

# Hopes and dreams and things to realise

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The debates during the conference *State on Stage*, on 7 June 2007 in Utrecht, the Netherlands, and the country profiles of 15 EU member states that were prepared for this conference<sup>1</sup>, provide central, regional and local governments and performing arts institutions alike with a great number of examples, analyses, hopes and dreams, and objectives to strive for in the future. For the sake of argument, we only summarise general trends here, to be concluded with challenges and recommendations for the performing arts sector as well as for Governments.<sup>2</sup>

## GROWTH AND CHANGE AS KEY WORDS

Looking at the past 10 to 15 years, the performing arts sector in Europe has been blooming. The terms that are used for describing this situation are crystal clear, such as: “an explosion of the performing arts” (Greece), “a significant increase in the level of cultural activity” (Spain), “flourishing as never before” (Belgium, Flanders). This prospering development is the result of a growth in the performing arts market, as well as of numerous (policy) changes in this market.

The overall growth of the sector has taken place in several dimensions: increase in the number of companies and productions, number of jobs, number of supporting institutions, number of venues and number of

diverse locations outside the venues, such as stadiums, open-air stages, boats, city walls, et cetera. In most countries, a new infrastructure was realised, thanks to reforms in cultural policies, involving statutory frameworks and the support of Government at national, regional and local levels. Subsidies have been raised substantially. These developments influenced each other mutually.

Most of the companies and performing artists are working in metropolitan areas or capital and major cities, for instance Ljubljana, Athens, Budapest, Zaragoza or Antwerp.

## A lively scene

The performing arts scene is characterised by a small number of larger companies and producers, some of them operating worldwide, with subsidies (opera, dance and orchestras) or without (pop and musicals) and numerous small companies with large numbers of volunteers. These small to very small theatres, dance or other performing arts companies and cooperative alliances realise the majority of the productions in the performing arts sector.<sup>3</sup> Together with the individual performing artists and large to small venues, they form a lively scene.

As a rule, small and independent companies have 1 to 3 employees, sometimes assisted by a staff of volunteers. The employees perform multiple tasks, from cleaning to management and production. They receive little to no wages and produce between 1 and 3 productions a year. Their shows are often aimed at children (schools), family audiences and the regional or international circuits. Some of the companies have specialised in, for example, theatre for children and young people, experimental theatre or dance, opera, puppet theatre, mime, circus, music theatre or new writing, or in an interdisciplinary and multimedia approach<sup>4</sup> which constantly allows new alliances. Since they are small, they have the flexibility to do so. Those who are looking for experiment and innovation usually find them in the smaller companies.

Not only do the small venues offer a varied programme of both professional and amateur productions, but they also host socio-cultural activities of local organisations. They offer a limited number of productions each year. Quite a lot of venues specialise in the same way as the small, independent performing arts companies.

**Spectacle!**

The increase in the number of companies and productions (supply) has been accompanied by a phenomenon that has manifested itself all over Europe; the presentation of musicals (which are undergoing an unexpected revival), theatre, music and dance shows, fairs or festivals, and rock concerts, et cetera. They are presented in broadcasting studios, parks or large venues, and request substantial funding, space and crew to facilitate the musical, show, fair or festival. Usually the performance cast is also huge (except for rock and other popular music concerts). The terms used in the national reports by Rui Telmo Gomes (Portugal) and Corina Şuteu (Romania) to describe this trend are respectively “spectacularisation”<sup>5</sup> and “lust for entertainment”<sup>6</sup>. This phenomenon refers to an enlargement of the productions. They provide access (new audiences), employment and innovation on a social level and at local, regional, national or even international levels.

**Looking for cooperation between stakeholders**

Connected to the ‘festivalisation’ of (part of) the performing arts scene, is what Rui Telmo Gomes (Portugal) calls the “cross-fertilisation” of theatre and television. Well-known persons are invited to use their creative talents and participate in television shows or soaps, as hosts or actors. In this way, TV imitates theatre by introducing the glamorous aspects of large productions. Vice versa, television actors and well-known persons appear in theatrical productions. In the meantime, popularity is being merchandised, with popular actors and TV presenters creating their own line in cosmetics or clothing. It is lucrative for the performing arts scene to invest in creating a star, or to bind stars to the musical, dance, music or theatre performance or festival.

