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Regional public subsidies for the media in Spain: amounts, beneficiaries and impact on income statements

Abstract

This article analyses public subsidies for the media awarded by Spain's autonomous communities in the years 2018, 2019 and 2020. The aim is to establish the amounts and the number of beneficiaries, as well as what such subsidies represent as a proportion of the main beneficiaries' operating incomes. To that end, 38 calls for applications for subsidies issued by nine autonomous communities were analysed, as were their respective decisions. The total amounts, the itemised subsidies received by each media outlet, and the three main beneficiaries per call have been identified. For the main beneficiaries, the subsidies as a proportion of their operating incomes have been calculated. It is concluded that the press sector received the largest volume of subsidies but is not very financially dependent on them. However, many examples of private radio and television outlets whose activities are maintained by public funding were observed. In the audiovisual sector, it was found that public subsidies represented more than 20% of some beneficiary's total declared income, and even up to 50% in some cases.

Keywords

Media, subsidies, beneficiaries, operating income, Spain.

1. Introduction

According to Article 2 of General Subsidies Law 38/2003 of 17 November, a subsidy is deemed to be any monetary provision made by the General State Administration of Spain, the entities forming part of the local Administration, the Administrations of autonomous communities, and bodies and other public-law entities with their own legal personality to public or private persons that meet the following requirements: a) that delivery is made without any direct financial consideration of the beneficiaries; b) that delivery is subject to the fulfilment of a specific objective, the execution of a project, the performance of an activity, the adoption of a particular behaviour, already met or realised or to be met or realised, or the existence of a situation, with the beneficiary having to meet the established material and formal obligations; c) that the aim of the funded project, action, behaviour or situation is to foster an activity of public utility or social interest, or to promote a public purpose.

In the international sphere, the International Accounting Standard (IAS 20) definition of official subsidies is as follows: "Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity."

When it comes to establishing a typology for said subsidies, three criteria are taken into account: a) the mandatory relationship to assets or income; b) the form the received provision takes; and c) the existence or otherwise of conditions imposed on the firm, which are linked to the subsidy award.

Thus, regarding the form of the provision, subsidies can be classified as monetary (cash transfers) and non-monetary (non-monetary or in-kind assets). They can also be classified as unconditional and conditional depending on the existence or otherwise of conditions imposed on the firm, which are linked to the subsidy award. Ciudad Gómez and Milanés Montero (2009, p. 37) distinguish between repayable and non-repayable subsidies.

A distinction should also be made between capital subsidies (long term, coinciding with the lifetime of the fixed asset funded) and operating subsidies, which fund an occasional liquidity problem or part of the productive cycle. The latter are always applied to the income statement for the financial year in which they are awarded, and their aim is related to operations and not investment, as is the case of employment and entrepreneurship subsidies.

Likewise, a distinction has been made between automatic subsidies, which are determined by objective criteria, and selective ones, when the Administration issuing a call for applications has a considerable margin of discretionality (Murschetz, 1998).

Furthermore, there has traditionally been a distinction between direct subsidies (e.g., those awarded directly to a media outlet) and indirect ones –aimed at making structural improvements to the sector as a whole.

In the case of the media, both direct and indirect subsidies have been a generalised phenomenon in Europe since the 1970s on grounds of plurality (de Mateo, 1990). In this respect, the United Kingdom, Germany, Ireland and Switzerland opted for indirect subsidies (Fernández Alonso & Blasco Gil, 2006), whereas other countries such as France, Belgium and Portugal combined such subsidies with direct ones (Murschetz, 1998).

Indeed, two approaches to the issue have arisen: protectionism and liberalism. The first advocates State responsibility for the media, whereas the second denounces the perversions generated by the acceptance of public subsidies (Almirón, 2008), thus giving rise to the debate about guaranteeing access to the media on the one hand, and government interference on the other (Colino Fernández, 2013; Arribas Reyes, 2014). At the same time, the effectiveness of those subsidies has been questioned (Ballester Esquivias, 2009). Moreover, authors like Murschetz have expressed concerns about the meaning of such subsidies. He notes that “state-supported journalism is synonymous with public-interest journalism and means publishing, broadcasting or circulating facts and opinions on what matters to society and covers topics that are vital for citizens to make informed decisions and choice” (Murschetz, 2019, p. 1).

