Production networks in the cultural and creative sector

case studies from the visual arts industry

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Production networks in the cultural and creative sector: case studies from the visual arts industry

Project name	Creative Industries Cultural Economy Production Network
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Work package	The CICERONE project consists of seven work packages (WPs). This report is part of WP2, which constitutes the empirical backbone of the project. WP2 contains case study research that focuses on networked production in eight cultural and creative industries: 1) architecture, 2) archives (including libraries and cultural heritage), 3) artistic crafts, 4) audio-visual media (film, TV, videogames, multimedia) and radio, 5) design, 6) festivals, as well as performing and visual arts, 7) music and, 8) publishing. The purpose of the case study research is to understand key linkages and mechanisms within real-life production networks in the cultural and creative sector (CCS) and the relationships of these networks to context-dependent variables. Drawing on the case study research, the CICERONE project explores a policy framework that may contribute to enhancing policy support for the cultural and creative sectors. Furthermore, the case study research facilitates the identification of gaps in extant sources of quantitative data, suggesting approaches on how these gaps can be plugged. For this reason, WP2 is not just the empirical backbone of CICERONE, it also provides critical inputs for the work in other WPs (most notably WP4 and WP6). This deliverable (D2.6b) reports on the case studies on the visual arts industry. Together with the reports D2.1 to D2.5, D2.6a, D2,7 and D2.8, it provides strategic snapshots of the rich and variegated tapestry of European production networks in the CCS. All the deliverables from the CICERONE project are publicly disclosed on the project's website www.cicerone-project.eu and through its Zenodo community on https://zenodo.org/communities/cicerone-h2020.

Table of contents

List with tables and figures

Executive summary

The visual arts sector comprises various artistic activities created primarily for visual perception. The sector encompasses "all non-literary and non-musical fine arts" (EC, 2017, p. 40) and includes artworks of a visual nature such as paintings, crafts, photography, video, prints and sculptures (UNESCO, 2009). In this report, we attempt to provide an innovative way of understanding how production networks in visual arts function based on the global production network (GPN) approach. This analytical framework highlights the role of visual artists and other actors in the artworks' production, distribution, exchange and archiving. In addition, it includes the role of local, national and global conditions where the artwork is produced, emphasising the importance of different forms of embeddedness and power structures within networks. Utilising the key analytical building blocks of the GPN approach, we aim to provide a new foundation for effective policies at the EU, national and local levels targeted at economic activities in visual arts.

The report is divided into four chapters. The first chapter provides a literary review to discuss what is known about the visual art sector, laying the foundation for case study research. It zooms in on the types of goods and services, types of actors, their respective roles and activities, forms of embeddedness and policies at different scales. Central to discussing these issues is the lens of the GPN. The second chapter provides an exploratory statistical mapping of the visual arts sector to discuss the characteristics of the available data and their usefulness and reliability in mapping the activities of this cultural and creative sector. Here, we also seek to retrieve data through the GPN lens to outline relevant statistics for each production phase, identifying data gaps while recommending ways to collect (more) relevant data.

Thus, despite the limitations, the first two chapters focus on what the qualitative and quantitative data allow us to understand about the visual arts sector while providing an overview of things we do not know. We propose new ways of gathering relevant data to broaden our understanding of this sector, as discussed in Chapter 3. Utilising detailed case study research, we zoom in on different paths where visual artworks can be created, produced, distributed, consumed and archived.

In this report, we conduct three in-depth case studies: (1) Patty Morgan, a Dutch webshop for contemporary art, (2) Sibumski, a recently graduated visual artist and (3) Bulgarian participation in the Venice Biennale, the most prestigious international visual arts exhibition hosted bi-annually in the city. These cases allow us to showcase the diversity in the visual arts to expose causal relationships and reveal the sector's complexity, dynamics and values. For each case, we analyse a specific project to explore labour market dynamics (e.g. power relationships between actors, necessary skills, contracts and policy issues). As such, we analyse Patty Morgan's sales activities and Sibumski's creation of an artistic design while disentangling an entire art project. Utilising the GPN approach, we also analyse the economic activities and their broader context that bring an art project from “creation” to consumer sales and consumption. Moreover, we address crucial dynamics, such as Covid-19 and digitalisation, analysing how they present challenges and opportunities for the actors involved. In conclusion, we link the chapters to show how current available qualitative and quantitative data can benefit from detailed case study research using the GPN approach.

Key words

Visual arts, production networks, cultural and creative sectors, CCS, spatialising cultural production, spatial footprint, network governance

Introduction

Various approaches in the social sciences have distinguished common traits of the visual arts from different viewpoints. For instance, Arora and Vermeylen (2013) described visual artworks as "experience goods", a particular category of commodities for which key product characteristics (e.g. quality and price) are difficult to predict and must be assessed upon consumption. In contrast, Zorloni (2013) characterised visual arts as "information goods" whose market value is primarily based upon the information they contain. However, Resch (2011) considered visual arts as "investment goods": commodities with a high degree of durability and a relatively high probability of gaining value over time, hence, attractive investments. However, the uniqueness of visual artworks is where the products differ from commodities as investment goods. Each piece of visual art is unique (i.e. the singularity of artwork), so this key characteristic determines relationships between suppliers and consumers (Gérard-Varet, 1995).

From this perspective, in principle, artists have monopolistic positions because of the uniqueness of their products. However, relatively low entry barriers in start-up costs result in an oversupply with a frequently high degree of substitutability between visual artworks, which tends to erode this monopolistic position. Only artists on the "A-list" – well-known artists who have "made it" in the eyes of the public, their peers and critics – can command strong market power, thereby contributing to "winner-take-all" markets (Becker, 1982). In contrast, B-list artists are in much weaker positions with a higher degree of substitutability, so they face much fiercer competition, with each artist undermining others in their market position (EC, 2017). Olav Velthuis (2003, p. 470) observed that "[i]n most Western European countries and the United States, only a small percentage of artists can make a living from selling their work on the market".