Alongside this form of cooperation is the one in which large companies invite smaller, independent companies or individual artists for regular performances, or for co-productions, if the strategic goals of the respective partners are reconcilable. Thus the larger company functions as an experience factory for the smaller ones.

Small performing arts companies also look for other small companies with which to cooperate, often on different themes, to combine different specialisations, or to coordinate the non-artistic aspects of the business, like marketing.

Networking is yet another form of cooperation. This can take place on a local, regional and national level, but also on an international one; for instance through umbrella organisations like the Performing Arts

Employers Associations League Europe (PEARLE\*) and EON (European Off Network). They try to enhance international cooperation between performing arts organisations, and meet with success.<sup>7</sup>

In general, a growing cooperation between the different stakeholders within the performing arts sector is visible: between directors, producers and actors, between public and private programmers, between shows, fairs and festivals, between companies, between companies and venues, between established and independent, between professional and (semi) amateur.<sup>8</sup> According to the delegates to the conference *State on Stage*, greater cooperation within the sector can reduce the number of performing arts organisations, if necessary, as well as cutting their overhead costs. And it can realise artistic inspiration.

**Touring as a stumbling block**

Touring in Europe for small, independent companies, is often hardly possible, as in most cases their touring budgets are very modest and reduced. Performing arts companies for children and young people often create their own system, by setting up a network of schools and suitable venues. Large events sometimes tour, which is an extremely costly affair.

**Over-production and fragmentation**

The growth of the performing arts sector with its increase of artists, companies and productions, has two sides to it. On the one hand, it brings precisely the innovation and dynamic performing arts scene that is wanted, while on the other it brings the dangers of over-production and fragmentation in the sector.<sup>9</sup> Young and upcoming talents have to struggle to find work that suits their talents. Year after year, new companies enter the already saturated market. The growth in training programmes is said to be the underlying ‘cause’. The sector is constantly rejuvenated by the graduates from higher arts educational institutes.

**A PRECARIOUS PROFESSION**

Since the job market has grown, there are more job opportunities and at the same time, increasing competition for jobs. Thousands and thousands of performing artists all over Europe have limited possibilities of finding permanent employment. They live and work in poor financial circumstances

and are obliged to find additional income elsewhere. This means that public money for festivals is a direct support for employment in the arts.

### FROM FIXED TO SHORT-TERM CONTRACTS

The increase in training programmes and the subsequent increase in the number of (young) professional performing artists, the number of jobs, companies and productions, supporting institutions and venues, form the background against which companies turned from organisations with fixed contracts into organisations offering short-term contracts. Only the established larger companies can afford to employ their artistic, technical and administrative staff on permanent contracts.

#### **Poor economic situation**

Actors and actresses, dancers, directors, choreographers, writers and others in the performing arts who are employed on short-term contracts earn monthly salaries which are barely at subsistence level. The existing gaps between assignments make it even worse. Reported incomes of 650-1,000 euros a month are quite common; remuneration that hardly corresponds with their artistic achievements. On top of that, many professional performers in Europe are not included in any social security scheme, lacking health insurance, unemployment insurance and pension schemes.

#### **Additional jobs at the bottom of the success pyramid**

Only a small percentage of the performing artists can live off their primary work. The pyramid of success is extremely high, and narrow at the top and broad at the bottom. The earnings at the top attract many people to the performing arts. Think, for instance, of the millions made by mega acts like U2 or the Red Hot Chili Peppers, or multi-talents like Jennifer Lopez and Kevin Spacey. The great majority at the bottom of the pyramid, though, are unemployed or underemployed<sup>10</sup>, and forced to take second or even third jobs to supplement their income. Some find jobs that are more or less related to their profession, in radio, television, cinema, soaps, operas, comedies and advertising, or on the administrative or technical staff, while others find their income outside the performing arts sector and use this income to 'finance' their professional performing arts work.

