with University professors. The interview topics were organized as open-ended questions but the interviews were not structured and leaded according to the gathered information through the interview. All interviews were digitally audio taped which differ between forty five minutes to three hours. All digital recordings were encoded and analyzed after the interviews and findings were grouped under four general topics.

### *Findings*

Regarding to the information and observations gathered through seventeen in-depth interviews, it is planned to understand the general profile of Turkish cultural environment and their relationships with corporations. It is also important to understand the relationship between government and art institutions, communities and organizations. To be able to summarize the interview findings, four major headlines are preferred. General environment, comments and problems are defined in situation analyses. Government and corporations relations are separately evaluated. Future prospects, expectations and projects are included in the last headline.

#### *Situation Analyses of Culture and Art in Turkey*

The majority of the culture and art organizations are centered in Istanbul. Istanbul is a very rich landscape with history, different cultures and art. Istanbul is not only a center of culture and arts but also the majority of Turkish businesses. Although most of these companies have operations national wide (sometimes internationally), they are usually managed from their headquarters which are centered in Istanbul.

This centralization has both positive and negative effects on culture and art environment. Having most of the economic activities in one city also mean having the potential sponsors there too. But this is necessarily mean good news.

Istanbul will be the world cultural capital in 2010. This is a very important step for Istanbul. Not only for Istanbul's cultural development only, but also capturing international cultural perspective, this will be a very difficult test. But becoming world cultural capital loads Turkish cultural environment also additional responsibilities.

### *Business Relationship with Culture and Arts*

Corporations and art organizations do have very close relationship since individual philanthropy is not very common in Turkey. But finding funds for culture and arts is not an easy task to accomplish.

The source for culture and art organizations is mainly corporations and government. Personal donations are usually centered in few art associations and are not adequate. Dominate players of Turkish economy prefers to establish a culture and art organization or foundation of their name and work with these organizations. They sometimes work with non-profit cultural associations like IKSIV (Istanbul Culture and Art Association) and sponsor for major art events. IKSIV was founded in 1973 by businessmen with the aim of organizing an international arts festival in Istanbul.

*“...They do know they always have an alternative to support if they do not choice to support you, may be with a better reputation or a greater audience potential...”* explains Sezen from an independent modern dance center in Istanbul (Cati Dance Studio, Istanbul, Group Interview, June 2008). There is an important competition between organizations since there are few major corporations which are sponsoring or involving in corporate social responsibility projects related to art and culture.

Small art organizations and individual artists are usually complaining about how hard to find a sponsor. They mentioned that it is very personal and subjective which artist that corporations support. The corporations usually have advisers or consultants to choose, and personal contacts play a very important role in these choices.

*“... We have chosen to be known by our galleries for plastic arts and architecture, projects revolving around urban culture and of course our sponsorship to the International Jazz festival... but when the company is prestigious and seems to have the finance everybody asks for something-money I mean...”* explains a bank’s gallery employee. Companies are facing so many demands and it is not possible to cover all of them. They have to carefully choose the most suitable ones for their brand/company images.

Education and environment is a very strong competition for culture and arts when corporate social responsibility funds are distributed in corporations. Sports are also a very strong competition in sponsorship funds in Turkey. Especially football and basketball are very popular and highly sponsored.

Since there is very limited money for art supporting, art organizations need to enhance audiences. Even traditional or international organizations have problem to balance the audience demand and ticket fees. Enlarging the audience group does not necessarily mean to earn more. In order to maintain the demand –even in Festivals- organizations minimize the ticket fees.

Some important families from business world transfer their surplus to art foundations. These foundations usually establish or support very important cultural organizations like museums (Pera Museum, Istanbul Museum of Modern Art, Sabanci Museum... etc.) orchestras (Borusan Philharmonic Orchestra etc.). Most of the banks establish multi branch art organizations (Aksanat, Yapi Kredi Kultur Sanat, Is Sanat etc). In last 3-5 years the establishment of these organizations increased.

The establishment of these organizations and the art branches they are interested in is mostly personal. Personal interest, past experiences and general trends do affect the organization structure.

*Q: Why is your organization is focused on classical music?*

*A: Actually this question has a very direct and simple answer. The owner of the Borusan Companies Group Mr. Kocabıyık was playing flute when he was a boy. He had a dream to have an orchestra when he grew up. This is why now the group is investing classical music. In the years of the establishment of the orchestra there was a huge gap in the field of classical music in Turkey. That is the second issue to support. Now we have a philharmonic Orchestra, Chamber Orchestra and Quartet. (Borusan Kultur Sanat, Istanbul, Saba Sumer interview, July 2008)*

Some of these art foundations or organizations planed to fill some gap while they were established. In the following years, some of them become a very important art corporation and become more commercialized (Eg: Yapi Kredi Kultur Sanat). By commercializing some of their activities, these art organizations plan to support their other more artistic or cultural activities.