Thus, being embedded in or having access to social networks is crucial for artists to deal with these insecurities, as artists often rely strongly on others to distribute and sell their work. Being formally educated at an art school often provides relevant skills and networks. In addition, many artists collaborate and share workplaces to save on rental costs – again, having a social network is vital for this option. As such, artists are ingrained in distinct *art worlds* ("the network of people whose cooperative activity, organised via their joint knowledge of conventional means of doing things, produces the kind of artworks that the art world is noted for"; Becker, 1982: p. x). Each art world consists of a specific configuration of artists, suppliers, gatekeepers, critics, customers and support systems involving non-profit organisations with public and private sector stakeholders.

Therefore, the process of creating art is embedded in a much wider world of art. This report highlights dynamics in the wider field by adopting the global production network (GPN) approach. We apply this analytical framework to three case studies: (1) Patty Morgan, a Dutch webshop for contemporary art,

(2) Sibumski, a recently graduated Dutch visual artist and (3) Bulgarian participation in the Venice Biennale, an international cultural exhibition.

Below, we explain the GPN approach in detail, after which a literary review presents information on the visual arts sector. First, the range of products, modes of production and type of markets are discussed. We then provide an overview of policy measures along different territorial scales, identifying relevant themes and trends, which, combined with a statistical mapping of the visual arts industry, ultimately help embed our case studies and justify our case selection. The third chapter discusses our case study findings, while Chapter 4 summarises how the GPN approach has allowed us to broaden our understanding of the visual arts.

The CICERONE approach to production networks

The point of departure for the analysis of the CCS is the Global Production Network (GPN) approach, which was developed by Neil Coe and Henry Yeung on the basis of the Global Value Chain (GVC) approach (Coe & Yeung, 2015; Kloosterman, Pratt, D'Ovidio, Greco & Borén, 2019). The GPN approach is increasingly used to unravel production networks that involve a complex cross-border spatial division of labour. Such production networks have proliferated across many sectors as a consequence of technological advances in communication and transport as well as due to the liberalisation and deregulation of trade (Kano et al. 2020). These processes have also affected (many) CCSs. However, the GPN approach has rarely been applied to them (Coe, 2015 is an exception). By opting for this innovative approach to the CCS, the CICERONE project generated new insights on its functioning.

In a sense, we have used the GPN method to spatialise. Sociological approaches were already proposed by Howard Becker (Becker, 1982), with his concept of the *art world*, and by Pierre Bourdieu (Bourdieu, 1996), who developed the concept of *field*. Both approaches, the differences between them notwithstanding (Buttero & Crossley, 2011), aim at embedding the process of creation into a broader societal setting and at going beyond the identification of individual genius. When we use the GPN approach, we cannot simply position the CCS in that broad context – we must also highlight its spatial footprint. We thus employ the GPN approach as a tool for analysing a wide variety of production networks in the CCS. In other words, the approach is a heuristic tool that explains how the products of the CCS progress from inception to sale and whether and how they may be preserved for future generations.

On the pages that follow, we first briefly summarise the key elements of the GPN approach that guided our fieldwork. Thereafter, we focus on the process by which we selected the units of analysis for our case studies. This section is followed by an explanation of the manner in which our sample of case studies lays the foundation for a concise typology of the CCS which can be used by policymakers to devise more targeted combinations of interventions to foster economic growth and employment as well as social and cultural diversity.

Key elements of the GPN approach

Phases and the spatial footprint

Evidently, the most obvious feature of the GPN approach is the carving up of the value chain into distinct value-adding stages which can unfold in different locations and which may involve different sets of actors (including other firms). We have inserted the archiving phase into the value-adding stages because many (if not all) of those who participate in cultural and creative endeavours draw on the works of their predecessors in one way or another (Pratt, 1997). Therefore, in the CICERONE project, we, in principle, distinguish between the following stages:

1) Creation (the initial conception of an idea or a set of ideas that define aesthetic quality),
2) Production (the realisation of those ideas through an actual good or service),
3) Distribution (the sale of the good or the presentation of the service in front of an audience),
4) Exchange (the wider setting which enables distribution), and
5) Archiving (the formal preservation of the cultural product).

Creation

It is in this part of the cycle that new ideas, processes or approaches are devised. The notion of "creation", in the sense in which the term is used here, is a social one – what is new is also relational, situated and conditional. Therefore, a "creative process", that is, a method, is involved ("design" is an example). Reference is also made to history and to previous instances of creation (the preceding stage). Sometimes, this is referred to as "ideation", that is, having ideas.

Production

An idea or a creative new thing remains provisional, potential and conditional until it can be stabilised or made. The intervening period is often called the prototype stage. Usually, the product is also developed during the multiple (or mass) production phase. Technology and labour costs, production decisions, and technological and regulatory standards affect costs and potential access to the products. Marketing and advertising are also relevant, but we allocate them to the exchange phase here.

Distribution or circulation

Products, even if they are new and unusual, are unformed and inaccessible unless they can be moved or migrated to markets or audiences. Physical distribution is clearly a key issue for access and reach. The same is true of digital approaches, which may overcome some barriers. Generally, distribution systems (or platforms) are expensive to develop and susceptible to monopoly control.

Exchange

Exchange is the stage at which the product of service engages the audience or customers. It is a critical moment of information exchange, and one in which (e)valuation occurs. That (e)valuation may take forms as varied as market transaction, participation or critique. Values are made and stabilised at this stage. Therefore, marketing and expectation setting provide a link to distribution. In the experience economy, and particularly in the cultural one, the negotiation of value is a critical element of the transaction, and institutions have been developed that normalise it and reduce risks. The engagement of the audience or consumer is also shaped directly by advertising and marketing – to refer to the previous stages once more, the exchange process can determine which products are available for production and distribution.

Archiving

Since cultural value is relational, history and cultural diversity always interact with the present. Moreover, the process of reflection and learning (or that of rejection) is part of the critical appreciation of culture. The archiving of culture creates both normative structures that enable cultural production systems and the disruptive elements that facilitate new approaches. This stage also includes education (of audiences or consumers as well as of creative practitioners), institutions such as universities and media systems, and repositories such as libraries, museums and galleries. It is at this point that heritage is identified and later mobilised via the production system. More generally, archiving constitutes the resource from which new ideas are developed, which refers back to creation.

