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What about Arts? Private Support and Corporate Social Responsibility

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Abstract

The purpose of this study is to contribute to the understanding of the reasons why cultural-artistic patronage is not a common practice within corporate social responsibility strategies in Portugal. Despite the relative consensus (demonstrated in the available literature) about the benefits for both parties (cultural-artistic organisations and companies), as well as for the surrounding community, patronage and other types of private support for the arts and culture are still not frequent. In Portugal, this situation is especially visible, and it has been more and more referred to in cultural policies and by artists as a need (i.e., the public and private supports as complementary).

The literature review for this study covers the state of the cultural sector, particularly in Portugal and in the context of European and US practices; the arts and culture sector in corporate social responsibility; and the impacts, advantages and relationships of these partnerships. Research on this topic is still scarce, particularly in Portugal, and quite dispersed, so it might contribute to filling some of the gaps.

The empirical research will focus on a sample of cultural-artistic organisations that benefited from some form of private support and also on a sample of companies that supported them, targeting the reasons for these types of partnerships, how they work, their main difficulties and benefits, how both sides perceive their dual relationship, how they prospect for the future, and the possibilities of generalisation to other cases.

Drawing on a qualitative methodology, mainly anchored in semi-structured interviews, the main factors and contexts related to the development of private sponsorship (or its absence) will be analysed and discussed, hoping to shed some light on the characteristics of these relationships, as well as on the conditions under which they can become more common, taking advantage of the proven benefits for both parties.

Keywords: Arts and Culture, Cultural Patronage, Corporate Social Responsibility, Corporate Support for the Arts.

Resumo

O propósito deste estudo é contribuir para a compreensão das razões pelas quais o mecenato artístico e cultural não é uma prática comum no âmbito das estratégias de responsabilidade social das empresas em Portugal. Apesar do relativo consenso (demonstrado na literatura disponível) sobre os benefícios para ambas as partes (organizações artístico-culturais e empresas), bem como para a comunidade envolvente, o mecenato e outros tipos de apoio privado às artes e à cultura são ainda pouco frequentes. Em Portugal, esta situação é particularmente visível, e tem sido cada vez mais referida nas políticas culturais e pelos artistas como uma necessidade (i.e. complementar aos apoios públicos e privados).

A revisão de literatura para este estudo abrange o estado do sector cultural, particularmente em Portugal e no contexto das práticas Europeias e Norte-Americanas; o sector das artes e da cultura na responsabilidade social das empresas; e os impactos, vantagens e relações destas parcerias. A investigação sobre este tema é ainda escassa, particularmente em Portugal, e bastante dispersa, pelo que poderá ajudar a colmatar algumas das lacunas.

A investigação empírica incidirá sobre uma amostra de organizações artísticas e culturais que beneficiaram de algum tipo de apoio privado e também sobre uma amostra de empresas que as têm apoiado, analisando as razões deste tipo de parceria, o seu funcionamento, as suas principais dificuldades e benefícios, a perceção que ambas as partes têm da sua relação, as suas perspectivas futuras e as possibilidades de generalização a outros casos.

Recorrendo a uma metodologia qualitativa, ancorada sobretudo em entrevistas semiestruturadas, serão analisados e discutidos os principais fatores e contextos relacionados com o desenvolvimento do mecenato privado (ou a sua ausência), na expectativa de esclarecer as características destas relações, bem como as condições em que se podem tornar mais comuns, tirando partido dos benefícios comprovados para ambas as partes.

Palavras-chave: Artes e Cultura, Mecenato Cultural, Responsabilidade Social das Empresas, Apoio Privado às Artes.

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1. Introduction

In general, working in the arts and culture sector is precarious, due to the constant uncertainty of relying on a project base and short-term work agreements, along with periods of no remuneration (Menger, 2002/2005; Assche & Laermans, 2022). Most artistic and cultural organisations do not survive under the market rules, so one of the justifications for State intervention is to correct market failures in the sector (Frey, 2011). Although this is recognised as being crucial, public support for the arts and culture has been in constant recession (Herranz-de-la-Casa et al., 2015), especially since the last decades of the 20th century (Menger, 2013). There was a particular relapse after 2008, with the economic crisis that was notably harsh to south European countries (Rubio-Arostegui & Villarroya, 2022), not to mention the pandemic crisis, whose real impacts are still to be evaluated.

The efforts to counter the specific vulnerability of the sector are not new and since the 1960s, artistic organisations have considered and developed marketing strategies (Thomas et al., 2009). In the last years they have marked the trend for the responsibility for financing the arts and culture to shift from being almost exclusively attributed to Governments, to increasingly include private firms, with hybrid-type of organisations emerging, with different forms of administration and relying on both types of financial support (Srakar and Čopič, 2012; Nogare & Bertacchini, 2015). Conversely, this has brought to the surface numerous discussions on the topic, in a period of time that coincided with a general raise of concern for philanthropy and other corporate responsibilities (Alexander, 1996), presenting businesses as a potential solution for insufficient public funding. The financing of the arts and culture sector started to be presented to private entities as a situation they could benefit from, instead of being perceived as charitable work (Lewandowska, 2015).

This vision of cultural organisations¹ as partners has, according to Lewandowska (2015), resulted in an increase in attention from private companies to this matter, which has been growing significantly since the 1980s: governmental legislation in Europe is more and more adapted to incentivise companies to develop their philanthropic side and support, particularly financially, the arts and culture sector (Herranz-de-la-Casa et al., 2015). However, as addressed by Thomas et al. (2009), the financial support provided by private entities can be as unpredictable and uncertain as other financing alternatives. If in the public support

¹ Cultural organisations refer to organisations in the sector of Arts and Culture.

legislators have a crucial role in the decision-making process, in the private one other actors are involved, including individuals and organisations, which may act on their tastes and preferences (Nogare & Bertacchini, 2015).

Research on arts and culture sponsorship tends to focus on long-term benefits, financial and others, for for-profit companies that offer a supportive environment for the sector of arts and culture, along with other mutual benefits that could result for both collaborating organisations. Despite the importance and necessity addressed in the literature, as well as the development of regulation of incentives all over Europe for the private support of this sector, it is clear that in Portugal the situation has not evolved much. When so many advantages are stated for both artistic organisations and businesses, ranging from the brand image and firm's reputation to performance improvements inside the company, it is important to understand why these relationships are not common practice among businesses and non-profit organisations. Why is the relationship between businesses and the arts so difficult, especially in a time where corporate social responsibility is gaining importance, presenting a promising future due to the social awareness of corporate leaders (Carroll, 2021)? This interrogation is too large and complex to get a straight answer, but it can work as a guide to try to understand the situation (in specific contexts), so that it will be possible to begin to evaluate what can be done to improve relationships and partnerships, resulting in advantages for both the organisations and the society.

The gap identified in the literature refers to this (mis)understanding between arts and businesses: despite the win-win situation they could benefit from, along with fiscal and financial advantages for companies, partnerships are still not frequent. The goal is to contribute to the filling of this gap by identifying (at least some of) the underlying factors, considering both sides in the Portuguese context.

2. Literature Review

This chapter will present an overview of the most relevant literature found, in order to initially characterise the cultural sector and policies in Portugal, since this is the focus of the study, in the context of European and US policies. Then, the concepts of Corporate Social Responsibility and Corporate Support for the Arts will be addressed, as well as the main intentions and objectives of companies and the existing impacts of embracing this type of strategy, ending with the relationship between both parties and the potential problems that can arise from them.

2.1. The sector of culture in Portugal and its policies

All over Europe, arts and cultural organisations often find themselves in unsafe and uncertain situations, being the work of artists based on values that go beyond economic conditions (Assche & Laermans, 2022). Culture is “a sector of activity around the original creative arts that has economic impact and generates social benefits by creating, producing, and distributing goods and services in different cultural areas (...) (e.g., performing arts, visual arts, publishing, music, film, heritage)” (Čopić et al., 2011, p. 11). The Portuguese reality is not an exception, and similar to the vast majority of continental European countries in the post-war period, the Portuguese governments elected three main objectives for public cultural policies: democratisation and cultural decentralisation, defence of the country’s cultural heritage and identity, and stimulus for artistic creation and production (Garcia et al., 2016; Ferreira et al., 2016). In Portugal, most cultural venues such as theatres, libraries, museums, and galleries have long been mainly dependent on municipal administration, and even the three regional orchestras receive specific regional funding to fulfil their different missions (Matoso, 2017) (see also Silva et al., 1998; Silva, 2002; Silva & Santos, 2010).

Regarding the Portuguese cultural policy for decentralisation of the performing arts, some programmes were launched, soon after the creation of the Ministry of Culture, in 1995. It is worth noting *Raiões* and *Rotas*, and two Regional Centres of Performing Arts, in Évora, in 1997, and Viseu, in 1998 (Matoso, 2017). The Portuguese policies followed the European Union models, combining the focus on traditional/patrimonial values (recovery of monuments and museums), with the widened access to artistic fruition, starting under a French influence (more State protective) but rapidly combined liberal trends, UK-driven (Garcia et al., 2016). In 1998, a National Network of Theatres was intended, to provide performance venues to all district centres, which led to the requalification of existing venues

(theatres and cine-theatres) and in some cases the construction of new ones (Matoso, 2017). This programme was then subjected to evaluation (Santos et al., 2004). Some professional theatre companies have decentralised (e.g., Braga, Viana do Castelo, Évora, Vila Real) becoming resident-companies in the municipal venues (Silva et al., 1998).

Between 1999 and 2002, the Programme for the Diffusion of Performing Arts (PDAE) was launched by the Portuguese Institute for the Performing Arts (Instituto Português das Artes do Espetáculo – IPAE), aiming at democratising the access of populations of different regions to artistic productions and promoting the regular activity of cultural venues (Matoso, 2017). The performing arts, together with the plastic arts, have been quite neglected by the State, with casuistic support. Despite the huge infrastructural investment (resulting from the creation of the Ministry of Culture and of the two organisms: IPAE and IAC - Instituto de Arte Contemporânea - in 1997) and the increasing number of artists and projects, itinerancy did not effectively work (Santos et al., 2004).

By the end of the 20th century, some cultural intermunicipal associations were created, some dedicated to production and others to diffusion and itinerancy of performative arts, such as Amascultura², Artemrede³, Comédias do Minho⁴, 5 Sentidos⁵, and Quadrilátero Cultural⁶ (Matoso, 2017). The Comédias do Minho, for instance, develops communitarian and pedagogical activities, and presents their projects in non-conventional venues located in their specific territory (Silva et al., 2018). Despite the efforts in democratising and decentralising culture, at the end of the 20th century, the performing arts entities and professional activities were still mainly concentrated in the two large metropolitan areas, the urban centres of Lisbon, the capital, and Oporto, with general difficulties at management, programming, and distribution levels (Borges & Lima, 2014; Ferreira et al., 2016).

According to Tweedy (1996), since the 1980s, in the face of the challenges concerning the insufficient funding for artistic organisations, they started to look for private companies with potential interests in the field. Governments also started looking for ways to incentivise this bond, with Portugal being one of the pioneers to identify this problem and approve fiscal incentives, in 1986, giving this phenomenon of private sponsorship for the arts considerable importance (Santos & Conde, 1990). Even in 2012, Portugal was one of the

² Amadora, Loures, Odivelas, Vila Franca de Xira and Sobral de Monte Agraço; 1988

³ Lisbon and Tejo Valley; 2005

⁴ Melgaço, Monção, Paredes de Coura, Valença and Vila Nova de Cerveira; 2003

⁵ Originally composed by entities from Guimarães, Guarda, Lisbon, Torres Novas and Viseu; 2009

⁶ Barcelos, Braga, Famalicão and Guimarães; 2007

only five European Union countries to present governmental strategies to promote the association of private firms to the financing of the arts (Srakar & Čopič, 2012).