However, that is not the reason why journalistic firms have demanded the existence of subsidies. This is something that has been evidenced by the financial and structural crisis of the press in recent years (de Mateo, Bergés & Garnatxe, 2010; Capos Freire, 2010), which has led to increased pressure from publishers on the issue of public policies of support for the sector (Arroyo Cabello, 2006; Campos Freire, 2011) in an attempt to save media outlets (Cagé, 2016) and to seek to allow them to adapt to new technological environments (Bustamante, 2008). Furthermore, it has been found that several countries (e.g., Austria, Belgium, Finland, France and Latvia) awarded Covid-19-specific subsidies as a consequence of the pandemic (Bleyer-Simon & Nenadic, 2021).

In light of such petitions, the Administration in Spain has basically left the awarding of subsidies in the hands of Spain’s autonomous communities, or self-governing regions (Morales, 2006; Galletero-Campos & López-Cepeda, 2018). Thus, besides these regional subsidies, the awarding of national subsidies has become limited to the Ministry of Culture (for general-topic magazines), the Ministry of Agriculture, Fisheries, Food and Environment

through the Biodiversity Foundation (for carrying out activities in the field of terrestrial, marine and coastal biodiversity, climate change and the environment), and the Ministry of Economy and Competitiveness (in 2015, for the promotion of scientific culture and innovation).

When analysing the regional subsidies, it was found that, since the 1980s, they had been marked by language criteria (Díaz Noci, 1998), whilst also seeking to strengthen the media sector and increase dissemination (Blasco Gil, 2008), and to promote reading and to enhance specialised journalism (de la Quintana & Oliva, 2012). In more recent studies (Aguado-Guadalupe & Blasco Gil, 2020), it was observed that, in relation to the justification for subsidies, most of them continued to be aimed at fostering own languages, boosting local media and promoting media literacy.

Meanwhile, such subsidies –alongside institutional advertising– have become grounds for controversy with regard to the distribution system (Aguado-Guadalupe, 2018), thereby giving rise to debate about their transparency. That quest for transparency has led to questions being raised about the suitability of direct and indirect subsidies, insofar as indirect ones are more difficult to allocate selectively, so “the lack of cash transfers from the state towards the media makes it harder for political actors to exert influence over news outlets via indirect subsidies” (Bleyer-Simon & Nenadic, 2021). Questions have also been raised about certain challenges faced by these subsidy systems, which “do not avert failure in the news media market and prevent effective policy governance” (Murschetz, 2020). All of these concerns have led to a reconsideration of State intervention in media issues, along the lines of the social responsibility theory of the media and the Hutchins Commission recommendations (Rodríguez Polo & Martín Algarra, 2008), which, in its final report, recommended that if public powers had to intervene, then such interventions should be positive, preventing monopoly and abuse, without establishing privileges for anyone, and correcting the blurring of the balance of press freedom.

2. Objectives and methodology

This study aims to identify the amounts allocated to media subsidies, who the main beneficiaries are, and what function public subsidies fulfil in the media system in terms of the financial viability of media outlets. To that end, calls for applications for subsidies issued by nine autonomous communities in the years 2018, 2019 and 2020 were analysed, with the following objectives:

- O1. To establish the amounts that the autonomous communities allocated to subsidies.
- O2. To identify the number of beneficiaries.
- O3. To check the impact of subsidies on the financial solvency of the main beneficiaries.

To conduct the study, the first step was to identify the calls for applications for subsidies issued by Spain’s autonomous communities in the years 2018, 2019 and 2020. In total, 38 calls were analysed. The purpose of the subsidy, its modality, the conditions that needed to be met to secure it, and the amount allocated to it were observed in each one.

The second step was to address the award decisions, to identify the number of beneficiaries, the individual amounts awarded and the main beneficiaries.