Source: D'Ovidio et al., 2019

We treat this model of the phases as a *point of departure*, not as a given, and we employ the case studies to explore the extent to which these distinctions may explain production in the CCS. As Throsby (Throsby, 2010, p. 25) observed, in some production processes in the CCS, there is no simple and neat sequence, and "[t]he apparent linearity of the value chain may be replaced, for some cultural products, by something more akin to a value network, where multiple inputs, feedback loops, and a pervasive 'value-creating ecology' replaces a simple stage-wise process". Although he was rightly critical of the slavish application of a value chain approach to the CCS, he also observed that "[f]rom a policy point of view, depicting the cultural production process as a value chain allows an analysis of the effects of policy intervention at various points in the chain. For example, in assessing the impacts of existing policy measures, or in determining the optimal point at which to apply prospective measures, the policy analyst can use the value-chain concept to clarify where the effects of intervention have been or will be felt, and who are the affected stakeholders upstream or downstream from the point of intervention".

It therefore stands to reason that one should start with the conceptual framework of these stages and then determine which phases can be identified as distinct, which boundaries are blurred and which phases overlap or are deeply intertwined. Subsequently, we locate phases or combinations of phases – the spatial footprint – and we identify the parties that are involved. In this manner, we extend our focus beyond creation to include other parts of the input-output structure of the CCS.

Governance

The second element that we derive from the GPN approach and which we use to open the black box of the production network is the concept of governance. The complex global value chains and production networks which have been studied (mostly in manufacturing) typically exhibit asymmetrical power structures, with one lead firm engaging in explicit coordination (Gereffi, 2005). This lead firm may be involved in the production phase (producer-driven chain) or in the distribution phase (buyer-driven chain). If power dynamics are asymmetric and a lead firm takes charge of coordinating the network, it may be inferred that it is capable of forcing the other actors to act in a certain way but also that it can capture much of the value that is created in the network. Similarly to our approach to the stages, we do not take the existence of a lead firm in the CCS for granted. Instead, we attempt to identify a more explicit hierarchical power distribution or a more dispersed horizontal one. Furthermore, we do not assume that the presence of a lead firm or actor necessarily results in an asymmetrical distribution of (economic) value, and we examine this issue as a research question.

Embeddedness

The third element that we use to understand the production networks of the CCS is that of embeddedness. In his seminal work on the transformation of the British economy in the 19th century, Karl Polanyi (Polanyi, 1957) emphasised the importance of the institutional context in which all economic actions are embedded. In this context, differences in embeddedness affect economic actions, the likelihood of their occurrence, the manner in which they unfold and their consequences (Granovetter, 1985). This view became widespread in economic sociology, organisation studies, strategic management (Smelser & Swedberg, 2005) and, somewhat later, in economic geography. The GPN approach explicitly aims to apply embeddedness to make sense of the spatial footprint of the production network: why are such-and-such activities located in such-and-such places? According to Kleiber and Horner (Kleibert & Horner, 2018), the operations of actors within the same universalistic category of a transnational production system is very much contingent on their embeddedness in a particular society, place and social network. Embeddedness thus becomes crucial for understanding the spatial and social division of labour within a production network. The forms of embeddedness are also critical for the design of effective policies for the CCS (Salder, 2022).

We have adopted the multi-layered approach to embeddedness that Coe and Yeung (2015) proposed. We therefore distinguish between three levels of embeddedness.

I. Societal embeddedness: the influence of institutional contexts on the actions taken by actors in production networks (rules, laws and regulations) which are mainly located at the EU level and the national level.
II. Territorial embeddedness: the local context of the location where a certain activity takes place, which is closely related to local clusters and ecosystems with distinct sets of agglomeration economies that selectively sustain and foster economic activities (Scott, 2000).

III. Network embeddedness: the linkages between different actors and the functional and social connectivity of those relationships (e.g. social network relationships based on trust).

As with the phases, the boundaries between these forms of embeddedness are not set in stone. Place-based communities are an essential element of agglomeration economies, but they are also closely linked to social networks. We analyse these levels of embeddedness more comprehensively.

Unit of analysis

The CCS are characterised by their emphasis on unique aesthetic qualities and, importantly, on near-infinite horizonal differentiation (Caves, 2000), volatile (cross-sectoral) cooperation, and, crucially, forms of collaboration that are often ad hoc and usually involve several actors with different skills and functions. Those forms of collaboration often permeate the legal boundaries of firms. This particular way of producing involves, as a result, “complex teams – the motley crew property”, as well as “close temporal coordination of their activities” (Caves, 2000, p.8). Watson (Watson, 2012, p. 617) added that “[t]he complexity of the [jointly produced product or service] necessitates the coordination of multidisciplinary skills” and that permanent centralisation is not economically efficient (Lorenzen & Frederiksen, 2005). Production must often be completed under severe time constraints (Hobday, 2000; Staber, 2004) Temporary networks, interpersonal collaboration and projects in the CCS are therefore very much intertwined. As de Klerk (de Klerk, 2015, p. 829) observed, “*[t]he dynamic environment in the industry is mostly project-based… thus often obliging these workers to find alternative employment between projects to optimise their limited work opportunities. Bricolage results from working arrangements structured by festivals or special assignments where creative workers move in and out of networks as they are needed*”.

The GPN approach has mainly been used to analyse the large-scale production of goods. Some CCSs, such as parts of the fashion industry, seem to fit this format of production well. However, at least a some CCS activities are different from the usual subjects of the GPN literature, which tends to focus on production networks in which large firms manufacture large volumes of standardised goods. In other segments, small firms predominate. Instead of churning out many similar (tangible) products, they focus on creating products, such as goods and services, in small numbers (often just one) that require production networks to be more or less ad hoc. The composition of those networks typically fluctuates. A performance, a song or an album, a painting and the design of a theatre are all unique products which are typically created by such ad hoc production networks that vary from product to product (Power & Hallencreutz, 2002; Power & Jansson, 2004; Pratt, 2006).