2.2. Portugal in the European context and the USA

In the European context, the policies for the support of the arts, although available, have been insufficient to deal with modern struggles, while governmental budgets were reaching their limits (Srakar & Čopič, 2012). The financing of the cultural sector occurs through three main sources: (i) public – direct and indirect support (the reduction of the VAT is one of the most important policies of indirect support), (ii) private - direct funding, sponsorship (more collaborative relations) and donations (merely charitable) – (iii) and earned income (e.g., tickets sales). As public support is decreasing, especially after the 2008 economic crisis, the other sources are being more and more encouraged (Schwaiger et al., 2010; Čopič et al., 2011; Nogare & Bertacchini, 2015). Acknowledging the difficulties of sufficient earned income to cope with the financial needs (most artistic organisations are non-profit ones), private support in the EU is intended to be a complement to the public funding, which, under different models, has been predominant (Santos & Conde, 1990). In the case of sponsorships, they were first mentioned in ancient Greece, where it was mandatory for affluent citizens to financially support events and celebrations (Seitanidi & Ryan, 2007). Abraat et al. (1987) define sponsorship as:

an agreement in terms of which a sponsor provides some aid to a beneficiary, which may be an association, a team or an individual, to enable the latter to pursue some activity and thereby derives [sic] the benefits contemplated in terms of its promotion strategy. (p. 300).

In this definition, the author clearly separated sponsorship from other acts of corporate support, including donations. Nowadays, a clear and well-established tax policy is crucial to encourage this support, including “tax reliefs, tax breaks, tax deductions, tax exemption, tax allowance, tax incentives” (Čopič et al., 2011, p. 12. Additionally, other indirect measures have also been applied, including assistance in fundraising and vouchers to increase the attendance to cultural events, in a balance of both economic values and social and cultural objectives (Čopič et al., 2011).

The Mediterranean countries, (including Portugal) except France, are somewhere in between the Anglo-Saxon traditions of the United Kingdom and Nordic countries (which are well advanced in private support promotion), and the Eastern countries (which are mostly

dependent on the State) (Čopič et al., 2011). The Southern European countries show a major presence of the government but also observing some relevant private sector contributions, with incentivizing policies being implemented (Rius-Ulldemolins et al., 2019). In the Italian case, for instance, the government has been a crucial player in incentivizing cultural consumption and private sponsorship, through the direct financial support of the supply side (a traditional model of state support in Europe) and the incentivisation of the demand, including the aforementioned vouchers - nevertheless, the engagement of businesses with non-profit organisations is still weak (Nogare & Bertacchini, 2015). On the other hand, in Sweden, private funding has been growing consistently in the 20th century decades, supporting four out of five artistic organisations (Lund, 2010). Whatever the model, private support is focused on cities, events and organisations that are already of considerable size or importance, well-known, and prestigious (Čopič et al., 2011), in general, those already financed by the State (or public organisations). In other words, it seems to be a “Matthew Effect”: private sponsors tend to be attracted to pre-guaranteed and already reputed events and organisations, often the ones that would not need their support so much (Peters & Roose, 2022).

In Portugal, the private mobilisation for sponsorship is also concentrated in the main urban centres, highly restricted to the legitimated subsector: the cultural and artistic public segments – such as national museums and theatres – and the foundations and private institutions classified as of public utility, where the state is a strong support – such as Casa da Música, Serralves, the Centro Cultural de Belém or public national museums. Corporate support for the arts is, in general, capitalised by big and traditional institutions, leaving the rest of the field dependent on the decaying public funding (Rubio-Arostegui & Villarroya, 2022), considering that private sponsorship seems to be very difficult to get out of the most institutionalised segments. Nevertheless, it is worth noting the exceptional case of the Comédias do Minho, supported by private funding for 17 consecutive years (Silva et al., 2018). There is a lack of research on this topic, and only recently has the issue been addressed by the Ministry of Culture (new rules for tax benefits in 2017 and sponsorship in 2021) (GEPAC, n.d.), as well as the consideration of an eventual adaptation to sponsorship as a goal, included in the 2023 budget for culture.

The case of the United States of America (USA) configures a different relationship towards the intervention of the State, which has been reducing, and where the encouragement to private support dates back to 1935 (Gingrich, 1969). The Europe and the

American systems of cultural funding are very different, both in the policies implemented (including modes and characteristics of tax reductions) and in the contributions by the private sector (Čopič et al., 2011). The typical European state support, which is mostly direct support to cultural productions and services (the French and Italian systems are clear examples of this), contrasts with the Anglo-Saxon ones, both under an arm's length system meaning an independent organism deciding the distribution of the support (National Endowment for the Arts in the US, and Arts Council in the UK). The more indirect system is the American, mostly based on tax exemptions and reductions, incentivising private support; in the case of the UK, direct subsidisation occurs and the State financially commits to the production, but private sponsor is mandatory in many cases (Nogare & Bertacchini, 2015). In the beginning of the 21st century, public funding for the arts accounted for 20% of revenues in the USA, compared to 80% in Germany (Schwaiger et al., 2010). In the USA, culture is seen as more of a private than public good, in a way that sponsorship is slowly shifting from solely beneficent acts to marketing-oriented ones. Nevertheless, the fact that private support is so present is not a synonym for the economic stability of the sector. On the contrary, other factors are involved, including competition, increasing costs, sponsor expectations, and the cut in public support, initiating questions around a public-private balance, and where policies are not keeping pace with the development of the sector (Čopič et al., 2011).

2.3. Corporate Social Responsibility and Corporate Support for the Arts

One of the first signs of art inclusion in companies was the collection of artistic works, which at the end of the 20th century became a worldwide trend. According to literature, this can be attributed to a variety of motives, including the estimation of its financial value to grow immensely in the long run, thus considering purchases to be a business investment (Kottasz et al., 2008). However, other authors claimed that Corporate Social Responsibility (CSR) is actually what motivates companies to invest in artistic works, in order to enhance their reputation as a modern and refined company, pleasing and attracting stakeholders while caring for the community by supporting the local artists' activities or allowing their art collections to be placed in exhibitions open to the public (id., ib.). Arts and culture organisations may fit this purpose of social responsibility for companies, by being part of the so-called third sector, "the sum of private, voluntary and non-profit organisations and associations (...) in the fields of welfare provision, education, community development, international relations, the environment, or arts and culture" (Anheier, 2004, p. 4). All in all,

the concept of CSR evolves around the idea of giving back to society without expecting any kind of return, which has been the centre of controversy since the term was first mentioned (Carroll, 2021). CSR is defined by the European Commission (2001) as:

a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (...) means not only fulfilling legal expectations, but also going beyond compliance and investing 'more' into human capital, the environment and the relations with stakeholders. (p. 8)

As an academic concept, CSR was first mentioned in the 1930s (Bhattacharya & Kaursar, 2016) and has undergone a dramatic change, being present today in the majority of companies' annual reports (Lee, 2008). Managers offered initial resistance to implementing CSR-related activities, as the investment was certain but not the future returns. Nonetheless, CSR is now considered to positively impact the financial status of firms (id., ib.), their brand image, organisational reputation, customer loyalty, and competitive advantage (Fombrun, 2002; Lee, 2008; Bhattacharya & Kaursar, 2016). Ultimately, art displays in companies also helped with the creative growth of employees, solidifying the company's values and promoting their corporate culture while captivating customers (Kottasz et al., 2008).

Following this, at the end of the 20th century, another concept arose from CSR, the Corporate Support for the Arts (CSA), proposing the consideration of artistic organisations as partners, not plain receivers (Leclair & Gordon, 2000; Campa & Zijlmans, 2019). CSA was first included with other community-related corporate giving, along with education, poverty, and clean cities (Moore, 1995). Despite starting off as a mere advertising strategy to promote companies (Leclair & Gordon, 2000), CSA is now acknowledged to bring advantages to both society and the firm itself (Bhattacharya & Kaursar, 2016), becoming increasingly frequent (Gianecchini, 2019). According to Campa and Zijlmans (2019), CSA was more beneficial for companies than solely marketing campaigns, as it involves an idea of community that might positively impact the company at a social level.

While in the beginning CSA was said to be a preference of some managers (their tastes), it is now seen as a strategy to thrive in the community in which the company operates by creating shared value (Campa & Zijlmans, 2019). There are several factors that influence its practice, including, as an example, brand promotion, which is not always the case for other areas of CSR, proving that goals can be different (Leclair & Gordon, 2000).

Ultimately, CSA appears as an exchange of knowledge, where artistic organisations are offered resources they might not have access to in other ways and companies are inspired to develop creative capabilities, achieving a higher brand reputation, in a process from which communities and society also benefit (Campa & Zijlmans, 2019).

2.4. Managers choices and intentions

Being private support one of the three forms of financing culture and the arts, it becomes crucial to understand the decision-making process behind sponsorships and other related initiatives (Daellenbach et al., 2016). CSR has become crucial to businesses in modern times, making companies accountable for their role in society (Bhattacharya & Kaursar, 2016). However, it would be innocent to consider that all initiatives of CSR come from a place of genuine philanthropy (Carroll, 2021), especially in the support of the arts, which is usually not directly related to the core business of companies (Moore, 1995). According to Planken (2015, p. 418), philanthropy consists of “various contributions or acts of giving or serving, to promote the wellbeing or common good of individuals or communities”. In their study, Moir and Taffler (2004) understand philanthropy in the UK in four different models: profit-oriented, altruistic, political and stakeholder - including the company itself and society in general. Philanthropic behaviour is linked to the genuine concern for stakeholders and the community, contrasting with self-promotion and reputational image, which have a direct link with transactional collaborations (Lewandowska, 2015). To this end, commercial sponsorships will always need to be handled differently from acts of pure philanthropy, such as donations - particularly the ones made anonymously, where the company or individuals expect nothing in return, distancing themselves from the economic purpose (Srakar & Čopič, 2012). Wang and Holznagel (2020) mentioned various studies that portray the idea that managers' intentions are not to truly contribute to the social cause, but rather focus on their own targets (see also Simmons & Becker-Olsen, 2006). Lewandowska (2016) distinguished the win-win situation of sponsorships (especially due to tax advantages) from the solely altruistic act of philanthropy, but proves that this is changing. Motivations from businesses rely on a combination of ethical concerns and profitability (Herranz-de-la-Casa et al., 2015), since arts are considered to fit in between sponsorship and charity (Daellenbach, 2012).

Social sponsorship is a term that can be used for the relations in between commercial sponsorship and charitable donations, as long as the receiver is a non-profit organisation (Seitanidi & Ryan, 2007). Art sponsorship is typically one of the sectors chosen by businesses, along with sports and social causes, being less linked to financial objectives (as social causes)

and more to image and reputation (Daellenbach et al., 2013). Nevertheless, Moir and Taffler (2004) showed no indication of pure altruism in sponsorships involving artistic organisations and claim that a motivation is always clearly present.

According to Daellenbach (2012), the presence of a decisive responsible inside companies is crucial, and the author argues that whereas top managers will be more motivated to help society in general, marketing-related managers will be more focused on economic results. Nevertheless, to assume managers intentions are always based on personal interests is not fair, especially because usually more than one person is in charge of the decision and several reasons are considered (Moir & Taffler, 2004). Sponsorship is becoming more strategic and a popular alternative to traditional advertising, which appears to be losing efficiency (Turgeon & Colbert, 1992; Moir & Taffler, 2004; Schwaiger et al., 2010; Daellenbach, 2012), and as a result, decisions are becoming less individual, more rational and assigned to a chosen group of people (Daellenbach et al., 2013). Despite these decisions having become less related to personal preferences and more to specific marketing strategies and objectives, there could still be the influence of individual tastes in the decision-making process, which opens discussions on managers motivations and the relationship between the private entity and the non-profit organisation (Daellenbach et al., 2016).

Having a clearer notion of the intentions of managers when engaging in these collaborations is thus important, since it could explain, at least partly, why the arts and culture sector is not as present in CSR-related initiatives. In general, the arts and culture sector is perceived as less profitable for companies, in comparison to sports events, for example, due to being seen as elitist and not directed at mass markets. However, some big artistic events have the same or higher potential as sports, namely cinema and music festivals (Tyrie & Ferguson, 2013; Toscani & Prendergast, 2018). But while sports remain the most chosen for sponsorship initiatives, cultural events are becoming more popular in this field (Turgeon & Colbert, 1992), having grown seven times as large in the last 40 years of the 20th century in the USA (Schwaiger et al., 2010), also due to a popular festival trend towards culture, which has been taking place lately, as addressed by Taylor and Bennett (2014). Most of the times, decisions will be based on the improvement of corporate image and reputation, although it depends on the type of event, with the arts being more connected to corporate social responsibility and building a better image compared to sports, for example (Daellenbach et al., 2016). Sponsorship is indeed a form of advertising and a way to get to customers,

although usually managers choose to justify their options with their impact on the community first (Moir & Taffler, 2004).

