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# PERFORMING ARTS CREATION UNDER INEQUALITY: HOW GOVERNMENT SUBSIDIES IN SPAIN PERPETUATE THE STATUS QUO

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DOI: 10.13165/IE-22-16-2-03

**Summary.** *As economic inequality continues to deepen in the developed world, its ramifications in the social sphere are becoming more apparent. In a context of both public and private belt-tightening, the arts have seen a general decline in terms of cultural offerings, public funding available, and viewership and public participation. In this paper we focus on how the public sector in the Valencian region in Spain is channeling funds to stimulate the production of cultural offerings to make up for the deficiencies in the allocation of resources by the market. Our research focuses on the grants allocated for creation in the performing arts by the Valencian government during the 2016–2020 period, analyzing how the various programs perform both in terms of how the money is spent and how it is distributed, in order to ultimately gauge whether they contribute to their stated goal of mitigating inequality and providing broader and better cultural offerings. We find that although funding has continually risen and even doubled in a four-year period, its allocation is highly unequal and disproportionately rewards the already large and consolidated players. This goes against the stated goal of the policy and perpetuates the inequality of the performing arts ecosystem at large. We conclude with some general recommendations on how to move forward in guaranteeing a robust arts environment for artists, arts creators, and the general public.*

**Keywords:** *inequality, performance arts, grants, public funding, art creation.*

**JEL Codes:**

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## 1. Introduction

### 1.1. *How the art world reflects inequality in society at large*

The world is at its most unequal since the gilded age, especially in the developed world. This exacerbates the deep imbalances in the opportunities and choices people have – imbalances which go beyond income and into the realm of education, health, voice, access to technology, and exposure to risk (United Nations Development Programme, 2020). Though the art world is no stranger to inequality, the drift toward higher austerity and a diminishing middle class has repercussions that are severe and far reaching: an impoverished public and generally less demand for cultural offerings; artists that undergo long periods of job insecurity and spend more time trying to secure funding than in arts creation; and a public sector that is unwilling or unable to lend support. How to tackle these issues is a challenge in which there are fundamental knowledge gaps. Art plays an important role in society, perhaps a role that is frequently overlooked. First and foremost, it functions as a powerful way to express oneself, and also as a way to connect with others. It allows people from different walks of life to see life from a different perspective and it makes everyone feel alive (Kabanda, 2019).

Art has been used as a tool for cultural exchange, education, and expression. In today's day and age, the arts industry mirrors the inequality of the world at large. This can be seen in how artists are compensated for their work and the public funding available to create and produce new material. When it comes to arts funding, the underlying logic is centered on profit, mostly providing financial backing for blockbuster movies, top recording artists, and best-selling books (Schiffrin, 1999). Likewise, the distribution structures of the leading commercial chains promote swift stock rotation, while sales become concentrated around leading artists (Ivey, 2008). When it comes to the music industry, there is a tendency for musical preferences to be socially determined and, as a consequence, highly skewed toward a relatively small group of musicians. This likely reinforces network effects, which means in the end most of us listen to the same music, contributing to the overall winner-takes-all dynamic in which the top 1% of performers take in around 60% of all income (Krueger, 2019).<sup>2</sup>

Other studies have traced the linkages between neoliberal austerity and the inequality that permeates into the fine arts world. Kristina Kolbe researches how wider inequalities exacerbate the unequal distribution of resources, from arts funding to institutions' programming practices (Kolbe, 2022). Drawing on interviews with gallery directors, museum curators, art consultants, and artists, she maps out how austerity politics and intensifying privatization processes have a profound impact on the workings of the sector, recalibrating dynamics between private and public artworlds, and shaping processes of production and curation. Under the present conditions of financialized neoliberalism, she documents how increasing economic precarity brings into relief structural inequalities of gender, race and (post)-colonial legacies already manifesting in the artworld.

A compounding factor is that cultural employment is precarious by nature. Generally there is seasonal employment as well as a high share of self-employed people, and only a minority share of full-time employment, which limits the feasibility of a career dedicated to the arts (Throsby,

<sup>2</sup> A number higher than the GINI index of most advanced economies.

1994). In 2018, some 86% of employees in the EU-28 had a permanent employment contract, while less than two-thirds of all artists and writers in Spain (64%) and Poland (65%) had a permanent contract. In France, this share was particularly low (60%), compared with the share of employees across the whole national economy with a permanent contract (83%). Gaps of 10% were also registered in Belgium, Malta, Italy, Ireland and Sweden. There are many different strategies from the public sector that try to mitigate these problems, and they all involve some sort of public-private partnership to stabilize the artist's income and working conditions.