After identifying 1,792 beneficiaries in total over the three years analysed, those occupying the top three positions by the amount awarded in each decision were selected (191 beneficiaries) in order to establish the percentage that the subsidies represented in each year studied as a proportion of annual operating income.

For that purpose, the SABI (Iberian Balance Sheet Analysis System) database was used to check the annual accounts of the said beneficiaries for the financial years 2018, 2019 and 2020. Based on that information, what the subsidies received represented as a proportion of their respective annual operating incomes was calculated. Under the accrual method, the subsidy was deemed to have been credited when awarded regardless of it being paid at a later date.

This is so because, at the time of receiving the notification of the award, that credit was assured.

In order to access the data relating to the beneficiaries and the amounts received, it was necessary in some cases to resort to public information requests under the Transparency Law. That was the case for some calls issued in Andalusia and Catalonia.

Some beneficiary media were attached to city councils or not-for-profit entities (foundations) or associations, so access to their financial data was impeded because they were not compelled by law to publish their data in the Mercantile Register.

Based on the data collected, observations were then made of: the purpose of the calls for applications for subsidies, the type of call (whether it was competitive, monetary, direct, indirect or conditional), the beneficiaries, the total amounts allocated to each subsidy, the individual amounts awarded to each beneficiary, and the financial percentage that the subsidies represented in the annual accounts of the main beneficiaries as a proportion of operating income in each financial year.

3. Results

In the years 2018, 2019 and 2020, subsidies were identified in nine of Spain's 17 autonomous communities –Andalusia, Asturias, the Balearic Islands, the Canary, Catalonia, the Valencian Community, Galicia, Navarre and the Basque Country– for which calls for applications were mostly issued by the respective autonomous governments.

Regarding the purpose of these calls, language-related reasons, media literacy (Andalusia) and the improvement of local media distribution (Canary) predominated.

The amount of regional subsidies in the three years studied totalled €39,672,952.63, with 1,792 beneficiaries. The autonomous communities that awarded the most subsidies were Catalonia and Galicia.

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Table 1. Amounts and number of beneficiaries of media subsidies in Spain's autonomous communities (2018-2020).

Autonomous community	Amount	Benef.	Amount	Benef.	Amount	Benef.
Andalusia	2018		2019		2020	
Subtotal	500,000	23	51,888.69	34	--	--
Asturias	2018		2019		2020	
Subtotal	90,000	13	100,000	14	100,000	15
Catalonia	2018		2019		2020	
Paper periodical publications	4,238,000	173	4,094,000	183	4,125,000	196
Digital media	1,922,000	110	2,150,000	131	2,209,250	157
Radio	704,000	19	704,000	19	748,000	18
Television	615,000	20	615,000	20	646,000	19
Subtotal	7,479,000	322	7,563,000	353	7,728,250	390
Valencian Community	2018		2019		2020	
Local radio broadcasters and local/county-wide or specialised magazines and research journals	35,000	38	35,000	41	45,000	35
Written press	900,000	87	--	--	--	--
Digital press	900,000	--	--	--	--	--
Radio	400,000	--	--	--	--	--
Television	600,000	17	--	--	--	--
Subtotal	2,835,000	142	35,000	41	45,000	35
Balearic Islands	2018		2019		2020	
Local and specialised press	200,000	37	225,000	33	210,000	38
Daily press	275,000	2	275,000	2	180,000	2
Radio	125,000	4	150,000	4	75,000	5
Television	150,000	1	125,000	2	110,000	2
Subtotal	750,000	44	775,000	41	575,000	47
Canary Islands	2018		2019		2020	
Local Press	--	--	44,297.39	2	--	--
Subtotal	--	--	44,297.39	2	--	--
Galicia	2018		2019		2020	
Print publications	1,440,775.51	32	1,452,468.73	36	1,452,941.32	32
Private radio broadcasting firms	266,400	7	266,400	9	266,400	9
Journalistic firms with online dissemination	455,377	11	455,377	13	455,377	12
Subtotal	2,162,552.51	50	2,174,245.73	58	2,174,718.32	53
Navarre	2018		2019		2020	
Daily press	120,000	2	120,000	2	145,000	2
Magazines	300,000	12	300,000	12	325,000	12
Radio	180,000	7	180,000	8	210,000	8
Online media	30,000	7	80,000	8	100,000	8
Subtotal	630,000	28	680,000	30	780,000	30
Basque Country	2018		2019		2020	
Print newspapers	--	--	550,000	4	550,000	5
News agencies	50,000	1	50,000	1	50,000	2
Radio	--	--	50,000	1	50,000	1
Digital editions of print media	350,000	4	350,000	5	350,000	5
Subtotal	400,000	5	1,000,000	11	1,000,000	13
TOTAL	14,846,552.51	627	12,423,431.80	582	12,402,968.32	583