Several authors have pointed out that the characteristics of companies and artistic organisations have an impact on the choice of firms to become partners. For instance, if the organisations are geographically closer and located in a more developed area both economically and educationally, the firm is more willing to partner up and spend more, and both are more likely to benefit from that relationship (Gianecchini, 2019; Leclair & Gordon, 2000). Gianecchini (2019) mentioned that, in the Italian context, female managers engage more in CSA and other social initiatives as they are more likely to have backgrounds other than management and the nationality of the person in charge or the sector of the company can also influence CSA. Rubio-Arostegui and Villarroya (2022) showed that a diversified board of managers, especially including art-related members, will engage more in CSA. Logically, bigger and more profitable firms are probably more willing to support the arts, as they are also more likely to take advantages from it, just like companies that highly depend on their public image or want to portray a more innovative one (e.g., Gianecchini, 2019; Leclair & Gordon, 2000). The size of the firm also influences how much they are willing to spend and why (Rubio-Arostegui & Villarroya, 2022), and this is related to consumers expectations (Bhattacharya & Kaursar, 2016). According to Rubio-Arostegui and Villarroya (2022), in Spain, smaller companies tend to support local entities, while medium-sized firms opt for contributing to national events with a small amount of money, focused on their reputation. Turgeon and Colbert (1992) proposed to distinguish sponsorship decisions according to “five categories: event-related, sponsored-organization related, market-related, sponsor-organization related and effect-related” (p. 45), summarising the reasons for choosing organisations and events, where some are fit-related. The authors suggested that effect-related – based on the kind of results sponsors aim for - is the most common basis for decision-making, with public perception being the most relevant goal. According to O’Hagan & Harvey (2000), sponsorship could be linked to non-promotional goals, being more public-relation and employee benefit-oriented. However, when it comes to big events, their study of different cases in Ireland demonstrated that image promotion as a goal dominates the reasons for engaging in sponsorship (75%), with media coverage considered highly valued advantage (39%). Smaller companies, in comparison, give high importance to benefits in their relationships with employees.

Even though outcomes are sometimes difficult to measure, there is an intuitive sense of the success of relationships on the part of managers that comes into play, especially in events they consider superior (Daellenbach et al., 2016).

In sum, different aspects are at stake when trying to understand CSA. Mere image promotion is not a guaranteed option to strengthen relations with stakeholders and society in general: Lewandowska (2016) revealed that the often-common logo promotion, for instance, no longer has a positive impact in consumers' eyes, on the contrary, it might be poorly received (see also Quester & Thompson, 2001). Some authors, such as Tweedy (1996), viewed the apparent connection between entities' values with mistrust, considering managers justifications to be forced, and this general suspicion would contribute even more to the difficulty of some brands in justifying their associations with artistic events and organisations. The demands from society regarding the companies' contribution and investment in the community are increasing, and consumers are opting for companies that do so, however, they can sometimes be mistrustful of businesses intentions too, and this proves that understanding companies' motivations is not only important for non-profit organisations but also for consumers (Daellenbach et al., 2016). For example, collaborations involving only financial or logistical support at a specific point in time will not have the same results on how stakeholders view the business as collaborations that implicate both entities as partners (Wang & Holznagel, 2020). This means the manager's job is becoming more difficult, with the unpredictability and difficulty in measurement of results, the objectives of the company, the urge to help the environment and the community, and the expectations and scepticism of consumers judging their actions (Daellenbach et al., 2016).

Besides all the advantages that could possibly be mentioned, one may ask if managers' intentions are even relevant. Certainly, different motivations by businesses will change the impacts that CSA will have on society (Leclair & Gordon, 2000). Nonetheless, at a time when the arts and culture sector in Europe faces rising concerns with funding (Herranz-de-la-Casa et al., 2015), the true intentions behind businesses engaging in cross-sector collaborations might be overshadowed by the necessity of surviving each day. On the other hand, although economic factors are sometimes decisive, prioritising them over their own values and purpose can also be a risk for non-profit organisations. According to Alexander (1996), American museums that had a high dependency on donations and businesses' funding were limited to conform to their sponsors exigencies, even if this interfered with their mission – most probably, this still happens all over (Zolberg, 2018). Nevertheless, arts and culture

managers are not as willing to abandon their values for the sake of financing, since they perceive their mission as something that is priceless (Thomas et al., 2009). However, by taking this position, options may be limited. Securing the needs of firms while making sure the values of artistic organisations are not compromised remains a complex problem (Rubio-Arostegui & Villarroya, 2022).

2.5. CSA and its impacts

Ultimately, the person of a company in charge of the decision to engage in CSA through sponsorship is not a top manager, but instead, someone who has power just as much as communication skills and ends up acting as a bridge between organisations, ensuring a balanced relation, understanding both parties' necessities and objectives in a combination of both business experience and personal knowledge in the organisations (Daellenbach et al., 2013). Because the arts tend to be in between the short-term focus of businesses and their long-term vision, they represent a win-win situation for both entities (Tweedy, 1996).

Profit and non-profit organisations have been increasingly connecting until today, and CSA has been performed in various ways, including corporate philanthropy and charity donations, benefaction, patronage, sponsorships (commercial and social), and cause-related marketing and partnerships, where the differences in the types of relationships rely on the activities, the kind of organisations and their motivations (Seitanidi & Ryan, 2007). Some of the first partnerships connecting businesses to social causes consisted of the creation of specific packaging of products for certain events in the form of limited editions by the business, merchandising from the sponsored organisation mentioning the sponsor company (Tweedy, 1996), and redirecting a part of sales profits to a specific cause (Seitanidi & Ryan, 2007). According to Lewandowska (2016), other types of partnerships started to grow rapidly, from companies recruiting arts professionals to bring other perspectives to the organisation to incorporating arts into the business activities: the mentioned art purchase to promote creativity, and even theatre exercises and techniques to improve public speaking. However, the initial idea of collaborations between businesses and cultural organisations as charitable initiatives has not only limited their development as more transactional types of relations (Seitanidi & Ryan, 2007), but also their evaluation of benefits and results for both organisations (Toscani & Prendergast, 2018). Nevertheless, some studies have already confirmed that different types of sponsorships can be more or less impactful in the customers' eyes, depending on their philanthropic or commercial basis, highlighting those that align both organisations' missions (Colbert et al., 2005). In fact, Simmons and Becker-

Olsen (2006) stated that having a low fit can jeopardise the relationship between partners and confuse stakeholders. Also, sponsorships - transactional collaborations that focus only on the exchange of monetary support for exposure (brand image and reputation improvement, and increasing sales) - do not increase the perception of corporate reputation by stakeholders as much as partnerships - linked to collaborative activities and having the same goals and a sense of trust, and which are more in line with the present public expectation -(Wang and Holznagel, 2020; Seitanidi & Ryan, 2007). Arts and culture organisations can cooperate with businesses by helping them create a prolonged and strong relationship with their stakeholders on a social and healthy basis (Herranz-de-la-Casa et al., 2015), and these effects of partnerships can last for one year in their minds (Simmons & Becker-Olsen, 2006).

Regarding possible inside benefits, more advantages are brought to firms when their workers are implicated in the activities the company engages in with non-profit organisations (Wang and Holznagel, 2020), since arts can increase knowledge inside the company (Lewandowska, 2015) and also inspire and stimulate employees by increasing creativity, open-mindedness, and confidence levels, which will then lead to better firm performance (Boyle and Ottensmeyer, 2005). Moreover, arts might help organisations to manage different human dimensions on individual and collective levels, strengthening innovative thinking, energy, and inspiration in daily work activities. Those capabilities are much more related to the capacity of workers to be innovative in day-to-day tasks and confident when dealing with failure and other difficult situations than to technological advances in companies (Carlucci & Schiuma, 2017), which is something the arts seem particularly adequate for. Also, as businesses evolve and competition rises, companies need to deal with unpredictability, and the qualities of artists are more often desired, including instinctive, communication and problem-solving skills, flexibility and creative change, capacities that are not taught in management courses. However, when financial difficulties arise, arts are ultimately the first to be affected, and this happens because short-term objectives will overlap long-term ones, leaving innovation and creativity behind (Nissley, 2010; Carlucci & Schiuma, 2017).

Interestingly, in spite of CSA's growth, the trust shown by the public seems to be decreasing (Seitanidi & Ryan, 2007). Consumers might have the perception that arts sponsorships are superfluous for businesses, and therefore their justification needs to be more detailed. On the contrary, some managers are sure that these sponsorships have helped with their image and connection with stakeholders (Daellenbach et al., 2016). Even so, the

fact that companies could be profiting from these social causes and that consumers are not totally aware of the specifics of transactions has been subject to criticism, and this can only be solved if companies prove to be responsible and transparent, making their intentions clear to the public (Seitanidi & Ryan, 2007). In order to perceive it positively, even if they are not usually involved in the artistic field, consumers need to feel consistency throughout the relationship and in both organisations' values (Schwaiger et al., 2010). On the other hand, some studies show that the effects on consumers' perspective will also depend on the type of organisation: companies can be seen as more sophisticated when supporting classical arts, for instance, since connotation is different from contemporary ones (Schwaiger et al., 2010).

2.6. Arts and Business Relationships

As referred to above, there are different ways a company can support an artistic institution: on one hand, donations can be made through contributions in cash, direct or indirect subsidising, resources (of equipment, venues or people), and improvements in the community, and, on the other hand, by attending the initiatives or participating in their management, production, organisation and administration (Gingrich, 1969; Nogare & Bertacchini, 2015). According to Lund (2010), four stages should be part of the implementation of any partnership, starting with planning the strategy, choosing the entity to collaborate with, working on improving relations and finishing by analysing results and assessing the relationship. In contrast, the study by Daellenbach et al. (2013) showed that managers either choose the organisation or event according to the goals the company has and how they could be met, or vice versa, choosing first the organisation and outlining concrete objectives that they intend to achieve with this partner.

Regardless of the order, the importance of having a fit between organisations seems to be consensual. This fit is crucial, according to Tweedy (1996): a software company, for example, would not want its brand associated with an event that reflected an image of taking risks. On the contrary, a drink targeting young people, would, because this fits with their audience. Therefore, linking the business's image goals to the kind of event sponsored is key, by associating a company's innovative image to innovative events, or a specific segment of consumers to a specific programme, for example (Daellenbach et al., 2016). Community-oriented companies, for instance, are faster at identifying the fit between organisations, as they are sure to benefit both the company and the community (Daellenbach, 2012), and they will sponsor related events or organisations, even if specific outcomes are not always clear, considering that, in these cases, public values will have a strong impact on decisions

(Daellenbach et al., 2016). Other factors are essential for the strengthening of relationships and consequent success of partnerships between businesses and non-profit organisations, including mutual trust, respect for the institutions' differences and understanding both entities' motivations, values and goals from the start, the promotion of a shift to focus more on the process than on the results, and the contribution to the growth of trust in the organisations by the community (Seitanidi & Ryan, 2007).

It is important to understand the role that non-profit organisations should have in collaborations in order to strengthen and consolidate the relationship between entities, without threatening their artistic integrity. Identifying the potential gains for a company is crucial and without these gains being clear for both sides, there is no expectation of success (Thomas et al., 2009). This is why non-profit organisations do research on the companies they are asking to be sponsored by, including their goals, values and potential motivations. However, according to Daellenbach et al. (2013): art organisations need to deeply understand the company and how they do business in order to identify the person with useful knowledge that can play the crucial role of acting on the interest of both entities – the *advocate*. In the case of business managers, the mix of intuition and expertise is key to good decision-making.