### **1.2. The economic and cultural value of art**

When analyzing the value of art in the modern world, it constitutes an activity that is relevant on two levels: both as an economic activity and for its cultural value. As was previously mentioned, the arts can enrich people's lives in monetary ways by providing jobs that people have reason to value, enhancing meaningful social capital, and unlocking people's imagination. This dual economic and cultural dimension is sometimes presented as a dichotomy that confronts two apparently antagonistic ways of understanding performing arts, depending on whether their economic relevance or their cultural contribution is emphasized: at both extremes, the performing arts is either seen as an industry or as a public good that functions as a provider of culture. The economics profession, which informs much of public policy, has yet to appreciate culture, and hence consider its importance in regards to meaningful growth and development (Krueger, 2019). The underlying motivation of economic life is mostly tied with greed and the blind pursuit of money. Economics recognizes that people are motivated by much more than material gain, but refuses to dig deeper into how to incorporate this fact into economic theory and especially public policy. On the other hand, the definition most widely and usefully employed by the art world itself is that the arts exist for the enjoyment and enrichment of life, *ars gratia artis* (Galbraith, 2017). Emphasizing one or the other dimension has consequences on the type of policies that public powers can deploy to promote the performing arts, both in the definition of objectives and in the mobilized instruments.

Focusing on profit as a metric for financial backing is however deeply controversial and its economic sense is also in question. Because of this, in Europe cultural policy sets off to counter market pressure and promote access to new cultural forms, encouraging audiences to discover new art forms for which they may develop an appreciation. A reorientation of public policies concerning the creative and cultural industries is occurring, but this policy choice, even if it appears to offer certain strategic opportunities to the artistic and cultural sector, seems nevertheless to involve serious risks for cultural creation. The main risk involved is that there is an increasing instrumentalization of artistic and cultural activities, which are used for ends which are at least partly foreign to them (in particular, to economic and diplomatic ends). Furthermore, it risks accentuating the trend of concentrating public and private funds on the most prominent arts institutions, thereby threatening to deepen a trend towards a two-tier system and further inequality (Tobelem, 2013).

### **1.3. Public support for performing arts creators**

Sustaining culture as an actor that stimulates economic and social development has become a European Union goal since the Lisbon Treaty introduced culture as both a factor of creativity

and a catalyst for economic growth and employment that is able to improve the whole economic fabric. From a non-economic, sociological perspective, social scientists like Pierre Bourdieu remarked how long-lasting inequalities in the way people access culture are reproduced and perpetuated in successive generations. This critique has become a centerpiece in French cultural policies, in which making culture more accessible is the main goal, through concepts of cultural democratization, cultural diversity, or culture for all. There is, in this regard, a relative convergence between the French, Anglo-Saxon and Spanish approaches to public culture funding, even though their traditional financing models are based on opposite grounds, with relative suspicion against the strong implication of the State in the United Kingdom, as opposed to a historically strong demand for public financing in France and Spain, albeit in a more decentralized manner in the latter (Doustaly, 2007). This correlates to marked disparities between them in terms of the amount of public funding being given, which represents around 1% of the French budget and a mere 0.35% of the total state budget in the United Kingdom (Pflieger, 2012). In the Spanish case, this figure stands at a constant 0.25% throughout the last five years, though local governments complement this figure with their own contributions.<sup>3</sup> In more general terms, public funding for the arts in France amounts to €230 per inhabitant, compared to £22.6 in 2009–2010 in the United Kingdom and €34 in Spain in 2021 (National Campaign for the Art, 2020; Government of Spain, 2020).<sup>4</sup>

The disparity in public funding is however reversed when looking at the private sector contributions to the arts. The financial crisis of 2008 that battered many European economies had devastating effects on cultural policy, and cultural institutions began to diversify their sources of income by seeking private donors, encouraged by their own governments (Tobelem, 2013). To this end, governments started implementing favorable tax regimes to encourage patronage and philanthropy. Sponsorship in France is highly promoted by the State, and encouraged by attractive tax laws, which are possibly the most attractive in the world (Pflieger, 2012). In spite of this, sponsorship and the creation of foundations have remained limited in France, compared to the United States or the United Kingdom. Compared to 30,000 foundations in the cultural sector in the United Kingdom, France only totaled 1,800 foundations in 2010. The comparison with the United Kingdom throws light on a different funding allocation: cultural sponsorship in France was about 18% of government funding in 2012, whereas in the United Kingdom it was roughly similar to the government endowment (Doustaly, 2007). In Spain, corporate sponsorship has been acquiring an increasingly important role in the financial structure and internal organization of large cultural facilities, though it still remains relatively marginal in comparison to traditional public funding in all but the largest cultural institutions (Rubio-Arostegui & Villarroya, 2021).