It must be noted that projects in some CCSs are less volatile (for example, the spring and summer collection and the autumn and winter collection of a large fashion firm, which may involve the same designers, suppliers and sellers). Therefore, they resemble the type of networks which are prominent in the GPN literature. In other CCSs, such as architectural design or festivals, the composition of the networks is much more variable and contextual, and sequences of projects may have different networks and stakeholders.

In order to cover production networks in the CCS that are volatile and project based, we focus in most case studies on projects as a unit of analysis. This approach is very much in line with the literature on the forms of collaboration in the cultural and creative industries. In more recent economic-geographic studies and in sociological research on CCS, project-based work, which involves a multiplicity of organisational and personal social networks, is a key component of the analysis (see Watson, 2012 for a very thorough overview). Notably, studies on labour conditions in the CCS have benefited from departing from the project-based approach. The important role of project-based work has been corroborated in many CCSs (de Klerk, 2015).

In the CCS, then, the firm should not be granted a privileged ontological status. Instead, networks should be central. One could even go a step further and conceptualise the firm as a more permanent or sustained project or as a collection of long-term projects (although it is evidently subject to recombination and change) that has been solidified into a legal entity. The temporal dimension of the project and therefore of its network then become a crucial variable for the case studies. This shift evidently dovetails into our GPN approach, which emphasises the role of networks. In the CICERONE project, we conceive of these networks not *a priori* in terms of firms but in terms of interpersonal networks that are organised around a specific project. In *Art Worlds*, Howard Becker also highlighted interpersonal relationships (Becker, 1982). Our focus also allows us to emphasise the role of cultural value, which may trump economic value, and the salience of motives other than profit maximisation, especially in the creation phase. These distinguishing features of the CCS have significant consequences for the functioning of its production networks.

A more practical advantage of circling on specific projects is that it enabled us to select respondents more easily – we could simply focus on those individuals who were involved in a given project. It then also became easier to limit the number of respondents (only project-related key or lead actors or firms, strategic partners, strategic suppliers and key customers) that we had to consider.

Selection of cases

The main purpose of the CICERONE project is to provide a new foundation for CCS policies on the basis of a production network approach that generates novel insights on the functioning of the CCS and its cultural and social impact. Our approach situates the CCS in networks of production that extend far beyond the creation phase. We use case studies to map the configuration of production networks and to analyse relationships between actors in creation, production, distribution, exchange and archiving. The case studies are thus intended to uncover linkages and mechanisms within these production networks and to lay the foundation for more informed policies which not only extend beyond the creation phase but also take spatial footprints and governance structures into account.

Business models within the CCS vary widely. That variance obtains not only across sectors but also within them. There are differences in staff numbers, turnover, type of products, barriers to entry, the use of technology, capital needs, end markets and strategies, to name but a few. Networks also differ in terms of power relationships, shape and organisation, and the nature, complexity and geography of their linkages. At present, no data sets cover these characteristics comprehensively. Representative sampling is certainly not feasible within the timeframe of the CICERONE project. The investigation of the variance in question, accordingly, is a voyage into uncharted waters.

We have therefore opted for a purposive selection of cases, whereby researchers select the units to be sampled on the basis of their knowledge, which in our case is the background research that we conducted prior to the cases studies. The aim of this selection was to include cases which may plausibly be assumed to represent a sufficient range of easily assessable variations in key business model characteristics, notably staffing and turnover. This approach yielded cases that typify a significant proportion of the population of the CCS while also exhibiting sufficient differences to represent its variability (Gerring, 2007). In the case study reports that follow, each case study is positioned within the wider sector.

Typology matrix

While the case studies are intended to present a rich picture of the key mechanisms and the main linkages that show how spatial footprints, governance structures and levels of embeddedness are intertwined in real-life situations, a higher level of abstraction that transcends the study of individual production networks must be accessed if general insights are to be derived. We must simplify characteristics and relationships in order to present a clear narrative for policymakers. The key elements of our approach – spatial footprints, governance structures and multi-layered embeddedness – guided us in reducing the complexity of the case studies so as to distil insights from findings.

The first step is to position concrete cases from the CCS in a simple grid which combines the spatial footprint with the governance structure. The two variables are crucial determinants of societal effects. A completely local production network with a horizontal governance structure and a mainly global and hierarchical network that is coordinated by a lead firm or actor differ starkly in their social, economic and cultural impact and in the policy interventions that they require. Furthermore, if creation is local but production and distribution are global, targeting policy only at the creation phase may have unforeseen consequences for the wider network.

In principle, the typology matrix of production networks distinguishes between different phases. Since these phases may overlap, as is the case of many forms of visual art, they may be merged. For each phase or set of phases, it is possible to determine whether a single actor is in charge of all activities. Different phases may then exhibit different governance structures. It may also be the case that one actor is ultimately in charge of the whole network and is clearly present in the coordination of each phase. Alternatively, a small number of actors may control the network. The typology matrix allows more nuanced representations of this kind. Using this typology matrix enables us to draw cross-sectoral comparisons between cases and therefore to depart from the conventional siloed approaches. We expect that certain combinations will transpire to be much more likely to occur than others: the likelihood of a small local network having a more horizontal governance structure is evidently much higher that of a complex and truly global network adopting such a form of governance, which requires much more extensive coordination.

CCSs are embedded in multi-layered contexts, which range from the EU and the national level to that of the territorial and social network. Our empirical work shows how these contexts affect individual cases. Cross-case analysis shows how the forms of embeddedness are related to the typology matrix more generally. Power relations, for instance, may also depend on institutional conditions. Those conditions may allow an actor to assume leadership or to take advantage of the network.

This typology matrix is a starting point for an exploration of the potential role of hard policy levers (e.g. tax breaks, subsidies and such like) and soft policy levers (e.g. strengthening the institutional framework, establishing platforms for collaboration, improving education and so on) that various policymakers at different spatial levels may in principle manipulate. Policy makers can use this typology matrix as a tool for assessing the key characteristics of the concrete CCS populations, which may be defined narrowly or widely, whose societal impact they wish to improve. Filling this typology matrix clearly also requires new sets of data which allow the larger CCS populations to be profiled.