### NOT COST-EFFECTIVE

Hardly any performing arts organisation is cost-effective, despite more generous subsidies. And even though the total revenues of the large organisations have increased as well, they turn out to be insufficient to compensate for rising costs. Large and medium-sized companies and venues have to consider wage costs (depending on the number of permanent employees and their respective collective labour agreements), running costs and other indirect costs. In many countries, the total wage costs increased quicker than the total costs. According to Annick Schramme and Katia Segers, this trend confirms the Baumol and Bowen 'cost disease' hypothesis. This hypothesis was formulated back in the 1960s by American economists William Baumol and William Bowen. They state that productivity growth in the services sector is limited and cannot keep up with rising wages, which keep apace with evolutions in the most productive sector.<sup>11</sup> This is even more bitter since the wages of (performing) artist did not increase that much. Financial possibilities therefore often dominate the artistic span.

#### **Shifts in production and programming**

It is evident that making theatre is becoming increasingly more and more expensive. This process has already had, or will have consequences for the theatre production and programming. For instance, it favours intimate forms of repertoire that require only a few performers. It also puts a brake on the wish of venues to be innovative and ready to take risks. They seldom have the budget or the political support to programme high-quality – and therefore high-risk – (premiere) productions that may not fill most of their seats. As a result, shows run for a shorter period of time. This, of course, is precisely one of the reasons why the small and independent companies and venues can invest in experiment and innovation, since they don't have to support large organisations with their huge fixed costs. They receive subsidies that are barely enough to cover their bills.

#### **'Seed money' for the small and independent companies**

Nevertheless, there is a growing trend and general intention to subsidise small and independent theatre makers, as well as individual ones, even though it takes the form of 'seed money', as Costis Dallas, Sofia Karagianni and Georgia Papadopoulou call it<sup>12</sup>, in order to secure the lively scene and

innovation they bring about. There is, however, a constant battle going on to obtain some of this 'seed money'. Most of it is in the form of project grants. The radius of action of these small independents is sometimes international, but mostly local and regional.

### **Big money for large companies and events**

There is a gaping hole between the financial level of support for the small independents and that for the larger companies. A few large companies receive enormous subsidies, and represent, to some point, a performing arts establishment, rather than an artistic avant-garde. They receive a substantial portion of the national budget, as they are considered to be of national and supranational significance.

In Europe, apparently, funding systems are far better suited to larger companies and venues with high wage costs than to small and independent companies and venues, let alone individual artists.

Large events, such as rock concerts, musicals, music, theatre, dance and other festivals or fairs are very visible, attract large, new, inexperienced audiences and can offer all kinds of innovation. Festivals, in particular, can offer contemporary creation through public commissions of new pieces and through programming contemporary music, dance and opera. Large events have no trouble in finding the necessary funding, either public or private, which forms a positive exception. Money for these musicals, festivals or fairs can be seen as a direct support for employment.

### **More or less subsidies**

Whether large or small, many theatres did not get inflationary adjustments in recent years, and were confronted with reduced or no investment subsidies and a general decrease in funding, especially by local governments. But another trend is also noticeable, which indicates that performing arts funding has increased substantially in the 21<sup>st</sup> century.

However, one thing is very clear; what the performing arts need is long-term contracts, lasting 3-4 years. They prosper on long-term professional arts policies and structural funding, as it provides room for growth, both artistically and economically.

## **WANTED: LONG-TERM PROFESSIONAL ARTS POLICIES AND FUNDING**

### **Reforming cultural policies**

One of the reasons the performing arts are blooming, despite their deplorable financial situation, can be contributed to reforms in cultural policies over the last 10 to 15 years. They relate to the introduction of statutory frameworks for culture, the arts or even as specific as the performing arts: decentralisation as a result of which the role of municipalities and regions in the cultural sector has increased; financial support of Government at national, regional and local levels; an increase in the amount of Government subsidies (often regarded as redressing years of under-funding). As a result of these changes, a whole new infrastructure was developed. The impact of these changes was substantial. The cooperation between central and regional and local governments, financially or otherwise, became intensified, interlocking and funding systems were established, municipalities all over Europe expanded their interest in the performing arts, stimulating supply and demand at local level, the development of distribution networks was encouraged, the number of venues increased by building new centres and by renovating old facilities, and they were scattered over the country.

### **Complex funding structures**

For a long time, the performing arts in Europe were supported by the central state or local communities, but nowadays the sector is steered by a wide variety of public policies<sup>13</sup> and financing modes. The funding is characterised by all sorts of public/private partnerships which are hard to realise. They require creativity, patience, persuasiveness, economic skills and time, to name a few of the factors involved, and economic managers and directors constantly balance on the edge of a financial abyss.