Among the professionals who work in the performing arts we have authors, performers, directors, lighting technicians, sound technicians, set designers, researchers, managers, programmers, exhibitors, and more. A central piece and starting point of all production in the performing

<sup>3</sup> In our case study, the Valencian government spends around 0.6% of its budget on culture.

<sup>4</sup> These figures must be taken as a rough estimate, as they come from different budgets referring to different years and because they do not take into account transfers between different administrations (as the State gives a global endowment to local authorities and there are transfers between them). Furthermore, these comparisons can be problematic, as there is no uniform definition of the scope of culture and hence accounting for its funding varies widely. Cultural policy in all nations is fragmented, with funds or laws passed down from different departments or government agencies, but some nations' policies are more fragmented or pluralistic than others (Alexander, 2008).

arts are the creators. These are the agents who devise and make up the project from the outset, which must culminate in its staging in front of the public (Boorstin, 1992). Policies that support artistic creation are configured as complex and multidimensional tools that combine different perspectives. Support for creation includes support for the artist(s), the conditions of their artistic production and the dissemination and/or marketing of their work; and is specified in a series of main project lines, such as purchase funds, grants, scholarships and prizes, along with direct aid to associations and private support funds. Taking into account the particular characteristics that we have previously discussed of creative and artistic activity in general, the performing arts constitute an economic activity that does not fit easily into labor, fiscal or social protection regulatory frameworks. The nature of the work itself, the irregularity and sometimes unpredictability of income, continuous mobility and non-remuneration of phases related to research mean that this group habitually develops its activity in a relatively unprotected environment compared to other sectors (Turrini & Chicchi, 2013). In general terms, public policies to support creation to alleviate these disadvantages materialize through grants and scholarships, with the general aim of encouraging broader participation in the arts, providing a varied cultural offer to the public, and helping artists evolve from the amateur field to become fully professional.

Focusing specifically on artistic creators themselves, the majority of countries do not, in general, contemplate specific or adapted labor regimes for these groups, despite the relative consensus around the peculiarity of the challenges surrounding their way of living. A unique case in Europe, and always taken as a reference, France, has implemented a special regime for the artistic collective (see, for example, Menger, 2012). Since the late 1960s, artists and performers have been integrated into the intermittent regime. This special scheme guarantees unemployment insurance for professionals, as long as they have worked a minimum number of hours per year. This provides fundamental guarantees relating to certain aspects of the artistic endeavor that are notoriously difficult to solve – in this case, the non-remuneration of the phases related to research, development and practice. The French case is relevant because it has developed a system of social protection for artists (which includes unemployment benefits and social security) that seeks to put them on a par with other workers (Galian et al., 2021). Another perspective more linked to support for creation from a business and employment dimension, the Anglo-Saxon model, seeks to shore up the artist's ability to compete in an open market, so that in the medium term they are able to support themselves by their own means (Alexander, 2008). In the Nordic model, which traditionally cultivates a line of support for individual artists, classic approaches close to the French aid system are combined with guidelines that focus on the perspective of employment and the economic sustainability of the artist and their business activity (Heikkinen, 2003). Thus, in Sweden, the Committee for Grants for the Arts implements common measures for all the arts with work scholarships lasting 1 to 10 years, added to income guarantees for a limited number of creators, grants for projects, grants for travel, and residencies and international exchange scholarships. In Norway, aid has recently been more openly oriented towards stimulating artistic production, a circumstance that guides aid towards greater temporary stability and links it to the concept of employment (Rueschemeyer, 2005). The Canadian province of Quebec has also moved in this direction. Its action plan, *Pour mieux vivre de l'art*, is made up of comprehensive measures linked to occupational health and safety, the bonus of retirement plans, the provision of assistance-employment, the transition or itinerant professional career, and the improvement of

remuneration through subsidies and taxation. Thus, it seeks to guarantee an improvement in the quality of life of the artist from their beginnings until their retirement from working life.<sup>5</sup> For its part, Spain does not yet contemplate a separate, tailor-made labor regime for arts creators, in part because of the lack of a national or regional census that can shed light on the collective's composition and characteristics, as we shall discuss in more detail in our results section. Economic assistance is mostly found in the form of funding for arts institutions or individual arts projects and touring, which later trickles down to the individuals.

Another aspect of great relevance at the international level, but of particular interest in relation to Spain, is the interest in cultural decentralization and the recognition of cultural and national diversity, which in this context imply a strong emphasis on local language plays and performances (Boix et al., 2016). This is a product of Spain's quasi-federal philosophy, in which the State is neither truly federal nor fully centralized, resulting in a mixed system in which both the central government in Madrid and each autonomous community provide funding and guidance for arts creation independently. This situation has arisen in large part because of the specific model of democratic transition that took place in Spain, in which the democratization process and the decentralization of its power structure took place simultaneously (Bonet & Négrier, 2010).