Moreover, ensuring the business partner is satisfied is crucial not only for the success of the collaboration but also to gain advantage over other non-profit entities, and this can be achieved by focusing on the commercial first concerns of the companies involved and demonstrating flexibility (Thomas et al., 2009), in a way that managers feel like their investments are worth it (Quester & Thompson, 2001). Arts and business relations are changing rapidly, moving from the outdated sponsorship type of transaction – more capital injector oriented - to partnership – where companies are more involved -, and even arts-based methods – revolving around the concept of “learning from the arts” (Lewandowska, 2016). According to Lund (2010), the tendency is for relationships to become more lasting and evolve into true alliances based on trust, devotion and shared results, where both entities are committed in a balanced way, however, his study refers exclusively to an opera company of national relevance, which brings again the previously mentioned problematic with companies' choices, oriented for high-profile institutions.

2.7. Potential Issues with CSA

According to Seitanidi & Ryan (2007), despite the sometimes calculated and overly strategic kind of behaviour of managers, who tend to put their interests first, monopolising relations and decisions, non-profit organisations need to put more effort into the relationship

established, making sure advantages are there for both sides, and trying to correct potential power asymmetries. The fact that relations might fail on power equality could be very prejudicial in the long run, and sometimes the companies' focus on sales and not on the perceived value by customers could be the problem (Lund, 2010).

In many domains, there have been developments regarding corporate social responsibilities, which, over time, have evolved from a generic perspective of combining social and economic progress to one of shared value (Carroll, 2021). Although culture has been acknowledged as the 4th pillar for sustainable development (UCLG, 2010), the arts have commonly been excluded from this idea of shared responsibilities, remaining an instrumental area for corporate reputation only, and highly restricted.

In this sense, although private institutions allow for a diversification of financing sources, mitigating the risks involved, they are also an injured party in financially tough times (Čopič et al., 2011). According to Tweedy (1996), even companies that had some tradition in CSA easily ended their support when times got harder, demonstrating that their connection to the cultural sector was not as deep as they claimed it to be. As argued in different national policies and by the EU, private support might not be a true alternative to the lack of public one, but more of a complement, since financial crises also affect sponsoring companies (not to mention individual spending), urging governments to improve their policies (which the parties should be more aware of) and institutions to be more creative in ways of partnering. It is also highlighted that the increase in private support should not, in any circumstance, be seen as a reason to decrease the public one, or the stability of the sector will always be at risk (Čopič et al., 2011).

In view of this literature review, a gap is observed between the benefits of CSA for all those involved and the frequency of this type of strategy in companies' CSR policies. In the following chapter, the main methodological choices of this study will be described and justified, before continuing on to the study itself.

3. Methodology

Given the literature review, the existing gap and, above all, the near absence of research in this area in Portugal, it was decided to carry out an exploratory study, centred on the performing arts, which would listen to both sides of this type of partnership (Saunders et al., 2019). Thus, two samples were built, one regarding the artistic organisations and another targeting companies that supported them. For this, organisations that mentioned some type of private patronage in their activities were identified. Despite not being a representative (statistically) sample, some criteria needed to be defined, so that the sample would be robust and meaningful for the purposes of the study, avoiding uncontrolled biases.

The first operation was to limit the universe, for which the list of applicants for the support programmes held by the Directorate-General of Arts (DGARTES) in 2020 was used (the last to be announced, prior to the development of this study, twelve programmes): performing arts projects creation, performance arts projects programming, and sustained biennial and quadrennial (disciplinary crossover, dance, theatre, music and opera). In total, 990 entries were registered. The subsequent operation was the elimination of repeated entities, individual candidates, and entities with no available contacts on the internet. A sample of 524 cultural entities was reached. Then, their websites were visited, in order to gather information on some kind of private support. The sample was then reduced to 32 entities (6%), and they were all contacted via email, inviting them to participate in this study by means of an interview. Four entities which did not take part in the 2020 DGARTES programme were later added to this list, considering their relevance in the Portuguese panorama and to the theme of the study (two already had sustained support from previous years). From the 36 emails sent (in some cases emails were re-sent), 17 responses were obtained, corresponding to a responsiveness rate of about 47%. After filtering the organisations that did not consider themselves suitable for the study and those with whom it was impossible to find an interview date in time for the study, 10 interviews were conducted with different cultural organisations. Three of the interviews were conducted in the organisations' physical space, while the rest, for reasons of geographical, logistical and/or timetable constraints, were conducted through online meeting platforms. As confidentiality was assured, the organisations were not identified by their names (nor the interviews transcriptions are presented). Table 1 (see Attachment 3) shows their main characteristics.

From the twelve interviewees (two interviews were conducted to two advocates), between the ages of 31 and 53, nine were the directors of the cultural entity, two was the

production director or coordinator and the other was the financial director. Three did not get financial support by the government in the 2020 programme.

The second sample, targeted to the companies, was drawn from the interviews with the entities, i.e., the companies that currently support them, and/or had supported them in the past. More than 20 companies, and the same procedures as with the cultural organisations were followed: first some information was gathered, then an invitation was sent by email (resending-it, when necessary). It was possible to schedule six interviews. One firm was later added to the sample, given its importance in the context of Portuguese cultural patronage (PC6). Table 2 (see Attachment 3) contains the companies' main characteristics.

Three interviews were conducted face-to-face, three virtually and one, exceptionally, was in written form, as it was the only possibility of getting its participation during research. The interviewees were aged between 25 and 49 years old, with functions of general management, and also project, sponsorships, art gallery, and event management, as well as marketing. As happened with cultural organisations, the confidentiality of the participants was agreed upon, so no identifying information or the interview transcripts are provided⁷.

All interviews were recorded with the explicit permission of the interviewees, and as transcription proves to be crucial in the process of understanding data, they were then transcribed into text, using a 'dictating' type of alternative, and subsequently re-listening to correct any shortcomings (Saunders et al., 2019, chap. 13).

All in all, as referred to above, the empirical research followed a qualitative methodology, using for this study a multiple case study type. Data gathering was documental (building the samples, obtaining data about the organisations, etc.) and through semi-structured interviews, in order to obtain the individual perspectives of each entity (in fact, by delegation of the interviewees), and the subjective observations of the interviewees. As the samples represent some heterogeneity, a broad view of the Portuguese performing arts milieu, related to the topic and goals of the study, is believed to having been obtained. The answers were analysed considering different variables, such as geographic location, size, type of organisation, artistic area/activity, longevity, as well as accounting for interviewees' characteristics: age, gender, educational qualifications and position within the organisation.

The total of 17 interviews were conducted between April and September of 2023. The interview scripts are available in Attachments 1 (for cultural organisations) and 2 (for private

⁷The interviewees identity and interview content were certified by the supervisors of this study, regarding both cultural organisations and private companies.

companies). In the case of the performing arts entities, the interviews started with broad concepts of the organisation's activity, team and foundation, its relation with the surrounding geographical area, going then to the financing of the structure (including public – governmental and city council support – and private – financial or material), its financial balance, and why and when the entity looked for alternatives to public financing. The questions also include the relevance of a cultural patronage law, the process of becoming partners with companies, trade-offs in these partnerships, the relevance of private support, the relationship with private companies, and their challenges, obstacles, facilitating elements and goals. Finally, the interview focused on advices/suggestions to give to other entities in similar positions and long-term objectives (or future perspectives) for the organisations.

Regarding private companies, the interviews were formally identical to those conducted with the cultural organisations, with some minor variations in the subjects covered, namely the contextualisation of the partnership that led to the interview, its functioning and relationship, other similar projects the company could be involved in (not only cultural, but also social, educational and others), the selection process by the companies, which frequently receive a high number of requests, the amounts of funding invested, the awareness, utilisation and benefits of the Portuguese patronage law, reasons for supporting the cultural sector, the fit of these partnerships in their concept of CSR and their future prospects to cultural patronage in the country.

Given the small number of interviews, the analysis could be carried out manually in a fairly simple way, i.e., without the use of any content analysis software. As habitual with qualitative research, the analysis and interpretation started along the interview process, where the collection of data and its understanding happen simultaneously, in order to have the best understanding of words, considering the way they are said, and to recognise right away the patterns and topics to pursue (Saunders et al. 2019, chap. 13). According to Saunders et al. (2019), in some cases, to conduct the analysis in the best way possible, the use of a mix of two different techniques is advised, since using more than one method might allow for more insights from the information collected. Following this, two techniques were applied, including 'Thematic analysis' and 'Data display and analysis'. The first was used to identify, throughout the interviews, relevant and frequently addressed topics that merited exploration, given their direct link to the research question and the existing literature present in this study, especially due to both shaping the interview script. Some of the themes were identified during the interview process, and others only after re-reading and analysing the interview's

transcripts. Some minor subjects were then grouped into broader topics, allowing the general selection of different main themes. Then, the data display method was applied, starting from these selected topics of relevance, organising the answers accordingly, and using for this purpose a type of tabular matrix where data from each interview is added to the respective topic. The use of this mix of techniques allowed to organise the data into several topics of relevance.

After describing the method used to collect and analyse the data, the next chapter looks at the results collected during the research process (interviews to both cultural organisations and private companies). These results will be presented according to the relevant topics organised according to the chosen methodology. The interviews, even aggregating a small sample, are quite consistent with the literature review presented above and can contribute to a ‘generalization from the case’.

4. Results and discussion

In the presentation and analysis of the results below, interviews are identified as CO1 to CO10 for cultural organisations (see Table 1) and characterised in more detail by the type of organisation, helping the reader to identify them more easily, using six codes: PAF (performing arts festival), TC (theatre company), MFV (music festival and venue), PAV (performing arts venue), TCV (theatre company and venue), and TP (theatre project). The private companies are described from PC1 to PC7 (see Table 2) and also identified in more detail by their size (S for small, M for medium and L for large), followed by their geographical area (A for Alentejo, AML for metropolitan area of Lisbon, AMP for metropolitan area of Oporto, C for Centre and N for North). Given the informal context of interviews, quotations in this section were transcribed and translated using informal English.

4.1. The process to become partners

Following the organisation's conditions (their often-precarious situations and the low reliability that public support provides), businesses have been seen and mentioned in the literature as a possible solution and/or a possibility to reduce dependency on public funding, which, in turn, is decreasing (Srakar and Čopič, 2012). In this sense, cultural organisations have had to recur to the private sector, as is the case with other types of activities receiving private funding, such as sports, which is often not seen in a favourable light:

(...) in the round we did [contacting companies], we were received as the poor party, some of [the companies] were already financing football teams (...) After that, I gave up a little bit on that search because we felt that it was a little bit ungrateful, this exposure of us as the poor. (Director of performing arts festival – CO2)

In order to make the most of the time that companies usually give to cultural organisations to present themselves and their projects, and since companies' motivations are very diversified (Moir & Taffler, 2004), it is important to have an idea of which companies might be worth to contact. This requires considerable and consistent research into the organisations and their objectives (Thomas et al., 2009). Half of the cultural organisations interviewed admitted to having carried out a detailed study of the companies before contacting them - their activity, personnel, mission and objectives, and other causes and/or entities the companies were supporting (e.g., social cohesion, inclusion, environment, education). In some cases, although recognised as important, it is clear that patronage is sought by cultural entities only in times of serious financial constraints and for a specific purpose, as is the lending or donation of material. In this case, artistic organisations try to

approach as many private companies as possible in the area/region they operate. The interviewees mentioned that responses are scarce, and when they do come, they are very likely to be negative:

(...) there are always three or four who respond out of the 20 or 30 emails we send. We always try to measure what we need, but usually they say that they have already spent the budget for that year. (Director of theatre company - CO10)

Most of the contacts established are done by the traditional method: an email is sent asking for a meeting to be arranged, where they can better present the project:

(...) whenever possible [we try to] to meet in person, because there is an energy of vitality in what we believe that is often not transferred on paper and then there are questions and answers that have to be asked immediately that can capture or otherwise “armour⁸” our possibility of collaboration straight away. (Director of performing arts festival - CO1)

Nonetheless, four organisations mentioned that some of the support they have received has been arranged through informal requests, i.e., via personal contacts, which then materialises into partnerships. For those who lack the connections, understanding how they can be attractive to companies is crucial: CO1.PAF, CO4.MFV and CO9.TCV mentioned that “wasting time” sending emails to every company is not the best method, a “smart” selection should be made according to both entities’ objectives and to the types of causes/values/missions that the companies already engage into and/or support:

(...) as much as possible not to “shoot” everywhere, targeting those [companies] that make sense and whose mission and objectives fit with the mission and objectives of the institution, i.e., I can much more easily find a dialogue with someone who is looking for the same things as me, even if from different areas. (Director of theatre company and venue - CO9)

Companies agree with the above point of view, since all of them mentioned being contacted by the artistic organisations. Companies PC2.SC, PC5.LN and PC6.LA admitted to have contacted the entities/events they were interested in. PC5.LN is also responsible for the creation of cultural projects inside the company, with different partners. After receiving several requests, most of the companies admitted going through some kind of selection process, with only PC1.SC and PC2.SC stating that they try to support all of the requests they get, even if not exactly in the way they were presented. Amongst the motives for selecting some projects and rejecting others, the majority of entities seek to match the company’s values. PC2.SC justified it with a personal or professional connection to the artistic area, PC4.MC with the personal taste of who decides, and PC7.LC with the continuity

⁸ In the original “blindar”.

of a line of support (after starting to support a specific kind of project). These motives can also be observed in Table 3 (see Attachment 3).

