

The Relationship Between Public Funding and Entrepreneurial Behaviour of Theatres and Galleries: A Case Study on the Turbulent Cultural Sector in Slovakia

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ABSTRACT

The Slovak cultural sector has been facing challenges since Minister Šimkovičová stepped into the office in 2023. Among other things, the previously independent Slovak Arts Council (FPU) was seized by the Ministry of Culture and significant changes in its fund allocation process were implemented. FPU serves as an important tool for financial support for both established and independent culture, specifically performance arts, visual arts, museums, and heritage institutions. In 2025, FPU was operating with delays and public support for many organisations was diminished or completely stopped. Thus, the case of Slovakia offers interesting insights into the importance of public funding for cultural organisations and how organisations deal with its absence. This comparative case study examines the relationship between receiving public funding and the entrepreneurial behaviour of Slovak theatres and galleries. Entrepreneurial behaviour is defined by six characteristics as inspired by Klamer's (2011) cultural entrepreneur: (1) innovation in products, (2) innovation in processes, (3) risk-taking, (4) opportunity seeking, (5) prioritisation of cultural values over profits, and (6) having the persuasive power to induce the right people to join the conversation. The data for this study was collected by conducting 11 semi-structured interviews with representatives from Slovak theatres and galleries, and was subsequently used in qualitative thematic analysis to arrive at findings. The interviews have shown that while the entrepreneurial behaviour of Slovak theatres and galleries is subtle, receiving public support does not crowd out their cultural entrepreneurial behaviour. A relatively stable budget turned out to play a pivotal role in the organisations' willingness to engage in cultural entrepreneurship – in the case of Slovak organisations, this was achieved through public support prior to the recent developments. The only aspect of cultural entrepreneurship that was undermined by public support was the organisations' use of persuasive powers to arrange finances. With the FPU changes, the theatres and galleries became less entrepreneurial as their budgets became highly unstable and they do not have experience with arranging funds through private financing. The findings highlight the importance of FPU gaining back its independence and the necessity of introducing a policy that would stimulate private sector involvement in the Slovak cultural sector.

KEYWORDS: public funding, cultural entrepreneurship, theatres, galleries, artistic freedom

Table of Contents

1. Introduction	3
2. Theoretical Framework	6
2.1 Entrepreneurship and Cultural Entrepreneurship	6
2.2 Implications of different funding structures	7
2.3 Summary.....	9
3. Context: Developments in Slovak Cultural Policy.....	10
3.1 Main Players in Cultural Policy.....	10
3.2 Established Culture and Independent Culture	11
3.3 The birth of the Slovak Arts Council (FPU)	12
3.4 Recent developments in Slovak cultural policy.....	13
3.5 Setting of the case study	15
4. Methodology	16
4.1 Research approach.....	16
4.2 Sampling and data collection.....	17
4.3 Operationalisation.....	19
4.4 Data analysis.....	21
5. Findings.....	22
5.1 Funding of Slovak Theatres and Galleries.....	22
5.2 Public funding does not undermine initiative	26
5.3 Art for art's and society's sake.....	30
5.4 Artistic Freedom and Public Funding.....	35
5.5 First Impacts of a dysfunctional FPU	39
6. Discussion	44
7. Conclusion.....	47
Reference list.....	49
Appendix A – Interview Guide.....	52
Appendix B – Coding Table.....	53
Appendix C – Declaration Use of AI	54

1. Introduction

Since the fall of socialism in 1989, the cultural sector in Slovakia has been developing slowly and more or less uncontrollably, without a followed-through long-term plan. Changes in basic systematic settings have always occurred with a change in the political group in power, which has caused discontinuity in the development of the cultural sector (Ministerstvo Kultúry Slovenskej Republiky, 2014). Nevertheless, there were two important developments aimed at making the cultural sector more independent from the political climate. In 2002, the process of decentralisation in the cultural sector has shifted many responsibilities from the state to the self-governing regions (VÚC). Furthermore, two independent and expert-led public funding bodies were established – the Slovak Audiovisual Fund (AVF) in 2009 and the Slovak Arts Council (FPU) in 2015.

In 2023, the post of the Minister of Culture was assigned to Martina Šimkovičová, a member of an ultranationalist political party - the Slovak National Party (SNS). Since taking office, Šimkovičová has implemented numerous controversial changes to the functioning of the cultural sector which are considered a setback to the small progress that had been made, including changes to the funding of culture by taking control over the previously independent and expert-led funding bodies (Pavesi et al., 2025). Until 2024, the Slovak Arts Council (FPU) was allocating funds to cultural organisations and artists on the basis of a decision by one of its expert-led committees, which was subsequently formally approved by the director. The new Minister of Culture shifted the decision-making power to the fund's board, a majority of whose members are nominated by the Ministry of Culture.

The new structure delegitimises the expert-led committees – currently, their opinion has only an advisory role and might be easily disregarded by the board. The government has implemented this change without any arguments; however, the minister has later stated that her mission is the promotion and protection of traditional Slovak culture (Dlhopolec, 2024) and that she aims to support more ‘truly Slovak’ projects (Beňo, 2024). With this new structure, FPU is losing its transparency and independence, and the allocation of funds becomes arbitrary as expertise of decision-makers does not play a role anymore. The Ministry of Culture is implementing its own artistic agenda based on the political ideology of the minister's conservative party, which focuses on traditional values and nationalist symbols (Pavesi et al., 2025). For instance, in a recently published allocation decision, all queer cultural organisations that responded to the FPU calls received zero public support (Dudoň, 2025). This is in line with what the minister of culture promised earlier this year as a part of her campaign.

The level of funding of culture in Slovakia has been around the EU average in the recent decade (Slovak Ministry of Finance, 2020). While not constituting the primary income of cultural organisations and artists, it has still been a significant tool for their support. Many organisations

learned how to operate with the support of public subsidies over the past years, and having them withdrawn suddenly can lead to financial and operational challenges. An organisation generally has two options when they stop receiving public support. They can either adjust their projects to fit the requirements of the Ministry of Culture in order to continue being eligible for public subsidies, or they will need to turn to different types of income. Often, this will mean attempting to earn more income through the market or seeking private donations.

Having to rely on the market is often associated with the shift from artistic logic directing the production processes to economic logic leading the way. As economic incentives start to play a bigger role, the production processes of cultural organisations might change due to bigger emphasis being put on what consumers want. It might no longer be optimal to create ‘art for art’s sake’, but rather offer what is popular and what would sell. When market values crowd out cultural values, organisations may start prioritising commercially successful cultural products over those with deeper cultural value (Frey, 1997). Thus, the outputs of cultural organisations may become less diverse and less culturally significant as pressure for higher sales increases.

However, there is an alternative potential scenario when cultural organisations stop relying on public support. Trying to attract more consumers and financial partners can lead to organisations adopting more of an entrepreneurial behaviour, where they take more risks and search for innovative ways to gain attention and engage audiences with their cultural products. As suggested by Klammer (2011), engaging people in the conversation about art helps realise its common character and thus its cultural value. In that sense, diversity and cultural significance would not have to be lost in the market.

In the literature, there is no clear answer for which one of the two situations will emerge. Therefore, this paper aims to study the relationship between public funding and the entrepreneurial behaviour of Slovak cultural organisations. The case of abrupt changes in cultural policy in Slovakia offers valuable insights into the role of public funding in the development of organisations’ cultural entrepreneurship. The main research question thus would be: *In what ways does (not) receiving direct public subsidies affect the cultural entrepreneurial behaviour of theatres and galleries in Slovakia?* The question will be explored through a qualitative comparative analysis of interviews with representatives of Slovak theatres and galleries.

Two specific types of organisations were selected to narrow the focus of the study, as there tends to be great diversity among cultural organizations in terms of production processes and outputs. Comparing two organisation types instead of focusing on one increases the external validity of the findings. Slovak theatres and galleries are similar in terms of their funding structure and organisational processes, yet there are important nuances. For instance, as performing arts institutions, theatres need to continuously coordinate a large number of artists to deliver their work to the audience. Galleries typically coordinate with fewer stakeholders and only once, before their work is delivered for the first

time, which allows for greater flexibility. It is important to note that the Slovak galleries included in this study differ from other European galleries. Operations of established Slovak galleries are similar to those of museums – their main activities consist of presenting, researching, and collecting art. They are non-commercially oriented and they do not sell artworks. Independent galleries in Slovakia can be both non-profit or for-profit oriented, while only non-profit galleries were approached for this study.

The findings of this study should provide some insights on how such a change in cultural policy may impact the functioning of cultural organisations. This is especially relevant as many cultural organisations in Slovakia, such as the queer organisations mentioned previously, will have no other option than to completely give up on public support and seek alternative financing. This is because they will never be able to fit their projects to the wishes of the Ministry of Culture, as their essence and their mission are inherently in conflict with the ideology of the political party in power.

While being highly relevant to the current situation in the Slovak cultural sector, the social relevance of this study stretches beyond the borders of Slovakia. Similar patterns of increasing political intervention in the cultural sector emerge in Austria or the Netherlands, and it is fair to expect similar situations occurring in more countries as right-wing politics spread across Europe. Public funding of arts in Europe might become more turbulent, and thus, it is of high importance to understand the relationship between direct public support of culture and the functioning of cultural organisations, as well as how this affects the output that they produce.

In terms of scientific relevance, to the best of author's knowledge, there is currently no empirical evidence on the relationship between public funding and entrepreneurial behaviour of cultural organisations. There is some evidence that withdrawal of public funding leads artists to adopt market logic (Gilfillan & Morrow, 2018), or that cultural producers adopt a multi-product strategy to attract wider audiences when there are cuts in public funding (Cuccia & Rizzo, 2016). While these all points toward entrepreneurial behaviour, the direct link in the literature is missing.

In addition to making its own contribution, this paper will contribute to the literature on the different forms of funding in the cultural sector and the debate on the effect of public funding (Frey, 2011, Loots et al., 2022). Marginally, it will contribute to the literature on political economy of public funding (Guccio & Mazza, 2014) and offer insights on the determinants of entrepreneurial behaviour in the cultural sector, contributing to the empirical definition of cultural entrepreneurship (e.g., Loots, 2023; Klammer, 2011). Lastly, this study contributes to the current knowledge on cultural policy in Slovakia. This is particularly relevant, as there is no source offering updated information beyond year 2008 (see e.g. Compendium of Cultural Policies & Trends, 2018), despite major changes having occurred in the cultural sector since then.

2. Theoretical Framework

Financing of organisations in the cultural industries has usually relied on a combination of various public and private resources. As the markets in cultural industries have been defined as inefficient, with uncertain demand behaviour, suboptimal resource allocation, and market failure (Loots et al., 2022), a role emerges for governmental intervention from the standpoint of improving welfare. Subsequently, nowadays it is common that governments support the cultural sector both directly by allocating public subsidies or indirectly by, for instance, providing tax deductions (Frey, 2011). However, the government budgets are limited, and not all cultural organisations are able to benefit from government support. In order to sustain themselves, cultural organisations have to find alternative ways of earning income such as increasing their revenue or attracting private finances when public support is insufficient. These alternative ways of financing will often require that the organisations adopt an entrepreneurial attitude. If an organisation is able to attract sufficient demand for its products at the price it charges, the need for public funding decreases. Competition in the markets asks for innovative ideas and creative products that stand out from the rest, as well as resilience in the face of challenges and taking initiative. However, as discussed previously, too much focus on market logic may lead to cultural values of the products being crowded out (Frey, 1997).

2.1 Entrepreneurship and Cultural Entrepreneurship

Entrepreneurial attitude or behaviour can be looked at from different perspectives. Schumpeter (1934) defines entrepreneurs as agents of change that are responsible for innovation by introducing new goods or production methods or opening up new markets. An organisation with entrepreneurial behaviour would therefore strive to innovate its products or its creation processes. Shane & Venkataraman (2000) associate entrepreneurship with new opportunities to create future goods and services. An organisation that seeks opportunities and subsequently exploits them could then be assumed to exhibit entrepreneurial behaviour. Lastly, entrepreneurial behaviour can be associated with a higher risk-taking propensity (Chipeta & Surujlal, 2017). While this association has been mostly researched on the level of the entrepreneur as an individual, it might be used in defining the degree of entrepreneurial behaviour of organisations, too.

Klamer (2011) attempts to define the cultural entrepreneur by expanding on the characteristics discussed above. Similarly to traditional entrepreneurs, cultural entrepreneurs are alert to new opportunities, they are willing to take risks and face the odds but are also prudent. They are innovative and creative in terms of the cultural content but also in terms of coordination and organisation. The distinctive characteristics of cultural goods, however, require cultural entrepreneurs to have also other skills. Emphasising the commonness of art, Klamer (2011) argues that „a cultural good needs to function in the art conversation in order to qualify as art” (p. 154). Therefore, the distinguished mark

of cultural entrepreneurs is their persuasive power to induce the right people to join the conversation and thus realise the art as a common good. The ‘right people’ range from artists to volunteers, financiers, and beyond. Additionally, cultural entrepreneurs strive for the realisation of cultural values, where the artistic content is their passion and commitment. In that sense, a cultural entrepreneur only uses economics as an instrument to produce cultural value. A cultural entrepreneur that considers profits first is no longer deemed a cultural entrepreneur, as it is often the case that market values crowd out the values of the cultural field. As the main focus of this study is on Slovak galleries and theatres, the two additional cultural entrepreneurial characteristics proposed by Klammer (2011) – the prioritisation of cultural values and the persuasive powers – will be included in the definition of entrepreneurial behaviour of cultural organisations.

2.2 Implications of different funding structures

Cultural organisations are typically funded through a mix of public sources, private sources, and earned revenue. Even if cultural organisations had a preferred structure of funding, they are often not able to choose the desired proportion of public funding themselves due to the limited availability of grants and subsidies. Nevertheless, funding structure may have important implications for the financial stability of the cultural organisation as well as its strategic priorities and the outputs it produces.