## 2. Methodology

In this paper we analyze the Valencian government's attempt to mitigate the challenges we have previously underlined. We focus on its role in granting subsidies to the creators of the performing arts, which are conceived as a way to stimulate the cultural offerings available to the public and provide some much-needed funding and economic stability, an alternative path for creators that runs in parallel to market-based options.

We focus on the Valencian region of Spain, which is undergoing a rapid expansion of the funding dedicated to the performing arts and serves as a model to study the ways in which the public sector supports the arts at large. Our analysis is therefore valid for the Valencian region, which represents a particular case in Spain. Since the design of the public policies of this nature are a responsibility of the regional governments, how funding is distributed in other regions falls outside the scope of this paper.

Our methodological approach consists of analyzing the Valencian government's distribution of grants for creation in the performing arts during the 2016–2020 period, which are part of the subsidy program for the promotion of performing arts for the theatrical and circus sectors and dance. We also base our work on the analysis of the existing academic literature on support policies for the performing arts, the regulations published in this regard in the Official Gazette of the Valencian government (both regulatory bases and calls for subsidies), and the official data on aid application files.

The research design contains a preliminary phase of conversations, some informal, held with creators of the performing arts and public officials of the Valencian government. The objective of these interviews was to deepen and corroborate our understanding of two intertwined subjects: on the one hand, the objectives of the public aid program in question, as defined in the

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<sup>5</sup> *Pour mieux vivre del'art*. Plan d'action pour l'amélioration des conditions socioéconomiques des artistes (2004). Retrieved from [www.mcc.gouv.qc.ca](http://www.mcc.gouv.qc.ca).

official regulations; and on the other, the expectations and concerns of the creators themselves regarding these programs. Once these questions were settled, our analysis turned to the regulatory and financial aspects of the program. In the data analysis, the focus was on the relative ratios of effort, their evolution over time, and the distribution of funds among the applicant companies, using conventional descriptive statistical techniques.

### 3. Results

#### 3.1. Subsidies for performance arts creators in the Valencian region

The economic size of the performing arts sector is typically measured by its contribution to overall GDP, which represented 0.25% of total GDP and amounted to €3,087 million in the case of Spain in 2019 (Table 1). In terms of the national cultural sector, this represented 10.2% of the total amount. In order to obtain an approximate value for the Valencian Region, in the absence of reliable estimates we focus on the relative size of its performing arts companies vis à vis the Spanish total. From this calculus we can assume that the contribution to the GDP of the performing arts in the Valencian Region is around 0.25% of GDP, slightly lower than the national average.

**Table 1.** Contribution of the performing arts to Gross Domestic Product in Spain

	2016	2017	2018	2019*	2020*
Million €	2,668	3,087	3,148	3,087	n.a
% of total GDP	0.24	0.27	0.26	0.25	n.a
% of culture GDP	9.8	10.9	10.6	10.2	n.a

\* Provisional data for 2019. Data for 2020 not available

*Author's elaboration from the Yearbook of Cultural Statistics 2021 (Ministry of Culture and Sports)*

When it comes to obtaining data regarding the number and demographic composition of the various performing arts professionals in the Valencian Region, there is no census available nor a more specific census of creators in this sector. Identifying the total group of theater, circus and dance creators who are potential applicants for aid based on official data is impossible, as there is no category that separately and specifically includes this activity, neither in the National Classification of Occupations (CON-11) nor in the National Classification of Occupations and Economic Activities (CNAE-93). The lack of an in-depth census is a serious limitation to efforts to support the performing arts collective and one of the main problems that will need to be tackled in the near future, as we underline in our conclusions.

In this paper we study the grants allocated by the Valencian Region for creation and creators in the performing arts during the 2016–2020 period. These are regulated by regulatory framework 33/2016, of July 18, of the Ministry of Education, Research, Culture and Sports, which establishes the bases for the granting of public subsidies under a competitive concurrence regime. The grants for creation are a part of the larger support program for the promotion of the performing arts, which include theater, circus and dance. The subsidy program includes several modalities. Table 2 classifies the different subsidies into two groups: (a) direct support for creation; and (b) other aid to the sector. This report analyses the types of aid considered to directly



support creation.