#### *Central government still important*

In most European countries, the central government still plays an important role and is responsible for at least the introduction and formulation of laws which dominate the how and why of subsidies. Besides, most Governments are directly responsible for subsidising the performing arts companies and organisations of national and international value, for instance umbrella organisations, or support organisations for one of the

sub-sectors of the performing arts, such as dance, or opera.

In quite a number of countries, the central state is the main financial supporter of the performing arts sector, with the local authorities accounting for the remainder.

The amount of money is directly related to wage costs, productions of performing arts companies and often also to overhead expenses. In some (West European) countries, the state appoints the managers of these public-owned institutions, and/or sits on the board of directors and thus defines the priorities of its actions. In other (East European) countries, the state ceased this practice, and delegated the power of decision to cultural institutions.

A remarkable trend is the letting go of the strict separation between commercially-based performing arts productions – such as musicals, rock and other popular art concerts, or festivals – and the state-supported productions. Many central governments have developed policies and funding schemes which include the creative industries.

#### *(New) regional and metropolitan administrative systems*

Most regional autonomous governments increased their annual rate of funding the performing arts in the last 10 - 15 years. In between these governments and the municipalities, a new administrative system arose in those years, comprised of districts and metropolitan areas that cooperate and create partnerships, programming circuits and networks, or maintain the venues. They have turned out to be great stimulators of the performing arts.

#### *Local authorities crucial*

In the decentralised countries of Europe, the state grants subsidies to local authorities or performing arts organisations. In that case, the objectives and means of the decentralised partners are of overriding importance, and the state only plays a relatively small and indirect role, though an important one. Support for theatres is therefore much more the responsibility of the local authorities. In some countries, though, a system of co-financing came into existence, with the municipalities as a second partner. In others, municipalities have traditionally always played an important role in subsidising the arts, especially, for instance, the amateur arts.

In recent years, local municipalities were confronted with budgetary restrictions and decreased their support because of their own financial difficulties. This weighed heavily on the arts scene, including the performing arts.

Comparable to central governments who choose to get mixed up in the management of public-owned institutions, in some countries municipal governments or councils act in the same way. They are represented in the executive boards of city theatres and therefore have a say in everything that goes on; from policy plans to budgeting, and from appointing the director to approving the repertory plans.

#### *State and market*

Since hardly any performing arts organisation is cost-effective, Governments and the performing arts sector both started to look for additional resources in the 1990s.

One of the resources turned out to be state lotteries, which are publicly organised or authorised.<sup>14</sup> In many European countries, the levels of money from this source – tax money, in a way, which is earmarked for good causes – exceed expectations. Mostly, they are used to finance organisations and (prestigious) projects or renovations. Another source of extra income instigated by Governments is realised by the use of tax incentives, meant for private support of the arts. Tax incentives allow entrepreneurs to invest a certain percentage of their profits in the (performing) arts.

Part of the required income, from 5-15% up to 50-75%, is coughed up by the performing arts institutions themselves. The remaining financial gap is filled with money from a whole range of funds, varying from specialised funds for dance or touring to cultural investment funds and corporate sponsorship.<sup>15</sup> The partnership contracts with private organisations vary from long-term contracts, lasting several years, to project contracts.<sup>16</sup> Many Governments and/or performing arts companies turn to international organisations for funding as well as for many forms of advice.

For the delegates to the conference *State on Stage*, private funding is always additional to public funding. Private funding alone, they said, is even less adequate for solving all the financial problems than just public funding. It is therefore necessary to look upon the arts as semi-public property.

## NEGOTIATIONS WITH GOVERNMENTS

During the last 10-15 years, the criteria for Government support have expanded. If and when performing arts companies try to get funding from

the Government, they have to meet a diverse set of criteria. Funding nowadays does not come without strings. When they enter a subsidising scheme, performing arts companies are not only judged on the usual artistic grounds, but on economic grounds as well (including the development of diversified and new audiences), often on educational and social grounds (like contributing to the prestige of a city) and sometimes even on professional grounds.<sup>17</sup>

#### **Art for art's sake**

The production of artistic quality is not the highest priority for all performing arts companies; some are more interested in educational and social goals and use their professional performing skills to reach those goals. In other cases, the delegates to the conference *State on Stage* were of the opinion that performing artists should be judged first and foremost on their artistic quality. In this, innovation is considered a core value of artistic quality.

