

THEATRE MANAGEMENT AND PERFORMANCE IN THE REGIONS OF LATVIA

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Abstract

The research concerns the future of professional arts outside the capital and aims to examine the situation of professional theatre art in the regions, comparing the impact of state theatre and municipal theatre status on artistic processes. The study focuses on comparing the operating models of two Latvian regional theatres – the Liepāja Theatre and the Daugavpils Theatre. Both theatres are the only professional theatres in their respective regions and have similar objective parameters. However, their management models differ – the Daugavpils Theatre is a direct state administration institution, while the Liepāja Theatre is a municipal capital company or a limited liability company with all shares controlled by the Liepāja City Municipality. The study compares the budgeting principles of the two theatres and analyses the statistical data and the tasks set for the theatres by the supervisory institutions. Likewise, it compares the artistic principles of the two theatres and records the results of their professional activities, using nominations for the national annual prize “Spēlmaņu nakts” as a criterion. The study concludes that the theatre management model does not directly impact performance in the short term. However, in the long term, the municipal model poses several risks. The remuneration criteria in public theatres are considerably more transparent, whereas in a municipal theatre, they are determined by the subjective

decisions of two board members. Therefore, changing the board without changing the operating model does not guarantee a positive change in the theatre.

Keywords: *theatre management, regional theatre, operating model*

Introduction

Our research question concerns the future of professional theatre art outside the capital. Latvia has a different theatre management system from the other Baltic States, which will be outlined later in the study. However, the issues for professional arts in a regional context could be similar, namely, relatively small local potential audiences, correlations between funding and artistic quality, and maintaining professional standards in the long term. The topic's relevance is also confirmed by the increased interest in theatre management models in professional publications in the post-pandemic period. The Spanish Association of Directors' publication *ADE/Teatro* [for example, Campos 2023; Iglesias 2023; Zaharjeva 2023], the Latvian magazine *Teātra Vēstnesis* [for example, Rozentāls 2023; Rutkēviča 2023; Šermeneva 2023] and a series of podcasts on theatre operating models in different European countries produced by the Latvian Theatre Workers' Union in 2024.

The management system of theatres in Latvia is not homogeneous. There are eight theatres of direct state administration or state capital companies subordinate to the Ministry of Culture, three theatres of indirect state administration or municipal theatres (two of which are semi-professional), and several non-governmental organisations (see Table 1).

Table 1. Latvian theatre operating models

Direct state administration (state limited liability company)	Indirect state administration (municipal limited liability company)	Non- governmental organisations
The New Riga Theatre	Jūrmala Theatre (amateur)	DDT
Daile Theatre	Ogre Theatre (semi-professional)	ĢIT
Latvian National Theatre	Liepāja Theatre	Joriks
Daugavpils Theatre	Liepāja Puppet Theatre (semi-professional)	Kvadrifrons
Valmiera Theatre		and others
Latvian Puppet Theatre		
Mikhail Chekhov Riga Russian Theatre		
The Latvian National Opera and Ballet		

Source: Ministry of Culture, Latvian Theatre Union (LTDS)

All professional and semi-professional theatres can apply for funding from the State Culture Capital Foundation (SCCF) for specific projects through a tender process. Non-state theatres receive funding only through tenders, while state and municipal theatres additionally receive targeted grants. In Latvia, outside Riga, the capital, there are three professional repertory theatres with buildings built for this specific purpose – in Valmiera, Daugavpils, and Liepāja. Each of them is the only professional theatre in its region, but only in Liepāja, the theatre is entirely under the municipality's control. The Ministry of Culture does not plan to become the holder of its capital shares [Correspondence 2023a]. The study aims to determine whether the management model affects the operation of a theatre by comparing the theatres of Liepāja and Daugavpils, which share many similar objective parameters. The Valmiera Theatre is not included in the study as its building is being reconstructed during the period under review, and therefore, the comparison would not be adequate.

The study consists of three parts and conclusions. The first part, “Regional Theatres in Latvia”, briefly describes the status and funding of the Liepāja Theatre and the Daugavpils Theatre. The second part, “Problematic Regional Status”, examines the problems a regional theatre encounters due to its legal status in comparison to that of state theatres. The third part, “Sinergy of Art and Finance”, discusses the impact of theatres' operational models on artistic performance.