**Table 2.** Types of aid for the promotion of the performing arts by the regional government

Direct support for creation	Other Aid
<ul style="list-style-type: none"> <li>• Grants for the professional production of a stage play</li> <li>• Aid for the emergent production of a stage production</li> <li>• Grants for tours and shows</li> <li>• Grants for training, research and publishing</li> </ul>	<ul style="list-style-type: none"> <li>• Aid for the creation of stage writing</li> <li>• Aid for attending fairs</li> <li>• Grants for exhibition halls</li> <li>• Aid for professional associations and non-profit entities</li> <li>• Aid for holding festivals and exhibitions</li> </ul>

Author's elaboration

### 3.2. Objectives, timeline and scope

The 2020 grants program explicitly defines, in article 1.1, that the ultimate goal of the performing arts promotion program is “to allow citizens to have a diversified and rich cultural offer.” Further, article 1.2 specifies more and indicates that the purpose of the aid is to “Promote professional scenic creation in the field of theater, circus and dance; support scenic creativity and its dissemination; and promote cooperation between cultural agents and entities in the sector.” Beyond this objective, defined in a very general way, there is a lack of specific strategic objectives that could become a guide for the articulation of the different modalities, endowments, requirements and evaluation.

Grants are announced and published annually. Eligible activities must also have an annual duration and be completed before the end of the calendar year. The first basic requirement is to be a professional in the sector; these grants exclude the amateur field, which has other support channels outside of the scope of this paper. The evaluation criteria of the applications constitute a mixture of objective criteria that are more easily quantifiable, and qualitative criteria that are open to subjective interpretation (Table 3).

**Table 3.** Evaluation Criteria

Criteria	2017	2018	2019	2020
A. Project Proposal	60	60	60	60
- Congruence, projection and artistic relevance	10	10	10	-
- Contemporary creation and in artistic residence	-	-	-	15
- Creation and promotion of audiences and genres	10	10	10	5
- Number of performers	10	10	15	15
- Artistic team	10	10	7	10



- Use of Valencian language	10	10	8	5
- Economic viability of the project	10	10	10	10
B. Company history	20	20	20	20
- Hiring	10	10	10	15
- Artistic background and trajectory	5	5	5	5
- Seniority	5	5	5	-
C. Performance of the two previous years (2016–2019; last exercise for 2020)	20	20	20	20
- Functions in the Valencian Region	8	6	5	5
- Functions elsewhere in Spain	8	7	10	10
- Functions abroad	4	7	5	5

*Author's elaboration based on data from the Institut Valencià de Cultura*

The nature of the projects that are competing for grants features a wide scope of artistic styles, ambitions and needs. The same can be said of the arts collectives themselves, which are very diverse in terms of size, trajectory, seniority, and number of performers and employees. This means large and consolidated companies coexist with very small companies that are more fragile from a financial point of view. Since there is no census that provides accurate information about all the different actors, we can only indirectly gauge their relative size by analyzing the projects being proposed and granted.

As expected, each applicant will add points more easily for some criteria than for others. Consequently, utilizing the data on aid granted and denied, in this paper we have made an ex-post assessment of the grants program based on the distribution of aid granted. In any case, a priori, the evaluation criteria show that smaller companies will likely score lower than larger, more established companies on several of the objective criteria. Taking into account the fact that objective criteria predominate among the assessment (Table 3), it is expected that there will be – by design – a certain concentration of aid in a small number of consolidated companies.

This is problematic when it comes to designing good public support programs whose main goal is to provide a diversified and high-quality cultural offer to the public. When analyzing the program criteria, the main issue is that the subjective evaluations lack transparency and the objective evaluations unequivocally favor the bigger players. Objective criteria predominate, and although they are more transparent because they are more easily quantifiable, those cultural agents that are larger, have been operating for longer, and employ more performers are guaranteed to score relatively highly regardless of the subjective evaluation of the creative proposal. As the criteria of artistic quality is more subjective and leaves a margin of discretion to the evaluation commissions, this adds an element of uncertainty to the applicants when preparing their proposals, which disproportionately impacts the smaller agents whose livelihoods might depend on getting public funding.

Since the grants provided are a function of the score obtained, the percentage that smaller companies receive is consistently smaller than the amount requested. This can condition the

artistic content of the proposals in an attempt to not lose points at the time of evaluation, endangering the core mission of the grants, which revolves around artistic freedom and variety. Furthermore, the relative weight of some objective criteria such as trajectory, employment totals and expected economic viability makes it difficult for new companies and creators to enter the field and establishes a gap that is hard to bridge between the emerging project modality and the professional production modality. This makes it challenging for many creators to transition from the emerging to the professional field, as the artistic merits and quality of the projects is never rated holistically by the ministry.