Source: Own elaboration.

3.1. *Andalusia*

In the case of Andalusia, subsidies were awarded in 2018 and 2019, for which calls for applications were issued by the Ministry of the Presidency. The purpose of the 2018 call was the improvement of media literacy and the promotion of press reading. The subsidies were competitive, direct, monetary and subject to project submission. They were conditional upon the budgetary amount of the project submitted by each entity, and on the number of inhabitants in the locations where the project would be implemented. The purpose of the 2019 call was the maintenance of local public radio broadcasting services. The subsidies were non-competitive, direct, monetary and unconditional.

The total amount allocated to the subsidies in 2018 was €500,000, with which 23 projects submitted by 23 different media firms were subsidised. The main beneficiaries were Joly y Cía, Publicaciones del Sur and *ABC*, which received subsidies ranging from €32,788.84 to €40,012.40. As a proportion of operating income, the amounts were not significant, representing between 0.05% and 1.06% depending on the case.

In 2019, 34 municipal radio broadcasters were awarded subsidies, with the main beneficiaries being Cúllar, Escacena del Campo, Doña Mencía, La Iruela and Arroyo de Ojoblanco, receiving €2,200 each. However, in the case of Arroyo de Ojoblanco, the amount was fully repaid.

3.2. *Asturias*

In Asturias, calls for applications for subsidies were issued in 2018, 2019 and 2020 for the social standardisation of the Asturian language and the Galician-Asturian dialects. The first two calls were issued by the Ministry of Education and Culture, while the third (2020) was issued by the Ministry of Culture, Language Policies and Tourism. The subsidies were direct, monetary, competitive and conditional upon carrying out the submitted project, which would contribute to the promotion of innovation.

In the three calls, it was found to be usual for a single applicant to be awarded subsidies for several projects, with the maximum being set at four. Thus, subsidies were awarded to 13 firms for 25 projects in 2018, to 14 firms for 25 projects in 2019, and to 15 firms for 25 projects in 2020.

Among the main beneficiaries were Espublizastur, Araz Net and Cuatro Gotes Producciones, and Europa Press Delegaciones in the agency modality. As a proportion of operating income, the 2018 amounts were significant for Espublizastur and Araz Net, representing 8.76% and 47.40%, respectively. Cuatro Gotes Producciones stood out in 2019 and 2020, when the amounts represented 14.43% and 16.27%, respectively. Of note is the fact that the profiles of funded projects were basically platforms and websites.

3.3. *Catalonia*

Catalonia is one of the autonomous communities with a longer history of media subsidies and calls for applications have been issued by the Ministry of the Presidency for many years now. In earlier times, however, such calls came under the authority of the Culture area. In the years studied, the calls for applications for subsidies followed the same pattern: five different calls depending on the potential beneficiaries: paper periodical publications, digital news media, radio broadcasters, television broadcasters, and not-for-profit entities linked to communication. It should be noted that the latter of the five was not an object of analysis in this study.

They were subsidies for media published or produced in the Catalan language or the Aranese dialect, so their purpose was language promotion. They were non-competitive subsidies linked to activities carried out before the call, and no subsequent conditions were attached to them.