Organisations that receive financial support from the government often avoid being subject to the markets and thus the popular demands; therefore, they have more leeway to create ‘art for art’s sake’. In that sense, such organisations would prioritise their products’ cultural value over profits. Additionally, public funding offers cultural organisations some financial stability, allowing them to seek new opportunities and take artistic risks without the pressure of earning sufficient revenue. As public funds increase the organisation’s risk appetite, this could enhance the innovation of the cultural content within the organisation.

However, this is an ideal case scenario where organisations receive support under no strict conditions. In reality, funds are often allocated on a per project basis and organisations have to fit their proposals to the wishes of the funding bodies. This might lead to organisations presenting increasingly similar projects or products to ensure grant compliance and thus a continued stream of government support. DiMaggio & Powell (1983) refer to this phenomenon as coercive isomorphism, where institutional isomorphic change occurs due to pressures exerted on organisations by other organisations upon which they are dependent. An extreme case of this situation occurs when governments try to exert political influence over the artistic direction of the cultural organisations, restricting their artistic freedom. In such scenarios, risk-taking and innovation might not be an option if organisations wish to continue receiving public support.

Entrepreneurial behaviour of cultural organisations may be further constrained by the practical conditions that come with receiving public funding. The use of public finances tends to be less flexible than the use of private finances, as items for which the public money may be used for are usually more specified. Additionally, the allocation of public support typically occurs very infrequently, requiring cultural organisations to plan their entire season well ahead. In order to keep the public support, the organisations need to stick to this plan, which puts a constraint on engaging in any further developments and innovations.

Furthermore, it is important to acknowledge the potential presence of the Samaritan dilemma in offering public support to cultural organisations. The basis of the Samaritan dilemma is that assistance may potentially create dependency and thus undermine the initiative itself (Buchanan, 1975). Organisations may become used to receiving public subsidies and therefore lose any incentives to innovate, seek new opportunities, or take risks. Zikou et al. (2017) found that the public sector crowds out entrepreneurship in a study on European Union regions. Considering the theory and empirical findings, it could be argued that public subsidies may crowd out entrepreneurial behaviour of organisations in the cultural sector.

Conversely, the lack of public subsidies could crowd in entrepreneurial behaviour. As organisations turn to the markets, they need to become innovative in order to capture audiences in the competitive environment. Maintaining a steady revenue stream will require them to stay alert to new opportunities and introduce innovations in both their outputs and processes. However, this market orientation could negatively affect the cultural entrepreneurship of the organisations. As Frey (1997) suggested, market logic may crowd out cultural values, and thus lack of public subsidies could result in cultural organisations prioritising economic indicators over the realisation of cultural values. According to Klamer (2011), such organisations would cease to be cultural entrepreneurs. Therefore, it remains ambiguous whether lack of public funding has a positive or a negative effect on the cultural entrepreneurship of cultural organisations.

When it comes to existing evidence, there is a lack of empirical research on the relationship between direct public funding and the entrepreneurial behaviour of cultural organisations. However, there is a few studies that touch upon the topic. Camarero et al. (2011) studied the impact of museums' funding structure on their innovation, among other variables. They found that privately funded museums have a greater willingness to adopt organisational and technological innovation. However, the funding structure was shown to have no impact on museums' innovation in value creation, that is, innovation in adapting content to customers' expectations. Cuccia & Rizzo (2016) studied the strategies of cultural producers following severe cut-backs of public funds in the cultural sector, and found that they mostly follow two strategies. First, the cultural producers widen the range of cultural activities they offer, which may be interpreted as opportunity seeking and the adoption of a more

entrepreneurial behaviour. Second, they found that cultural producers started to create networks and connect with complementary cultural producers. Gilfillan & Morrow (2018) studied how artists sustain their practices following a controversial change in the arts funding in Australia, and found that withdrawing public support creates a sharper divide between subsidised art and commercial art, shifting artists to use more market logic. Lastly, Mahieu (2017) researched artists in France who receive substantial governmental support, and then also British artists that do not benefit from public funding as much. The author found that the French artists are less visible and seem to stimulate less emulation on the international art scene, potentially signalling that they were less prone to adopt entrepreneurial practices and attempt to ‘popularise’ their art. According to Klammer (2011), the French artists would not qualify as cultural entrepreneurs, as they seem to have less persuasive power to engage other agents in conversations about their art.

2.3 Summary

Based on the existing theories on cultural entrepreneurship, entrepreneurial behaviour will be defined by the following six characteristics in this study: (1) innovation in products, (2) innovation in processes, (3) risk-taking, (4) opportunity seeking, (5) prioritisation of cultural values over profits, and (6) having the persuasive power to induce the right people to join the conversation. The relationship between the theatres’ and galleries’ funding structure and their entrepreneurial behaviour will be explored through the theoretical concepts of ‘art for art’s sake’, institutional isomorphism, the Samaritan dilemma, and strategies in competitive markets. Additionally, Frey’s (1997) theory of market logic crowding out the intention to realise cultural values will be explored.



3. Context: Developments in Slovak Cultural Policy

To structure the methodology of this study, as well as to be able to interpret the findings of this study in the given context, it is first important to understand the organisation of culture in Slovakia and the developments in public funding of culture. As mentioned previously, the cultural sector and the cultural policy in Slovakia have been undergoing frequent changes ever since the fall of socialism in 1989. This section will, however, focus on the cultural policy and its developments only between the years 2015 and 2025, as this period is deemed to be the most relevant for the context of this study. First, the pre-2023 situation will be described, and then the recent changes introduced by Minister Šimkovičová will be presented.

3.1 Main Players in Cultural Policy

The central state administrative authority for the cultural sector in Slovakia is the Ministry of Culture. The Ministry of Culture participates in the creation of a unified state policy in the field of culture, implements and carries out this policy within the scope of its competence. It ensures the proper legal regulation of matters falling within its competence. It prepares draft laws and other generally binding legal regulations (Marko et al., 2022). The Ministry of Culture also fulfils the function of managing the public finances designated for culture in the Slovak budget (Compendium of cultural policies & trends, 2018). The Ministry was operating grant schemes for the different areas of culture until 2015, when the grant schemes were delegated to newly established institutions that operate on the arm's length principle in respect to the Ministry of Culture. After 2015, the Ministry continued to operate only a small number of grant schemes aimed at supporting various aspects of cultural development, such as promoting inclusivity or cultural heritage preservation.

A significant part of executive powers and responsibilities in the public financing of culture was transferred from the state to regional and municipal authorities in 2002 (Compendium of cultural policies & trends, 2018). It is especially the self-governing regions (VÚC) that are significant actors in the field of culture. Slovakia is divided into 8 self-governing regions (VÚC), with the regional parliaments being elected by the inhabitants of the governed region every four years. The regions develop local cultural strategies in line with national goals, but adapted to regional specificities and priorities, highlighting the partly centralist, partly decentralist cultural policy in Slovakia. The main responsibility of self-governing regions (VÚC) in the area of culture is the establishment, financial support or the administration of cultural organisations of regional or greater importance (e.g., museums, galleries, theatres, libraries, observatories, or cultural centres). The largest share of their budget designated for culture is used to fund these activities. A smaller part of their budget is usually designated for individual grant schemes of the self-governing region (VÚC) or for the support of smaller cultural events and projects that contribute to local cultural life (Marko et al., 2022).

Local authorities – that is, cities and towns – play a vital role in supporting and shaping cultural life at the local level. Their responsibilities are more grassroots than those of regional or national governments and are essential for maintaining everyday cultural infrastructure and events. Cities and towns also have the ability to establish cultural organisations of local or greater importance; however, it is not a frequently-occurring phenomenon. Similarly to the self-governing regions, cities and towns sometimes also have their own grant schemes that cultural organisations can apply for (Marko et al., 2022).

3.2 Established Culture and Independent Culture

When talking about the cultural sector in Slovakia, cultural entities are usually split into two broader categories based on their connection to public resources. First, there are cultural organisations that are founded by a public body – that is, by the state or by other public administration entities. In Slovak, this category is called *zriadovaná kultúra*. It is difficult to translate this term into English while preserving its true meaning. However, for the purpose of this study, this category will be named *established culture*. The founder (in Slovak *zriaďovateľ*) is an entity that officially establishes a cultural organisation. The founder provides the respective organisation with finances to cover a part of its budget – this mainly includes salaries of full-time employees and operating costs such as energies and maintenance, as established organisations tend to reside in real estate of their founder and manage it. The founder appoints and dismisses the organisation's director, but it does not participate in the management of the established organisation. However, it monitors whether the institution fulfils its cultural mission and whether it manages its finances transparently. There are three main forms of cultural organisations within established culture:

- Cultural organisations founded by the state
- Cultural organisations founded by self-governing regions (VÚC)
- Cultural organisations founded by cities and towns

The activities of cultural organisations within established culture are aimed at fulfilling a public mission; their activities do not lead to the creation or acquisition of profit. In terms of financing, these organisations are directly linked to public resources as they draw funds directly from their founder's budget.

Second broader category of cultural entities is *independent culture*, or *non-established culture* (in Slovak *nezriadovaná kultúra*). The entities within this segment of culture can be both organisations (e.g., private businesses, third sector entities, non-profit organisations) and individuals (e.g., artists, self-employed persons). The financing of cultural entities within this segment of culture is not directly linked to public resources – they are not linked to the budget of the state, the self-governing regions

(VÚC), or the cities. However, they can apply for public support within the grant systems of the public bodies (Marko et al., 2022). To the best of the author's knowledge, a source with aggregated information on how the independent cultural organisations are being financed in Slovakia does not exist. This can be only examined on a case-by-case basis. This is potentially due to independent culture not being mapped yet in Slovakia.

3.3 The birth of the Slovak Arts Council (FPU)

As was mentioned above, the Ministry of Culture was operating grant schemes for the different areas of culture until 2015. This system was often criticised for the lack of transparency and the lack of expertise in funds allocation (Močková, 2019). When the grant system was under the direction of the Ministry of Culture, ministerial officials or ministers themselves actually intervened in the resulting decisions on the allocation of funds.

In 2015, a self-governing public institution – the Slovak Arts Council (FPU) – was founded to replace a substantial part of the former grant system of the Ministry of Culture. The then minister of culture argued that FPU will ensure that public funds will be distributed more independently, more flexibly or more multipurposely (SITA, 2015). He also stated that one of the goals of establishing FPU was to bring more financial support to non-state culture (TASR, 2015). From a pre-2015 package of 10 million euros for the cultural sphere, he managed to increase the annual budget to 15 million euros for the first year of FPU's operation. In 2019, the annual budget was 20 million euros (Močková, 2019).

FPU operated on the arm's length principle in respect to the Ministry of Culture, which ensured its independence from central government bodies. This was achieved by the distribution of competences across three fund bodies – the FPU board, the director, and expert committees. First, the FPU board had 9 members who were appointed and dismissed by the Minister of Culture; however, they were required to have at least 5 years of experience in the cultural sector. Among other things, the FPU board was responsible for electing the director and appointing members of expert committees. The assessment of grant applications and the decision-making process with regard to fund allocation used to lie in the hands of expert committees. The committees were composed exclusively of experts in the specific areas of support, e.g., only theatre experts would assess the applications for grants from the Theatre sub-program. Expert committees submitted the results of the assessment and evaluation of applications to the director, who then decided whether or not to provide financial resources from the fund based on the evaluation of the expert committee (Fond na Podporu Umenia, 2022; 2024). In this way, the fund allocation process was led by experts and the Minister was not able to interfere in the fund's decision-making or influence the awarding of grants.

Organisations and individuals within both established culture and independent culture are able to apply for grants from FPU. With regard to theatres and galleries – the cultural organisations considered in this study – FPU offers separate sub-programs for independent culture and established culture, ensuring competition among equal players.

3.4 Recent developments in Slovak cultural policy

The establishment of an independent and expert-led public funding institution was well received by the cultural sector in Slovakia. Over its short period of existence, many cultural organisations as well as individuals became accustomed to having the option of applying for public support from FPU's grant schemes. In 2023, FPU received 4968 requests with the sum of requested amounts of more than 65 million euros (Fond na Podporu Umenia, 2024). This is more than three times the budget of FPU for 2023.

A lot has changed for the Slovak cultural sector in 2023. The Ministry of Culture was allocated to the most far-right and nationalist party in the government – SNS (Slovenská Národná Strana). Martina Šimkovičová was appointed the minister of culture, despite having no background in cultural policy or management. This move has turned the Ministry from being a supporter of cultural and artistic diversity to an instrument of ideological enforcement (Pavesi et al., 2025). This has manifested in at least three ways.

First, the Ministry started a wave of leadership dismissals across seven significant cultural institutions founded by the state. The abrupt process was accompanied by a lack of formal justification and absence of dialogue surrounding these dismissals. As replacements, the government nominated mainly individuals without any background in cultural governance, many of whom have personal ties with the Minister of Culture or with the General Secretary of the Ministry of Culture's Service Office (Pavesi et al., 2025).

Second, the Ministry imposed a nationalist agenda that prioritizes so-called "traditional" Slovak values while systematically marginalizing progressive perspectives and minority voices. The direction for which the current Ministry is aiming can be identified from two public statements made by the Ministry officials, among other things. Shortly after her appointment, the Minister of Culture openly made the following statement: „The culture of the Slovak people should be Slovak. Slovak, and no other. We tolerate other national cultures, but our culture is not a mixing of other cultures.” (Quoted in Pavesi et al., 2025, p. 23). In a similar fashion, the General Secretary of the Ministry of Culture's Service Office declared: „We are patriots, we want to save Slovakia from this rabid pack of progressives in some non-governmental organizations, cultural institutions, in art and in the media”

(Quoted in Pavesi et al., 2025, p. 22). A few months later, the Ministry announced the termination of public funding for LGBTQ+ cultural initiatives (Silenská, 2024).