The typology matrix is crucial to constructing an overarching narrative that transcends the idiosyncrasies of individual cases. Moreover, it supplies a basis for our policy recommendations, which are phase and location specific and must be sensitive to the organisation of network governance. We strove for high uniformity to enable comparisons. We present a guide to achieving that goal below.

It is often difficult to compress information for a whole production network on the spatial footprint dimension from the outset. Instead, we divide the network into phases and then locate the actors in each phase. This process yields a refined stepwise analysis of the production network. The next step is to summarise the findings for the whole network. Production networks may be local from the creation phase to archiving or global from start to finish. It may also be the case that creation and production are entirely local or regional but distribution and exchange are national or even global. Identifying such spatial footprints would convey important information to policy makers.

Similarly, we adopt a stepwise approach to assessing the organisation of network governance. For each phase, we inquire which actor initiates, organises, monitors and controls activities. It may be that one actor is in charge of the whole network. It may also be the case that two actors are in charge of different phases. A more horizontal governance configuration without clear leading actors is also a possibility. How policies impact production networks depends on their governance configurations.

Throwing money at a specific cultural and creative industry which is controlled by a transnational corporation that is located outside the EU would be a different proposition from financing a network in which the leading actor is close to the others, in the same country or even in the same city.

We use the typology matrix to systematise the classification of the cases that we studied. This matrix must be completed by using the actor categories in Table 2. We use the labels from Table 2 to ensure consistency.

Table 1. The typology matrix

PRODUCTION NETWORK PHASES	Local/regional	National	Intra-EU	Global	GOVERNANCE
Creation					
Production					
Distribution					
Exchange					
Archiving					
Network level					

Table 2. Key actors in the production networks

Creators	Actors who participate in the initial creation (individuals, such as writers and musicians, or collectives, such as fashion brands and film crews)
Suppliers (specialised)	Suppliers that provide specialised/dedicated services or products and are hard to replace in the short term
Strategic partners (private sector)	Providers of strategic resources (capital, labour, knowledge and certifications) such as banks, educational institutions, professional associations, tastemakers and critics
Strategic partners (civil society)	Actors that operate at neither the state level nor the market level and which provide essential goods, services or resources (funding, labour, information and certifications)
Strategic partners (public sector, multilevel)	Public sector actors at the level of the EU, the national, the regional or the local government that provide strategic resources (e.g. funding and certifications)
Distributors	Actors (individual or collective) in charge of delivering the good or service to the customer or consumer
Consumers	B2C (business to consumer): final market with large number of buyers

Customer	B2B (business to business): final market, typically with a single buyer (e.g. real estate firm commissioning a design for a building)
Lead actor(s)	Actor(s) who initiates, organises, monitors and controls the activities of the network

Phases

We depart from the GPN approach with its five phases. In many cases, however, the phases overlap, and borders are blurred. Such issues can be addressed easily by merging the cells for phases that overlap or by drawing dotted lines if the phases are distinct but their boundaries are blurred.

The spatial scales

We distinguish between four scales: the local or the regional, the national, the intra-EU and the global. These scales, in principle, correspond to different policymakers and, in many cases, also to different policies (from local policies to provide workspaces through national subsidy programmes to EU competition regulations and trade policies). The anchor point for *the local or regional* scale is the point at which initial creation occurs, that is, the point at which the aesthetic component of the good or service is created. This spatial level may coincide with a particular city, a large metropolitan area or a rural region. The origin of the value chain may be located elsewhere, as in the case of architectural design, a domain in which the customer may be located across the globe. However, our focus here is on the first moves of concrete actors from a specific CCS. We then inquire, for each phase, where the other key actors in the production network are located. The location of an activity is where the actors are from: e.g., flying in a choreographer from Norway and a light engineer from Israel to create a modern dance work in The Hague is still a form of global import.

Governance

Governance pertains to the whole network. We distinguish between three options: a) networks with a lead actor, b) networks with multiple lead actors (not more than 2 or 3) and c) bottom-up horizontal arrangements.

PART 1. The European production network of visual arts: an overview

1.1 Overview of the visual arts industry

1.1.1 Goods and services

UNESCO (2009) defined visual arts as “art forms that focus on the creation of works, which are visual in nature. They are intended to appeal to the visual sense and can take many forms”. This definition can be supplemented by ESSnet-Culture (2012): “The visual arts domain encompasses all non-literary and non-musical fine arts (paintings, drawings, prints, watercolours, video, installations and sculpture) as well as photography”. Below, we examine the visual arts’ primary characteristics, intrinsic complexity and changes over the years.

Exploration of goods and services

Visual artists produce a diverse range of goods ranging from different genres of paintings (e.g. portraits and landscapes) to sculptures and photography. Because of this diversity in output and relatively low barriers of entry (not requiring large investments), the visual arts sector is highly fragmented, comprising many small firms (notably, one-person firms) producing cultural goods and catering to different markets. Different key segments are distinguished based on criteria such as 1) the historical character of an artwork (ancient, modern or contemporary art), 2) its geographical character (local, national or international market), 3) its distributive system (e.g. the primary market of first-time presentations and sales and the secondary market in auction houses and between art dealers), its qualitative character (e.g. painting, video, photography, sculpture), or even the collectors’ purchasing capacity and price range (e.g. low, medium, high; Zorloni, 2013).

Hence, artworks differ in “their quality, in who consumes and produces them, and in the nature of the markets (size, price level, and organisations) in which they are sold and displayed” (McCarthy, 2005, p. xiv). Regardless of these differences, the European Commission (2017) has outlined some general key economic characteristics of visual art goods:

Uniqueness

First, each piece of visual art is singular and unique. Even two pieces by the same artist are not perfect substitutes for one another (Gérard-Varet, 1995). Therefore, artists have, in principle, monopolistic positions. However, this position is easily eroded due to an oversupply of visual artworks as a result of 1) low entry barriers (e.g. low start-up costs and no formal educational requirements), 2) commodities having a relatively high degree of durability and 3) a relatively high degree of substitutability between visual artworks (despite the lack of perfect substitutes).