The number of beneficiaries of these calls ranged from 300 in 2018 to nearly 400 in 2020, to which large amounts of public money were transferred (between €7.5 and €7.7 million). Of all the amounts allocated to media subsidies, this was the largest by far. As the number of beneficiaries was so high, their nature was very varied, and so too were their coverage areas, topics and periodicities. Of note is the fact that the media were not solely those based in Catalonia. Indeed, those published or produced in Catalan in other territories such as the Balearic Islands and Valencia were also beneficiaries.

The highest amounts were observed in media with the highest circulation or reach, among which were the generalist newspaper and radio outlets of the Grupo Godó –*La Vanguardia* and RAC1– which, in 2018, received €682,578.36 and €112,736.60, respectively. However, given their turnovers, these figures as a proportion of their declared incomes that year represented 0.76% and 0.47%, respectively. High percentages were not observed among paper press or news website publishers either, with the maximum ones being 3.47% for *El Punt Avui* in 2020, 5.27% for VilaWeb and 8.49% for NacióDigital in 2018.

However, a higher degree of dependence was observed in both radio and television, especially among local or county-wide broadcasters. Thus, Ràdio Olot received public subsidies that, as a proportion of its income, represented 20.74% in 2018, 22.48% in 2019 and 26.5% in 2020. The gradual increase experienced by Canal 21 de Televisión was similar: 17.73% in 2018, 19.41% in 2019 and 23.31% in 2020. In 2020, Televisió del Berguedà had the highest proportion of income from public subsidies, representing 40.33%.

3.4. Valencian Community

The case of the Valencian Community had several peculiarities because it did not have a sole body responsible for issuing calls for applications for subsidies, or indeed calls for every year studied. There was continuity in the Acadèmia Valenciana de la Llengua (AVL, Academy of the Valencian Language) –the academic body, independent from government, in charge of overseeing its own language, which awarded subsidies in each of the three years of this study. However, there was another call, this time by the Ministry of Education, Culture and Sport, which was issued in 2018 but not in 2019 or 2020, though it did resume in 2021.

Among other things, the difference between the calls by the two entities resided in the potential beneficiaries. In the first instance, calls were aimed at local radio broadcasters and local/county-wide or specialised magazines and research journals. In the second, they were aimed at radio, television, and paper and digital press regardless of the area or topic they addressed. In both, however, the subsidies had a language-related purpose, that of fostering the use of the Valencian language.

In the three years studied, the AVL's and the Government of the Valencian Community's subsidies were competitive (and in competition with each other in 2018), and the activities carried out the year before a call were analysed in terms of their promotion of the Valencian language.

In 2018, with the two competing calls, there were 142 beneficiary media outlets. However, in 2019 and 2020, when only the AVL awarded subsidies, there were 41 and 35 beneficiaries, respectively. Moreover, no subsidies were ultimately awarded to television firms following the 2018 call.

Regarding the subsidies received as a proportion of each firm's declared income, it should be noted that said proportion could not be calculated for the beneficiaries of subsidies awarded by the AVL because the majority were municipal radio broadcasters or publications published by not-for-profit foundations or associations whose accounts were not recorded in the Mercantile Register.

However, for the 2018 call issued by the Government of the Valencian Community, some interesting data became available after analysing its main beneficiaries. In the radio-broadcasting area, what stood out was the fact that the three main awardees were State-wide

radio outlets with territorial opt-outs (COPE, SER and Europa FM), and that is the reason why, as a proportion of operating income, the subsidies received (between €55,000 and €85,000) did not even represent 1% in any of the three cases. However, there was greater disparity in the press section, even though the percentages were all relatively low. As a proportion of income, the subsidies received by the leading newspaper in the region, *Levante-EMV*, for both its website and paper publication did not even reach 1% (some €120,000), but the sum of €49,511 received by the newspaper *Superdeporte* represented 1.9%, whereas the sum of €45,474 received by *El Periódico de Aquí* represented 7.64%.

3.5. Balearic Islands

The Balearic Islands issued calls for applications for media subsidies in all the years analysed (2018, 2019 and 2020). The calls were always issued by the Government of the Balearic Islands: in the first two years by the Ministry of Culture, Participation and Sport, and in the last year, after the regional elections of 2019, by the Ministry of Education, Universities and Research.

