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Cultural Entrepreneurship

Cultural Entrepreneurship (also referred to as culturepreneurship or art entrepreneurship) characterizes a sphere of activities with subject to constant change between once unconnected fields of the arts, the cultural and business sector. This ambivalence ideally demands for a visionary **personality** willing to take risks with alertness to revenue-generating arbitrage that is capable to master, mediate, and interpret a complex and contradictory **process** from the creation of novel cultural ideas, methods, or artefacts through their social acceptance and usability as cultural innovations up to, first and foremost, exploiting their commercial potential as cultural goods and services. This transfer and conversion capacity requires a lifestyle of permanent reinvention, positive self-esteem and unconventional solutions embedded in a creative and open-minded **context** (or environment).

The **personality** or ‚species‘ of cultural entrepreneurs encompasses pioneer spirit, is risk-taking and almost plainly obsessed to accomplish objectives of self-fulfillment, independence and propensity. It unifies the features of entrepreneurs according to Schumpeter. Moreover, successful cultural entrepreneurs need to invent themselves and stand out in the crowd, prioritize ideas over data, balance between isolation and socializing, learn endlessly and, most importantly, have fun in order to realize a creative ‚flow‘ of ideas. Despite their passion and commitment in terms of the artistic content, the main task is to convert and polish raw artifacts and ideas into valuable cultural products or services by convicting artists, curators and patrons, acquiring necessary funds and collecting donations as well as forecast market trends and consumer tastes through prudence, courage and faith. What distinguishes cultural entrepreneurs, from artists, performers or curators, is their focus on abilities to valorize novel cultural ideas, methods or artifacts, often originating from third parties (e.g. these same artists, performers, and practitioners) on the one hand. A certain degree of meaningful novelty, however, must be assured, a pure duplication (e.g. mass copying of CDs is the domain of cultural managers) or arbitrage-based value creation (e.g. buy at lower and selling at higher prices, art dealers) is not sufficient on the other hand (see table 1).

The **process** of cultural entrepreneurship is multifaceted and paradoxical. It needs to balance between the creative, functional and productive component of cultural entrepreneurship with an emphasis on the latter (see table 1). The creative component encompasses stages of preparation, incubation and illumination (or the ‚light bulb‘ moment) characterized by considerable uncertainty, which after verification for meaningful novelty (in other words the cultural entrepreneur has to become aware that s/he created something new) ultimately leads to the initiation or interpretation of the novel cultural idea, method or artifact. The functional component aggregates stages of realization, communication, and application where the cultural idea/methods/ artifacts is ‚validated‘ or tested, or evaluated by a group of experts, a broader audience or the whole public for its usefulness. Eventually, the productive component follows with a market launch, a mass replication and diffusion, where finally the market forces themselves select if the cultural idea/ method/ artifact generates economic rents or not. Besides the initiation, interpretation or application, it is the very nature of exploitation of cultural content by transforming ideas into marketable goods and services, which excels successful cultural entrepreneurs.

(insert table 1 here)

The **context** (or environment) in which cultural entrepreneurs conduct their work influences their personalities and processes. This environment also determines what is recognized as creative, useful or valuable on the cultural marketplace. Thus, though cultural entrepreneurs may feel creative, the context may not confirm this belief, and it is the context that ultimately settles the matter. Social relationships, permanent exchange and face-to-face contacts with artists, cultural intermediaries and curators next to accurate observation of consumers' trends, tastes and lifestyles form an essential link here. Moreover, the cultural entrepreneur should not merely be considered as a lonely individual pursuing a personal vision, but also as a social agent embedded in cultural communities, because this is the only way that his/her cultural work is recognizable by others. Spatial and cognitive proximity to cultural districts, milieus or neighborhoods – in other words agglomerations of cultural activities – enhance each entrepreneur's ability to observe, assess, and learn from the success and failures of others. Unsurprisingly, residents of the local area will establish a significant proportion of emergent entrepreneurs in an agglomeration. A critical role should be therefore given to collective work in creative and cultural laboratories, rehearsal rooms or temporary projects – no matter if as freelancers, in micro-, small and middle enterprises or in corporate conglomerates.