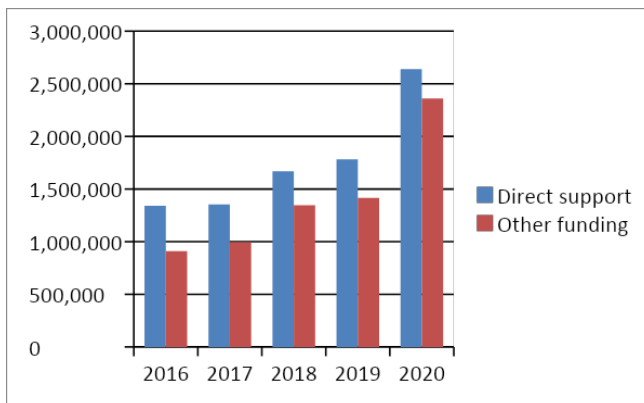
### 3.3. Evolution of the budget and resources allocated to performing arts

The budget of the Valencian government in culture programs amounted to €130.8 million in 2020, which represented 0.6% of the total budget region-wide. The Performing Arts program is the most important of them all and collected 61.4% of the spending on culture. The total budget allocated to subsidies for the promotion of the performing arts has increased considerably in recent years (Table 4). In 2016, the budget received a strong boost compared to 2015, with an increase of 76.2%, which brought it up to €2.25 million. In 2020, the figure rose to €5 million, after an increase of 56.3% compared to the previous year. This represents a growth of 122.2% throughout the period, meaning the budget has more than doubled (Figure 1).

**Table 4.** Budget for direct support to creation in the performing arts (in €).

	2016	2017	2018	2019	2020
A. Direct Support	1,340,000	1,354,000	1,668,000	1,783,000	2,640,000
B. Other Help	910,000	996,000	1,347,000	1,417,000	2,360,000
Total (A+B)	2,250,000	2,350,000	3,015,000	3,200,000	5,000,000

*Author's elaboration based on data from the Institut Valencià de Cultura*



**Figure 1.** Evolution of the budget (in €).

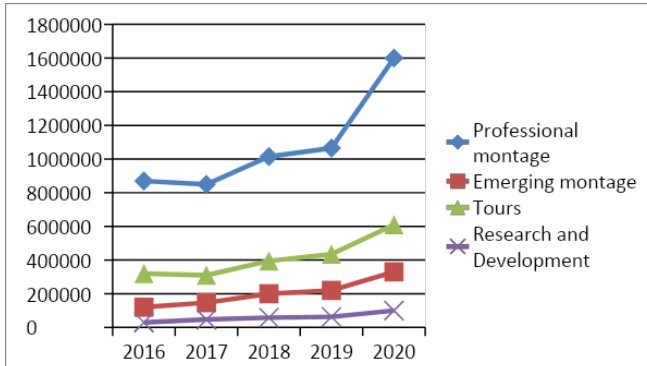
*Author's elaboration*

On average, the distribution of aid by modality throughout the 2016–2020 period was aimed at subsidizing professional projects (61.8%); almost a quarter was allocated to touring (23.6%); aid to emerging company projects absorbed 11.3%; and, finally, research and training grants accounted for 3.3% of the budget (Table 5 and Figure 2).

**Table 5.** Direct support for creation by modalities.

	2016	2017	2018	2019	2020	Variation (%)
	(€)	(€)	(€)	(€)	(€)	2020/2016
Professional montage TOTAL:	870,000	850,000	1,015,000	1,065,000	1,600,000	83.9
- Professional montage (Theater)	700,000	695,000	815,000	850,000	1,300,000	85.7
- Professional montage (Dance)	170,000	155,000	200,000	215,000	300,000	76.5
Emerging montage TOTAL:	120,000	147,000	200,000	220,000	330,000	175.0
- Emerging montage (Theater)	100,000	125,000	155,248	160,000	240,000	140.0
- Emerging montage (Dance)	20,000	22,000	44,752	60,000	90,000	350.0
Tours TOTAL:	320,000	310,000	395,000	435,000	610,000	90.6
- Tours TyC	250,000	250,000	300,000	350,000	490,000	96.0
- Tours DAN	70,000	60,000	95,000	85,000	120,000	71.4
Research & Dev. TOTAL:	30,000	47,000	58,000	63,000	100,000	233.3
- Research & Dev. TyC	20,000	25,000	28,000	28,000	40,000	100.0
- Research & Dev. DAN	10,000	22,000	30,000	35,000	60,000	500.0
TOTAL (A+B)	1,340,000	1,354,000	1,668,000	1,783,000	2,640,000	97.0

*Author's elaboration based on data from the Institut Valencià de Cultura*



**Figure 2.** Budget by modalities (in €).  
*Author's elaboration*

From this data, the main takeaway is that while funding has continued to rise, it has not done so evenly. Professional montage, the modality that encompasses the biggest players, has seen the lion's share of the overall budget increase, but in relative terms its size has only doubled. Funding for emerging montage (which encompasses mostly up-and-coming artists and collectives) and tours have seen relatively modest increases in absolute terms, but have tripled relative to their 2016 values. This goes in line with the stated goal of stimulating a diversified and rich cultural offer.