#### **Economic aspects prevail**

One of the most remarkable elements introduced over the past 10-15 years is the focus on the economic side of the (performing) arts: (financial) management, marketing, audience relations and fundraising. Financially speaking, performing arts companies and organisations (certainly the medium-sized and large ones) would be lost without an economic approach. Performing artists often feel that these aspects prevail over artistic needs. However, the more the performing arts sector evolves, the less practical the traditional economic models appear. Classical management models are cost-directed and too static to apply to a creative and innovative environment. New economic approaches are needed.

#### *Divided audience relations*

Venues have to compete with other activities people can choose to do, such as visiting a social community or music site, like MSN, Hyves, My Space or You Tube (especially young people<sup>18</sup>), communicating via sms, sports, or any other form of leisure activity. There is no longer a self-evident relation between venues and potential audiences, since people have no clue as to what to expect. Often, a production is booked even before the programmers have seen it themselves, but the potential audience has to be convinced of its importance and value, even if the production is performed just once or twice

amongst the variety of productions offered by the same venue. Nevertheless, the performing arts sector needs to make continuous efforts to enhance the level of public participation and to recruit different target groups.

All over Europe, especially in Western Europe, the degree of participation in the performing arts is low and therefore a cultural-political problem. On the other hand, there are some countries where cultural consumption is increasing and large numbers of spectators are attracted by professional performing arts. In that case, the increase is attributed to the raise in funding. The majority of people over the age of twelve, though, never attend a theatre performance, and even fewer people can be persuaded to attend a ballet or dance performance, let alone a puppet theatre performance. Large events such as festivals, fairs, musicals, rock or other popular music concerts and commercially managed theatres attract the largest audiences and, what is more, they attract new audiences. Demand does exist but the venues are very seldom sold out.

The current audience for the performing arts consists of largely middle-aged, highly educated upper professionals, though differences occur, depending on the type of performance involved. Among the younger audiences, there is a lack of interest in the classical and/or traditional art forms.

The debate on audience relations, both on Government level and in the field, often narrows down to attaining 'good viewing figures', instead of enhancing the public's 'cultural competency' through education.

#### **Arts education as a panacea**

In order to enhance cultural competency, arts education was launched, with the general objective of learning in, about and through the arts. Since the objectives are so open-ended, many interpretations have been given, using education in arts as a goal in itself or as a means to achieve other purposes.

The interpretations vary from developing aesthetic literacy (new audiences in the making or tackling declining audience numbers) to strengthening the future labour force through aesthetic education (employment). In that case, the success of a country in a competitive world is said to depend on its stimulation of creativity, knowledge and skills in young people, and arts education is used as an economic rationale. These interpretations focus on outcomes, but there are also interpretations of arts education as processes, which implicitly direct attention to the intrinsic value of an artistic experience. In that case, arts education is about individual development and social well-being.

Research has proved that arts education can be used as a kind of panacea. It can be used in the battle against crime (crime prevention or helping prisoners) or promote better health. It can have a positive impact on poor neighbourhoods and social cohesion, and it connects with the immigrant population who have a dual cultural background.<sup>19</sup>

Some delegates to the conference *State on Stage* stated that arts education should take into account demographic variables, such as sex, age, colour, cultural background (multiculturalism and diversity) and religion, et cetera. They are concerned that cultural diversity and religion are getting too little attention.

#### **From audit tyranny to trust**

Performing arts companies and organisations applying for Government subsidies are put off by the numerous, often standardised questionnaires they have to fill in meticulously. Especially independent performing artists and small and independent companies and venues have to make a proportionately larger administrative effort. Moreover, the project-oriented and sometimes spontaneous approach of the artistic ‘periphery’ is not always adaptable to the long-term planning schedules of Governments. Artistic creativity could easily be threatened by these rituals and the audit tyranny. Auditing is felt by the performing arts sector to be a control mechanism with a life of its own, as if the artistic results do not count. The bureaucracy and audit tyranny should therefore be replaced by trust and “a transparent public sphere as a forum for discussion and dialogue”, as Vesna Čopić puts it<sup>20</sup>, backed up by the delegates to the *State on Stage* conference.