4.2. The relevance of an advocate

In addition to what has been stated as the main reasons for the partnerships between the artistic and business entities, the characteristics of the persons responsible for the area might be fundamental, namely having academic background or some experience in the artistic domain (Rubio-Arostegui & Villarroya, 2022). According to the interviews, three companies fall into this description (PC1.SC, PC2.SC, PC4.MC and PC5.LN). Five out of seven interviewees were female (PC2.SC, PC3.MAML, PC4.MC, PC5.LN and PC7.LC) and their points of view seem to be aligned with the literature stating that the gender of the person in charge can be determinant, since women are usually more likely to have other areas in addition to management in their training (Gianecchini, 2019).

According to literature, the person in charge of decision-making regarding artistic patronage is not always one of the top managers, but someone who controls and holds some power and is crucial not only for the selection process, but throughout the partnership, as they liaise between both entities and have a coordinating role (Daellenbach et al., 2013). Cultural organisations reflect the concern of knowing who the right people are, saying that “it is crucial to know who decides (...) and first present the project to that person” (CO1.PAF) as well as presenting an original mission, i.e., a “discourse that manifests [the artistic organisation’s] importance in the territory” (CO7.PAV).

Moreover, when trusting the partner, having respect for their values and comprehending their goals during the whole process is crucial for the positive result of a partnership (Seitanidi & Ryan, 2007). It is thus fair to say that the person responsible on the cultural side is just as important as the one on the business side, creating a solid bridge between both entities.

The results are quite close to this situation, considering that eight cultural entities claimed the same person was responsible for all the partnerships throughout the whole process, including their formal procedure, although in different ways. CO1.PAF, CO5.TP, CO9.TCV and CO10.TC assumed that this work is done by the organisation’s director; CO6.TC and CO7.PAV claimed that a member of the production team is in charge of it; CO2.TC referred to that the relationship is more personal than institutional and that both entities know very well who to turn to when in need; finally, CO3.PAF and CO4.MFV (relatively solid organisations) hired an external person or a media agency to be in charge of

this matter, an intermediary to research and do a selection for the organisation, allocating certain projects to certain companies that might have more interest in them, although both agreed that this did not increase the number of partnerships:

(...) an intermediary who knows the project and knows how to sell it, also an outsider, (...) outsiders will probably do it without hesitation, better than us [when trying to sell] ourselves. (Director of music festival and venue - CO4)

Nevertheless, CO8.PAV deviates from the “norm”, admitting that the person in charge of the matter depends on whatever the subject is, be it financial, management or communication, for example. However, companies agreed that having some type of mediator facilitates contacts and confirmed that cultural entities are increasingly concerned with this, i.e., a specialist might be important to guarantee that both parties understand each other:

(...) at first, it was more difficult because everything was so dispersed. We talked to A, but if we needed anything, it was B (...) In the last two or three years I've realised that the [artistic] structures are more focused on having someone who can bridge the gap and communication is much easier, I know who to talk to if I need something. (Manager of small-sized company in the Centre - PC2)

From the seven companies interviewed, all stated that usually, only up to two persons from each side are assigned to these partnerships, and PC6.LA, given the number of requests received and accepted, has two people for this function alone, who receive the requests, analyse them, make the selection and negotiate the terms of the partnership.

With the exception of the cultural organisations that hired a professional or business to provide this service for them, all the others mentioned that on the companies' side there is always one person in charge, even if it is not the same person who decides. Nevertheless, the feeling is unanimous: having someone responsible for the mediation makes the process not only more agile but also more transparent, and this enhances mutual trust.

4.3. Needs and gains for both parties

The presence of a mediator, although crucial (Daellenbach et al., 2013) does not make the challenges disappear, especially regarding the efforts to respect the values of both sides, particularly when money is involved and there is a need to “please” in order to survive (Rubio-Arostegui & Villarroya, 2022).

When six of the entities inquired affirmed that no exigencies, ever, have been demanded by the companies, mentioning that the regular procedure is to simply advertise the company in their external communication and offer some tickets, it seems that there is a low risk of

jeopardizing the artistic independence in detriment of companies' demands. This is an interesting result of this research, as it goes against the literature:

(...) there was an awareness on the part of the company itself, which was setting up in the area and using its resources and wanted to give back to the region with a project that (...) included education and developed the territory (...) there was no quid pro quo (...) [the company] believed that our work was already the compensation. (Director of theatre project - CO5)

However, some particular cases contradict this narrative and are examples of situations in which cultural entities may be at risk of compromising their artistic decisions because they find themselves in fragile circumstances of high financial dependence. CO3.PAF and CO4.MFV admitted that they have declined the support of a specific company because of a requirement to put a car on display in a strategic location of a given event. According to the artistic organisation, that would entail ethical and even logistical issues, by placing an object of such a size in a private space (usually provided by other entities to be used in a specific event), especially at a time when the arts are increasingly engaged with sustainability values. The decision not to accept that imposition was taken, even though it might have compromised the whole event.

Another situation occurred when a dairy company accepted to sponsor CO3.PAF, to promote their organic milk. The artistic organisation considered the financial amount quite tempting, but not enough to call into question the values of the event:

(...) at the time it was a very good proposal, for a (...) milk organically produced, and it was a bit hypocritical on our part, most of us do not even consume animal products and therefore being an event of ecology and having a big brand (...) of dairy [might be controversial] (...) [It is] an industry that is also not particularly clean and that has associated a series of issues that, from the ethical point of view, are a bit delicate (...) it was really greenwashing, and we weren't going to accept that (...) because it didn't make sense ethically. (Director of performing arts festival - CO3)

Companies from the banking sector are usually closely linked to cultural patronage in countries like Portugal (Čopič et al., 2011), especially regarding legitimated institutions, often public. The partnerships differ according to the subjects, the contexts and the artistic types of organisations. Sometimes, it is hard to align the needs of both sides. O9.TCV presented a peculiar proposal, which resulted in the offer of special ticket discounts to the banking company, in exchange not for financial or material support, but for audience (the promise to take its employees to the theatre). This illustrates that the importance of researching the entity before contacting it (Daellenbach et al., 2013) applies to both artistic organisations and companies:

(...) [the objective of the company] was to get discounts [for its workers] (...) [The company] sent an email and I said that we could do that, but that I would like to understand what kind of advantages

we would have (...) then I had the meeting and it was quite funny because they didn't want to give us anything (...) from time to time they would organise a group [of workers] to go. But we weren't interested, because the attitude was even somewhat naïve but bordering on arrogance (...) I don't need an audience, I have an audience, my problem is that I don't have money because I'm doing a public service (...) [The company] was almost like doing us a favour. And then we exchanged emails but nothing happened. [The real issue here, in my opinion was that the company was] not ashamed [of making such a proposal] (...) what is serious is that they are unaware, they are talking about something they don't know, they don't know who [we] are, they don't do the basic work (...) and we didn't [accept it]. (Director of theatre company and venue - CO9)

From the above testimonies it is understood that the artists seem to be less willing to abdicate their moral and ethical values, as well as their artistic integrity, in the name of private support, no matter how important it may be, as stated in the literature (Thomas et al. 2009):

(...) our first requirement (...) is our artistic autonomy and always having art as the place we defend (...) with all ethical practices from a labour point of view, from a behavioural point of view, from a sustainability point of view, but these are internal policies of the [organisation] and none of these companies make demands on us of any nature (...) and if there were [pressures, they] would have a bad result. (Director of performing arts venue - CO7)

Nevertheless, companies take a different approach when presenting theirs and the cultural organisations' contributions to the partnership. The majority of companies (5) stated that their role in the partnership is to provide financial or in-kind support (product, labour, means of transport). Two exceptions: PC7.LC support is essentially providing facilities for cultural organisations (such as spaces with visibility to publicise their events), and PC2.SC provides media covering. When it comes to what cultural organisations give in return, most companies declare they do not ask for anything in particular, i.e., just mentioning the brand/including the logo in the communication materials and/or event(s) (publicising the company), and offering some invitations to attend the shows (some companies use them, others offer the tickets to suppliers or do social media challenges for public engagement). One company only (PC2.SC) usually asks artistic organisations to be available for interviews and formal reports. PC6.LA, however, depending on the event supported, may negotiate other types of compensation, including brand presence throughout the event, both physically and in the media, and demanding exclusivity partner as partner in their business area. When asked about the amounts supported (for those that provide financial support), all of them said that it depended on the project, and only PC4.MC came up with some referential values, between €750 and €1,500, approximately. Within the in-kind support, PC2.SC and PC4.MC said they do not make the accountability of the support given in material or labour, while the

other five confirmed that they do make such an accounting, even if for internal information, as is the case of PC1.SC, valuing the personal relation (“friendship”):

(...) we account for what these amounts represent, but only for internal control because we never put a limit on the support. If I start doing a lot of math, I realise I should be more careful, but it's like in a friendship: if I count what I've done for one friend or another, you don't have a friendship. (Manager of small-sized company in the Centre - PC1)

Acknowledging that there are many possible reasons for cultural organisations and enterprises to become partners, the importance of the partnership for each of them differs. In the case of cultural organisations, the importance of private support differs from structure to structure, depending on the type of support they receive, how much it is, and how much it represents in their budgets. In cases where this funding corresponds to a large percentage of the organisations' total budget, from one third to as much as 50%, the organisations were clear in stating that the support is crucial for the functioning of the structure (CO1.PAF, CO3.PAF, CO5.TP and CO7.PAV). As well, in cases where private support is fundamental, but its value or regularity is reduced, the organisations considered that they would survive without it, on the condition of cutting back on annual activities, such as the number of shows presented or the number of performers hired (CO4.MFV, CO8.PAV, CO9.TCV and CO10.TC). In other cases, where private support is sporadic, usually in the form of material or discounts on the purchase of goods, the organisations stated that the support is almost irrelevant, and that they would find an alternative to maintaining their activities exactly as planned (CO2.TC and CO6.TC).

In addition, it is worth mentioning that private support is not only important during the development of the projects, but way before that, for the acquisition of other support channels, such as the public one, as mentioned by half of organisations (CO1.PAF, CO5.TP, CO7.PAV, CO8.PAV and CO9.TCV):

(...) in the application for support from DGARTES, whatever the structure (...) there is always a ratio that eliminates any possibility [of getting the support]: you need to have at least 50% of the amount you are asking for already guaranteed. (Director of performing arts venue - CO7)

This means that when companies do not want or cannot commit to future support, cultural entities must find alternative ways to cover the percentage of private contributions that are mandatory for getting the support of the State (above a certain amount). This means, that under some circumstances, the presence of a certain amount of private support determines the possibility of applying or not to the public support.

Many artistic entities consider that, depending on the circumstances they are living, private support is more or less important: in times of great instability, such as when other

types of support are cut, as happens with public support, or when the entities suddenly find themselves without physical workspace, private aid can be decisive for their survival. An example is the case of CO10.TC which had to unexpectedly change its workplace and, with no money to equip the new space, got the help of a bank of which they were clients. The bank offered office supplies that they no longer needed, and the artistic organisations had the possibility to fully furnish the workspace at no cost.

Several organisations mentioned that financial support is much more important than in-kind support, probably because financial assistance allows them to freely decide their expenses.