Regional theatres in Latvia

Before the pandemic, 57% of the population in Latvia enjoyed culture in person in their region. [Culturelab 2016: 52] This number dropped to 26% during the pandemic [LR KM 2020: 64], and also post-pandemic in-person cultural activity continues to decline, along with the number of residents, hence reducing both the existing and potential cultural audience. [LKA 2022: 6] Considering that Daugavpils and Liepāja are not surrounded by potential spectators geographically – Daugavpils is located at the border of Latvia and even the European Union, while Liepāja is located at the Baltic Sea, it can be concluded that the operation of regional theatres is impossible without grants. The research gains particular relevance as Liepāja prepares to serve as the European Capital of Culture in 2027; however, it must be recognised that this status has not been attained through as long-term national cultural policy, but rather despite the national cultural policy, at least in the field of theatre. To justify this claim, it is necessary to examine the historical context. Since the beginning of the 20th century, in Liepāja, the largest city in the southwestern region of Latvia, there have been two distinct directions of professional art – theatre and music. From 1922, the Liepāja New Theatre and the Liepāja Opera operated in the same building. Both were supported by the municipality and

the state. [Caune 1925: 56–57] In 1934, amid the economic crisis, the Theatre and the Opera were united and placed under the control of the municipality, creating the Liepāja City Drama and Opera. [Latvijas Kareivis 1934b: 6] The municipality's funding was supplemented by a grant from the Latvian Cultural Foundation – both for the theatre and the opera performances. [Latvijas Kareivis 1934a: 2] During the years of Soviet occupation, the Opera was closed, the Symphony Orchestra was funded by the municipality, and the Liepāja theatre was financed by the state. In 1997, due to the economic crisis, the Theatre was handed over to the municipality; in 2005, it acquired the status of a municipal corporate enterprise. However, it still retained both state and municipal funding. In 2009, Latvia found itself in the midst of another economic crisis, and the Minister of Culture, Ints Dālderis, announced that theatres in Liepāja and Daugavpils would have to close due to a lack of funds. [Dālderis 2009] As a result, the Liepāja Symphony Orchestra, which previously was financed by both the state and the municipality, was transferred to the state, but the oldest Latvian professional theatre in Liepāja, from then on, had to be financed by the municipality. The Daugavpils Theatre has maintained its national status as an important professional art centre in Latgale, where it stages plays in Latvian, Latgalian, and Russian.

The comparison of the Liepāja Theatre's and the Daugavpils Theatre's financial situation is displayed in Table 2. In 2023, the state allocated €1.65 million to the Daugavpils Theatre budget. The Theatre's own revenue is set at €298,000, including a Daugavpils Council grant of €98,000. The total share of own revenue in the budget is approximately 11%. During the pandemic, the Theatre had no own revenue, and the budget consisted only of a state grant. In 2023 and 2024, the theatre plans its budget similarly to that before the pandemic. [Šapošņikovs 2023]

Table 2. Comparison of financial indicators

	Daugavpils Theatre	Liepāja Theatre
Annual budget	approx. €2 million	approx. €2 million
Turnover 2023 (half-year)	€164,489	€439,290
Profit 2023 (half-year)	€41,875	€110,895
Creditors, total	€322,380	€519,880
Debtors, total	€4,570	€122,558

Source: Annual reports (2023/I–VI)

The Liepāja Theatre's budget usually consists of the municipal grant (60%) and its own revenues from ticket sales, funding raised through project tenders, and paid services – rent of premises and costumes, and excursions (in total 40%).

The exception was during the pandemic, when ticket revenue plummeted by 70%, and the municipality was forced to increase the grant, if only to maintain the theatre building and staff. Then the Theatre's own revenue decreased to 16%. The Theatre draws a very small part of its budget from the SCCF – before the pandemic, the funding raised €12,000 in 2019. In 2022 and 2023, the Theatre received support from the EU Recovery Fund: €200,000 per year for new productions, but the programme ends this year. Inflation adds to pandemic losses. In 2018, the average cost per production in the Large Hall was €30,000, and in the Small Hall – up to €15,000. After the pandemic, prices for all raw materials and external services have risen significantly, and this season, the Large Hall production costs can reach at least €40,000, and the Small Hall – around 20–25 thousand EUR. [Lēvalde 2023: 29–34] For example, in 2024, a Small Hall production of “Ziloņa dziesma” (*The Elephant's Song*) was planned at an estimated cost of €29,000, while a Large Hall production of “Tēvs Klusums” (*Father Silence*) was planned at the cost of €44,000. The balance sheets of both theatres have worsened accordingly, especially for the Liepāja Theatre.