### 3.4. Distribution of grants for creation

As we have seen, the budget for grants for creation in the performing arts has increased considerably since 2016, more than doubling in value. However, while this has meant that the average grant has risen in value across the board, our analysis shows that the actual distribution of aid is highly unequal: 10.9% of beneficiaries – the most established theater and dance companies – receive half of the grants (Table 6 and Figure 3). Conversely, almost a third of aid applicants have never received a subsidy. From 2016 to 2020, 328 different companies applied for grants at least once. Almost 70%, a total of 229 applicants, received some aid at some point. In contrast, 30% of applicants (99 companies) never received funding (Figure 4).

**Table 6.** Grants for creation in the performing arts in 2016–2020: general analysis of the period

Budget	
Total budget	€15,815,000
Budget for creation	€8,785,000
% of the total	55.5
Companies	
Applicants	328

Beneficiaries	229
% of applicants that receive grants	69.8
Grants	
Total funding	€8,834,888
Average aid per applicant	€26,935.6
Average aid per beneficiary	€38,580.3
Distribution	
Companies with aid greater than the average: n°	61
Companies with aid greater than the average: % of beneficiaries (% of applicants)	26.6% (18.6%)
Companies with less aid than the average: n°	168
Companies with less aid than the average: % of beneficiaries (% of applicants)	73.4% (51.2%)
Companies without aid: n° (% of applicants)	99 (30.2%)
Aid from the Top 10 companies (% of total aid) (% of beneficiaries)	€2,377,530 (26.9%) (4.4%)
Grants from the Top 20 companies (% of total aid) (% of beneficiaries)	€3,898,254 (44.1%) (8.7%)
Companies that absorb half of the aid: n°	25
Companies that absorb half of the aid: % of beneficiaries (% of applicants)	10.9% (7.6%)

*Author's elaboration based on data from the Institut Valencià de Cultura*

When analyzing the distribution of aid granted, 18.6% of applicants received aid above the average amount, while 73.4% received aid below the average level. The average aid per beneficiary was €38,580.3, and almost €27,000 per applicant. However, the first 10 companies in the ranking absorbed €2,377,530 in aid, or 26.9% of the total, and the first 20 received €3,898,254, or 44.1%. In other words, 10.9% of the beneficiaries received half of the aid (Figure 3). These 25 companies, which comprise only 7.6% of the applicants, carry as much weight as the other 89.1% of beneficiaries. The latter group splits the other half of the aid, receiving less than €13,359.5 each (one third of the average amount).

While we cannot access the internal guidelines that the government uses to assess the applicants, judging by how the funding is distributed it is reasonable to infer that the objective criteria plays a major role in determining funding levels. Smaller companies and creators may score lower on several of the objective criteria than larger, more established companies. If so, since the percentage of the subsidy decreases in line with the score obtained, even if those smaller

companies obtain aid the percentage of the amount requested that is received will be lower. The same can happen with proposals for stage projects that do not include among their project some of those criteria that score highly in the assessment (such as the involvement of Valencians, a high number of performers, etc.). While outside of the scope of our research, it seems that this can ultimately condition the artistic content of the proposals in an effort to score extra funding points.

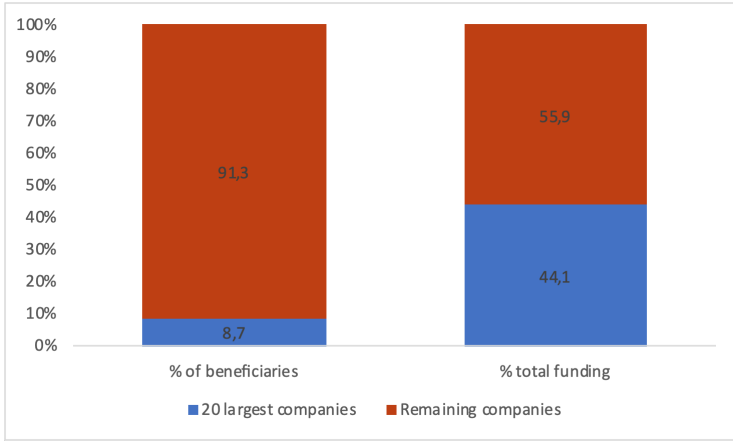


Figure 3. Distribution of subsidies in the performing arts: 2016-2020  
*Author's elaboration*