Lastly, and most importantly for this study, the Ministry has imposed centralised control over public funding of culture. The Ministry has taken effective control over the Audiovisual Fund (AVF) and the Slovak Arts Council (FPU) – the two institutions that were established exactly with the purpose of greater independence of the public funding mechanism. SNS enacted key laws that changed the Ministry's level of control over funding allocation in culture. The FPU council was given the authority to ultimately decide on the fund allocations (Minúta po minúte, 2024), changing the role of FPU's expert committees to a solely advisory one. Additionally, the number of FPU's board members was increased from 9 to 13. The number of council members appointed by the Minister without a proposal has also increased - from 4 to 7. Previously, the council was required to have 5 members with relevant cultural background across the different areas of FPU's support – that is, the experts were in the majority. Currently, the number of members with expertise is the same, while the Minister can appoint 7 members and one member will be appointed based on the recommendation from the self-governing regions, cities and towns (Minúta po minúte, 2024). This means that the Ministry's nominees are in the majority.

Since the law was enacted, the FPU was often unable to allocate funds on time due to the frequent fluctuation of nominees of the Ministry of Culture and their efforts to boycott some meetings, as revealed by one former council member (Pastorek, 2025). In addition, many members of the expert committees resigned as a sign of disagreement with the law amendments enacted by SNS (Pastorek, 2025). Since the official procedure of fund allocation still involves the evaluation of expert committees (although their decisions can be vetoed by the council later), the lack of committee members resulted in further delays. The delay in the fund allocation process seriously endangers the functioning and existence of some cultural organisations. This is evident, for example, in the case of folklore festivals, which were supposed to take place in the summer of 2025, yet by late April the organizers still did not know how much funding they could count on (Pastorek, 2025).

The situation of FPU is evolving constantly, with distressing news appearing almost weekly. For instance, in the latest round of fund allocation for independent theatres, the FPU council has vetoed the recommendations of expert committees and has completely stopped the public support for 15 independent theatres, with reasons ranging from „in the past, the projects of this organisation were generously supported by FPU funds“ (FPU, 2025, p.4) to „this is political activism and not art“ (FPU, 2025, p. 5) or „the project is ideologically focused and without clear artistic intentions“ (FPU, 2025, p. 3). Two of these theatres are included in this study. It is becoming clear that this new funding structure grants the government veto power over expert committee recommendations, enabling the blocking of projects that do not align with the Ministry's ideological stance.

3.5 Setting of the case study

The Slovak cultural sector has been chosen as a focus of this study because the recent changes implemented in FPU resulted in reduced public funding for a number of cultural organisations, creating additional variation in the funding structure of Slovak organisations. This adds to the already existing uncertainty regarding public support, especially for independent cultural organisations.

To this day, FPU is the main support tool for cultural entities not established by the state or local governments (Ditte, 2023). Even before the recent changes, the lack of finances in FPU's budget has been a widely discussed topic. There have not been any significant increases in the budget over the years, which poses a problem as the cultural sector in Slovakia is growing or willing to grow currently. As the number of cultural organisations applying for support increases, the individual grants decrease in amount. Slovakia thus offers a special scenario where independent cultural organisations rely mostly on one public support institution, and this institution is altering its allocation approach. Such a situation is interesting to explore as the immediate strategic reaction of cultural organisations to the institutional change can be observed and analysed in the framework of cultural entrepreneurship.

4. Methodology

The purpose of this study is to explore the relationship between the funding structure of cultural organisations and their entrepreneurial behaviour. The context of Slovak theatres and galleries was chosen for this study, leading to the following research question: *In what ways does (not) receiving direct public subsidies affect the cultural entrepreneurial behaviour of theatres and galleries in Slovakia?* The research question will be answered using a qualitative research strategy where data will be collected by means of semi-structured interviews. The below sections outline each aspect of the methodology employed in more detail.

4.1 Research approach

Since the interest of this study is *how* cultural organisations change their entrepreneurial behaviour with varying funding structures, a qualitative research strategy was chosen. While public funding, and more specifically the amount of direct public subsidies received is an easily quantifiable concept, the same does not hold for the separate characteristics of cultural entrepreneurial behaviour such as innovation or prioritisation of cultural values. Not quantifying these concepts will allow for rich, detailed insights and facilitate the understanding of these concepts within a specific context (Islam & Aldaihani, 2022). Additionally, a qualitative research strategy will allow for an inductive approach where new theories may emerge from the data analysis (Bryman, 2012).

Yin (2009) suggests that a case study approach is desirable when an extreme scenario that is sufficiently different from the norm is being studied, or when a phenomenon has not received sufficient conceptual and empirical development. As previously discussed, there is a lack of empirical evidence on the relationship between funding structure and entrepreneurial behaviour. Additionally, the situation in Slovakia offers a special scenario, leading to the selection of a case study design, as both criteria suggested by Yin (2009) are met.

Yin (2009) argues that comparing two or more cases puts the researcher in a better position to establish the circumstances in which a theory will or will not hold. Therefore, two types of cultural organisations were selected for this study, namely theatres and galleries. This is mainly due to two differences between the two organisation types. First, theatres are more reliant on a stable budget due to high production costs of theatre performances and a need for timely planning and coordination as they require involvement of a large number of professionals, new stage designs, and continuous rehearsals. Second, theatres and galleries differ with respect to the flexibility in their product innovation. While galleries tend to work with already existing artworks when creating their product (exhibition), theatres usually create the entire product in-house.

As a research method, *semi-structured interviews* were selected to allow the interviewees as ‘insiders’ to introduce and focus on certain topics that they consider to be of highest relevance. This is important especially due to the focus of this study being on events that were unfolding as the research was being conducted, and the impact of which is not being discussed in detail publicly. On the other hand, unstructured interviews also allow for a certain degree of standardisation as the interview guide (see appendix A) is developed on the basis of pre-determined topics, which then ensures validity of the conclusions through the aggregation of answers (Babbie, 2020). Using the same interview guide for interviews with theatres and galleries will ensure cross-case comparability (Bryman, 2012)

4.2 Sampling and data collection

The data for this study was collected by conducting 11 semi-structured interviews of 45-60 minutes with professionals from Slovak theatres and galleries. The interviews took place between April 8th, 2025 and May 29th, 2025 and were conducted by the author herself. The meetings were held either in-person or online via Microsoft Teams. The interviews were conducted in Slovak language. All interviewees read and signed an informed consent form. The interviews were digitally recorded with the consent of the participant, transcribed with the help of the *Deepgram Voice AI* software, and further edited and corrected by the author. The interviews were not translated into English language; instead, they were analysed in the original language to preserve the true meaning of all expressions. All transcripts were anonymised such that information can no longer be traced back to identify interviewees. The transcripts are maintained in the author’s archive.

The theatres and galleries included in this study were selected using generic purposive sampling, ensuring sufficient variety across the theatres and galleries (Bryman, 2012). The participating organisations and the individual interviewees were subject to criterion sampling.

First, on the organisational level, theatres and galleries that are established organisations, and thus, directly funded by the state (e.g., the Slovak National Gallery) were excluded. Furthermore, it was necessary to distinguish between commercial galleries and non-profit galleries. The main aim of non-profit galleries is exhibiting artworks. On the other hand, commercial galleries are a for-profit business that focuses on selling artworks. By definition, commercial galleries have a market-orientation, and therefore, they were excluded from the list of potential study participants. Taking these exclusions into account, the archive of the FPU director’s decisions on grant allocation from the FPU webpage (FPU, n.d.) was used to identify theatres and galleries that are currently receiving grant support or have received grant support in the past. To achieve variety in the sample, both established and independent organisations were considered. Similarly, organisations that are still receiving funding as well as organisations that stopped receiving funding were selected. Ultimately, invitations were sent

out to 19 theatres and 19 galleries. The final sample considered in this study consists of 11 organisations that responded positively to the invitation.

Second, on the interviewee level, it was important to ensure that the interviewed individual has a good overview of the strategic direction of the organisation and some understanding of its funding structure. Therefore, people in management positions of the organisation (e.g., directors, artistic directors, financial directors, managers, or chief curators) were approached and asked to participate in the study. Table 1 provides an overview of the final list of interviewees and the respective cultural organisation that employs them. The interviewees as well as the organisations were anonymised, thus only relevant details are presented in the table. The final sample includes 7 theatres and 4 galleries – 4 established theatres, 3 independent theatres, 2 established galleries, and 2 independent galleries. The interviewed representatives were 8 directors, 1 financial director, 1 artistic director, and 1 dramaturg. With regard to the founder of the established institutions, the sample contains organisations established by both cities and self-governing regions.

Table 1

Name	Role	Type of organisation	Type of establishment	Founder (if applicable)
<i>Interviewee 1</i>	Director	Theatre	Independent	
<i>Interviewee 2</i>	Director	Gallery	Established	City
<i>Interviewee 3</i>	Financial Director	Theatre	Established	City
<i>Interviewee 4</i>	Artistic Director	Theatre	Established	Self-governing Region
<i>Interviewee 5</i>	Director	Theatre	Independent	
<i>Interviewee 6</i>	Director	Gallery	Independent	
<i>Interviewee 7</i>	Director	Gallery	Independent	
<i>Interviewee 8</i>	Director	Theatre	Established	Self-governing Region
<i>Interviewee 9</i>	Dramaturg	Theatre	Established	Self-governing Region
<i>Interviewee 10</i>	Director	Gallery	Established	Self-governing Region
<i>Interviewee 11</i>	Founder and Director	Theatre	Independent	

4.3 Operationalisation

The main research question that goes as follows: *In what ways does (not) receiving direct public subsidies affect the cultural entrepreneurial behaviour of theatres and galleries in Slovakia?* can be split into multiple sub-questions based on the aspects of cultural entrepreneurial behaviour identified in Chapter 2. As inspired by Klamer (2011), cultural entrepreneurship is defined by the following six characteristics in this study: (1) innovation in products, (2) innovation in processes, (3) risk-taking, (4) opportunity seeking, (5) prioritisation of cultural values over profits, and (6) having the persuasive power to induce the right people to join the conversation. Subsequently, the following six sub-questions emerge:

How does (not) receiving direct public subsidies impact....

- the innovation in the artistic products of Slovak theatres and galleries?
- the innovation in organisational processes of Slovak theatres and galleries?
- the level of risk taking of Slovak theatres and galleries?
- the opportunity alertness of Slovak theatres and galleries?
- the position of artistic content in the hierarchy of priorities of Slovak theatres and galleries?
- the stimulation of conversation about the organisation and its artistic output by Slovak galleries and theatres?

The interview guide was developed in three parts. The first part considers the general information about the interviewee and their cultural organisation, such as their role within the organisation and the main activities of the organisation. The second part considers concepts operationalised from the research questions presented above, as derived from the theoretical framework (see chapter 2). Table 2 provides an overview of the concepts, their short description, and their link to the theoretical framework. The last part of the interview guide consists of an open question to the interviewee, offering them the chance to add anything else they may deem important as an outcome of the new fund allocation process. The interview guide translated into English language can be found in Appendix A.

Table 2

Concept	Description	Literature
Funding structure	An explanation of the organisation's current funding structure, together with how has this funding structure changed over the past few years. The organisation's dependence on public funding. Influence of funding on the organisation's strategic direction	<ul style="list-style-type: none"> • Government support in the cultural sector (Frey, 2011) • Art for Art's sake
Innovation in products	How organisations think about new plays / exhibitions to be introduced. How this relates to their funding structure. The presence of 'dress-fitting' grant applications.	<ul style="list-style-type: none"> • Entrepreneurs are responsible for innovation by introducing new goods (Schumpeter, 1934) • Cultural entrepreneurs are creative in terms of the artistic content (Klamer, 2011) • Coercive isomorphism (DiMaggio & Powell, 1983) • Innovation to beat competition
Innovation in processes	How organisations think about changes in their operational model. The need to outperform / catch up with peer organisations. How this relates to their funding structure.	<ul style="list-style-type: none"> • Entrepreneurs are responsible for innovation by introducing new production methods (Schumpeter, 1934) • Cultural entrepreneurs are creative in terms of organizing the conversation and arranging the finances (Klamer, 2011) • Coercive isomorphism (DiMaggio & Powell, 1983) • Innovation to beat competition
Risk-taking	What is the organisation's propensity to risk-taking. How do organisations think about ambitious, unconventional or potentially controversial projects. How this relates to their funding structure.	<ul style="list-style-type: none"> • Entrepreneurial behaviour associated with a higher risk-taking propensity (Chipeta & Surujlal, 2017) • Cultural entrepreneur is willing to take risk, has the courage to face the odds (Klamer, 2011).
Opportunity seeking	The extent to which organisations consider new opportunities important. The organisation's incentives to seek new opportunities. How this relates to their funding structure.	<ul style="list-style-type: none"> • Cultural entrepreneurs are alert to opportunities (Klamer, 2011) • Samaritan dilemma (Buchanan, 1975)
Cultural values vs Profits	Description of the main goals of the organisation. The importance of profits for the organisation. The position of cultural values in the hierarchy of priorities. Line of thinking behind the development and introduction of their cultural products. How this relates to their funding structure.	<ul style="list-style-type: none"> • Cultural entrepreneurs prioritise cultural values over profits (Klamer, 2011) • Market logic crowds out cultural values (Frey, 1997)
Conversation stimulation	The organisation's ability to convince good artists / professionals to work with them. The organisation's ability to bring about interest in the art and get people involved. How this relates to their funding structure.	<ul style="list-style-type: none"> • Cultural entrepreneurs have the persuasive power to induce the right people to join the conversation (Klamer, 2011)

4.4 Data analysis

To answer the research question, the collected data was analysed using thematic analysis. The interview transcriptions were coded with the help of the *Atlas.ti* software. An open-coding strategy which identifies concepts and groups them into categories (Bryman, 2012) was employed. The codes were determined both theoretically and iteratively. That is, codes were determined either by the theoretical concepts as described in the operationalisation table (*Table 2*) or by concepts derived from the collected data. Thus, the coding process relied on both inductive and deductive thinking.

