

Cultural Entrepreneurship in a Post-COVID World

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On the creative economy, the UN's Year of Creative Economy for Sustainable Development, and putting culture to work in recovery.

2021 marked the beginning of some semblance of recovery from Covid-19 and also was declared by the United Nations the International Year of Creative Economy for Sustainable Development. The U.N. recognized that the pandemic would likely cost 225 million jobs in 2020, leading to trillions in lost income.

Specific to the cultural and creative sectors, the impact has been colossal. The shutdown of live music and performance venues has affected roughly 30 percent of royalties collected by authors globally, and the film industry lost an estimated \$7 billion in 2020. Museums and cultural organizations have been particularly hard-hit: In a survey of over 850 museums, they were shown to have lost an average of \$850,000 each in 2020. In part to the disruption caused by the pandemic, the creative world, and cultural industries are, like the rest of the planet, at a crossroads.

While cultural and creative industries account for roughly 3 percent of global GDP, it is a sector that has consistently grown twice as fast as the overall economy for many years in the decade preceding Covid-19. At the same time, we've seen how cultural-driven entrepreneurs and organizations wherein creativity is considered an investment are consistently some of the best-performing companies worldwide.

What is Cultural Entrepreneurship?

Coined by art historian Paul DiMaggio in 1982, the term denoted the attempt by elite, nineteenth-century Bostonians to carve out separate categories of high versus low culture. It represented an elite social class eager to establish a taste-based hierarchy, founded on a synergy between capital and culture, and symbolized by the establishment of institutions like Boston's Museum of Fine Arts and Symphony Hall.

The term has changed dramatically since then. Our understanding of cultural entrepreneurship is broader, more enterprising, inclusive and organic than previously thought.

Today, we recognize in the term both the economic power of creative industries and the unique strength that creative individuals bring to traditional entrepreneurship as leaders, managers and innovators. A McKinsey report from 2017 found that creative-led firms outperformed their competition in revenue growth, return to shareholders and overall enterprise value. Another report found that "design-led companies had 32% more revenue and 56% higher total returns to shareholders compared with other companies."

Recent activity in the business world offers further proof and inspiration. Following Square's acquisition of Jay-Z's music streaming service, TIDAL, Square (and now former Twitter) CEO Jack Dorsey said,

“New ideas are found at the intersections, and we believe there’s a compelling one between music and the economy.” These words could be easily extended to the creative and cultural industries as a whole.

Artists, cultural producers, facilitators and entrepreneurs share the bold, courageous capacity to navigate risk, to find an opportunity in the market and see the world in different ways. As creatives, our diverse backgrounds, origins and experiences make us extremely powerful.

What Models are There?

How do we create models, frameworks or systems to help ensure greater success and longevity for entrepreneurs who interact in creative fields? UpStart Co-Lab is one organization that has responded to the UN resolution with a strategic investment model aimed at supporting emergent artists and creators around the world through a variety of programs. The UN said that impact investment was perhaps the best way to support communities of cultural entrepreneurs whose livelihoods have been jeopardized by the global health crisis.

There are numerous organizations working as incubators, accelerators and hubs for creative professionals to network, rapidly develop and market their work. For instance, ResiliArt, a partnership between UNESCO and CISAC, offered support through organizational guidelines and best practices for those wishing to organize community-led debates that could highlight and find solutions for the problems faced by cultural entrepreneurs. According to the guide, “While the physical threat posed by COVID-19 will subside, the devastation brought to the entire culture value chain will linger for many months to come.”

Facilitators like NEW INC, Techstars Music Accelerator, ArtTech Foundation and The Literoom offer startups, investors and industry experts a platform to network and engage with various creative industries. Creative Startups, the largest online incubator for creatives, has raised millions for young, diverse companies. Investment funds like England’s Edge VC and the French-led ArtNova and Group Caisse des Dépôts see cultural entrepreneurs and the increased demand for digital delivery of cultural products as a major economic opportunity. Whether old or young, each of these organizations is tapping into a market with huge potential for future growth.

Putting Culture to Work

For over a decade, methodologies like The Lean Startup have helped many entrepreneurs get their projects off the ground. Now is the time for the development of a cultural entrepreneurship canvas to help creative entrepreneurs, as well as museums and cultural institutions, support development goals and pandemic recovery. Leaders can foster support for creators, work with creative-run businesses to build public/private partnerships, provide toolkits and “hubs” for creators and entrepreneurs to congregate, and share data to ensure institutions in the developing world may receive much-needed support.

We need to see culture as core to the economy and not separate from it. From my perspective, cultural entrepreneurs will be the critical workforce to bridge the misconception that they are distinct sectors of society. Governments, private institutions, cultural businesses and entrepreneurial creators should work

together to share information, develop new models and innovate in fields such as designing digital experiences, facilitating networks and technological innovation in tandem with healing the damaged planet.

New Challenges Call for Creative Solutions

As development goals and Covid-19 recovery goals synergize, creators, artists, design-led organizations and cultural entrepreneurs should play a leading role. Visualizing, planning and managing complex projects are things that creatives do well. It will take grit and originality to design projects that dovetail with environmental, developmental and social goals that can revitalize devastated communities of creators and cultural institutions worldwide. As with the new challenges that have arisen, creative solutions will be required — and the creative entrepreneur might hold an unexpected answer.

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