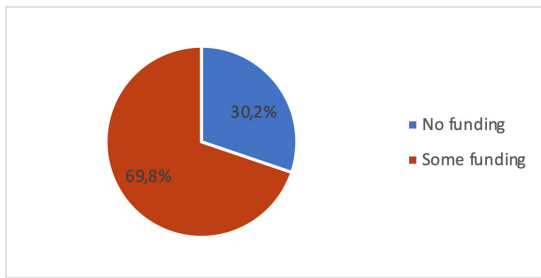


Figure 4. Companies with and without aid: 2016-2020  
*Author's elaboration*

As there is no definitive census of performing arts companies in the Valencian region, it is impossible to conclude whether the 99 companies that did not receive aid comprise the entirety of the performing arts ecosystem that has been left out of the grants program, or if there is another layer that remains completely outside the institutional funding channels of the government.

#### 4. Discussion and conclusions

On balance, the conclusions drawn from our analysis are mixed: on the one hand, funding has steadily increased to the point of doubling in only four years; on the other hand, distribution remains stubbornly unequal and is mostly a function of the design of the grants themselves, which favor bigger companies over individual or small projects. This contradiction goes against the stated goal of the policy, and in order to truly preserve and expand artistic creation it is necessary to guarantee a level playing field for most companies. Otherwise, grants function as solidifiers of the status-quo, working in parallel with market forces and ultimately cementing the differences that were already there.

A public support policy can draw valuable insights from the French and Anglo-Saxon models, depending on the type of help required and the abilities of companies to survive in the open market. Considering the (now) relatively large budget allocated to performance arts creation in the Valencian region, we consider that the implementation of a labor regime that follows the French model and specifically caters to artists and arts creators could be the next logical step in order to guarantee the long-term health of the sector. Conversely, the Anglo-Saxon emphasis on private sponsorship is still insufficiently developed in Spain and the Valencian region, and can provide a welcome funding stream to the most established players, ideally making up for the reduced public funding that they would receive under the more egalitarian model we propose.

Our general recommendation is that funding be distributed more equally between arts creators, emphasizing proportionality, artistic freedom, and variety. A better redistribution of subsidies would facilitate the subsistence of a greater number of creators thanks to the better distribution of financial aid. In any case, such a design change would require an ex-post evaluation in order to assess whether it had really dynamized and expanded the arts creation scene.

Furthermore, we propose several specific recommendations that we consider relevant to improving the current aid framework. In order to mitigate the unequal distribution of subsidies, a census of companies and creators that allows for a deep dive into the sector and its characteristics is of primary importance. This can help identify the priorities and specific strategic objectives for the sector in the medium term and open up new avenues for future research. This would serve as a preliminary step in the design of a targeted aid system, the end result of which should be to guarantee a fair distribution of the budget between subsectors, circuits, segments and modalities based on the demography, characteristics and strategic priorities of each participant. Differentiating the aid system for theater, circus and dance could be useful in terms of making it easier for artists to finesse their proposals, as each sub-sector has different characteristics and faces different realities, notwithstanding the transdisciplinary nature of contemporary performance languages.

Given the heterogeneity of the sector and taking into account the diversity of artistic proposals themselves, the subsidy system should be divided into two different circuits: one focused on supporting companies and creators that are more commercially consolidated (the cultural industries segment that stands out for its economic value); and another for creators with an artistic profile of more minority proposals (proposals that are deemed of culturally significant value). Following this change, the subsidy system should further segment the companies on both circuits based on objective criteria, such as size, turnover and/or track record. Each segment of aid, composed of companies with similar objective characteristics, must have a budget allocation, modal-



ities, requirements and specific assessment criteria. This would guarantee a level playing field and make clear to all participants what is required of their projects to reach a certain funding level.

Finally, when taking a holistic view of the issue of inequality in relation to the arts, it becomes increasingly evident that, ultimately, there is only so much that these public grants can do to stimulate and nurture artistic creation. If the underlying economic conditions are as fragile as they are, government help on its own will not be able to reverse the declining fortunes of arts creators and their audiences. The artist's medium is endangered by the usual subjects: the combination of a shrinking middle class, rising costs of living, and a general winner-take-all economy that leaves most people struggling to make ends meet. Future research can focus on how to tackle this complex issue by exploring the ways in which a direct funding approach for artists can coexist with a grants structure and provide more stable living conditions in which art creation can thrive.

**Acknowledgments:** We sincerely thank the funding from the Comitè Escèniques and Associació de Professionals de la Dansa de la Comunitat Valenciana for making our research possible.

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