When it comes to sponsorship, choosing the best alternative for brand image is canalizing sponsorships to performing arts generally. To be able get in touch with a certain group of audience is possible in performing arts. It is also possible to know the number of audience that has participated in the organization with the number of sold tickets.

There is a rising trend of art museums in past few years. This is an important development for plastic arts. These museums are usually sported by high income art funds, which are directly related with big corporations. Government supported, military and government organized museums are also taking their places between these museums.

*Government Relationship with Culture and Arts*

Turkish government directly gives subsidies only for drama. Beside government or municipalities owned or founded theaters, there is a drama subsidiary fund and this fund is allocated between private theaters every year.

Although there is no government subsidies in other art fields, government is directly establishing and supporting opera, ballet, modern dance groups within its art organization. But it is not very common to see independent organizations in these fields, although performing arts are more preferred to be supported by corporations.

Government and local municipalities prefer a long term relationship with reputable art associations and organizations, like IKSIV (Istanbul Culture and Art Association). Since 2004, IKSIV is also organizing the performing events of Ministry of Culture abroad Government also supports international organizations like Istanbul International Music Festival. But government or local municipalities prefer to permit for the usage of the infrastructure suitable for the organization, rarely donate money.

About funding other independent art communities, art institutions and art organizations, government is selecting very carefully because of limited budget. And it is seen that, very important and high scale organizations/events like Istanbul becoming 2010 world cultural capital, or Istanbul International Film Festival are preferred. This could be a problem for independent artist and small scale art organizations, but big expenditures for infrastructure (like 2010 organization) could not be done without government support.

On the other hand, it is observed that all art organizations are not very comfortable with the government perspective about culture and arts. That is reason why some of them prefer to search for other funds than government, and do not lose their adverse voice against government's policies.

### *Future Prospects*

Although every art organization has its own future plans, some common general goals are observed. Most of the art organization and individual artists plan to get a place in international reputable organization of their fields. It is also a very common plan to cooperate and work together with foreign artists.

The main purpose to present Turkish art best way they could. “... *yes, we got the Nobel, very important film festival prizes... but we could show that we can also act, maybe even good enough to get such prizes ...*” explained a actor from Aksanat. Almost every artist aims to get international successes. “... *to be able to a name here you should be name in Europe first. At least you should try it...*” explained a individual painter.

Beside personal goals, almost the entire art environment is waiting for 2010 Istanbul world cultural capital and expecting to see some developments from government investments. They do not always talk optimist but expecting at least the minimal investments for infrastructure needs of Istanbul.

Universities, artists and art organizations are not very optimist about some art forms like national crafts, pupating, sculpture, and ceramics. Some of these arts could manage to survive in industrial filed, but it is not very easy to survive artistically.

Economically self adequate art forms like popular music, cinema, are having troubles of their own. Copyright problems and pirate editions of CD’s and DVD’s are threatening their market gain and of course their self adequate economic cycles. Internet publishing and sharing sites are also causing problem for these art forms in Turkey.

(<http://www.ntvmsnbc.com/news/338917.asp>)

### *Conclusion*

Although it is seen the most important support for culture and arts are coming from corporations, there is still very important need for more funds. There is a very serious risk for culture and art organizations to lose their corporate funds to environmental and educational CSR projects and sport sponsorships in Turkey.

Allocation of these funds is also an important problem. Funds are generated and usually used in Istanbul. This seems to be the future prospect for culture and arts since 2010 Istanbul will be the world cultural capital. This is an important problem for other cities cultural agendas. Sponsorships are very limited and most of the time local out of Istanbul. And these sponsors usually could not guarantee a long term relationship with the organization.

Personal relations are very important for fund finding, and know internationally helps artists and art organizations to find funds. That is reason why, every art organization and artist aim to have intentional awareness and successes.

Some art organizations are directly established and supported by corporations. Museums are highly supported in past few years and developed plastic arts. Other art organizations have their own preferences of supported arts, which are also usually selected subjectively.

Corporations are supporting performing arts as sponsors and corporate organizations. But generalizing to performing arts is not right; some performing arts like modern dance or ballet are not corporately supported.

These culture and art supports are not necessarily social corporate responsibility implementations. Social welfare of art support may be the only part about these projects

resemble with corporate social responsibility. It is usually sponsorship or collective work of art organizations and corporations. It could be developed through art education and awareness, which is very limitedly realized.

Culture and art environment should be monitored before and after 2010 organization in Turkey. For future studies, it is recommended to study the audience perspective and awareness. It is also recommended to study and understand the differences between art forms like performing and plastic arts.

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