### **CHALLENGES AND THINGS TO REALISE**

The reporters of the national profiles and the delegates to the *State on Stage* conference were unanimously enthusiastic about the lively and dynamic performing arts scene in their respective countries, but they were not blind to the flaws in the applied policies and funding systems. They all expressed their hopes and dreams and things to realise. Below, we summarise some of the most important trends that emerged, which could lead to national and international action.

#### **Performing arts companies, organisations and venues:**

##### *General*

- over the past 10-15 years, the performing arts have been through a period of profound change. The progressive growth of the market is one of the indicators; there is greater supply and greater demand. The challenge for the future lies in determining what shape the market should or could have and what policies and funding systems will be needed for achieving improvement in the sector;

##### *Safeguarding quality*

- small and independent performing arts companies should be encouraged and supported with public funding and an explicit policy and funding from the Ministry of Culture and regional and local authorities, in order to ensure future performances of high artistic quality, which are innovative, experimental and diverse;

##### *Cooperation*

- for the same reason, cooperation in any form should be enhanced, between small and independent companies and individual performers and performing arts institutions. They can work together on different themes, to combine different specialisations or to coordinate the non-artistic aspects of the business, like marketing;
- cooperation is advisable between small and independent companies and larger ones, provided the strategic goals of the respective partners are reconcilable. Larger companies can invite smaller, independent companies or individual artists for regular performances, or for co-productions. The larger company thus functions as an experience factory for the smaller ones;
- cooperation can also take place in the form of networking, on a local, regional, national or international level; e.g. through umbrella organisations like the Performing Arts Employers Associations League Europe (PEARLE\*) and EON (European Off Network);

##### *Venues*

- venues are advised to stimulate the programming of innovative and experimental productions, without the pressure of attendance figures, or risking an unsound balance sheet;

*Touring*

- enlarge the touring budgets, especially of the small and independent companies;

*Marketing*

- companies should invest in creating stars, or in binding stars to their musical, dance, music or theatre performance or festival, as a form of marketing.

*Regulation of the job market*

- every year, new companies and individual performing artists enter the already saturated market. The growth in training programmes is said to be the underlying 'cause' and the performing arts market is threatened with fragmentation;
- regulation of the job market as it stands is a pressing topic for some delegates.

*Lobbying for income and insurances*

- actors and actresses, dancers, choreographers and others in the performing arts who are employed on short-term contracts earn monthly salaries which are barely at subsistence level. On top of that, many professional performers in Europe are not included in any social security scheme, lacking health insurance, unemployment insurance and pension schemes. This situation should become a serious topic for international networks like PEARLE\* and EON;

*Ticket prices*

- the increase in ticket prices can be considered a threat to social access to culture. There is a realistic limit of earned income in order to maintain access to culture as a public mission of the cultural sector;

*Audience relations*

- the performing arts sector needs to make continuous efforts to enhance the level of public participation and to recruit different target groups;
- this includes developing a multicultural supply, as well as developing multicultural audiences (cultural diversity);
- the debate on audience relations, both at Government level and in the field,

often wrongfully narrows down to attaining 'good viewing figures', instead of enhancing the public's 'cultural competency' through education;

*Arts education*

- when it comes to arts education, start early;
- education not only during school time, but also after school;
- make sure that the teachers are well-qualified and well-paid, in order to realise the provision of quality. Make sure that artists are good, qualified teachers who really enjoy working with children;
- the performing arts sector should be more aware of the demographic changes societies go through, and adjust their policies and programmes to this. At the moment, cultural diversity and religion are not always given enough attention.