In the case of private companies, and despite the consensus that support for culture represents a small part of their activity and budget, PC1.SC, PC4.MC and PC5.LN mentioned their employees, when talking about the importance of these partnerships:

(...) people on the team like to go to the theatre for free or have discounts for certain events. And many people wouldn't go to the theatre if it weren't for these tickets (...) and it helps to create the routine of culture, which is very good (Manager of small-sized company in the Centre - PC1)

(...) I think partnerships are also important for the staff. Sometimes (...) they're the ones who ask if a certain person can come and talk to us, it's really this community relationship (...) almost umbilical. Then of course I think they're proud to see the [company] logo associated with these projects (Project manager of medium-sized company in the Centre - PC4)

(...) there is a clear economic interest, not just because of the advantages of the patronage law, but because we believe that culture is an engine for social transformation, an engine for empowering citizens and, in this sense, workers, and, therefore, more educated workers will be more productive and provide better answers (Art gallery manager of large company in the North - PC5)

These testimonials are in line with the literature about the involvement of workers in the cultural activities their companies support with benefits in their performance, knowledge, confidence and capacity to innovate (Boyle & Ottensmeyer, 2005; Lewandowska, 2015).

4.4. Companies' and cultural entities' objectives

In order to prevent losing opportunities for both types of entities, in addition to the alignment of values and missions already addressed above, it is crucial to understand the reasons why companies adopt these types of strategies (Daellenbach et al., 2016). In the literature, research is divided between those who claim that managers' intentions are focused on their own benefit rather than the cause they support (Wang & Holznagel, 2020), and those who say that there is a shift taking place towards a balance between self-interest, the cause and the surrounding community (Herranz-de-la-Casa et al., 2015).

In the interviews, each cultural organisation mentioned up to four objectives that, in their opinion, companies have when starting a partnership of this kind. A summary of these results can also be found in Table 3 (see Attachment 3). The most mentioned reason (five times) is the emotional or affective relationship that the company or its leaders have with the project in question, and CO1.PAF and CO8.PAV related this reason to the geographical proximity between entities, agreeing with the literature that states that being closer can help to obtain more support (Leclair & Gordon, 2000). Next, brand association/awareness is mentioned five times and visibility is brought up with four mentions, proving to be perceived as common business motives (Daellenbach et al., 2016). The personal relationship between members of the entities is mentioned by CO2.TC, CO9.TCV and CO10.TC, assuming that some of their support comes from this. CO2.TC and CO9.TCV mentioned charity, counterpointing previous studies on the issue, which argue that partnership motivated by this reason alone is not possible (Moir & Taffler, 2004), but could perhaps arise among a combination of reasons. Two artistic organisations (CO6.TC and CO10.TC) mentioned the fact that being regular customers of some companies facilitated (or originated) the partnership, through special discounts on some goods and services, because the accumulated spending was considerable. Retributing to society, despite being mentioned by CO5.TP and CO7.PAV only, is, according to the literature, something common when the manager believes that philanthropy is an integral part of the company (Daellenbach et al., 2013). Four other reasons were mentioned only once, including the financial return for the company (CO1.PAF), verifiable mainly for large companies and investments; the personal taste of the decision-maker (CO4.MFV), which although is something the literature states to be disappearing, can be influenced by the decision being sometimes made by one person alone (Daellenbach et al. 2013); the balance of activities (CO7.PAV), namely in companies in the banking or automotive sectors, which intend to diversify their activities in the balance sheet; and, finally, the social capital (CO7.PAV), or, in other words, the need for managers to feel at the forefront of thought, frequenting contemporary artistic circles.

In addition, as much as the impression of the people who manage cultural organisations is crucial to assessing the motives of companies, since many times these can only be revealed during or after the implementation of the partnerships, it is important to know what the companies hope to achieve. Private companies interviewed mentioned up to two different main motives applying to themselves and to other national companies.

Five companies (PC1.SC, PC3.MAML, PC6.LA and PC7.LC) referred to the brand association and publicity, something also referred to by cultural organisations, both for them and other companies:

(...) It's much better for a company to work on patronage than to be paying for advertising, we've never paid for advertising in any medium (...) we've had news on television and radio and it came from these partnerships (...) Even if we weren't in the catalogue, just being in the dressing rooms [would be] enough to [feel] compensated. We have actors who have been our clients since the partnership began five years ago, and they continue to buy product from us. (Manager of small-sized company in the Centre – PC1)

PC4.MC, although claiming that publicity is irrelevant, due to the low visibility of the types of projects it supports, mentioned that this might be the main focus of other companies and agreed with PC2.SC about social responsibility being also one of the reasons for this support, giving back to the community:

(...) for some (...) at a larger level, I believe that publicity also makes a difference, in our case it's irrelevant, but of course brand awareness also comes into play (...) and it shows our identity when we finance a certain line of organisations or projects, at least in our case they're the main reasons, to give back to the community (...) and on the other hand, some brand projection, we like to see [the company] on [the cultural organisation's] agenda or on the back cover of a book, for example. (Project manager of medium-sized company in the Centre - CP4)

PC1.SC and PC2.SC said that their main goal is to help the cultural entity by supporting or helping to promote the organisation and/or its events. PC3.MAML claims that another main goal is to benefit society in general. Finally, PC5.LN differentiated itself by having a unique answer among all interviewees, being mainly concerned with their people, contributing to their human and professional development, and the society itself:

(...) companies generally talk about social responsibility and that's a rather vague and subjective concept. In our specific case, we believe that art can change the world, that culture is transformative, that artists, poets, are in fact exceptional beings with exceptional abilities and that they help us to open doors, to see things in a different way, so our involvement, even more than the material support itself, is because we deeply believe that this is the way forward. In our very specific case, it's already ingrained. (Art gallery manager of large company in the North - PC5)

When thinking about the goals for cultural entities, companies' answers also diverge. PC3.MAML did not answer this question, remarking not to have enough knowledge on the matter. PC5.LN and PC6.LA referred to the continuity of the organisation itself. PC1.SC, PC4.MC, PC6.LA and PC7.LC referred to the financing of their projects, reducing dependence on public funding. Two companies talked about the capacity of cultural entities to innovate (PC4.MC) and grow through the challenges the partner company proposes (PC5.LN). Gaining more visibility with the partnership itself is mentioned by PC2.SC.

4.5. The role of tax incentives and the Portuguese patronage law

Currently, many countries have adopted tax incentives to motivate companies to support more cultural organisations (Čopič et al., 2011) and Portugal was one of the first countries where these policies were implemented, dating these government strategies back to 1986 (Santos & Conde, 1990). However, seven cultural entities said that the companies that support them prefer to opt out of using the law and its supposed benefits, either because they are unaware of it or because they see no real advantages, which raises concerns about its purpose. With the exception of large companies that make big investments in renowned national events and organisations, namely banking institutions, where some cultural entities believe there is a possibility of considerable financial return, they seem to believe that companies, by their own choice, opt to not make use of the tax benefit since it is not attractive.

For the companies that support them to be able to use this law to their benefit, cultural entities must be covered by a framework of public utility, which requires a lengthy bureaucratic process to obtain, or, exceptionally, entities are exempt from this process if they receive sustained state support. CO4.MFV declared to be unaware of this exception, so they were never able to propose the use of the law to partner companies. Seven cultural entities are covered by this framework. One was, at the time of the interview, in the middle of the process to obtain it, although the efforts of initiating this process because of its presumed importance for companies might be in vain if the law is not being used for what it was created, since companies choose not only not to use it, but even not to register certain types of support due to paying VAT on something they are offering (CO2.TC, CO8.PAV):

(...) for example, if I had support from a hotel in terms of rooms (...) at zero cost, the hotel itself would have to pay the VAT for those rooms, which is absurd, I mean they are supporting but they have to bear the VAT. Instead of receiving the cost of using the room they end up paying. This is a concrete situation that came up, and so the solution was to lower the price, not to give it away for free, but to lower the price so that there was at least some payment (...) to also pay the respective VAT. (Financial director of performing arts venue - CO8)

Moreover, one of the most mentioned reasons for companies not taking advantage of the tax benefits provided by law is that it is not attractive, as a result of the amount to be recovered by companies being almost residual. CO2.TC and CO7.PAV pointed out that in some countries, companies recover the total amount invested in tax deductions at the end of the year, and thus the companies are much more motivated to support cultural entities, becoming this support a common practice. Not only is this financial return extremely

reduced, also companies will only get access to it, in the year that follows the support, which may also cause them to not see it as a true advantage (CO8.PAV).

CO1.PAF and CO8.TCV referred that the law is unknown amongst many companies, particularly in smaller cities, and CO9.TVC also mentioned that they are usually asked to invoice the support as if it was a provision of services. Finally, CO6.TC stated that the law lacks clarity since it is difficult to interpret for both companies and cultural entities.

It seems that cultural entities have a valid perception of what the relationship between businesses and the Portuguese patronage law is like, since three out of the seven companies (PC1.SC, PC2.SC and PC3.MAML) admitted to never having used it, being the first two completely unaware of its existence. PC6.LA and PC7.LC believed the company might have already taken advantage of it, however, they could not say for sure. Finally, PC4.MC and PC5.LN were sure to have used it, and admitted to seeing some benefits, however, they added that these were not at all decisive when making the choice to support. Although none of the interviewees was the financial officer of the company, it is still surprising that awareness of the law and its supposed benefits are so rare among the people behind the organisations in charge of these partnerships. PC5.LN also expressed their concerns for the future of these partnerships if the government would not reflect on and improve the current patronage law:

(...) it would be crucial for the patronage law to be revised, to be expanded, so that other companies also have more reasons to support and collaborate. I imagine that the state should set the example as a regulator by improving the patronage law and having its own legislation that obliges companies, from a certain profit, to invest (...) in social projects, cultural projects and research projects. I think that the future, for this to grow, also has to involve state regulation that incentivizes all of this. (Art gallery manager of large company in the North - PC5)

4.6. Obstacles and facilitating elements in the process

Throughout the interviews, both entities listed some of the obstacles they believed were hindering the establishment of partnerships with the private sector. Tables 4 and 5 contain a summary of these challenges (see Attachment 3). In this sense, eight different potential reasons for the difficulties of creating relationships were mentioned by cultural organisations:

The first one, mentioned by six entities, concerns the unpredictability of private support, coupled with the current difficult economic situation, which both cultural organisations and companies are facing. This difficulty is reflected not only in the creation of new partnerships, but also in the maintenance of existing ones from one year to the next, where the fragile economic situation may imply cuts in already established support, reducing the budgets of

cultural organisations in a drastic and unpredictable way. This situation might have been reinforced by the pandemic season, with organisations having gone through moments of extreme insecurity from which they are still recovering.

