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## ISSUES OF FINANCIAL REFORM OF CULTURE AND ART INSTITUTIONS

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## ВОПРОСЫ ФИНАНСОВОЙ РЕФОРМЫ УЧРЕЖДЕНИЙ КУЛЬТУРЫ И ИСКУССТВА

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*Abstract.* In the article, the importance of financial reform in order to ensure the financial stability of institutions in the field of culture and art of our country in the conditions of the market economy was studied, and the main tasks in its implementation were determined. A financial reform program was proposed as a result of the study. At the same time, the profitability index was obtained in the evaluation of the results of the financial reform of cultural and art institutions.

*Аннотация.* Изучено значение финансовой реформы для обеспечения финансовой устойчивости учреждений сферы культуры и искусства Узбекистана в условиях рыночной экономики, определены основные задачи при ее реализации. В результате исследования была предложена программа финансовой реформы. При этом индекс рентабельности был получен при оценке результатов финансовой реформы учреждений культуры и искусства.

*Keywords:* finance, financial reform, culture and art, profitability, strategy, marketing.

*Ключевые слова:* финансы, финансовая реформа, культура и искусство, рентабельность, стратегия, маркетинг.

### *Introduction*

Several scientists have conducted scientific research on the regulation of financial relations in cultural and artistic institutions. In particular, G.L. from the scientists of the CIS countries. Tulchinsky and L. E. Shekova [1] expressed his views on attracting financial resources in the field of culture in his research. At the same time, another Russian scientist A. I. Burkin [2] carried out research on the topic of financing the culture and art sphere in industrialized countries, mainly international experiences were studied and considered as an example of the sphere of culture in Russia.

Local scientists A. Rozmetov [3] in his scientific research studied the issues of financial support in the field of culture, mainly analyzed the current financial mechanism. M. Sh. Kayimov, A. S. Umarov, U. G. Zunnunova [4] conducted research on the topic of financing the art sector in his research, and mainly studied the issues of modern financial management in the field of art and financing of non-commercial art institutions in Uzbekistan.

Nevertheless, the issue of financial reform of culture and art institutions in the market economy has not been sufficiently researched, and this article focuses more on the scientific and methodological aspects of this problem.

### *Material and research methods*

In the course of the research, when the activities of the advanced culture and art institutions in our country were investigated, it was found that there are a number of systemic problems and shortcomings that prevent further development of their activities. Including:

- first of all, the lack of effective legal mechanisms that encourage the involvement of patrons and patrons does not allow to ensure adequate financing of the activities of republican cultural and art institutions, first of all, from alternative sources, which causes excessive dependence on budget funds;

- secondly, the level of professional training of employees and the quality of services provided by cultural and art institutions do not meet modern requirements and international standards, which reduces their attractiveness for local visitors and tourists;

- thirdly, the lack of thorough integration of local culture and art institutions into the world cultural space does not allow the full use of the existing rich cultural and historical heritage and modern directions of culture and art in forming a positive image of our country and strengthening its status as a cultural center of the region;

- fourthly, due attention is not paid to ensuring the integrity of cultural heritage objects, museums, archives, libraries and other funds of the republic, which does not allow a comprehensive approach to the preservation and popularization of the country's cultural-historical heritage [5].

The above-mentioned problems highlight the need to achieve financial stability in the sector. This can be done mainly through financial reforms in the sector.

The main tasks of financial reform of culture and art institutions are as follows:

- ensuring the competitiveness of products and services by directing activities to market requirements and developing innovative processes based on investments in the latest technologies;

- increase the efficiency of capital formation and management of culture and art institutions;

- to find and attract opportunities to financially ensure the development of culture and art institutions and increase their financial stability;

- to increase the investment attractiveness of culture and art institutions by increasing their income based on effective use of all factors of production and reduction of costs per product unit;

- diversification of activities of culture and art institutions based on the demand and supply of goods and services.

### *Results and discussion*

It is desirable to develop a program of cultural and art institutions based on financial reform. Such a program includes a system of measures to improve the efficiency of cultural and art institutions based on the use of market factors and conditions of economic growth, as well as the implementation of modern trends of innovative development. The financial reform program envisages the following:

- change the organizational and property status of culture and art institutions;

- change the investment-technological basis of production;

- development of a well-founded marketing and evaluation strategy of culture and art institutions;

- justification of the financial strategy of culture and art institutions in relation to its production and marketing policy.

This financial reform program can be implemented subject to an evaluation of its effectiveness.

$$R=Sf \times Ok$$

here, R — return on equity, Sf — net profit, Ok — equity.

Despite the fact that the ideas seem to be fully completed, there is a constant opportunity to find additional resources for development in cultural and artistic institutions. As a result of the interaction of the factors that determine the development of culture and art institutions, unused potential opportunities appear as reserves of production, economic and financial activity.

The main method of finding financial reserves is financial analysis. It is on the basis of financial analysis that the policy of cultural and art institutions is developed in search of financial reserves. Regardless of the conditions of activity, searching for reserves and their implementation should become a permanent activity for the employees of cultural and art institutions.

The system of factors of formation of financial reserves is very wide. Depending on their importance, their levels can be divided into the following: staff qualifications; internal factors; external factors; financial factors; rationalization of capital structure.

### *Conclusions*

It is known that the period of transition to market relations is the period when it is possible to conduct business only with economic means.

This means that, firstly, cultural workers abandon the old economic thinking and move to a new economic system, and secondly, it is inextricably linked with improving the financial status of culture and art institutions, giving a new quality to financial support, and giving pictures of sustainable growth.

Financial activities of cultural institutions are complex and have their own characteristics. At the same time, it is the objective necessity of state patronage in the financial provision of cultural spheres in market relations.

It should be noted separately that work in the field of culture is the result of intellectual and creative production. This situation requires the creation of a number of safeguards in the market, such as the protection of spiritual food creators and insurance of their activities.

If we approach this issue from the interests of the creators, sometimes the costs incurred for the created cultural product will be economically ineffective due to the lack of acceptance by the audience. In this case, failure to cover the damage suffered by the creative employee will cause the team to fall into economic trouble. Naturally, this situation creates the need for state patronage for the financial support of culture and art. After all, even in free market conditions, cultural centers are extremely necessary for the society.

Therefore, it is necessary to activate, not limit, the intervention of the state in the cultural economy in market economy relations. In conclusion, it can be said that in the conditions of market relations, culture and art institutions should be formed as enterprises that work at the expense of the economy provided with funds by the state. Also, there is a need to expand economic relations in culture in return for the profit received from the services provided to the people, to conduct business like enterprises producing material goods.

All divisions of the financial reform plan of culture and art institutions should be subordinated to and mutually coordinated with a single based concept of capital formation and increasing the efficiency of its use, achieving a reasonable level of capitalization in the activities of the institutions. This makes it possible to achieve a much higher integrated effect in the reform process.

Therefore, all of the above require appropriate restructuring of their financial relations, increasing the role of financial flows in the management of cultural and art institutions.

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