The coding was performed in three stages. After familiarisation with the data through transcribing and reading the transcripts, line-by-line open coding using an inductive approach was employed. Second, line-by-line open coding using a deductive approach was employed, relying on the concepts identified in the theoretical framework. Lastly, the sub-themes were identified, named and defined, partly based on the six characteristics of cultural entrepreneurship and partly based on new emergent themes. Subsequently, these were organised into 5 broader themes. The themes, sub-themes, thematic definitions, and codes can be found in Appendix B. Throughout the data collection and analysis, memos were maintained to document reflections, ideas, and impressions related to the analysis and relevant theories, in the aim of enhancing reflexivity (Braun & Clarke, 2006).

5. Findings

5.1 Funding of Slovak Theatres and Galleries

Theatres

The sample of theatres in this study consists of 4 established and 3 independent theatres. The two types of theatres differ in their funding structure by design. For the established theatres, the largest part of their budget comes from their founder – this ranged between 63% and 80% for the theatres in this study, based on their latest reports. All four established theatres reside in buildings owned by their founder and have the responsibility to manage them. The interviewees reported that the financial contribution from their founder is mainly used to finance current expenses of the theatres such as wages for full-time employees or energies. Sometimes, additional support is provided – one interviewee mentioned that they received finances from their founder for international activities and for a renovation of the theatre building. On the other hand, when it comes to the creation of a theatrical production and everything related to bringing it to the stage, the theatres must fund it with their own income or alternative financial sources.

In terms of own income, the interviewees reported that their theatres were able to cover between 20% and 37% of their annual budget with their own income in the most recent season. They mostly earn their revenue through ticket sales. It is important to note that theatres face a physical constraint in increasing their revenues – they can only sell as many tickets as there are seats in their theatre hall. If the theatres already have a great attendance rate and implement price discrimination (which is the case of the established theatres in this study), their only way of increasing revenue from ticket sales is to play more often. One of the interviewees mentioned that they started playing twice per day to increase their revenues. For some other theatres, however, this approach might not be feasible – either due to the busy schedules of the theatre ensemble members or because it could exhaust the local audience and result in lower attendance rates, causing losses on the individual performances as smaller ticket sales revenue no longer covers production costs.

The other possible option for funding the creation of theatrical productions is to apply for a grant from FPU. There is a specific subprogram dedicated to the creation and introduction of theatrical productions by established theatres. Apart from providing additional funds, the FPU grant is beneficial to the theatres as it requires a mandatory co-finance amount of 20% from the founder. In that sense, if a grant is awarded to the theatre for a theatrical play, it will be funded by three entities – the theatre, FPU, and the founder. If the grant is not awarded, the theatre will have to pay for the full theatrical production itself.

All the established theatres included in this study apply for this specific FPU grant annually. As per the interviewees, they tended to be supported with at least some productions every year. The

final amount of public support they receive would be, however, much smaller than what they requested. For illustration, one interviewee mentioned that while they asked for 56.500 euros, they only received 18.000. Nevertheless, even the smaller support helped them with finishing the production. Another interviewee mentioned that the support from FPU sometimes makes up 30% of the total production costs, and thus it would be a significant item for them to lose if FPU would not award the grant to them.

Over the years, the theatres have learned what do the FPU expert committees evaluate and appreciate. In addition to checking the budget for feasibility and whether the organisation is capable of implementing the plan, the committee also looks at the artistic value of the title. More specifically, five of the theatre interviewees perceive that the committee preferred supporting more experimental titles, titles that dealt with some taboo topics or brought some interesting provocative artistic means that require courage. Accordingly, the committees usually decided to not support classical titles, or titles that have a potential to earn money. One interviewee mentioned that they did not even attempt to apply for a grant with a musical production, believing that its audience appeal would lead the committee to reject it. Supposedly, the rationale of the committee is that “theatres should be able to pay for the traditional, conventional production from their budget. And the Arts Council really serves to support those exceptional projects that the theatre sometimes can't even find the money for.” (Interviewee 4). Because without the support of FPU, these projects would be loss-making. Additionally, one interviewee also believes that the attribute of internationality is something that increases the chances of receiving support as people are aware that resources are much more expensive abroad. Thus, it seems that until now, FPU was supporting theatres in experimentation, tackling unconventional themes, and searching new opportunities. This might, however, disqualify some theatres as the priorities of the committees are not in line with the priorities of the theatre. One of the theatres included in this study orients itself on doing classics differently, thus their titles in general have a lower chance at succeeding.

Lastly, the interviewees mentioned that their theatres seek financing also by applying to grant schemes of corporate foundations or to public grant schemes not specific to the cultural sector. Private financing was mentioned only marginally. All in all, it can be concluded that established theatres rely heavily on public funding. However, as per the interviewees, they do not feel any direct pressures in the current situation thanks to not being directly under the state in the partly-decentralised model of the Slovak cultural sector.

The independent theatres included in this study cover a larger part of their budget with their own income. For instance, Interviewee 1 mentioned that their theatre earns up to 80% of their budget with ticket sales. Nevertheless, these theatres still receive significant amounts of public support, and as mentioned in one of the interviews, they “are actually dependent on public finances, like all non-

established theatres” (Interviewee 5). Although public support contributes a smaller fraction of the ticket price compared to the case of established theatres, independent theatres cannot simply increase ticket prices in case public support is not received, because the audience’s willingness-to-pay is lower.

Independent theatres receive public support in two forms. First, they are able to apply for municipal or regional grant schemes. In addition to fairly low limits on the grant amounts, these schemes have certain practical limits – for instance, the municipal funds cannot be used to finance reprises. Second, independent theatres also have the opportunity to apply for grants from FPU. There are two subprograms for independent theatres - one for the introduction of theatrical productions where theatres apply with specific titles, and one dedicated to the activities of independent theatres where theatres apply with their program for the season. In the second subprogram, it is possible to ask for support for up to 3 years ahead. One of the theatres included in this study was awarded the multi-year grant and was very happy with it, since a more stable budget facilitated long-term oriented planning. As compared to established theatres, only one interviewee from an independent theatre mentioned applying for grant schemes from big corporation foundations. Grants from outside of the cultural sector and other private financing were not mentioned.

Galleries

The sample of galleries in this study consists of 2 established galleries and 2 independent galleries. Similarly to the established theatres, the budgets of established galleries rely mostly on the contribution from their founder. For one of the galleries, the contribution from the founder made up 95% of the budget for year 2024. Similarly to the established theatres, these galleries reside in buildings owned by their founder and it is their responsibility to care for them. The galleries are focused on presentation activities, research, and collection building. The money that they receive from their founder usually goes to wages, goods and services, to operate the depository, and to operate and maintain the buildings in which they reside. Own income is usually a small item in the budget of established galleries, and is mostly earned via entrance fees and via renting out their spaces.

In terms of FPU grant schemes, the established galleries have multiple support options. First, there is a subprogram for research and presentation activities, to which galleries apply with specific projects or temporary exhibitions. Second, there is a subprogram for permanent exhibitions which works similarly. Third, there is a subprogram for the acquisition of artworks, to which galleries apply with a selected artwork. In a similar manner, they can apply to a fourth subprogram that is dedicated to restoration. These four subprograms are designed specifically for established galleries. Additionally, there is a subprogram for all organisations in visual arts focused on research, editorial activities and educational activities. In general, the established galleries in this study tend to apply to all of the abovementioned subprograms with some annual variation depending on their specific yearly plan.

Similarly to the case of theatres, there is a mandatory co-finance amount required from the gallery's founder.

The interviewees did not mention applying for any grant schemes of larger corporations or from outside the cultural sector at present. While there was some mention of private sector involvement, they emphasized that the number of sponsors remains limited. This is largely due to the fact that the sponsorship legislation has not been adapted to support the cultural sector in Slovakia, and so companies have little incentive as cultural sponsorships are not tax-deductible. This is something that was mentioned by interviewees from theatres and independent galleries, too.

For independent galleries, the financing mostly consists of own revenues and grants. Interestingly, both of the independent galleries earn a significant portion of their money by renting out a part of their space to a café or a restaurant. To ensure equal access, one of the galleries offers free admission, while the other charges only a small entry fee. It is important to note that the two independent galleries included in this study operate on two very different models. For one of the galleries, grants are a substantial part of its financing mix, because they „can't make enough money to survive on it" (Interviewee 7). He stated that he needs to cover at least 60% of the budget by grants from various schemes. These usually include FPU grants, grants from the city in which the gallery resides, and also grant schemes of big corporations.

The other gallery is less dependent on grants, as it has a very different approach – the exhibiting artists need to pay a fee for their exhibition. Although the director of the gallery is not entirely satisfied with this approach, it was adopted as a necessary measure to secure the gallery's survival. Nevertheless, the gallery still applies for some public support including FPU grants and grants not specific to the cultural sector. With increased public support, they would be eager to switch the model.

In terms of FPU grants, there is less subprograms that independent galleries can apply for. First, there is a subprogram for activities of independent galleries where galleries can apply with their yearly exhibition program. Second, there is a subprogram for exhibition and presentation activities where galleries can apply with their individual exhibition projects. Interestingly, the two galleries in this study apply to only one subprogram each. The more-grant-dependent gallery applies with its yearly program, while the other one applies with individual exhibition projects. They both usually received at least some support.

5.2 Public funding does not undermine initiative

Theatres

The previous section has shown that both established and independent theatres rely heavily on public support, although the main sources may differ across the two. Despite not having the pressure of having to fight for life in the market (or at least until now), the theatres display high alertness to new opportunities and a desire to develop the theatre in multiple directions. This is even more pronounced for the established theatres, suggesting that being dependent on public funding does not constrain theatres in pursuing initiatives.

Interviewees from established theatres mentioned several collaborations that may serve as a testament to their persuasive power to induce the right people to join the conversation about their work. One theatre currently has a collaboration with universities, where they give space to theatre students to introduce their productions. The purpose is twofold – to allow the students to develop professionally, but also to attract younger audiences to the theatre. Similarly, they are also working with independent theatres, giving them space to showcase their work and increase their visibility, which then again helps the theatre to reach a different audience. The theatre director has only recently stepped into the role, but fully recognizes the need to develop the theatre's audience to move it forward, stating that „we are trying to address that segment of the market that we haven't addressed yet, because we have the traditional audience that we are very excited about, but we also need something else.” (Interviewee 8)

Audience development is a theme that resonates with almost all the established theatres. Apart from creating a specific program strand to appeal to young audiences, the theatres have also developed activities aiming at informal education and development of specific audience segments. The latter seems to be facilitated by public support. Thanks to a special contribution from their founder, one theatre was able to create a new department specifically devoted to audience development. Previously, the theatre was already engaging in some activities targeted at children, but the new department allowed them to start expanding this activity into the segments of seniors and marginalised groups. Another theatre responded to a special call from FPU aimed at providing culture to children from disadvantaged families. With the grant, the theatre developed a program with plays, workshops and educational activities, which turned out to be a great success. The theatre had to stop with the program when the grant was not re-introduced in the following year because the theatre simply did not have the finances to fund it. However, the theatre would like to continue with the program if the grant is introduced again.

These initiatives suggest that established theatres develop their persuasive powers to attract new audiences, despite having the comfort of a relatively stable budget. Instead of simply filling the theatre with masses of people, they want to cultivate their audience into regular and educated

theatre-goers, which helps theatres realise the artistic value of their work. To stimulate conversation among experts and theatre artists, the established theatres try to raise awareness by boosting their prestige and reputation. This is achieved through the artistic merit of their output and participation in theatre festivals. However, when it comes to persuasive power in approaching new financial partners, the theatres do not show initiative. This seems to be due to the perceived small number of opportunities in private financing, with interviewees referring mainly to the non-existent sponsorship law, but also the fact that they do not face the need to diversify their income. The established theatres can count on funds from their founder, but also have not experienced any reductions in their FPU support yet. The evaluation of their grant applications is expected to be published after the interviews have taken place. Thus, their approach to engaging with financiers might change if the evaluations will be unfavourable.

In terms of new opportunities, interviewees reported that their theatres actively seek new partnerships, international collaborations, or project activity. One of the theatres created its own festival where it brings theatres from abroad to the local audience. Currently, they only involve Czech and Hungarian theatres, but Interviewee 9 mentioned that more countries were involved when the support was higher. Another theatre was just introducing an ambitious project at the time of the interview, a theatrical production that was a collaboration with organisations across three countries and an experiment with digital theatre. The production was performed by them and a Polish theatre, while a German organisation supported them from the technical side. When talking about the project, Interviewee 4 said that “it is simply thanks to the financial support that we are able to realize it to such an extent”. These initiatives go beyond cultural management, as the theatres created opportunities where none existed instead of simply responding to existing demands. Similarly, partnerships do not focus on conventional partners – one theatre recently started a partnership with a hockey club. Thus, even the publicly funded theatres can be considered entrepreneurial to a certain extent. However, it is important to note that the established theatres do not undertake any financial risks.