(...) the companies that now support us are the ones that already did (...) right now what we need is money and nobody has money to give, not even with counterparts, nor with any patronage law (...) they all claim to be in a complicated situation, with many vulnerabilities. (Director of theatre company - CO10)

Thus, some cultural structures believed that other types of support, namely in material that is produced from the company's main activity, in a more occasional way, are easier to obtain than direct consecutive financial support. It seems that it is difficult to rely on patronage support in a fixed way and to see some security in it, even after several years of partnership, as is the case with CO5.TP, with private support for 17 consecutive years:

(...) they used to give us 100 thousand euros [per year]. In the last two or three years we've been negotiating with them and at the moment we don't know if we're going to have support from them or not, this year we haven't had it yet (...) I think it has to do with a possible change in the structure of the [company], but I'm not sure. (Director of theatre project - CO5)

Apparently, unpredictability also arises in connection with changes in the companies' board of managers, which can lead to a shift in decisions if this type of support is not a priority for the management team in question, which is often also the case with public support from municipal councils. This is in line with the existing literature, which states that private support can be as or more unpredictable than public support (Thomas et al., 2009):

(...) obviously we're going to wait for the previous board to have passed on everything that was there, but we're never going to rely on it, we're going to present it, we're going to try to create a relationship (...) because sometimes who comes next may not have very refined the cultural part, from the point of view of values and priorities. (Director of theatre company and venue - CO9)

Furthermore, the generalised lack of time within the structures is the second challenge, mentioned by CO4.MFV, CO6.TC and CO9.TCV, following the pandemic crisis from which the organisations are still trying to recover. The companies mentioned they do not have as much time as they would like to invest in strategies to attract patronage:

(...) it has been a bit difficult in recent times to have the mental space to think about the project and the connection to its partners (...) we all end up thinking about the same supporters (...) we should open the range a little more, but in these times it is difficult (...) we are going through a serious economic crisis again and it is also difficult to ask people for money for cultural projects when there are so many urgent problems. (Production director of theatre company - CO6)

Small teams are the norm in the cultural sector due to its precariousness and work by project, where employees are forced to work in several functions and time is scarce even for

the issues inherent to the activity, in a way that others, although important, end up in the background:

(...) these people do 20 hours a week [in part-time contracts], but nobody does 20 hours a week; that's the salary, because nobody can do everything in that time. (Director of music festival and venue - CO4)

The generalised notion of culture as the poor party and the association of the sector with charity come in third place, and are mentioned by four entities (CO2.TC, CO3.PAF, CO8.PAV and CO9.TCV). This perception not only makes it difficult to develop relationships between cultural organisations and companies if the latter consider that the only thing they can do is offer money, but also complicates the process of analysing the advantages and results of partnerships for all involved (Toscani & Prendergast, 2018), which is related to the fourth obstacle mentioned four times: the lack of knowledge by companies regarding the potential of partnerships established with the cultural sector (CO1.PAF, CO5.TP, CO7.PAV and CO9.TCV). This lack of knowledge is sometimes fuelled by a lack of cultural interest “I think that if people consume, attend, they will understand our work a little better and they will understand what we do” (CO9.TCV), and is reflected not only in the potential advantages for the company in question, but also for the surrounding community. Owing to the fact that, in order to ensure the success of these partnerships, the potential benefits must be well clarified for both parties involved (Thomas et al. 2009), it jeopardises their potentially good outcome:

(...) there is sometimes a difficulty of language, understanding what is the economic value of artistic and cultural activity. Those who understand this very well are certainly the private institutions that already support us (...) others do not know what we are talking about and ask directly 'what do we get out of this?'. (Director of performing arts venue - CO7)

(...) by the culture of the country itself they do not feel that it can be through culture that they can deliver something to society (...) which in my opinion has to do with the lack of knowledge and the lack of ability to assess the potential of culture and art as an engine for the dissemination of products and services, that we could collaborate very well together and it could be good for both parties. (Director of performing arts festival - CO1)

This lack of knowledge might lead companies to choose events that they consider to have greater visibility (CO2.TC, CO4.MFV and CO5.TP), such as sports (fifth challenge), since they believe that the benefits can be greater when their reach is also perceived to be greater than the performing arts in general (with the exception of some large music events):

(...) we needed half a dozen square metres of cork, that is nothing for [cork company] and at the same time they were giving to [a big institution] a lot of money (...) here it was some leftovers and still it is very difficult for us to create the interest on the other side. (Director of music festival and venue - CO4)

This perspective confirms that obtaining funding from the private sector is very difficult if the cultural entities are not large and relevant institutions or projects, where most of this type of financing is concentrated, becoming dependent on non-sufficient public support (Rubio-Arostegui & Villarroya, 2022):

(...) nobody likes to finance a project alone, and this is a bit promiscuous, if you have money you can get money, if you don't have money, it gets more difficult. (Director of performing arts venue - CO7)

A sixth obstacle, mentioned by CO1.PAF, CO7.PAV and CO10.TC, is the difficult access that some structures have to the private sector if they lack key contacts that can open up possibilities within companies, which is also an advantage for those who do it:

(...) if they know someone inside it's even better, because it is easier. (Director of theatre company - CO10)

This privileged access for some demonstrates a clear imbalance of opportunities, which can sometimes even be understood as deliberate:

(...) Portugal, being a small and tending to be a "provincial" place, is even more complicated, which has to do with the creation of gate keepers, people who have the key to some doors that they keep closed or open them drop by drop, to create a kind of flow control which is something that in my view is quite disastrous, it (...) should be abolished, but it's very difficult, because it's something intelligible. (Director of performing arts venue - CO7)

CO2.TC considered that this access is easier for institutions located in urban centres, making this obstacle number seven. Despite some of the interviewed organisations with more private sector support being located outside the big centres of Oporto and Lisbon, which is not proportional to the number of arts organisations and projects in these cities when compared to smaller ones, as has been tackled by the government (Ferreira et al., 2016). It may indicate that urban centres, even if not the main ones, have advantages in obtaining support compared to rural areas:

(...) being outside the urban centres can be an advantage, (...) it is silent and a pleasant space but (...) sometimes we feel a little forgotten because in addition to being outside the city centre we are also outside the most cultural and dynamic centres and sometimes for us it's a little ungrateful in terms of visibility and work. (Director of theatre company - CO2)

Finally, there is a challenge mentioned by CO1.PAF, which is the attempt to combine art with sustainability in order to obtain more support. Since the concerns of managers are increasing, including responsibility towards the environment, the objectives of the company itself while giving back to the community, and its perception of the company, which judges their actions (Daellenbach et al. 2016), it is natural to observe a possible use of relevant themes to increase the perception of importance attributed to a certain institution or project:

(...) why is culture meeting sustainability? To be supported in this way, because it will basically be a mechanism to raise awareness for sustainability. It is very sad but a clear sign on its importance in human development. (Director of performing arts festival - CO1)

This alliance, although useful in several ways, might jeopardise the artistic freedom of artists, which is the main premise for their creation, as already happens with public support, which requires the approach of certain themes (sustainability, young/senior audiences, multiculturalism, etc.), even if they are not part of artists goals and ideas.

Companies, on the other hand, had a different perspective on what complicates and helps these types of relationships. PC1.SC, PC2.SC and PC4.MC pointed out they did not feel any obstacles at all, with the exception of not having enough resources – financial, human and time – for all the support they wish they could provide. PC6.LA mentioned that a possible obstacle could depend on the people involved if honesty is not part of their values, and PC3.MAML related its difficulties to communication issues. PC7.LC referred that sometimes cultural entities are not flexible when the company is not able to meet their initial requirements and support at the same level expected, which could be harmful and jeopardise the whole relationship. Finally, PC5.LN said that there is a certain prejudice on the part of cultural organisations towards companies that want to partner with them, as this type of partnership is still viewed with strangeness.

When it comes to what facilitates the process, companies also mentioned the geographical proximity and familiarity that small areas bring (PC1.SC and PC4.MC), the importance of having a mediator, instead of speaking to several people according to the matter (PC2.SC), having good communication (PC3.MAML), honesty and transparency (PC6.LA), empathy (PC5.LN) and flexibility (PC7.LC). When values are aligned, it becomes easier to walk together in the same direction.

4.7. The framing of cultural support in CSR policies

Finally, companies were explicitly asked whether or not they believed that supporting culture could be aligned with CSR strategies of companies and how they saw the future for these types of partnerships for themselves and other companies in the country. Unanimously, all companies affirmed that supporting cultural entities and events was indeed a way to be socially responsible as a company, although different justifications were given. PC1.SC claimed that culture is a fundamental pillar of societies and that the responsibility of making sure that people have access to it is not something exclusive to governments:

(...) everything depends on the state and if companies were more supportive of culture, the state would be almost unnecessary. We see projects dying from lack of support from DGARTEES and it's a shame

because the responsibility of local companies should exceed the responsibility of the state. (Manager of small-sized company in the Centre - PC1)

Other companies believe that cultural patronage can only be a CSR strategy when i) the company is part of the projects, in which their success is good for both sides (PC2.SC and PC5.LN); and ii) the projects or entities are helping the community in which they operate, bringing advantages to both parties (PC2.SC and PC3.MAML). PC4.MC claimed that companies have the responsibility to give back to the community:

(...) of course, we are in a social context and we take a lot of things (...) space, environmental resources, we occupy people, it's true we give them jobs, but we take the rest, so it's a way of giving back and definitely a social responsibility. (Project manager of medium-sized company in the centre – PC4)

PC7.LC stated that having partners is important in order to help each other and grow together. Finally, PC5.LN, although agreeing, mentions that CSR is a very vague and subjective concept, therefore hard to evaluate in the business context.

When it comes to future perspectives, all companies showed the desire to be able to maintain their support. Regarding other companies at a national level, not all companies were sure that they will have the capacity to keep the cultural support since they foresee times of deep financial struggle, generally, where cultural entities will rely on companies more than ever before, although at the same time, companies will also be facing difficulties. There was, conversely, a change of perspective that some companies felt needed to happen:

(...) Well, in our case it's a growing process, but (...) companies have to realise the enormous potential, not just for visibility or publicity, we're not there anymore, but the enormous power this has to transform their own internal dynamics. (Art gallery manager of large company in the North - PC5)

(...) everyone says that culture is the poor party and that there's no money for culture, but I think we have such a rich sector that whatever we do will never be enough. We just have to keep doing it. (Manager of small-sized company in the Centre - PC2)

5. Concluding remarks

Relations between cultural organisations and companies are not always straightforward, with some artistic entities “feeling bad” about asking for private support. In terms of initial contact, the common practice is that cultural organisations take the initiative, and only the companies that are more involved in the projects (and are not mere capital injectors) stand out for proactive contacting potential partners. Additionally, personal connections seem to facilitate the process, i.e., knowing who the decision-making in the company is and presenting the project to that person or persons first. This is in line with previous literature on the subject (Daellenbach et al., 2013). Given that some cultural organisations and also companies justify the private sector’s choices on the basis of the personal sensitivity of the decision-maker, it seems that both types of entities are on the same page. Nonetheless, one of the reasons for choosing projects (the most often mentioned by companies) is that the projects must fit in with their values. This justifies, on the side of the artistic entities, the need for gathering information about the companies before contacting them (to identify the person responsible, the company’s values or the type of projects previously supported). However, as informality and close personal relationships seem crucial, the preliminary research can become pointless. It is worth noting that in the cases where cultural organisations hired people or media agencies to do this work exclusively, no improvements were identified.

With regard to the decision-maker, often referred to in the literature as an advocate, although it has been proven that there is a direct relationship (Gianecchini, 2019), it is difficult to relate the gender and cultural background of the person interviewed to the decision to patronise culture in this study, since the interviewees were not always the decision-makers. It was also not possible to draw conclusions about the correlation between the answers and the age, place of birth and educational level of interviewees. However, both companies and cultural organisations agree that having a mediator or team on each side is crucial for the good development and outcome of a partnership, and it can be demonstrated that organisations usually have this person to bridge the gap between institutions.

When it comes to the demands and needs of companies, it seems safe to say, according to the exploratory research conducted and the literature, that the vast majority of companies do not make any particular demands when supporting a cultural project or organisation, and this is the general testimony of both sides of partnerships. Although some cultural organisations report less positive experiences, which could leave them in uncomfortable

situations when dependent on the proposed support (a complex problem, according to Rubio-Arostegui and Villarroya (2022)), they admitted to refusing this type of support, independently of the effective needs. Again, this is in line with previous literature that argues that artists are no longer as willing to abdicate their artistic freedom for private support as before (Thomas et al., 2019).

From the companies' side, the only particularity worth noting is the desire of some enterprises to be part of the projects as if they were their own, in a way that their success is beneficial for all sides involved, something that appears to bring advantages to the development and results of partnerships.

Although companies, in general, are not comfortable in revealing the amounts of their support, it is clear that these numbers are very different from company to company and from project to project, and the previous theory that more profitable companies support the arts more (Leclair & Gordon, 2000) cannot be confirmed by this study. Most companies account for the in-kind support given.

Regarding the importance of private support in cultural organisations, it can be concluded that it is proportional to its weight in the entities' budget, i.e., the greater the support, the higher effect it has in the artistic activity, and the more difficult it is for the organisation to overpass its reductions. Private support also proves to be crucial in the search for other types of funding, and since those who already have public support find it easier to obtain private one, this represents a vicious circle. The cultural entities agreed that the importance of private support also depends on the circumstantial needs the entity is going through (as is the case with post-pandemic times or cuts in public support).

