

Finances of Russian State Museums: Significant Changes in the Period 1990 to 2003

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Recent changes in the Russian economy have led to financial restructuring in the cultural sector. In the early 1990s, cultural institutions, particularly state museums, experienced financial problems such as deficits, debts, etc.

Government subsidies to state museums were cut by 30-50 % and state programs were reduced. As a result, museums were unable to cover their operating costs and deficits reached half the annual budget. In response to these changes, museums started to raise funds and develop new activities.

The research objective is to explore the changes in financing of Russian state museums during the period 1990 to 2003. The main attention is paid to the development of the new forms of museum revenues. The paper also reports the problems experienced by Russian state museums in raising funds.

The paper is based on a study of the finances of large state museums in Moscow and St. Petersburg during the period 1990 to 2003. The institutions were the State Hermitage Museum, the State Russian Museum, the Museum of Anthropology and Ethnography of Peter the Great (Kunstkamera), the State Tretyakovskaja Gallery, the Pushkin State Museum of Fine Arts and the State Historical Museum.

The main conclusions are the following:

- 1) Since 1994 the Russian state museums have started to pay more attention to revenues from not-for-profit services (ex. entrance to exhibitions, guided tours, seminars, conferences, etc.). In 1990 most Russian museums, which were financed completely by the state, had free entrance or very small fees for exhibitions, tours and seminars. But in 2003 the revenues from these not-for-profit activities reached in some museums 30% of their annual budget. Museums have started to use the different fees for different groups of visitors. The most expensive fee is usually established for foreign visitors and visitors from former Soviet republics.

- 2) Since 1994 Russian state museums have been expanding into other geographic regions – establishing branches elsewhere in Russia and abroad – in order to attract new visitors and raise funds. Revenues from foreign branches are now the important source of income for many state museums. (30-40% of their annual budget).
- 3) Many Russian state museums established charitable societies and foundations to raise funds. One clear advantage of Russian museum foundations and societies is that their planning and budgeting activities are independent of the ministries of finance and culture, which still control the fundraising efforts of state institutions. Revenues generated by museum societies and foundations can reach 40-44% of annual museum budget.