Most of these initiatives seem to be facilitated by the availability of funds – in the case of established theatres, these are mostly public. The interviewees seem to have a natural inclination to develop their theatres as they often mentioned that these actions were a result of their young or dynamic teams. However, it was the availability of finances that made it possible for them to act on these inclinations. When talking about the Slovak austerity measures and their impacts on regional budgets, Interviewee 4 said:

We felt that the opportunity was there, and we are doing everything we can to take advantage of those opportunities and develop the theatre while we still can. And as much as we can. What we mean is that when a person feels some potential for growth in the air, we cannot let those opportunities pass us by, because they are exceptional. And they really may not come again. (Interviewee 4)

Independent theatres tend to display less opportunity-seeking behaviour, which may be linked to their less stable financial situation. Many of their initiatives appear to stem more from necessity than strategic exploration. One interviewee emphasised their theatre must actively seek audiences in other cities, otherwise they would not be able to survive. Another theatre hosts a ‘platform of independent theatres’, where they share a space for their performances with other independent theatres. In addition to reducing their costs, this partnership allows them for occasional talent sharing between the theatres, and increases the visibility of their theatre.

As with established theatres, public grants can support independent theatres in audience development and pursuing new opportunities. A few years ago, FPU offered a grant aimed at theatrical productions for schools, which were supposed to be accompanied by educational activities or workshops. One independent theatre created a project under this scheme and received funding, resulting in a successful program that schools are demanding to this day. Although the grant is no longer available, the director has continued this activity independently by herself, and without asking for any additional compensation. The two other independent theatres do not engage in audience development. One theatre started a unique new project – an open call for young creators – and put it into their application for multi-year support from FPU. The director mentioned that if they did not have this multi-year support, they would have probably stopped with the project:

If I had to ask for money every year, after the first year I would probably have given up on doing any open calls for young creators, but by essentially being forced to repeat and maintain it for three years, we were somehow able to get it into a model where it actually works well. (Interviewee 5)

Lastly, an interesting difference with established theatres is that independent theatres try to stimulate conversation around them with the goal of creating a sense of community or togetherness, rather than aiming for prestige. They try to build more personal relationships with their audience. After all, prestige might not be a priority when one must think about how to make it to the next season.

Galleries

All galleries included in this study display a pro-active approach to development and to opportunity seeking, irrespective of the level of public support received. Compared to the case of

theatres, the difference between established galleries and independent galleries in terms of this type of behaviour is much smaller. All of the galleries engage with at least one of the following – international collaborations, own biennale or own festival – considering it to be an effective tool to stimulate conversation and interest.

Despite receiving a contribution from their founder that covers between 80-95% of their budgets, the established galleries do not stay in their comfort zone, but rather strive to grow and respond to the environment around them. For instance, one of the galleries immediately identified the unmet needs of the local audience that have arisen due to the drastic restructuring of public cultural institutions, particularly the Slovak National Gallery and Kunsthalle Bratislava. The director aims to serve the ‘abandoned’ audiences of the two institutions by incorporating more contemporary art and international collaborations into the gallery’s program, displaying a high degree of opportunity alertness.

The established galleries are much bigger institutions, which naturally offers them more directions in which they can develop. For instance, a specific topic for them is the digitalisation of their collections and their accessibility. While these activities can be considered mostly good cultural management, also more entrepreneurial projects were introduced. One of the galleries created a new project – a website that maps public art in the city where the gallery is based and presents the research output of the gallery about these artworks. Availability of funds, in this case public, is essential in advancing these initiatives. The other established gallery is preparing to start with digitalisation – they applied with their project for a grant; however, they did not receive any support. The gallery’s director mentioned that they will try to apply again, but until then the process of digitalisation is on a halt, because „there were considerable financial resources required and unfortunately, the gallery does not have that much budget from the founder” (Interviewee 10). The same gallery had plans to launch a new festival in collaboration with the Academy of Arts, but was ultimately unable to realise it because their grant application for the project was unsuccessful. These two cases highlight the importance of grant schemes also for established culture – if the gallery had fundraised sufficient finances, it could have already pursued two new initiatives.

For independent galleries, the availability of public support plays less of a role in pursuing initiatives. Interviewees from both of the independent galleries said that they are determined to continue with their biennale or festival even if they do not receive support from FPU – instead of giving up on the initiatives, they will seek alternative financing, even if it means decreasing the scope of the initiatives. One gallery managed to decrease costs and secure additional finances – the gallery director mentioned that this was mainly thanks to personal contacts. The other gallery was still in the process of engaging with potential financial partners at the time of the interview. This indicates that the independent galleries use their persuasive power to attract new private financial partners.

All galleries recognise the importance of developing their audiences. To build a stronger community around its activities, one gallery began offering monthly workshops for families with children and would like to expand this initiative to seniors. Another audience development strategy of the galleries is to attract younger audiences by exhibiting young up-and-coming artists. One independent gallery communicates with potential new audiences solely through its exhibition choices – for instance, its director mentioned that an exhibition of an artist that makes photographs of lesbian and gay couples successfully attracted members of the LGBTQ+ community.

With the exception of this one gallery, all interviewees acknowledged the necessity of an improved marketing strategy to generate greater public interest. So far, they have increased their presence on online platforms, considering it a good-value-for-effort strategy. Two of the interviewees have noted that they do not have enough finances or enough employees to develop their marketing strategies. One stated that if the gallery could get more funds, they would definitely spend it on further advancing their marketing as they have „identified this as an absolutely urgent need” (Interviewee 2), and expressed confidence that it would result in increased ticket revenue.

5.3 Art for art’s and society’s sake

Theatres

All theatres show a strong preference for the prioritisation of cultural or artistic values over offering commercial theatrical productions aimed primarily at entertainment. In the case of established theatres, the interviews show that the theatres do not prepare their seasonal program with the aim of selling as many tickets as possible. There is, of course, some consideration of demand potential, but it is only very subtle – the theatres focus on how to make a program that follows their artistic intentions economically feasible. This goes beyond traditional cultural management, as entrepreneurial elements can be identified in the theatres’ behaviour. Three out of four theatres completely changed their repertoire recently with the aim of ceasing to be a classical city theatre. The interviewees mentioned that they wanted to replace a highly commercial program with more artistically valuable productions (Interviewee 4), elevate the theatre artistically (Interviewee 8), and create opinion-forming productions (Interviewee 3). This involved considerable uncertainty, especially for the theatres based in cities outside of Slovakia’s capital, as local audiences tend to not have affinity with other-than-classical theatre. Thus, in some cases, this meant building an audience base completely from scratch again.

The theatres implemented this change successfully – they followed their artistic intention while ensuring pre-change attendance levels. Their cultural entrepreneurial skills were pivotal in achieving this, particularly their persuasive power to induce people to engage with their art. The theatres try to communicate with their audiences instead of simply responding to their immediate

needs. One interviewee mentioned how they try to ‘teach’ their audience to appreciate other-than-comedy productions by offering personal recommendations, adding that „over the years, they have started to trust us that we won't convince them to come watch some nonsense” (Interviewee 4).

The prioritisation of cultural values by established theatres is further emphasised by their numerous collaborations with theatre students or young creators. Showcasing their artistically challenging productions which are often difficult for an ordinary viewer are not economically profitable for the theatres, yet they continue these collaborations as they see the high added value of such projects and the long-term benefits it may bring to the theatre, in terms of both audience development and talent attraction. Interestingly, theatres see the artistic merit of their output as a tool to convince good artists and other professionals to work with them. In this way, the two elements of cultural entrepreneurship – the prioritisation of artistic values and persuasive power – seem to be inextricably intertwined for established theatres.

Thus, despite having relatively stable budgets, the established theatres continuously strive to create more cultural value. In fact, it may be precisely because of these stable budgets that the theatres are willing to take the risk to elevate their activities artistically – knowing that if a particular endeavour does not succeed, it will not threaten the theatre’s survival.

Additionally, the interviews revealed that FPU grants were supporting established theatres in creating art for art’s sake. As discussed previously, FPU usually supported the more experimental and unconventional titles – one interviewee mentioned that they would create these to advance the theatre artistically and gain some prestige or get awards, yet without grants they would be extremely loss-making. The grant support is also beneficial for more attractive titles that are ambitious in some respect. Coming back to the production on which organisations from 3 different countries collaborated, Interviewee 4 noted that with grant support, the creative process was much freer, stating that „if they didn't give us the fifty thousand, we'd have to cut back on our ambitions and tighten our belts a bit”. The interviewees did not mention any constraints coming with those grants that would limit the creation of artistic value.

Independent theatres also exhibit a high level of prioritisation of cultural values. Their artistic vision is most important when preparing the productions, but of course, they also make sure that each production will be able to find its audience base. Two of the independent theatres have specific dramaturgical lines that are significantly different from those of a classic city theatre. One interviewee expressed that she perceives this to be the role of independent theatres – to challenge the status quo, to experiment with the dramaturgy, and to bring new forms and themes. The third independent theatre operates within a more traditional model and tries to cater to a very broad audience range. Most likely, this difference exists due to the distinct concentrations of theatres in the cities where the theatres are based.

The response to reductions in public support from FPU in terms of following their artistic ambition differed significantly across the three independent theatres. First, one interviewee mentioned that their theatre had to exclude the more artistically valuable titles from their program, as they are no longer able to cover the losses stemming from lower audience demand. Grants from FPU made the introduction of such titles possible, but without it, they are loss-making. The theatre is now turning to more commercial titles, mostly dedicated to children and families, presenting a case of artistic value being crowding out. Seeking finances from private sources was not mentioned as an option.

The second theatre aims to stay true to its dramaturgical line and preserve the idea and the theme of the productions, but tries to cut costs elsewhere – for instance, the costs associated with scenography and music. Lastly, the director of the third theatre refuses to make any compromises. She argued against cutting costs of costumes or set pieces, stating that “...cutting it off is not an option. Theatre is simply the result of a collaboration between different art forms” (Interviewee 11). Thus, even despite receiving zero support for the activities of her theatre in the next season, the director refuses to give up the artistic ambitions of the theatre, viewing that as a step backward in its development. Instead, the theatre has decided to not introduce any new productions in the next season. Again, both of these theatres did not mention private financing as an option. It is clear that they prioritise artistic value above all else, but the lack of funds prevents them from further creating and realising this artistic value. It seems that the independent theatres are not prepared to seek finances from the private sector. This is due to both not having the need to seek alternative finances when FPU was functional, and the perceived difficulty of involving the private sector in the financing of culture.

In addition to considering the artistic value of their output, theatres pay considerable attention to its social value. Six out of seven theatres see themselves as having an important role in society, despite no specific questions being asked in relation to the topic during interviews. This social attitude is manifested in their responsiveness to the context in which they operate, their desire to educate people and keep people’s spirits up in the current political situation in Slovakia.

The theatres are aware of the social web of the location in which they operate. Multiple interviewees noted the importance of understanding the local demographic, the societal needs in the area as well as people’s tastes in terms of genres, themes and visuals – all of these give them hints on the directions in which their audience can grow. If the theatres want to have an impact on the local audience, they need to understand how to engage with them.

The importance of the social aspect is apparent from the interviewee’s statements about the missions of their theatres. Interviewee 1 started the conversation by saying that the theatre was established in response to a societal demand. Later, she mentioned that they see themselves not only as a cultural institution, but also an educational one. Interviewee 3 stated that due to being a public benefit institution they cannot simply respond to the customers’ desires like in other businesses.

Instead, they focus on „those opinion-forming, formative productions, which are supposed to somehow affect and develop the person” (Interviewee 3). Interviewee 5 said that their theatre’s role is to raise awareness about various social topics, mentioning mental health or lack of legal repercussions for sexual abuse as examples. The theatres educate their audiences in a subtle way – not by giving them objective truths, but by offering them new perspectives.

Lastly, in light of the current situation in Slovakia, some of the interviewees noted that they want to avoid contributing to negative moods, as a large part of society is feeling pessimistic. Instead of contributing to further polarisation by their program, they see their purpose in maintaining societal morale. To conclude, while Klamer’s (2011) definition of a cultural entrepreneur lacks this social aspect, this finding offers valuable insight into how theatres might start a conversation with the private sector and stimulate its involvement in the funding of culture.

Galleries

Similarly to the case of theatres, all the galleries in this study prioritise cultural values and consider economics to be only a tool to create this value. Their main ambition is to raise awareness of a particular art form or local artists, while ensuring continued existence of the organisation. In the case of independent galleries, this is reflected, for instance, in their efforts to ensure accessibility by charging either a very low entry fee or none at all.

An important difference in priorities between the established theatres and the established galleries seems to be that the established galleries engage a lot with themes relevant to their local context. They perceive this as the cultural value that they aim to create – to preserve the cultural heritage of their city or region – but it may also simply be requested by their founder. For example, one gallery regularly organises exhibitions for local artists who have not yet had a solo show, while the other gallery received a request from its founder to organise an exhibition related to the Slovak National Uprising in connection with an anniversary. This creates a boundary for the output that the galleries create; however, within this boundary, they are able to create art for art’s sake.

Less of an entrepreneurial attitude with regard to creating and realising cultural value is observed among the established galleries. Similarly to the case of theatres, Slovak galleries face quite a conservative audience that prefers more traditional art. They tend to align their output with the local context. However, the galleries still try to create new artistic possibilities that go beyond the demands of their (potential) audience. One interviewee mentioned that they are planning a number of international projects that often focus on current topics such as climate or social inequalities. She noted these projects are usually financially demanding and a long-term effort, as people are not responsive to them just yet. The final number of international projects will depend on the budget for

next season, the interviewee referred mainly to amount received from FPU. As in the case of theatres, private financing as an option was not mentioned. Thus, it seems that while both established galleries and established theatres disregard developing their private financing in a similar way, galleries are less willing to introduce artistically challenging activities that have an uncertain outcome.

The established galleries also pay attention to the social side of their activities, considering themselves to be educational, public benefit institutions. Compared to theatres, they consider their social role to a lesser extent. Interestingly, the interviewees from independent galleries did not emphasise a social dimension to their work in the same way.