Challenges and bottlenecks

Although there are skilled cultural individuals spanning their activities across the range of **all three components of cultural entrepreneurship** (see table 1) in very rare cases, the majority of artists and cultural practitioners attach great significance to cultural integrity, creative originality and is awkward with the label 'entrepreneur'. This fact stems from the antagonism between a so-called 'high culture' (e.g. the arts – with no commercial interest – once predominately exercised by the elites, as art for the art's sake) and 'low culture' (e.g. popular or peoples' culture – with a commercial background to make a living or to entertain the masses). This distinction emerged in the 18th century and led to a clash of binaries like elite vs. mass, art vs. entertainment, ideal vs. commercial, intrinsic vs. instrumental, citizen vs. consumer, critical vs. passive, public vs. market or finally culture vs. economics – the opposite of the very essence of cultural entrepreneurship. For a long time, this attitude resulted in an absence of recognition from economists and politicians, and traditional lack of support from society (although this is changing). Missing funding opportunities and peculiar characteristics of cultural goods and services, namely: uncertain demand, unlimited variety, difficult to calculate inputs or requirement of diverse skills complicated valorization of cultural content on markets.

Times, however, are changing. The liberalization of cultural markets, more disposable income and leisure time, and digital exhibition as well as distribution mechanisms led to an integration and convergence of culture and the economy under slogans of the aestheticization of the economy or the commodification of culture. The latter created new cultural markets. Nowadays, an increasing number of artists, performers and cultural practitioners but also fashion designers, interior decorators, or owners of trendy restaurants are willing to acquire uninitiated expertise (e.g. general management skills) in order to avoid freelance and part-time engagements (e.g. taxi driver, bartender) besides the core of their occupation. The freedom to manage their own time and abilities compensates for the unpredictable nature of their working environment, and irregularity of their income. For instance, advances in social media (e.g. sound cloud, pinterest) to communicate (e.g. social networks, instant messengers), to disseminate (e.g. Weblogs, Webinars) or to share information (e.g. picture sharing, vlogs, podcasts) about cultural goods and services allows for durable rents, greater knowledge and transparency as well as for novel financing schemes like crowdsourcing.

Nevertheless, precarious working conditions, high business risks and dependence on multiple jobs remain on the agenda of cultural entrepreneurs. These problems arise from the fact that only few cultural entrepreneurs rise to stable financial conditions or fame and glory. The so-called ‘winner-takes-it-all-model’ describes this income structure, which is comparable to a pyramid where only few are able to make a living from their core businesses.

Examples of those cultural entrepreneurs who were able either to convince artists with their visions or had the ideas that fitted into the zeitgeist or consumers’ needs were or are: Richard Wagner (revolutionized the production of opera through theatre design, conducting and dramaturgy), Andy Warhol (created pop art within the visual arts movement), Richard Branson (transformed recording business among others) or Madonna (developed a new dimension of self-merchandizing with a variety a products in fashion, design, music, film or gyms).

social type	instances	focal characteristics	components
Artist	writer, painter, composer	novel (initiating cultural ideas, methods, artifacts)	creative component of cultural entrepreneurship
Performer	dancer, actor, musician	novel (interpreting cultural ideas, methods, artifacts)	
Cultural practitioners	art teacher, cultural operators, cultural sector workers, curators	useful (transfer, application and publicity of cultural ideas, methods, artifacts)	functional component of cultural entrepreneurship
Cultural businessmen	cultural entrepreneurs, cultural managers, art dealers	valuable (valorization of cultural ideas, methods, artifacts)	productive component of cultural entrepreneurship

Table 1 Range of activities of different cultural stakeholders

Further Readings

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