**Governments and councils***Better defined funding criteria*

- it is important to give better definitions of the criteria for funding the arts, such as innovation, participation and creativity, et cetera. The differences between 'high arts' and 'low arts', 'artistic work' and 'social work', or 'professional arts' and 'non-professional arts' are not always clear. This creates confusion for the performing arts organisations, and sometimes they simply do not know where to apply for subsidies;

*Settlement of subsidies*

- it is advisable to prevent delaying the settlement of the agreed funding. Otherwise, it poses an unnecessary, but major problem for professional arts companies;

*Adjusting policies and funding systems to small and independent companies*

- it appears that in Europe, funding systems are far better suited to larger companies and venues with high wage costs than to small and independent companies and venues, let alone individual artists. Governments providing funding are advised to take this into account and develop additional policies and funding;

*Preferably long-term contracts*

- the performing arts need long-term contracts, lasting 3-4 years. They prosper on long-term professional arts policies and structural funding. It provides room for growth, both artistically and economically;

*Economically sound exploitation of venues*

- now that a new performing arts infrastructure is in place in most European countries, the fundamental challenge is to maintain the venues in an economically sound way;
- it is advisable to install more creative tax incentives, to allow entrepreneurs to invest a certain percentage of their profits in the (performing) arts;

*Supporting creativity*

- an important challenge lies with the public authorities, who must continue to respond appropriately to creativity;
- supporting artistic quality requires significant investments over time, and reaping the benefits of developing audiences is a medium-term activity, rather than a short-term one;

*Role of central governments remains important*

- local authorities, especially outside the big cities, have difficulties in assessing the arts and the underlying policy. That is why central governments should not loosen their grip on the (performing) arts;

*Private funding is additional*

- private funding is always additional to public funding. Private funding alone is even less adequate than just public funding. It is therefore necessary to look upon the arts as semi-public property;

*Performing arts and creative industries*

- the funding of musicals, festivals, fairs, rock and other popular music concerts and large events provides employment, innovation and attracts new, inexperienced audiences;
- the strict separation between the creative industry on the one hand and the performing arts on the other is becoming more relaxed in cultural policies. For Governments, it is important to define crystal clear criteria upon which subsidies are based;

*First and foremost: judging on artistic quality*

- the performing arts companies for which the production of artistic quality is of primary importance need to be judged first and foremost on this quality. Innovation is a core value of artistic quality;

*Need for new economic approaches*

- the more the performing arts sector evolves, the less practical the traditional economic models for management appear. Classical management models are cost-directed and too static to apply to a creative and innovative environment. New economic approaches are needed;

**Arts education**

Arts organisations feel they are being asked to compensate for the failure of other social agencies. Some performing arts organisations complain that they exist for artistic, rather than social objectives. This raises the question of whether performing arts organisations can be a catalyst for social change. It is advisable to start a Europe-wide debate on this subject;

- arts education, in all its varieties, is primarily a task for parents and for schools, as a community setting. Even though school seems to be one of the best places, teaching the arts cannot just be incorporated in the curriculum without thinking about why, how and who. Art teachers require certain skills and methods which do not always correspond to prevailing teaching methods. When it comes to arts education, positive goals, leadership and above all passion are needed;
- it is advisable to ensure that the arts educational teachers are well-qualified and well-paid, and that artists are good teachers who really enjoy working with children;
- it is not enough just to develop educational programmes for 'new' audiences, as this is still a form of exclusion in the long run. Arts education can reach people in different phases of their lives; e.g. culturally inexperienced adults, elderly people, welfare recipients or young adults;

**Trust and dialogue instead of bureaucratisation and audit tyranny**

- performing arts companies and organisations applying for Government subsidies are put off by the numerous, often standardised questionnaires they have to fill in meticulously. Auditing is felt by the performing arts sector to be a control mechanism with a life of its own,

as if the artistic results do not count. It is therefore advisable to replace the bureaucracy and audit tyranny by trust and “a transparent public sphere as a forum for discussion and dialogue”. New forms of communication between different stakeholders (artists, politicians and audience) representing different interests of the performing arts could save the cultural system from a crisis of legitimacy. Trust and transparency are the key words when it comes to a proper process of negotiation. All the participants have to develop the capacity for heightening mutual trust and transparency in order to create a true dialogue;

**International cooperation, exchange, promotion**

- the performing arts sector is vying for opportunities in the international circuit, in schemes of excellence, exchange and cooperation and in promotional initiatives;
- travel scholarships – which give both young and established performers the possibility to concentrate on their artistic work – are lacking in several European countries;
- more generous support for international networks would be welcomed.