When planning their programs, independent galleries prioritise artistic value above all else. In one gallery, the program is curated based on the director's conception of high-quality art. The other independent gallery operates differently – artists pay a fee to exhibit their work. The director expressed concern that this model could allow any paying artist, regardless of artistic merit, to exhibit. This was, however, prevented by a system where the gallery board reviews and approves upcoming exhibitions. According to the director, the board tends to favour exhibitions with strong artistic merit. Both independent galleries consider audience demand to some extent, but not with the goal of generating profit. Rather, their aim is to stimulate interest across as many demographics as possible. There are limits to this approach, of course. As Interviewee 6 noted when talking about exhibitions attractive to the public, „certainly it can't be given priority at the expense of some excellent artist”.

The current conditions in the cultural sector create considerable uncertainty regarding the availability of finances from the public sector. Independent galleries, having operated with uncertain budgets for several years, appear less sensitive to these changes. When they received less money through the grant scheme, they decreased costs and found more financial partners and donors, and continued the given activity with its original artistic intent. Independent galleries seem to be the only organisations prepared to seek out private financing, despite the small number of options in this area in Slovakia. This is potentially due to their more flexible budgets as compared to independent theatres – while independent theatres have similarly unstable budgets, the costs of creating a new production tend to be higher than the cost of introducing a new exhibition. In that sense, galleries probably need to fundraise smaller amounts of money. Interviewee 7 mentioned that the amounts fundraised through the private channels tend to be smaller, and having personal contacts was pivotal many times. Therefore, while having a diversified income, Interviewee 7 emphasised the importance of the public support from FPU for the gallery, as the relatively larger amount of support significantly enhances the quality of their work. Without the public support, the gallery would not be able to reach its full cultural potential. This highlights the need for an ecosystem of support options – public support and private financing need to function at the same time, ideally reinforcing each other. Only then, the organisations can fully dedicate their efforts to enhancing their cultural merit.

In the case of established galleries, the absence of FPU grants would mean losing a significant item. Although these grants constitute only a small portion of the overall budget, they are primarily used to support public-facing programming – the temporary and permanent exhibitions, as well as the acquisition of art works. As grant support has diminished, the galleries intend to stick to their original artistic ambitions. Instead of adjusting their program to attract more visitors, they are actively exploring alternative sources of funding, both in terms of new revenues and private financing. For example, one established gallery has considered renting out space in its depository to private art collectors or offering collection digitisation services to them, which appear to be entrepreneurial initiatives. Both established galleries remain uncertain about the success of their alternative financing strategies, as this is a completely new situation to them. They only started the strategic planning recently and the initiatives have not been implemented yet. As a result, the full impact of the changes in FPU on the artistic value of the galleries' activities and their entrepreneurial behaviour remains unclear.

5.4 Artistic Freedom and Public Funding

Theatres

Public funding may limit the product innovation of cultural organisations due to the conditions that come with receiving it. Repertoire of Slovak established theatres may be influenced by political pressures in two ways – either by the preferences of their founder on whom they depend, or by seeking to appeal to decision-makers at FPU in order to increase their chances of receiving a grant. All established theatres included in this study expressed that they feel supported by their founder and that they enjoy full artistic freedom. For instance, one director noted that during her time in the theatre, she has experienced:

...no interference with the creative process, no influencing what will or won't be in the repertoire, or what topics should be addressed. I honestly don't feel anything like that at all. And I see that as a major positive. Complete creative freedom. (Interviewee 8)

Furthermore, this does not appear to be the result of theatres operating within a 'safe zone' of classic theatre. As mentioned previously, three of the theatres completely changed their repertoire recently, turning away from classic productions. One interviewee mentioned that during a discussion with their founder, the city's mayor expressed that while he appreciates the way in which the theatre has developed, at times the productions seem too provocative. Nevertheless, no pressure was exerted to alter the theatre's dramaturgical plan.

Despite the current political situation, the established theatres do not feel constrained in their choice of themes. One of the theatres even responds to ongoing political developments by staging

smaller forms, such as scenic readings. The artistic director of another theatre mentioned that the current political situation is limiting their repertoire slightly, but that she sees it as a positive limitation. With more and more people succumbing to a wave of pessimism driven by the political and social climate, the theatre staff agreed at a planning meeting that they do not want their work to contribute to this atmosphere. As per Interviewee 4, „we don't want the viewer to leave the performance demotivated, frustrated, and simply psychologically broken by the theatre”. Instead, they planned some productions to specifically go against this wave of pessimism. Thus, it seems that the partially decentralised model of public funding in Slovakia succeeded at insulating established theatres from the turmoil at the Ministry of Culture, and the recent developments do not limit the theatres in their product innovation.

The interviewees did not report any cases of ‘dress-fitting’ grant applications either. Theatres prepare their season plan independently, and subsequently select productions they believe have a good chance of succeeding at FPU. As Interviewee 8 mentioned in relation to the theatre’s plan for next season, „we considered in advance whether there was some overlap with the committee’s ideas or values, but we definitely weren’t tailoring it to fit that”. One interviewee mentioned that in certain cases, when a project becomes more ambitious, they agree with the creative team to alter an element of the production to increase its appeal to the FPU committee. This, however, does not compromise the original artistic vision; rather, it secures them the finances necessary for pushing the project to a higher level. As noted earlier, the committees appreciate productions with attributes of experimentation or that contribute something new to the theatrical discourse. In this sense, making adjustments to align with these preferences can actually enhance the project’s innovativeness and should not necessarily be seen as negative. Thus, it seems that until now, the public support from FPU was not creating any constraints to the innovativeness of theatres. In fact, this form of support tended to incentivise experimentation and innovation. However, since decision-making authority has recently shifted to the FPU board—and some of the latest evaluation reports indicate that the board’s decisions have conflicted with the recommendations of expert committees—the continued prioritisation of such attributes remains uncertain. Established theatres have not yet received their evaluations from FPU at the time of the interviews, therefore, it remains to be seen whether their ability to innovate will be impacted by the changes in FPU.

In the case of independent theatres, political pressures may influence their artistic content only indirectly, through ‘dress-fitting’ applications for grants from FPU to appeal to decision-makers and increase their chances of receiving a grant. Prior to the recent changes, none of the independent theatres engaged in ‘dress-fitting’ applications or felt limited in their choice of themes or forms of their productions. One interviewee noted that they were actually able to have a more diverse repertoire thanks to the grants from FPU, as the additional support facilitated the introduction of some more difficult productions with lower audience potential.

Following the recent changes in FPU, the independent theatres experienced three different scenarios in terms of impacts on their repertoire. Two of the independent theatres refuse to steer away from their dramaturgical lines and move into safer themes that would result in more support from FPU. Instead, one of the theatres is cutting down on costs related to the material aspects of productions and sticking to productions with unconventional themes, despite receiving no support for its activities. However, they will need to stop performing a number of their titles due to the significantly lower budget. Another theatre received zero support due to ideological reasons (FPU, 2025). Interviewee 11 mentioned that as a result of this, the theatre will not be able to create and introduce new productions, and thus will only reprise a small number of the existing ones in the next season. Therefore, there is no space for product innovation. The third independent theatre removed more difficult titles from their repertoire and applied for FPU grants only with their safe bets – musicals, productions for children, and reprises of productions that have been supported by FPU in the past. The director expressed that within the theatre, they feel like they do not have the freedom of artistic expression anymore, stating that „In this year, 2025, I can responsibly declare – yes, we have resorted to self-censorship” (Interviewee 1). Thus, the interviews show that the abrupt decrease or complete withdrawal of public support limits the product innovation of independent theatres, potentially due to their significant dependence on the FPU grants.

Galleries

Interviewees from both established and independent galleries reported having a freedom of choice in terms of putting together their exhibition program. While the established galleries need to consider themes relevant to their local context, the interviewees did not express any discomfort with this task as it stands at the centre of the galleries’ mission. Furthermore, the interviewees indicated that they feel supported by their founder, similarly to the case of established theatres.

Additionally, the interviewees did not indicate any tailoring of their projects to increase their chances of success with the FPU grants. As opposed to theatres, galleries do not seem to have a ‘guide’ on the preferences of the expert committees at FPU, potentially leading to this complete absence of dress-fitting grant applications.

However, the dependence of their program on FPU grants is much higher. When received, finances from FPU cover a significant portion of an exhibition’s funding. Receiving only a small fraction of the requested amount may make the exhibition unfeasible. One interviewee said that out of the 14-15 thousand euros that they requested, only 2 thousand were allocated to both of their exhibition projects that they applied with. They are currently reconsidering whether the two exhibitions will go ahead in 2025, or whether the gallery will return the grant. Another gallery was planning an exhibition on the struggle of the Vietnamese minority in Slovakia, but FPU has decided to

award zero support. The director refuses to give up on the exhibition, as it is in a late stage of development and cancelling it would pose reputational risk to the gallery. Instead, the gallery managed to secure the missing finances by requesting a special contribution from its founder and fundraising through their strategic partners – other cultural institutions in their city. The director further stated that, for now, the gallery is willing to take risks and that they „don't want to resort to safer or less controversial themes" (Interviewee 2). Thus, they seem to be committed to further engage in innovation of their products, but the availability of finances seems to be an important precondition.

Interviewees from the independent galleries expressed appreciation for their curatorial freedom, which they attributed to their independence from public institutions. The extent of this freedom is reflected in one interviewee's statement:

As for the exhibition plan, we are absolutely not restricted in any way – we don't need to worry about whether it will suit someone, not suit someone, or whether it fits into some broader concept. (Interviewee 6)

Due to the two distinct operational models of the two independent galleries, there is some variation in whether they tailor their program to increase chances of securing FPU grants. As noted earlier, the gallery that charges artists a fee to exhibit applies for grants only with individual exhibition projects. These are, however, not the solo exhibitions that the gallery receives a fee for, but collective exhibitions such as their biennale. By their nature, such exhibitions are less easily tailored to reflect committees' tastes. This may help explain why the director did not mention any thematic adjustments to ensure more public support.

On the other hand, the second independent gallery applies for FPU grants with their full annual program. The director of this gallery mentioned that, this year, he had to be more cautious in selecting exhibitions. Aware of the current political leadership responsible for public funding allocation, he explained that he would avoid including certain topics, such as an exhibition on lesbian couples, in the 2026 program, stating: „Of course I take it into account. I simply cannot afford to fail." (Interviewee 7). He added that this was the first time he had encountered such a situation. In this way, the gallery is limited in bringing innovative exhibitions to the audience.

It seems to be a pattern across the cases of theatres and galleries that it is the independent organisations that resort to self-censorship. Being more dependent on the grant schemes, the organisations limit themselves in terms of themes out of caution, or completely stop playing instead of adjusting their work to fit the preferences of the Ministry. One might anticipate that it should be the established organisations that face more pressures since a larger fraction of their budget comes from public sources. However, as also mentioned by many interviewees from established organisations, they have thus far been fortunate with the current leadership in their municipal or regional offices and the partly-decentralised model of public funding thus offers them considerable financial security.

5.5 First Impacts of a dysfunctional FPU

Theatres

At the time when interviews were being conducted, established theatres have not received yet the results from the evaluation of their FPU grant applications. Nevertheless, some of the interviewees from established theatres are aware of the uncertainty that the current situation brings and this is manifested in how they think ahead.

One of the interviewees offered insights into how their theatre usually prepares for its next season. Despite being an established cultural organisation, the budget amount that the theatre receives from its founder is never certain. During summer, the theatre needs to prepare its financial plans for the upcoming calendar year and submit them to its founder. At that point, they already have an idea of what the year will approximately look like and they had already agreed to work with some people such as actors, stage directors, or other professionals. Thus, they know which productions will premiere and what kind of fees they will have to pay the artists. After summer, the theatre starts to work on the planned productions and signs contracts with the involved artists and professionals. However, the founder informs the theatre about its budget for the year starting in January only in December, and as per Interviewee 4, “it's sometimes a very unfortunate surprise”. It may happen that the theatre had five premieres planned, but the budget will only allow for three. In such a case, the interviewee mentioned that grant support is absolutely necessary, highlighting the importance of a functioning FPU.

In case they would not receive any money from FPU, the interviewees mentioned two potential outcomes. First, one interviewee mentioned that they in any case want to continue with the planned productions as it is very important to them to keep their word to maintain good relations with the involved artists and professionals. However, they would need to make cuts somewhere else or scale down in certain aspects of the productions, and thus deviate from the original ambitions. Second, one of the interviewees mentioned that they actually may not be able to carry out the season in its full scope and not all planned premieres will take place if the theatre does not manage to secure additional funding.

Therefore, the established theatres find themselves in a precarious situation where the two main pillars of financial support are both under threat. While the austerity measures introduced in Slovakia have not yet directly impacted the budgets of established theatres, the interviewees expressed concern about their budgets from the founder in the coming years. Due to the low involvement of the private sector, the continued dysfunction of FPU could have real consequences on the established theatres. While the interviewees stressed that they do not aim to deviate from their artistic intentions under any circumstances, they may need to steer away from valuable opportunities such as collaborations or new ambitious productions. One interviewee noted that they have already started saving up and “building a financial cushion in case such a situation does arise” (Interviewee 8). As mentioned previously, the theatres are not seeking private financing which seems to be due to the perceived small number of

opportunities and the fact that they have not faced the need to diversify their income yet. Thus, instead of enhancing their entrepreneurship, theatres seem to be becoming more cautious.