This change also led to some modifications. In 2018 and 2019, the Government of the Balearic Islands issued three different calls for applications for subsidies: one for local press and specialised press written in Catalan, another for daily press written in Catalan, and a third aimed at audiovisual media broadcasting in Catalan (with a distinction being made between radio and television). However, the system was simplified in 2020, with one called being issued for all of the different modalities from the previous years.

In the three years studied, the subsidies were competitive, so the applications had to be ranked on a scale established for each call. They were subsidies for media whose activities were carried out in Catalan or whose volume of hours or pages in that language had increased, so the amount received was based solely on parameters prior to the application for the amount.

After examining the applications made, it was found that, depending on the year, there were between 41 and 47 beneficiary media of very varied characteristics, though the majority were those benefiting from the line of subsidies for local press and specialised press written in Catalan. In contrast, and as a result of the Balearic media ecosystem itself, in the line of subsidies for daily press in Catalan, there were only two beneficiaries of the three calls and they were always the same ones, the newspapers *Ara Balears* and *Diari de Balears*, the only publications of such characteristics in the territory.

Meanwhile, and as expected, there was little variation among the radio and television beneficiaries in the years studied; only a slight increase in the number of beneficiaries was detected.

Regarding the subsidies received as a proportion of each firm's declared income, the cases showed very disparate realities. While the identified maximum proportion did not exceed 8% of annual income in the majority of local or specialised publication cases, the situation was very different in the other two areas.

Thus, in relation to the two daily press publications and according to the data available in the Mercantile Register, the 2018 subsidy of €144,535.94 for *Ara Balears* represented 16% of the firm's income in that year. No published data were available for the following two years when the subsidy was similar, or for the second beneficiary publication *Diari de Balears*.

Regarding audiovisual media, the firm managing Canal 4 radio and television –the private regional television outlet– received subsidies in the sum of €160,000 in 2018, representing 10.44% of its income, and reached €641,065 in 2019, or 43.18% of its income. Similarly, the firm operating *Televisió d'Eivissa i Formentera* received 35.61% of its 2019 income from public subsidies amounting to €193,008.

3.6. *Canary Islands*

The Government of the Canary Islands was the issuer of a call for applications for a subsidy that, due to its characteristics, had no comparison in other autonomous communities. It was a call issued by the Ministry of Economy, Knowledge and Employment, exclusively aimed at the paper daily press for the purpose of meeting the costs of transport between the islands.

Calls for this subsidy were historically issued every two years, though they rightly intended to meet the costs for a two-year period. Thus, in the period of our study, we only found one call, which was in 2019, for a subsidy amount of €300,000 to compensate for the costs of transporting the daily press between the islands in 2016 and 2017. The call set out that the subsidy would be awarded to applicants under conditions of equality depending on budgetary availability. The award was neither competitive nor conditional, as the costs corresponding to past financial years were what counted.

Despite the amount available for the 2019 call, only two firms were the beneficiaries. They were awarded just over €44,000 in total, an amount that was much lower than the one available. The largest share went to Canaria de Avisos, the publisher of *Diario de Avisos*, which was awarded a subsidy (€40,152.89) that only represented around 1% of its income that year. The other beneficiary was García y Correa, a distribution company whose activities were not linked to communication according to the Mercantile Register. It received a subsidy of €4,000, which only represented 0.03% of its income.

3.7. *Galicia*

In Galicia, calls for applications for two modalities of subsidies were issued by the General Secretariat for Media in the three years studied (2018, 2019 and 2020). In both cases, the subsidies were non-competitive, monetary, direct and conditional.

One of the modalities was aimed at print newspapers, journalistic firms with online dissemination, and private radio broadcasting firms. The subsidies were subject to news activities being aimed at encouraging the defence of the identity of Galicia, the promotion of its values, language standardisation, and the defence of the culture. Applicants also had to prove that they had an average active workforce of at least five employees and had to make and disseminate or broadcast all or part of their news output specifically in Galician territory. Those that did not do so were excluded. Beneficiaries had to commit to maintaining or gradually increasing the use of the Galician language in broadcasts or articles.