Problematic regional status

Regional theatres have always had difficulty attracting and retaining new actors. If they study in Riga, they also want to stay and work in the capital. Therefore, since 1971, acting studios have been created in Liepāja, which over time have been attached to various educational institutions, both for professional education and for academic bachelor's degrees. In 2017, the Liepāja Theatre, in cooperation with the University of Liepāja, developed an acting study programme, and the municipality allocated over €200,000 to support this programme during the four study years (2017–2021)¹. Conversely, the Daugavpils Theatre educates its actors at the Staņislavs Broks Daugavpils Music Secondary School in the professional education curriculum “Theatre Art”, and the state budget fully finances it.

The second problem that regional theatres have always struggled with is the departure of the most talented actors and directors to the capital. At the Liepāja Theatre, shortly before the beginning of the 2023/2024 season, an internal conflict emerged gaining wide publicity in the national media. As a result, the contracts with the Theatre Board were not automatically extended, and an open competition for the theatre director and artistic director positions was being prepared. Temporarily, the duties of a member of the board were fulfilled by Timurs Tomsons, the Chairman of the Liepāja Concert Hall Board, until 1 February 2024. Already at the end of

¹ Data provided by Zanda Gūtmane, Head of the Liepāja University study programme “Stage Acting”.

2022, the leading actor of the theatre troupe, Egons Dombrovskis, announced his departure to Riga; in the summer of 2023, the capital also attracted the young actress Madara Viļčuka, who had already played several leading roles at the Liepāja Theatre. The chief director, Dmitrijs Petrenko, moved from Liepāja to Tallinn, and Edgars Pujāts, one of the most experienced actors was transitioned from permanent to freelance status. The detailed reasons for the conflict are available to the public, but the municipality refused to hand over the actors' collective statement even for research purposes. However, from the public information, it can be inferred that the conflict stems from the actors' unfulfilled artistic ambitions and their salaries, which are lower than those of actors in the capital.

Actors' salaries in all professional theatres are tied to their employment and artistic achievements, as they consist of fixed parts and bonuses (see Table 3). There are no substantial differences in the amplitude of the fixed part. Still, the principles of determining the variable part differ; therefore, an objective comparison of the actors' salaries is impossible. However, the very principles by which the variable part is determined are more clearly defined for the state theatres. At the Liepāja Theatre, the board determines the variable part, which introduces the risk of subjectivity.

Table 3. Comparison of remuneration practices

Theatre	Artistic staff (number)	Monthly salary range (gross)	Variable component of salary
Dailes Theatre	50	950–2400	based on agreed principles
National Theatre	60	970–1850	based on agreed principles
JRT (New Riga Theatre)	27	1070–1595	based on agreed principles
Valmiera Theatre	31	1100–2400	based on agreed principles
Liepāja Theatre	30	900–1600	determined by the board
Daugavpils Theatre	48	930–1400	undefined

Source: information from theatres

In January 2024, the competition for the board member positions in the Liepāja Theatre ended, and a director belonging to the middle generation, Valters Sīlis, the current founder of the project theatre DDT (Riga), was elected as the artistic director of the Liepāja Theatre, while the financial management of the Theatre was left in the hands of the ex- and new board member Eva Ciekurze. Both new Board members, Sīlis and Ciekurze, have submitted their strategic vision for the next five years in the competition. According to the information provided by the municipality, a new strategy for the Theatre will be developed after the approval of both Board

members, but it is currently unknown whether the vision of the artistic director or the financial manager will be given the preference² and what will be the compromises that the shareholder, the municipality, will demand in the delegation contract that will be concluded by the municipality with the Theatre Board [Correspondence 2024]. The Delegation Contract (on behalf of the municipality, it is concluded between the Liepāja Culture Board and the Theatre Board) on the implementation of delegated functions in the operation of the capital company is concluded anew every year; the current contract is still being drafted. The previous delegation contract set out the Liepāja Theatre's aim of being an internationally competitive arts and culture centre, offering a professional dramatic theatre programme "with cultivated musical traditions for every visitor"; however, the funding for international activity was not earmarked. [Mērķi 2021] Likewise, the prescriptive requirements implicitly emphasise the commercial aspect of the theatre performances.

The Daugavpils Theatre Board, as that in Liepāja, consists of two Board members: the artistic director and the director of the Theatre. The principles of fixed-term contracts are also similar. The state grant is awarded quarterly, and the funding must be used under the delegation agreement concluded between the Ministry and the Theatre. The contract specifies the minimum number of in-house and touring performances, including in foreign countries. It is determined that there should be at least one international cooperation project per year, and its funding has been marked; the necessary investments in technical support have also been marked in the allocated budget.