This seems to be even more threatening for independent theatres, as they are more dependent on the grants from FPU and do not have a stable financial partner like established organisations do. The FPU grant is irreplaceable for them due to the significant amount they were able to receive and the various limits of the other public grant schemes. Interviewee 11 mentioned that in the last season, they received 31.000 euros from FPU for their activities, while they can fundraise only 7.000 euros through the regional grant scheme. Furthermore, they can only use it for the creation of a new title, not the reprises. As discussed previously, the independent theatres are also not prepared to fundraise through private sources – none of the independent theatres attempted to attract private finance until now, with the exception of one grant from a bank foundation. Currently, only one theatre is determined to attempt crowdfunding. Furthermore, they are not able to raise the ticket prices.

In 2025, independent theatres experienced delay in the evaluations of their FPU grant applications, and when the evaluations had finally arrived, the theatres were unpleasantly surprised. As discussed in Chapter 3, the FPU board has completely stopped the support for 15 independent theatres – two of them are included in this study. These were precisely the two theatres with innovative dramaturgical lines. In the case of the independent theatre of a more classical type, Interviewee 1 mentioned that they applied for the FPU grant with more safe productions – reprises of productions that have been supported by FPU in the past, musicals, productions for children. She further noted that they had to cancel the more artistically valuable productions as they do not have the funds to cover the lower ticket sales revenue. Similarly, another theatre that received zero support will continue performing only two out of its four current productions in the next season, and will not introduce any new ones. The third theatre is worried that the complete withdrawal of its multiyear support is threatening its existence. For now, the theatre is significantly reducing all of its activities. Thus, it is clear that the centralisation of FPU has limited the artistic freedom of independent theatres, as they struggle to raise finances from other sources.

Galleries

In the case of established galleries, the recent developments in public funding did have an impact on their activities as the allocation results of FPU grants were also significantly delayed. Additionally, when the allocations were finally published, many established galleries were unpleasantly surprised with an unfavourable decision by FPU's board that went against the recommendations of the expert committees. As mentioned previously, FPU grants represent a significant funding source for established galleries as they are the main source to finance all primary program for the public.

The established galleries usually received the allocation results from FPU in January, and thus were able to start with the realisation of new exhibitions from March onwards. In 2025, the established galleries were informed about the support allocated to them only in mid-April. The current strategy of the galleries is that exhibitions must go ahead as they are the main source of own income. One interviewee noted that they opened an exhibition before they received an evaluation from FPU, and financed it with some left-over finances from last year, essentially running at a deficit. Later, they learned that FPU awarded them less than one fifth of the requested amount. As a result, they were not able to pay out the artist fees of 29 Slovak artists. Another interviewee mentioned that while they were waiting for the allocation results, they have decided to extend the current exhibitions for as long as possible, and postpone some of the more ambitious exhibitions that required more finances until a later date.

Exhibition projects are usually preceded by lengthy research and preparations and require the coordination of many stakeholders. Thus, both galleries see postponing as the only option currently, because most of the exhibitions that were planned for year 2025 are already in a late stage of development. For 2025, they will not change the individual parts of their plan, instead they are reconsidering their priorities and deciding which parts should they carry out so that they do not take on too much risk.

In addition to postponing exhibitions, the galleries are freezing other activities. One interviewee mentioned that they are trying to make cuts in operational costs and education. For instance, as they did not have the allocation results before mid-April, the gallery had to stop one editorial project that was completely ready to go to print and be published in May. There are two more editorial projects planned, but their completion will also heavily depend on support received. Similar scenario was mentioned by the other interviewee from an established gallery. Additionally, one of the galleries had an ambition to introduce more international projects going forward – however, these plans are in danger as international projects usually require a higher budget and are, for now, less attractive for the local audience. The director of the gallery noted that the cuts in public support will be probably significantly reflected in the number of these international projects, considering a scenario where FPU remains dysfunctional.

Similarly to the case of established theatres, the established galleries face uncertainty about the budgets from their founders. As austerity measures are supposed to tighten further in 2026, the galleries are preparing strategies to refine their budgets. Current situation has shown that they also cannot rely on grants from FPU or the Ministry of Culture. One interviewee noted that the budget planning process of the gallery already takes into account the complete absence of FPU subsidies and that fundraising is a key area in the gallery's strategic planning for 2026-2030.

Both interviewees recognise the need to make the galleries' funding more independent from the current political climate. One interviewee mentioned that they are trying to earn more money by introducing new business activities, such as renting out their depositary spaces to private collectors, as

mentioned earlier in this chapter. Another interviewee said that they are currently preparing a database of other potential funds, such as grant schemes from outside of the cultural sector. All in all, the galleries seem to be determined to stick to their original artistic intentions and cover the loss of FPU subsidies with other funding sources. However, the development of internal processes is currently stagnating as most of the employees' energy goes into managing the current situation regarding funding. One interviewee mentioned that whenever they plan something, they must develop at least two alternative scenarios for different financial situations, which takes a considerable amount of time. Similarly time-consuming is ensuring that the staff is ready to react to a variety of grant schemes – it requires a lot of preparation as all the grant schemes have different conditions. The director noted that after the end of Covid in 2022, the gallery has entered an era of constant changes and developments and that they still have many plans to implement, but that the current workload does not allow them to carry everything out.

Both interviewees mentioned that they feel currently understaffed and that additional workforce would help them navigate the current situation better. One interviewee expressed the need for a project manager to help the gallery implement a new funding strategy. However, project managers tend to ask for a wage that is much higher than what the gallery as a public institution can legally pay them, and also higher than what the gallery can afford. The other interviewee believes that additional workforce in the marketing department would help them attract more visitors, and thus would lead to higher own income. However, this gallery is also unable to afford a new employee at this point. A part of this issue is that money from grant schemes, such as the ones from FPU, cannot be used for wage costs – thus, creating constraints on the improvement of organisations' processes.

In the case of independent galleries, there was also delay with the publication of some allocation results from FPU; however, the allocations had a similar pattern to the decisions from previous years. Only one of the independent galleries was impacted by this delay as the two galleries apply for different FPU calls. More specifically, the delay concerned support for the gallery's annual biennale. The gallery also received significantly less resources than what they have asked for. While this did not affect the realisation of the biennale itself, the gallery had to scale down on its original ambition. They planned to bring the biennale to a different city in collaboration with another gallery, but this required more finances. Since the gallery did not know whether they will have a sufficient budget, they had to cancel this collaboration ahead – and even with the support they eventually received, they would not have been able to carry out this plan. Nevertheless, the director of the gallery expressed determination to continue with the biennale at least in one location, which will be possible if the gallery secures funding from other sources.

The gallery director expressed frustration with the current delays with the allocation results – she is worried that this will have an effect on their future chances of receiving grants. When the funds

are received too late, “...everything is done in a rush, at the last minute, and the quality suffers. And the next year, when you apply again, they criticise you for not delivering sufficient quality the year before” (Interviewee 6). This suggests that the consequences could be more severe if this situation persists for several years in a row.

Both of the independent galleries showcase a great deal of resilience and determination. There were multiple cases also in the past, where the galleries were excluded from the allocation process of FPU due to some misunderstandings with their applications. Nevertheless, they did not give up on their program and instead sought alternative sources of funds. Talking about a time when his gallery received zero support from FPU, Interviewee 7 noted, „I said to myself – cancel the festival? No. So I started looking for partners and reduced the costs.” He recognizes that the gallery must function with or without the support from FPU, and uses his persuasive powers to attract new financiers.

No direct comparison can be made between the cases of theatres and galleries since the presence as well as the length of the delays varies. Additionally, because allocation decisions were made at different times for the different calls, the composition of the FPU board also differed—affecting the extent to which the board followed the recommendations of expert committees. Nevertheless, both cases demonstrate that the changes in FPU have already impacted many of the organisations.

6. Discussion

In this study, cultural entrepreneurship is defined by six characteristics as inspired by Klamer (2011): (1) innovation in products, (2) innovation in processes, (3) risk-taking, (4) opportunity seeking, (5) prioritisation of cultural values over profits, and (6) having the persuasive power to induce the right people to join the conversation. The 11 semi-structured interviews conducted for this study offered insights into how these six entrepreneurial characteristics of theatres and galleries vary with the level of public funding they receive. As these insights are spread over the various themes presented in the previous chapter, this section will summarise the findings in the six-characteristics framework.

First, Klamer (2011) suggests that cultural entrepreneurs are creative in terms of the artistic content. All the theatres and galleries strive for a diverse repertoire of productions or exhibitions, often trying to distinguish themselves by following their own dramaturgical line. While almost all organisations displayed a certain amount of experimentation and innovation, the most entrepreneurial in terms of product innovation seem to be theatres. The findings suggest that dependence on funds from their founder does not create any constraints on the artistic freedom of established organisations. There are no pressures exerted on the organisations by their founder, and thus, it can be concluded that coercive isomorphism as defined by DiMaggio & Powell (1983) is not present.

In fact, the findings suggest that public support can facilitate product innovation. In the case of theatres, public grant schemes from FPU promote experimentation and less conventional themes in theatrical productions. This was not present in the case of galleries. However, following the recent changes in FPU and its temporary dysfunction, many of the organisations reported postponing or turning away from more ambitious projects. One independent theatre completely stopped its creation processes, while some other independent organisations are switching to safer themes to increase their chances of receiving public support. The findings illustrate how the FPU grant system is slowly shifting from promoting innovative ideas to constraining the artistic freedom of cultural organisations. Since organisations have insufficiently diversified incomes and rely significantly on support from FPU, the current grant system of FPU is limiting their entrepreneurial behaviour in terms of product innovation as they find it hard to cover losses of those funds.

Second characteristic of cultural entrepreneurship is innovation in processes as inspired by Schumpeter (1934) and Klamer (2011). While this is not a topic that frequently came up in the interviews, some insights can be drawn. The findings hint that availability of funds enables galleries and theatres to improve their internal processes, for instance, by creating new departments or building digital capabilities. The motivation for these innovations cannot be attributed to public support as they are the result of the determination of the organisations' employees. However, none of these process innovations can be considered entrepreneurial enough. Nevertheless, the sudden loss of public support can prevent any process innovation from happening, as shown by the impacts of the recent changes in

FPU. As the availability of public support becomes more uncertain, organisations prioritise ensuring continued existence and the development of internal processes is stagnating.

Third characteristic is risk-taking, which Klammer (2011) characterised as willingness to take risks and having the courage to face the odds, but also being prudent. The latter two are more applicable to an individual than to an organisation. While it is clear from the findings that all the interviewees do have these qualities, no connections can be made between them and the level of public funding. In terms of the former, the findings suggest that public support increases the organisations' willingness to take reasonable risks. This is manifested by introducing projects with less audience potential due to, for instance, unconventional themes, experimental aspects or international collaborations. To put it simply, a more stable budget allows the theatres and galleries to 'dream bigger'. Currently, as public funding is under threat, many organisations are becoming more cautious – either with their artistic content or with their finances.

Fourth, cultural entrepreneurship is characterised by opportunity alertness and opportunity seeking. Both independent and established organisations included in this study actively seek out new opportunities. The findings argue against the presence of a Samaritan dilemma (Buchanan, 1975) where established organisations would comfortably live on the stable budget from their founder without taking further initiative. Instead, they seek to constantly develop themselves in multiple directions, often creating opportunities where none existed. Thus, their initiatives go beyond good cultural management. As in the previous cases, the findings suggest that public support, or the availability of funds in general, enables the organisations to pursue these new opportunities. Independent theatres, not having a stable public contribution and without experience with private financing, display less opportunity seeking behaviour.

Fifth, cultural entrepreneurs prioritise artistic content over profits (Klammer, 2011). All of the organisations included in this study exhibit strong prioritisation of cultural values. In preparation of their programs, the determining factor is usually artistic merit or the artistic vision of the theatre or gallery. This is something that seems to be unrelated to the organisations' level of public funding. Following the current changes in FPU, only one independent theatre mentioned having to turn to more commercial output to increase their revenue and ensure continued existence. Another independent theatre decided to not introduce any new productions and the rest of the organisations is trying to find alternative sources of funding to avoid having to turn to the market with their artistic content. It remains to be seen whether they will be able to cover the loss of public funds and thus continue prioritising artistic values, especially if the current situation persists.

Lastly, cultural entrepreneurs are persuasive – they are able to bring about interest in the art and convince the right people to work with them (Klammer, 2011). This requires something beyond traditional marketing skills, as it should help organisations realise the artistic value of their work. It

can be concluded that the audience development pursued by theatres and galleries helps them with the realisation of artistic values. If they want to elevate their art, the people who have access to it must be able to appreciate it. Another tool that organisations use to stimulate conversation is their reputation, often built through the artistic value of their output, reliability in fulfilling agreements, and participation in or organisation of festivals. In the case of independent organisations, creating a sense of community or shared identity around their activities also played a significant role. In short, all organisations have their own way of being persuasive, irrespective of whether they are established or independent. However, many of these ways require a certain amount of funds.

Thus, most importantly, cultural entrepreneurs must have the persuasive power to arrange finances for their organisation. All of the above discussed entrepreneurial characteristics seem to be elevated in the presence of more finances. The experimentation, opportunity seeking, risk-taking, artistic merit elevation, and audience development of Slovak theatres and galleries are so dependent on public support because their incomes are not sufficiently diversified. Almost none of the organisations fundraised through private financing. Many interviewees complained about the lack of private sector involvement due to the stagnating sponsorship law. They have not explored many other options due to the perceived small number of opportunities in private financing, but also the fact that they have not faced the need to diversify their income yet. The solution to this, however, is not to throw them into a precarious situation and let them learn how to deal with it. Before public support is stopped, the policy should stimulate the involvement of the private sector. Only independent galleries seemed to be prepared for this situation. Other organisations are only exploring their opportunities now, while some are not exploring at all. Thus, this unexpected loss of public support could lead to a situation where some Slovak theatres or galleries cease to exist.