In the other modality, subsidies were aimed exclusively at journalistic firms with periodical publications written entirely in Galician, since they sought to expand and disseminate the standard Galician language and Galician culture. In this case, a maximum amount for the call was not specified, while a maximum amount per publication was. Depending on the call, the latter was set at €35,000 and €40,000, though the maximum amount awarded was €35,000, which went to *Sermos Galicia* in 2018.

The highest amounts were allocated to print newspapers. The main beneficiaries were *La Voz de Galicia*, *El Faro de Vigo* and *El Progreso de Lugo*. Across the three calls, *La Voz de Galicia* received €1,875,305.50 in the print media modality and €972,599.12 in the online dissemination modality. In the 2019 and 2020 calls, *El Faro de Vigo* received subsidies totalling €482,799.33 in the print media modality and €146,832.21 in the online dissemination modality. *El Progreso de Lugo* received subsidies of €428,932.21 in the print media modality and of €72,259.41 in the online dissemination modality. Despite what such amounts might represent in absolute terms, their impact on the operating incomes for each of the years studied was below 2% in all three cases.

In the radio broadcasting firms modality, the main beneficiaries of subsidies in the three calls were Radio Popular (€231,936.28 in total) and Uniprex (€185,985.46 in total). However, the impact of these on annual operating income was very low, at somewhere between 0.06% and 0.09%.

In general, regarding what such subsidies represented as a proportion of operating income, for the majority of beneficiaries it was between 0.06% and 2%. The only exceptions found in this regard were *Sermos Galicia* (the subsidy represented 10.11% of operating income in 2018 and 6.04% in 2019) and Radio Orense (the subsidy represented 3.87% of operating income in 2018).

3.8. Navarre

The Chartered Community of Navarre is another autonomous community that made media subsidies available for language-related reasons. In this case, the body issuing the call for applications was the Navarre Institute of the Basque Language (Euskarabidea), which, despite being an independent body, is attached to the Department of Citizen and Institutional Relations.

A single call across all three years studied was found, which was aimed at the same potential beneficiaries: the press, radio outlets and online media that wholly or partially used the Basque language for their communication activities. Since the aim of the subsidies was to foster the language's use, they were based on projects to be carried out and conditional upon their implementation, with competition between the applicants for the budget amount.

In this regard, it was found that the budget in Navarre had increased from €630,000 in 2018 to €780,000 in 2020, from which around 30 media outlets benefited. Standing out among these outlets were magazines, radio broadcasters, websites and –as is the case in some of the other communities in terms of being eligible to receive subsidies– media broadcast or disseminated in the territory of Navarre, even though the media firm might be located in another autonomous community (the Basque Country).

Regarding the subsidies received as a proportion of each beneficiary firm's declared income, the difficulties in terms of being able to find these data should be noted. Indeed, the majority of subsidy beneficiaries in Navarre were not-for-profit foundations or associations that did not openly publish their accounts. Thus, the main beneficiary year after year was the magazine *Ttupi-ttapam*, with amounts between €129,158.76 in 2018 and €143,412.47 in 2020, followed by *Guaixe*, with €71,867.13 in 2018 and €76,387.65 in 2020, both published by foundations with the same names as the publications.

In the daily press area, the two beneficiary publications *Berria* and *Diario de Noticias* received public subsidies representing at most 1.25% of their incomes in the years studied. This percentage was more or less the same for the studied magazines and websites for which we managed to obtain data. Of note, however, is the degree of increasing dependence of one audiovisual media outlet, Euskalerrria Irratia, which received €76,075.20 in subsidies in 2019, representing 18.4% of its income, and €98,338.25 in 2020, representing 32.62%.