Information goods

Visual artworks can be characterised as information goods (Zorloni, 2013) because their market value is derived from the information they contain. As a result, information asymmetry often occurs between buyers and sellers, and evaluating the quality of the object requires specific knowledge and historical-artistic skills.

Experience goods

Third, visual artworks are experience goods (Arora & Vermeylen, 2013). The quality and value of the works are determined during or after consumption by experiencing them.

Credence goods

Visual artworks can also be labelled as credence goods because the information is often not fully revealed (Zorloni, 2013). As a result, even after consumption, consumers are still uncertain about the artworks' merits, and their value becomes more of a matter of belief or faith.

Durable goods

Visual artworks, like many creative products, are durable (Caves, 2000: 8). Over time, their utility and quality do not decline much.

Investment goods

Because artworks are durable, they are also investment goods (Resch, 2011). Art dealers are active in the secondary sales market to buy and resell artworks, aiming for profit.

Intrinsic complexity

Drawing lines between the different categories of visual artworks and their intrinsic complexity is inevitably arbitrary. However, McCarthy (2005) insisted that determining structural differences between objects is necessary to understand the visual arts industry, proposing a framework to understand the key characteristics of visual artworks.

First, he distinguished between the type of art forms based on key segments such as the qualitative (e.g. painting, video, photography, sculpture) and historical character. Subsequently, Moulin (1987, p. 26–27) delineated three periods widely recognised among art experts: "Older paintings (prior to Impressionism), modern paintings (from the Impressionists to the twentieth-century masters), and contemporary paintings (the work of living artists or those born after 1900)". Of course, finer distinctions of styles and art eras can be made within these three periods (McCarthy, 2005).

McCarthy (2005) also defined the market segment where the artwork is distributed and exchanged, distinguishing between three market segments: non-profit, commercial and volunteer or informal. Little information is available about the volunteer or informal market. However, contrary to the non-profit and commercial sectors, artworks in the volunteer or informal market are mainly produced and distributed by amateurs and are generally not regarded as fine art by experts (McCarthy, 2005).

Thereafter, McCarthy (2005) described functional components by identifying the key actors involved in the production, distribution and exchange phases: consumers, artists, organisations and intermediaries. Thus, three dimensions (art form, market sector and functional component) capture significant differences in the patterns and nature of the art market for different types of artworks (McCarthy, 2005).

Key developments: Digitalisation and globalisation

Visual artworks generally reflect broader cultural characteristics from which they emerged. Accordingly, these artworks respond to internal and external forces in broader society (McCarthy, 2005).

Digitalisation is a key external force that influences artistic styles and the visual arts industry in general (i.e. structures and operation). First, digitalisation has led to the emergence of new forms of art and art styles (Arora & Vermeylen, 2013). In our digital age, visual artworks no longer require a physical presence since they can merely exist as a computer image called digital or virtual art (EC, 2017). In addition, new possibilities for creating artworks are available because of digital tools such as Photoshop, while video editing has also become more efficient with the help of editing programmes (e.g. iMovie, Adobe). Moreover, digital artworks are easy to reproduce with few marginal costs and are therefore easy substitutes for each other. Indeed, digital reproduction may lead to a serious "aura problem" where artworks lack authenticity, uniqueness and a connection with the locale (physical and cultural). According to Benjamin (1968), "Even the most perfect reproduction of a work of art is lacking in one element: its presence in time and space, its unique existence at the place where it happens to be located". He also argued that the existence of a mechanical copy diminishes the aesthetic value of the original artwork.

Moreover, digitalisation has also affected the distribution and exchange of artworks. Visual artists have gained more agency to promote and distribute their artworks online (e.g. social media accounts) without the help of intermediaries or representatives (EC, 2017). However, this online presence of artworks has also led to increasing exploitation (e.g. aggregators displaying images at no cost). Moreover, artworks are increasingly sold on the internet in online auction houses such as Catawiki. Finally, while the visual arts market was formerly characterised by a high degree of information asymmetry between sellers and buyers (qualifying them as credence goods), currently, much more information is available on the internet about artworks, artists and values. This widespread information allows consumers to become better informed and make lower-risk purchases.

Therefore, digitalisation has impacted how visual artworks are created, produced, distributed, exchanged and archived. However, compared to the other cultural and creative industries (CCIs), this digital shift has not yet impacted the core characteristics of the goods of visual arts (EC, 2017), mainly because consumers still prefer physical artworks over online versions. In addition, key actors in the visual arts market have remained the same. Despite the increasing availability of information, many consumers and visual artists still need and aspire to personal advice from intermediaries when distributing or purchasing visual artworks.

Globalisation is another external trend impacting the visual arts industry, mainly on the demand side. It has allowed the market to grow, with important buyers primarily emerging in Asia. In addition, a trend has emerged where international galleries take over smaller, local galleries, resulting in market consolidation (EC, 2017). Hence, the visual arts market has developed a new structure with many more artists producing visual art compared to available spaces in galleries, aligned with Caves' (2004) observation "that artists turn out more creative product than if they valued only the incomes they receive"(p. 4).

In addition, McAndrew (2010) indicated that the distribution in the visual arts market is highly skewed, with 3% of all galleries generating 50%–75% of the entire income of art galleries. Thus, large and well-known galleries are extremely powerful compared to smaller organisations. Museums also have powerful market positions for this reason. There are very few museums compared to the number of visual artists. The same trend can be observed in art fairs, whose market consists of a few large, powerful international events. Therefore, many galleries compete to obtain a space at these fairs.

1.1.2 Labour

The visual arts include different types of artworks (from landscape paintings to small video clips) that do not necessarily follow similar production trajectories (EC, 2017). As a result, production networks can vary greatly according to size and the type of actors involved. Below, we seek to comprehensively analyse the various actors and their job profiles. For each production phase (i.e. creation, production, distribution, exchange and archiving), we discuss the actors involved, their roles and power dimensions.