Despite the fact that some of the situations described in this study indicate that managers are sometimes more focused on personal objectives during partnerships, most of the companies interviewed described a genuine concern for cultural organisations, the surrounding community, and their own employees. It is not possible in this exploratory research to identify *one* main motivation on the part of the companies, they combine several motives. However, the results are in line with the O'Hagan and Harvey (2000) in which brand promotion and visibility are the most used justifications, followed by the benefits for their own employees. Cultural organizations have different perspectives on the companies' objectives, but they seem to subscribe to companies' publicity, agreeing that public perception (reputation) is one of the main concerns (Turgeon & Colbert, 1992).

As for the patronage law, it is not possible to certify that it fulfils its function when it is unknown to some cultural organisations and companies. Cultural organisations are of the opinion that the law is not attractive, which is why companies prefer not to use it and often to not even register their support. When companies do know about the law, they mention that the benefits are small and that this is not the reason they support cultural activities at all. The obligation for cultural organisations to have public utility status also makes the process very difficult and means that a large part of the support given by companies cannot even be considered for tax benefits. Although Portugal is one of the oldest countries in Europe to have a law of this kind (Santos & Conde, 1990), it is clear that it does not serve as an incentive for companies to support organisations. It is only used in cases where companies already had the intention of supporting (and support has a reasonable size in financial terms), so it does not work as an incentive, but rather as a kind of reward, which undermines its main function. On both sides, the entities agree that it is crucial for the law to be revised by the government so that more companies are encouraged to provide this type of support. The same applies to the need for better diffusion of the law, so that all entities, cultural organisations and companies, become fully aware of it.

It seems clear, under these results, that private support for culture is just as uncertain as public support, as mentioned by Thomas et al. (2009), since several factors can contribute to a sudden cut in the support, including economic crises that affect all sectors and where culture is one of the first investments to fall. Under circumstances of crisis, the companies must prioritize their core business, leaving long-term objectives behind, which is in line with Nissley's study (2010). Changes in the company board of managers can be impactful, especially when the choices have to do with personal tastes or interests of those who decide. Finally, it can be inferred from the results that long-term private support does not make the partnerships more trustworthy.

These results confirm that some of the most obvious obstacles for cultural organisations are the lack of awareness on the part of companies about the potential benefits of these partnerships, enhanced by the notion of culture as charity work, which is in line with previous literature (Lewandowska, 2015); a possible lack of interest in the cultural sector, which can be crucial given the weight of personal tastes in decisions; and the core concern regarding the publicity of the brand/company, which directs managers to other areas of support than the arts (e.g., sports). The concentration of support in large institutions, as well as personal connections and the disadvantages of non-urban areas are also factors that must be taken

into account in future studies. In the perspective of the companies, partnerships seem to be easier under geographical proximity and the existence of a mediator with good values and communication, as Gianecchini (2019) showed.

Aligning private support for culture with CSR strategies seems to be obvious for all the companies that took part in the study, especially when these partnerships help both parties and the surrounding community at the same time. Other justifications for framing cultural patronage in CSR policies were given (see section 4.7.), but not enough to draw conclusions from. This consensus is an import result, fully justifying future research, not only targeting more extensive studies (under more diversified samples, and including the public sector), but also trying to evaluate whether the consensus is reflected in practices.

The future is, like the present, rather uncertain for cultural organisations, but it seems that the companies that support them have a common mindset, wanting to maintain or increase their support for culture in the long run.

Finally, the organisations agree that private support should complement and not replace public support, given its uncertainty, and that the government should play a crucial role in encouraging this support, as mentioned in previous studies (Čopič et al., 2011).

5.1. Limitations

It is important to note some of the limitations of this study. Firstly, it was not possible to link the characteristics of the interviewees to the decisions made by the companies, since the interviewees were not always the ones making the decisions, so it is suggested that this could be a future line of inquiry.

This is an exploratory research, and of course it leads to intrinsic fragilities, such as the size of the samples. However, no previous studies were found regarding the Portuguese reality, so we believe in our contribution for further developments. Future research should also target international comparisons, especially within the EU.

Overall, this study contributes to answering some crucial factors about partnerships between private companies and cultural organisations, illustrating, with recent and original empirical material experiences, dynamics, needs and gains, obstacles and facilitating elements in the process of building these partnerships. These factors include the reasons behind companies' decisions and the importance of private support for cultural organisations, as well as the difficulties for both parties throughout the process and the real and practical contribution of the patronage law currently in force, and can be used to draw insights into why these partnerships are not as common as expected.

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7. Attachments

Attachment 1 – Interview script | Cultural Organisations⁹

1. In general, how is the structure financed? (Important points to note: support from local councils, applications for central state funding, European funding, etc...)
2. When did your organisation decide to seek private support, and why? What kind of support?
3. Of all the companies, does any of them support or have supported your organisation in the form of cultural patronage? (If so, which one, when, in what amounts?)
4. What were the first contacts like and how did the process of becoming partners go?
5. What does this partnership or support entail? What are the quid pro quos, if any, and how were they established? How much negotiating power did you feel you had at this stage of the process?
6. What is the importance of the private partner(s) and/or patron(s) in the organisation's activity? In relation, for example, to public support?
7. Do you believe it would be possible for your organisation to maintain the same activities without the support of companies through cultural patronage?
8. What kind of relationship do you have with the private partner(s) and/or the patron(s)? Is there a person responsible on both sides?
9. What do you consider to be the biggest challenges in this relationship (and/or in other relationships you have established or tried to establish)?
10. In your opinion, what do you think is the main objective of companies when they financially support cultural organisations? (And in your specific case?)
11. And what do you think is the biggest obstacle to establishing these partnerships?
12. What advice would you give to other organisations looking to obtain private funding?
13. To finish: 1. What is the biggest project you hope to accomplish in the next five years? 2. Are there any final comments you would like to make?

⁹ The interview was originally written and conducted in Portuguese, since all the interviewees were Portuguese.

Attachment 2 – Interview script | Private Companies¹⁰

1. How did your partnership with Organisation X come about?
2. How does the partnership work? Are there any quid pro quos?
3. What is your relationship with the organisation(s)? Is there a person responsible on both sides?
4. Apart from this cultural organisation, are you involved in other projects (cultural, social, educational, etc.)?
5. How does the development of partnerships work? Do you contact the organisations or are you contacted? What is the selection process like? (why these organisations and not others?)
6. What financial figures are we talking about? For in-kind support, do you account for it?
7. Have you ever used the patronage law for these partnerships? If so, or if not, why?
8. What do you consider to be the companies' main objective when establishing these partnerships? And in your specific case?
9. And what do you think is the main objective of cultural organisations?
10. What is the importance of these partners in your company's activity or operation?
11. What do you consider to be the biggest obstacles and facilitators to these relationships?
12. What advice would you give to cultural organisations trying to establish partnerships with companies like yours?
13. Do you think that this type of partnership between companies and cultural organisations can be framed within the concept of social responsibility? If so, or if not, why?
14. How do you see the future of this type of partnerships for companies in Portugal, and for yours in particular?
15. Are there any final comments you would like to make?

¹⁰ The interview was originally written and conducted in Portuguese, since all the interviewees were Portuguese.

Attachment 3 – Tables

Table 1. Cultural organisations (CO)¹

Interviewee	Type of Organisation	Geographic Area	Longevity	Team	Support		Advocate(s)		
					DGARTES	City Council	Position	Age	Gender
CO1	Performing arts festival	Centre	> 15 years	0 (3) ²		✓	Director	53	F
CO2	Theatre company	North	> 15 years	2 (4)		✓	Directors	44 43	M, F
CO3	Performing arts festival	AML ³	> 5 years	4	✓	✓	Director	32	M
CO4	Music festival and venue	AMP ⁴	> 15 years	6	✓	✓	Director	45	M
CO5	Theatre project	North	> 15 years	10	✓	✓	Director and Production Coordinator	50 42	F, M
CO6	Theatre company	AML	> 20 years	10	✓	✓	Production Director	48	F
CO7	Performing arts venue	Alentejo	> 20 years	10	✓	✓	Director	36	M
CO8	Performing arts venue	Centre	> 20 years	14	✓	✓	Financial Director	49	F
CO9	Theatre company and venue	Centre	> 20 years	15	✓	✓	Director	31	M
CO10	Theatre company	AML	> 20 years	>15		✓	Director	52	M

Table notes:

¹The organisations are numbers according to their size – number of employees.

²The numbers in parenthesis refer to the number of employees in the regular activity of the organisation, prior to recent cuts in public funding. In the case of CO1, while the association that is responsible for the festival in question still exists, the cut in funding demanded to cut contractual ties until next funding is available.

³AML – metropolitan area of Lisbon (área metropolitana de Lisboa)

⁴AMP – metropolitan area of Oporto (área metropolitana do Porto)

Table 2. Private companies (PC)¹

Interviewee	Economic Activity	CAE	Geographic Area		Longevity	Size ³	Advocate		
							Position	Age	Gender
PC1	Natural Cosmetics	47191 20420	Centre	Urban	> 10 years	Small	Manager	42	M
PC2	Media	58130	Centre	Urban	> 20 years	Small	Manager	49	F
PC3	Plants	1191 20152 2400 43991	AML ²	Rural	> 20 years	Medium	Marketing director	25	F
PC4	Furniture	31010	Centre	Rural	> 20 years	Medium	Project manager and business developer	41	F
PC5	Engineering	42990 38220 38212 45200	North	Urban	> 70 years	Large	Art gallery manager	37	F
PC6	Food	46370 47112	Alentejo	Rural	> 60 years	Large	Sponsorships manager	41	F
PC7	Engineering	69200 62010 47410 70220	Centre	Urban	> 40 years	Large	Event manager and marketing team	36	M

Table notes:

¹The organisations are numbers according to their size – number of employees.

²AML – metropolitan area of Lisbon (área metropolitana de Lisboa)

³The classification of companies sizes was done according to number of employees, as indicated by Portugal2020. The volume of business was not taken into account. <https://portugal2020.pt/glossario/pme-pequenas-e-medias-empresas/>

Table 3. Companies' motives for engaging in partnerships¹

N	Reasons	Private Companies	Cultural Organisations
1	Emotional or affective relationship with the project		CO1, CO4, CO8, CO9, CO10
1.1	R1 but due to geographical proximity		CO1, CO8
2	Brand awareness	PC1, PC3, PC6, PC7, PC4 ²	CO2, CO3, CO5, CO7, CO10
3	Visibility	PC1, PC3, PC6, PC7, PC4 ²	CO3, CO4, CO6, CO9
4	Personal relationship with the project or its people	<u>PC2</u>	CO2, CO9, CO10
5	Charity or merely helping the organisation	PC1, PC2	CO2, CO9
6	Accumulated spending		CO6, CO10
7	Retributing to society	PC2, PC4, PC3 ³	CO5, CO7
8	Financial return		CO1
9	Personal taste	<u>PC4</u>	CO4
10	Balance of activities		CO7
11	Social capital		CO7
12	Human development	PC5	
13	Match with the company's values	<u>PC1, PC3, PC4,</u> <u>PC5, PC6, PC7</u>	
14	Continuity of a line of support	<u>PC7</u>	

Table notes:

¹Some answers resulted from the question of what reasons companies have to choose some organisations or projects in detriment of others and these are identified by being underlined

²PC4 mentioned this motive for other organisations and not for themselves.

³PC3 addressed benefiting the society but did not mention any kind of retribution.

Table 4. Challenges identified in these partnerships by Cultural Organisations

N	Difficulties	Cultural Organisations
1	Unpredictability of private support	CO1, CO5, CO6, CO7, CO9, CO10
2	Lack of time	CO4, CO6, CO9
3	Notion of culture as the poor party	CO2, CO3, CO8, CO9
4	Lack of knowledge on the potential of these partnerships	CO1, CO5, CO7, CO9
5	Companies choose projects of higher visibility	CO2, CO4, CO5
6	Restricted access to key contacts	CO1, CO7, CO10
7	Being located in rural areas	CO2
8	Combining art with sustainability	CO1

Table 5. Challenges identified in these partnerships by Private Companies

N	Difficulties	Cultural Organisations
1	Lack of resources	PC1, PC2, PC4
2	People involved	PC6
3	Poor communication	PC3
4	Low flexibility	PC7
5	Existing prejudice	PC5