3.9. Basque Country

In the Basque Country, calls for applications were issued for subsidies aimed at increasing the presence of the Basque language in Spanish-language media in 2018, 2019 and 2020. All the calls were issued by the Vice-Ministry of Language Policy. These subsidies were direct, monetary, competitive and conditional. Depending on the beneficiary profile, certain criteria had to be met, including those relating to language, the area of publication, distribution, periodicity, dissemination of a minimum number of original journalistic pieces in the Basque language, the minimum weekly number of pages in the Basque language, the retail price and the hit count.

In 2018, subsidies were aimed at print media and news agencies. In 2019, those able to benefit were paper newspapers, digital versions of print newspapers mainly using the Spanish language, analogue radio broadcasters, and news agencies disseminating news in the Basque language online. In 2020, subsidies were aimed at newspapers, analogue radio broadcasters, and news agencies that also disseminated news in the Basque language online.

It was found that the amounts had increased, as had the sectors that could benefit from the subsidies, though the one that clearly had the highest budget allocated to it was print newspapers (€550,000 per call).

In the majority of cases, the subsidies represented between 0.15% and 4% of operating income, though there were exceptions. This was the case of Radio Segura, whose public subsidies represented 37.71% of operating income in 2019 and 41.03% in 2020.

4. Conclusions

After analysing the calls for applications for media subsidies in 2018, 2019 and 2020, a high impact on the regional media ecosystem was observed as a result of subsidies awarded by the different administrations studied, with tens and even hundreds of beneficiaries each year. This revealed the considerable importance of such a public policy.

The study of the calls showed that the majority of the subsidies were direct ones for operations, either in recognition of activities carried out or as compensation for them. In fact, four of the nine analysed autonomous communities awarded subsidies that were conditional upon the implementation of a project for which an application had been submitted.

Regarding the subsidy distribution method, competition between applicants was the predominant system: in six of the nine autonomous communities, the available budget was distributed among the awardees in accordance with the score obtained on a scale established on the basis of objective, regulated criteria in each case. The awarding of subsidies was independent from the number of subsidy applicants in only three cases.

While attempting to establish a common diagnosis of a phenomenon detected in nine autonomous communities, it is important to highlight the disparity of budgets allocated to this public policy that, overall, amounted to €15 million in 2018. The top-spending autonomous communities were Catalonia (between €7.5 and €7.7 million), Galicia (over €2 million) and the Basque Country (€1 million). Among the autonomous communities at the opposite end of the spectrum were Asturias (around €100,000) and Valencia (€45,000 in 2020, compared to €2.8 million in 2018). Despite the noted exceptions, there was an upward trend in public budgets allocated to this media policy over the three-year period studied.

In the analysis by sub-sectors, it is striking to find that the paper daily press was the sub-sector that had a higher allocated budget in the calls across all autonomous communities, even though higher production costs have historically been attributed to the audiovisual sector.

However, despite being the sub-sector with higher amounts in terms of both budgets and individual amounts received (see the cases of *La Voz de Galicia*, *La Vanguardia*, *Levante-EMV* and *Berria*), it did not seem to be the most dependent one based on the analysis we performed.

With the exception of *Ara Balears*, and taking into account the study of subsidies as a proportion of income declared by the main beneficiaries of each call, the press sector did not display any excessively significant percentages. It can therefore be concluded that despite it being a sector that benefits highly from this public policy, its financial independence is not brought into question.

Conversely, it is in the audiovisual sector where the most glaring situations of dependence on public subsidies to support its media activities are clear to see. Such cases include the local or county-wide broadcasters Ràdio Olot, Canal 21 de Televisió and Televisió de Manresa in Catalonia; the regional Canal 4 and the insular Televisió d'Eivissa i Formentera on the Balearic Islands; the metropolitan Euskalerrria Irratia in Navarre; and Radio Segura in the Basque Country. In all of them, public subsidies represented more than 20% of total declared income, and even up to 50% in some cases.

Finally, it should be noted that this study was limited to the analysis of the impact of media subsidy policies on the annual accounts of beneficiary firms, and that other initiatives

that also have the potential to swell the accounts of private media outlets through public funding were not taken into account. Such initiatives include institutional advertising, editorial commissions and bloc subscriptions.

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