Creation

Visual artists

Generally, the production network is initiated by visual artists who create ideas for pieces of art. Visual artists are "persons who consider themselves as visual artists, and who are also considered as visual artists by some peers" (Laermans, 1996, cited in EC, 2017, p. 45). While the barriers of entry are low (e.g. the costs of initial sketches are minimal and do not require formal certification), being recognised as a visual artist by peers raises the bar, requiring a level of competence while being embedded in or having access to social networks of these peers. Being formally educated at an art school often provides relevant skills and these networks. These peers are also often involved in the creation phase, so the central stakeholder who creates and finishes the designs may rely on them for feedback to improve the designs.

An additional possible barrier is income, as only a few artists can make a living from their art (EC, 2017). Thus, most artists depend on additional jobs (e.g. teaching) to make ends meet, leaving little time to work on their creative careers.

Production

Visual artists

Visual artists remain the key stakeholders in this production stage, carrying out their final creative designs. Thus, they need a place to work at home, in a studio or in a creative hub. When artists produce art in-house, the production phase can strongly overlap with the creation phase. In addition, many artists with one-person firms rely on self-support to distribute their artworks and are therefore highly involved in all stages of production. They buy their materials and equipment, produce artworks at home and distribute the products within small local networks. Hence, it is not easy to distinguish their different production phases (Alexander, 2003). Creating, producing, distributing and selling artworks might accordingly overlap with each other. Given the structural oversupply of visual artists, competition can be fierce, which may translate into precarious labour conditions for many, if not most: low wages, intermittent work and a weak negotiation position with gatekeepers and tastemakers.

Artist-in-residency programmes

If artists rely on others to produce their artworks, the division between creating and producing becomes more evident. For instance, some visual artists are involved in “artist-in-residency programmes” that provide space for several artists to group with support from others during the creation and production phase (EC, 2017). These programmes can be especially valuable for more unknown and emerging artists to receive support and technical expertise for building a network and boosting their visibility.

Local governments, patrons and non-profit organisations

Many visual artists struggle to pay for materials and studio rent to produce their artworks. Hence, they often depend on extra funding to compensate for increased production costs (Throsby, 2010). This financial support for visual artists may come from the state, patrons or non-profit organisations. States support artists through direct and indirect policies – “direct support for artists, arts organisations and consumers provided by a ministry of culture or an arts funding agency, and indirect support for the arts provided via the tax system" (Throsby, 2010, p. 59). Moreover, Daubeuf et al. (2020) distinguished between three types of public incentives for CCS: public subsidies (traditional direct financial support), regulatory incentives (a favourable framework for cultural production) and incentives leveraging private investment (stimulating wider economic benefits for private actors to invest in CCS; Daubeuf et al., 2020).

Previous research has shown that many artists consider public financial aid inadequate because the admission criteria are too strict (EC, 2017). Thus, artists also depend on private sources, such as financial support from promotion galleries (e.g. fixed wages), sponsorships and crowdfunding (EC, 2017). Other options include additional jobs and general social welfare. Artists may also depend on their partners, relatives or friends for financial support.

Furthermore, public actors offer training and schooling, where artists receive legal and financial advice. Art consultants and managers also provide similar supplementary services to visual artists during their careers on practical issues such as tax advice and grant applications. Therefore, financial support, donations and gifts can take many forms as the visual arts rely on "an eclectic range of economic support" (Velthuis, 2003, p. 472; Towse, 2010; Daubeuf et al., 2020).

Distribution

After artworks are finished and effectively become commodities, artists attempt to distribute and expose them, making the artwork visible to possible consumers. However, not all artworks are sold or reach the public in the visual arts sector. Because of the large supply of visual artworks, gatekeepers actively filter products and largely determine whether artworks are distributed (Alexander, 2005). Thus, in the distribution phase, various new stakeholders become active in carrying out the role of gatekeepers. Examples are museums, galleries and the art press (Velthuis, 2003), whose actions and decisions have a significant economic impact on the sector since they "generate 'credibility' or 'belief' in the artistic value of art among an audience of museum visitors and art collectors" (Velthuis, 2003, p. 471). Thus, through negotiations between visual artists, gatekeepers and consumers, artworks obtain monetary value: "It is a key stage in the monetisation of visual artworks" (EC, 2017, p. 46).

To distribute artworks to the public, artists generally choose between two trajectories: the market path and the exhibition path. These two paths are certainly not set in stone since stakeholders in each path may overlap (EC, 2017). However, the two paths provide insight into actors' motives, resources and actions. Therefore, in the next paragraphs, trajectories and related gatekeepers are explained in more detail.

The market path

In the market path, various actors actively sell visual artworks: promotion galleries, sales galleries, art dealers, art fairs, auction houses and e-commerce sellers (EC, 2017). When artists follow the market path, their main goal is to sell artwork to private or public collectors, art dealers or galleries.

Promotion and sales galleries

Many emerging artists search for a promotion gallery to exhibit their work that specialises in promoting emerging artists, boosting their brand and market value. These stakeholders position themselves as intermediaries between artists and art critics, collectors, museums and curators, maintaining close relationships with suppliers and consumers. Promotion galleries select a wide variety of artists and work with them for an average period of one to two years (EC, 2017). The galleries sell artworks through exhibitions, catalogues and art fairs, defined as “primary sales, in the primary market” (EC, 2017). Most visual artworks sold in galleries do not appear on the arts market again (Velthuis, 2003). Only a limited number of artworks experience a “secondary sale” on the “secondary market” in auction houses and between art dealers and collectors.

Promotion galleries generally have three forms of economic exchange between them and visual artists: employment, consignments and direct acquisition (Velthuis, 2003, p. 473). Nowadays, galleries seldom employ artists, mainly making exceptions to employ artists who semi-mass produce standardised artworks. The most common type of exchange between visual artists and galleries is based on consignments. In this case, galleries attempt to sell artworks, and if they succeed, they receive a prearranged percentage of the selling price (Velthuis, 2003). When promotion galleries succeed in selling artworks, they claim a share of the selling price for their produced service, often ranging between 40%–60% (EC, 2017). They can ask for this relatively high amount because their activities are fairly risky, and returns on their investments are uncertain.