Synergy of art and finance

The results of the theatres' artistic activity should be reasonably similar under approximately the same budget, personnel, potential audience, and similarly defined goals and tasks of the artistic activity. However, the reality is significantly different (see Table 4). Compared with the Daugavpils Theatre, the Liepāja Theatre attracts about twice as many spectators and performs twice as many plays. The repertoire of the Liepāja Theatre, under the management of the former Board, was formally controlled by the Repertoire Council. The Council includes actors, the Theatre's artistic and technical management, and hired consultants. However, in practice, the Council approved an already developed proposal, which, until the end of the previous board's term in September 2023, was prepared by the artistic director and the director of the Theatre (the same person, Herberts Laukšteins, held both

² Although the new board has been approved, as of 5 February 2024, the strategic issues have not yet been discussed.

positions). The choice of actors for the roles was also under the control of Laukšteins, and such a situation does not exclude the risk of subjectivity.

Table 4. Number of spectators and performances (2022/2023)

	Daugavpils Theatre	Liepāja Theatre
Total number of spectators	24,679	58,333
Home performances	130	213
Performances elsewhere	17	34
New performances	7	10

Source: information from theatres

The Daugavpils Theatre's repertoire policy is created and approved by the Theatre Board together with experts from the Theatre's artistic staff. The number of premieres and their scale depend on the budget, but not the quality or content of the shows. The Daugavpils Theatre artistic director and head of the Board, Oļegs Šapošņikovs, admits that the status of a state capital company is optimal for performing functions of national importance. Still, the criteria for evaluating the activities should be changed by developing particular criteria for commercial companies engaged in theatre art. The previous government prepared amendments to the Law on Governance of Capital Shares of a Public Person and Capital Companies, which, among other things, provide for the division of capital companies into commercial capital companies, commercial capital companies dependent on the state budget, and non-commercial capital companies dependent on the state budget. Strengthening such division in the regulatory framework is logical and correct in the opinion of the current Ministry of Culture, but it is not known when they will enter into force and whether the amendments to the Law will also apply to municipal capital companies. So far, there are no indications of a change in the status of the Theatre operations [Correspondence 2023b]. To support the Liepāja Theatre as an important regional cultural centre, the Ministry of Culture invited the SCCF in 2023 to consider amending the rules of the target programme for professional arts development centres of national or regional significance in Latvian regions, so that the Liepāja Theatre could benefit from this support. However, the SCCF initially rejected this possibility, reiterating that 'for new productions, Liepāja Theatre Ltd. can apply for support in the regular project competitions organised by the SCCF' [Vērpe, 2023]. The Liepāja Theatre prepares applications and requests funding every year. In 2024, the Theatre submitted two co-financing applications to the competition, i.e. €12,000 for the production "Tēvs

Klusums”³ (“Father Silence”) and € 7,000 for the production “Ziloņa dziesma”⁴ (“The Elephant Song”), as well as €6,000 for the travel expenses during guest performances in April and May in other regions of Latvia. In the first half of 2025, the Liepāja Theatre’s net turnover increased to EUR 664,120. This was achieved finally by including the theatre in the regional development target programme “Provision of professional art at the Liepāja Theatre in 2025”, which was allocated EUR 100,000 by the State Culture Capital Foundation. The theatre has also applied for the programme for 2026, but the grant amount is unknown and the SCCF does not guarantee long-term financial stability.

Conclusions

The theatre management model does not directly affect the performance results in the short term. However, in the long term, the municipal model involves several risks. The municipality’s requirements for the theatre are more prescriptive than the state’s requirements and theoretically may include restrictions on performance. The financial capacity of the municipality is smaller than that of the state budget, which means unequal competitive conditions for regional theatres. The Liepāja Theatre achieves higher quantitative and qualitative results, but it is in a financially worse situation. Salary criteria in state theatres are significantly more transparent, while in municipal theatres, i.e. the Liepāja Theatre, they are determined by the subjective decision of two board members. However, changing the board without changing the management model does not guarantee positive changes in the Theatre. The Ministry of Culture’s proposal to make SCCF funds more accessible to the Liepāja Theatre, followed by the theatre’s subsequent inclusion in the 2025 target programme, significantly improved its financial situation. However, this support does not guarantee that such opportunities will be available annually. Evidence of this is seen in the SCCF Board’s refusal in 2024 to include the Liepāja Theatre in the target programme for regional professional arts support.

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