7. Conclusion

As the previously independent Slovak Arts Council (FPU) was seized by the Ministry of Culture, Slovak theatres and galleries are at risk of losing an important element of public support. The case of Slovakia thus offers valuable insights on the importance of public funding for cultural organisations. The purpose of this study was to analyse the impact of public funding, or the lack thereof, on the cultural entrepreneurial behaviour of Slovak theatres and galleries. A qualitative research strategy was employed and 11 semi-structured interviews were conducted with Slovak theatres and galleries on this topic.

The interviews revealed that Slovak theatres and galleries are only somewhat entrepreneurial, potentially due to the cultural sector being able to start developing only in the 1990s. Therefore, it is important to interpret the entrepreneurial behaviour of Slovak organisations relative to a model of traditional culture, rather than relative to the entrepreneurship of cultural organisations in other countries.

The findings suggest that public support from FPU and the organisations' founders does not crowd out entrepreneurial behaviour among Slovak theatres and galleries. Prior to the changes in FPU, receiving public support did not create any constraints on the development of cultural entrepreneurship with regard to all six characteristics discussed in this study. It ensured that theatres and galleries had a relatively stable budget. On the other hand, it also disincentivised diversification of income, with many galleries and theatres realising the need for more independence from public funding only now. The organisations reported very limited efforts to attract private financing, which appeared to be the result of two things – the lack of need to diversify income before FPU became dysfunctional and austerity measures were introduced, and the assumption that the options in private financing are scarce and insufficient in amounts. As a result, the theatres and galleries are overly dependent on public funding, with independent organisations relying mainly on FPU. The current situation in Slovakia shows that public funding is only as secure as the political situation is. The (potential of a) loss of FPU grants was shown to limit the cultural entrepreneurship of Slovak theatres and galleries, particularly their opportunity seeking, product innovation, and courage to undertake ambitious projects. The findings show that the new model of FPU is limiting the artistic freedom of independent organisations. The established organisations are better equipped to fight against this politicisation, as they have more stable budgets thanks to the partly-decentralised public support model.

Thus, it appears that the cultural policy in Slovakia has undermined cultural entrepreneurship in terms of persuasive powers to arrange finances. It is important that cultural policy in the future stimulates income diversification and the involvement of private sector in the funding of culture, since the findings reveal that relatively reliable budgets are a precondition for the development of all other cultural entrepreneurial characteristics. With diversified incomes, the theatres and galleries would be

better equipped to face the current situation. It is essential, however, that public support remains reliable while such a change is implemented, as the findings suggest that independent theatres might not survive the adjustment period in case of abrupt withdrawal of public support. This highlights the urgent need for FPU to regain its independence as soon as possible.

Certain limitations must be considered when evaluating the findings of this study. The interviews were conducted during a period where new developments in the Slovak cultural sectors were appearing almost daily. Therefore, there is quite some diversity in how the organisations included in this study were impacted by the current situation, which makes it difficult to make precise comparisons. Similarly, as many of FPU's allocation decisions were published only very recently, a significant fraction of this study's findings reflects the planning of the theatres and galleries in terms of what they consider to be feasible and reasonable actions. However, the actions that will be eventually undertaken may be very different. Therefore, it would be valuable to conduct further research on how the cultural entrepreneurship of Slovak organisations was affected at a later point in time, if the situation persists. Semi-structure interviews proved to be an insightful method; however, a larger sample of organisations could be examined.

Furthermore, in the light of the current situation, it would be beneficial to conduct research on the private financing options in Slovak culture as there is no source with aggregated information available. A large-scale survey could be conducted on the current practices and their efficiency. The findings could prove valuable to Slovak cultural organisations as the collective knowledge could help them navigate the current struggles.

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Appendix A – Interview Guide

1. Organisation Introduction

- How would you describe the mission of your organisation?
- What are the main activities of the organisation?

2. Funding structure

- What are the main sources of income for the organisation? How is it funded?
- What type of FPU calls has the organisation responded to?
- What role do FPU grants play for the organisation?
- How have the recent changes in FPU affected the organisation?

3. Product Innovation

- How would you describe the diversity of your exhibition activity / theatrical productions?
- Have you ever felt that the organisation is limited in terms of the choice of possible themes?
- Do you have the space to experiment with new forms or themes?
- Do you feel that the effort to get a grant from FPU has ever shaped the selection of exhibitions / theatrical productions to be introduced?

4. Risk-taking

- Do you think that the availability of public subsidies has an impact on your willingness to take risks – for example, to organize exhibitions / introduce theatrical productions with less audience potential?

5. Cultural values vs. profits

- FPU often refers to the “cultural benefit” of a project in its decisions. What does “cultural benefit” mean to you and your organisation?
- How do you balance artistic ambitions with the need for economic sustainability? Has this changed recently?

6. Process Innovation

- Regarding the internal management and organizational processes of the organisation, do you have established processes that you follow for a long time or are you happy to explore new ways?

7. Opportunity seeking

- How important is it for the organisation to seek out new opportunities?
- Has the importance of opportunity alertness of the organisation changed recently?

8. Conversation stimulation

- What is your approach to communicating about your organisation to the public?
- How do you try to reach new audiences or younger generations?

9. Open question

Appendix B – Coding Table

Theme	Definition	Sub-theme	Code	Example from transcripts (translated)
Funding of Slovak theatres and galleries	This theme encompasses the description of the funding structure of the organisation, the different sources of financing it uses, and what precisely is each of these sources used for. This theme offers an important starting point for all of the following themes.	Public funding	Finances from the founder and their use	"So basically, the budget from the local government covers our expenses for wages and energies." (Interviewee 8)
			Finances from FPU and their use	"With FPU, we fundraise annually for exhibition activities, publishing activities, purchase of collection items, restoration of collection items, educational activities, and program activities." (Interviewee 2)
			City or regional grant support	
		Non-public funding	Own revenue	"Then we have our own income, which we earn from theater performances. That is, from cultural activities. We have income from additional activities, such as theater rental and related services." (Interviewee 3)
Public support does not undermine initiative	This theme encompasses how organisations seek out new initiatives, whether it is in terms of partnerships, international collaborations, audience development, or innovation of their internal processes. Furthermore, the connection of these initiatives to the funding of the organisation is covered.	Opportunity seeking	Big corporation foundations grants	"For many years, we received support for the festival from the Tatrabanka foundation, but they changed their way of working and actually no longer support theater, they support young groups." (Interviewee 9)
			Other-than-cultural grants	
			Private financing	
		Conversation stimulation	Opportunity seeking	"We also want to bring content or topics that don't resonate here yet and that could provide us with an international network in the long term." (Interviewee 2)
			Audience development	"We probably wouldn't be doing it without support. Because the fun costs something, and the accompanying program" (Interviewee 3)
			Public support facilitates new opportunities	"Several of us are determined that we want to promote art to the public and we want to be in contact with the public and start the community a little bit." (Interviewee 6)
			Public support facilitates audience development	
Art for art's and society's sake	This theme encompasses the prioritisation of values by cultural organisations. Particularly, the prioritisation of cultural values, financial values, and social values is covered, as well as the relation of the priorities to the funding structure of the organisation.	Natural inclination to create initiatives	Stimulation of conversation	"We also engage with independent culture, in fact, the program will include independent theater groups of young creators who will play here" (Interviewee 8)
			Marketing	"We really care about maintaining very good relationships with those directors" (Interviewee 4)
			Reputation	
		Process innovation	Process innovation	"Recently, the digitization of the collection has also been a big topic, so we are looking for ways to make the gallery's digital collections accessible." (Interviewee 2)
Artistic freedom and public funding	This theme encompasses the experimentation and innovation undertaken by organisations with regard to their artistic content. The impact of receiving public funding on the artistic freedom of organisations is covered.	Prioritisation of cultural values	Artistic value above all else	"We're trying to find ways to stay financially afloat while continuing to pursue projects that align with our artistic vision" (Interviewee 4)
			Non-profit oriented	"Which is not economically profitable for us, we simply don't make money from this, but we perceive it as having added value." (Interviewee 8)
			Consideration of demand potential	
			Crowding out artistic value	
		Role in society	Public support facilitates artistic value	
			Social value	"By cultural contribution, I mean what theatre does for society." (Interviewee 1)
			Audience centered approach to programming	"We really need to educate and explain and invite those people, repeatedly and over and over again." (Interviewee 10)
			Cultivating its audience	
First impacts of a dysfunctional FPU	This theme encompasses the impacts of the recent change in Slovak cultural policy on the operations of organisations, with particular focus on the artistic output and the organisational processes.	Keeping the spirits up in difficult times		
		Product innovation	Dress-fitting grant applications	"No interference in the creation process, no influencing of what will be in the repertoire, what will not be in the repertoire, or what topics should be covered or anything. I don't feel anything like that at all. And I see that as a very big positive. Complete freedom of creation." (Interviewee 8)
			Limit in themes	"Of course, it's something I keep in mind. I tell myself — with the kind of people currently in power, I won't organise four exhibitions about lesbian couples. I clearly take that into account, because I don't want to jeopardise everything." (Interviewee 7)
			No coercive isomorphism	
			Artistic freedom	
First impacts of a dysfunctional FPU	This theme encompasses the impacts of the recent change in Slovak cultural policy on the operations of organisations, with particular focus on the artistic output and the organisational processes.	Self-censorship	Public support facilitates experimentation	"It was a project without money, without any artistic ambition or anything. Let's just try... and it worked!" (Interviewee 5)
		Risk-taking	Risk-taking	"So, the current situation is that exhibitions have to go on and we are starting to freeze everything else." (Interviewee 2)
First impacts of a dysfunctional FPU	This theme encompasses the impacts of the recent change in Slovak cultural policy on the operations of organisations, with particular focus on the artistic output and the organisational processes.	Problems with FPU	Impacts of austerity	"I can't look beyond June 2026. So the end of the next season, I really have absolutely no idea what will happen next. At the same time, this will be the first season of [the theatre] without a premiere." (Interviewee 11)
			Delay complicates operations	
			Less support means less content	
			Less support means different managing	
		Seeking alternative financing	Seeking alternative financing	"I said to myself – cancel the festival? No. So I started looking for partners and reduced the costs." (Interviewee 7)
First impacts of a dysfunctional FPU	This theme encompasses the impacts of the recent change in Slovak cultural policy on the operations of organisations, with particular focus on the artistic output and the organisational processes.	Courage to face the odds		

Appendix C – Declaration Use of AI

Erasmus School of History, Culture and Communication

Declaration Page: Use of Generative AI Tools in Course Assignments

Student Information

Name: Klára Długopolská

Student ID: 721284

Course Name: Master Thesis

Instructor Name: dr. F. Brouwer

Assignment Title: Master Thesis

Date: June 13th, 2025

Declaration:

Acknowledgment of Generative AI Tools

I acknowledge that I am aware of the existence and functionality of generative artificial intelligence (AI) tools, which are capable of producing content such as text, images, and other creative works with limited user input.

GenAI use could include, but is not limited to:

- Generated content (e.g., ChatGPT, DeepSeek, Quillbot)
- Writing improvements, including grammar and spelling corrections (e.g., Grammarly)
- Language translation (e.g., DeepL)
- Research task assistance (e.g., finding survey scales, qualitative coding, debugging code, Gemini Deep Research)
- Using GenAI as a search engine tool to find academic articles or books. (e.g. Perplexity AI)
-

For any GenAI task, 1) it must be permitted by the course and 2) you are responsible for verifying the accuracy of the outputs used in any submission. Improper use of sources obtained from GenAI could constitute academic fraud.

Also, 3) the requested prompts/logs (under Extent of AI Usage below) may be either screenshots or textual copies. The appendix can be included as part of the main submission or submitted as a separate document. Check with your lecturer.

☒ I declare that I have used generative AI tools, specifically ChatGPT and Deepgram Voice AI, in the process of creating parts or components of my course assignment. The purpose of using these tools was to aid in generating content or assisting with specific aspects of the assignment.

☐ I declare that I have NOT used any generative AI tools and that the assignment concerned is my original work.

Signature: [digital signature]

Date of Signature: [Date of Submission]

Extent of AI Usage

☒ I confirm that while I utilized generative AI tools to aid in content creation, the majority of the intellectual effort, creative input, and decision-making involved in completing the assignment were undertaken by me. I have enclosed the prompts/logging of my GenAI tool use in an appendix.

Ethical and Academic Integrity

☒ I understand the ethical implications and academic integrity concerns related to the use of AI tools in coursework. I assure that the AI-generated content was used responsibly, and any content derived from these tools has been appropriately cited and attributed according to the guidelines provided by the instructor and the course. I have taken necessary steps to distinguish between my original work and the AI-generated contributions. Any direct quotations, paraphrased content, or other forms of AI-generated material have been properly referenced in accordance with academic conventions.

By signing this declaration, I affirm that this declaration is accurate and truthful. I take full responsibility for the integrity of my assignment and am prepared to discuss and explain the role of generative AI tools in my creative process if required by the instructor or the Examination Board. I further affirm that I have used generative AI tools in

accordance with ethical standards and academic integrity expectations.

Signature:

A handwritten signature in dark ink, appearing to be 'Dykmur' or similar, written in a cursive style.

Date of Signature: June 13th, 2025

Use of AI

I have used ChatGPT to translate quotes and idioms from Slovak to English for the purpose of including these translations in the text. This was done to preserve the truest meaning of the phrases or expressions as possible, as it turned out that traditional translation tools are inappropriate for this task. Example of a prompt:

- Can you translate this from Slovak to English while preserving its idiomatic meaning: Čo sa týka aj výstavného plánu, my nie sme absolútne ničím takto zviazaní, že by sme potrebovali riešiť, či to niekomu bude vyhovovať, nebude vyhovovať, či to niekomu sadne do nejakej väčšej koncepcie.

Deepgram Voice AI was used to facilitate the transcription of interviews. The output from the software was checked manually to make sure that the transcripts were true to the interviews.