Another gallery type is the sales gallery, which exhibits and sells artworks but does not provide promotional services. Sales galleries are usually active in the secondary market. They are not focused on selling to a wider public, only aiming to sell to art collectors and dealers (BUP, 2014). Sales galleries usually earn approximately 30% because their method entails less risk, focusing more on established artists.

A third type of exchange between artists and galleries is direct acquisition: when galleries compensate artists in advance for acquiring their work. In this case, property rights are transferred to the gallery, determining the product’s price and the right moment to sell it. This type of exchange is mainly used in the secondary market, so art dealers and galleries can speculate on the best time to sell artworks profitably. Thus, promotion and selling galleries are vital in the distribution phase, acting as gatekeepers and mediators between supply and demand in the visual arts market (Velthuis, 2003).

Art fairs

A third stakeholder active in the distribution phase is art fairs that assemble a variety of galleries and dealers to present their collections and sell them. Examples of relatively big art fairs are Art Basel, Frieze in London and FIAC Paris (EC, 2017). Galleries and dealers must send admission files and pay fees to present their collections at these fairs. In 2012, average registration fees were 300–2000 EUR, and stand prices were 200–500 EUR per square metre (Zorloni, 2013). Additional costs include transporting artworks, often 2,000–6,000 EUR. Because of these expensive demands from art fairs, smaller galleries are disadvantaged.

Auction houses

Another relevant stakeholder that sells artworks is auction houses, which are usually engaged in secondary sales to the highest bidder (e.g. collectors and dealers; Zorloni, 2013). After an artwork is sold, the auction house receives a percentage of the selling price from the buyer, usually 12%–25% (EC, 2017). Moreover, auction houses sometimes receive 10% of the selling price from the artwork supplier when a piece is sold below a certain price.

Online media

Finally, with the arrival of digitalisation, new selling techniques have entered the market. Visual artists have improved possibilities to sell their artwork without help from third actors, promoting their work to reach possible customers through social media accounts. Despite this new trend, the findings show that visual artists remain strongly dependent on intermediaries to distribute artworks to the wider public (EY, 2014).

E-commerce is an emerging trend where the internet is used as a place to distribute and sell art, usually in the form of online auctions. The sales are often organised by traditional stakeholders, adapting to the new possibilities offered by digitalisation (EC, 2017).

The exhibition path

Another path artists can choose is the exhibition path, where the main goal is not to sell but to exhibit artworks (EC, 2017). The actors active in this phase are galleries, art libraries, museums, art organisations, alternative exhibition spaces (e.g. artist cooperatives, art schools) and festivals, along with art magazines, newspapers, book publishers and online media that devote considerable attention to the arts (Velthuis, 2003; EC, 2017). The next paragraphs define these actors, their resources and their actions.

Museums

The most obvious actors in the exhibition path are museums, with a core mission to exhibit and preserve artworks. Hence, museums remind the community and tourists of historical events and make meaning of the past (Gmeiner et al., 2020). As such, museums are crucial to European history, collective belonging and education. To select new artworks, museums rely on various partnerships with galleries, curators, dealers and collectors (EC, 2017). Many artists consider being exhibited in museums the ultimate validation, making the artwork "priceless". Therefore, being exhibited in museums adds to artists' prestige and market value (EC, 2017). Governments may also support cultural institutions such as museums and other exhibition spaces (Velthuis, 2003, p. 471; Throsby, 2010). Artworks may also be exhibited in semi-public spaces such as cafés, restaurants and hotel lounges, and hotels often buy multiples of the same artworks to exhibit in various hotel rooms.

Art libraries

Art libraries assemble a variety of artwork to lend it to consumers. Consumers can save points while borrowing different pieces of art. At a certain point, customers can decide to buy one of the artworks (often at a discount accumulating over the years). Therefore, art libraries exhibit and sell artworks, so they are placed somewhat between the exhibition and market path. Especially in the Netherlands and Belgium, art libraries are gaining popularity among artists and consumers. For many visual artists, libraries help achieve their first sale in the visual arts market.

Art organisations

The third actors involved in the exhibition path are galleries, art organisations, exhibition spaces and creative hubs (EC, 2017), which do not obtain permanent collections. Their main objective is to provide exhibition spaces and workplaces while promoting emerging (often) local visual artists. Most art organisations and exhibition spaces are non-profit and rely on public subsidies. In addition, festivals (temporary, project-oriented events) offer possibilities for visual artists to distribute artworks (EC, 2017).

Online media

With the arrival of online media, artworks are increasingly distributed as digitalised copies on the internet. Consumers can freely search for artworks on websites such as Pinterest, Instagram, Google Images and Wikipedia (EC, 2017). These artworks are often published without authorization and approval from artists. This development is difficult to stop from happening, as authorities struggle to identify individual offenders.

Exchange

The exchange phase refers to the place of consumption of cultural experiences for the audience (UNESCO, 2009). In visual arts, this phase strongly overlaps with the distribution phase. For instance, in the exhibition path, visual artworks are exhibited in museums, art libraries and online. These key actors in the distribution phase also lead to the actual consumption of art. The same applies to the market path, where galleries, auction houses and art fairs distribute art, also allowing consumers to buy artworks. Thus, in production networks of visual arts, no clear distinction can be made between the distribution and exchange phases. Actors may carry out dual roles as both clients and sellers.

Consumers in the exchange phase may look for investment opportunities (e.g. galleries, art dealers, auction houses), to educate on and distribute art (e.g. museums) or to admire or lend it (e.g. tourists, individuals). In addition, another important customer type can be public institutions (e.g. the state and municipalities). Through public commissions, institutions obtain artworks for public spaces (e.g. parks, squares). Finally, many artworks by visual artists never reach a final customer, as much work goes unsold, even if the artist is established.

Archiving

Archiving happens at the beginning and end of the production network, allowing contemporary artists to grasp the phenomena in the art world and become inspired. In the archiving phase, visual artworks are documented in several ways, but because of overlapping activities and stakeholders, no clear distinction can be made between the distribution, exchange and archiving phases. For instance, museums are key actors in the production network's three phases with a twofold intention: responsibility for preserving artworks while distributing them to the public for consumption. Nowadays, however, they are no longer the only actors responsible for archiving artworks. The digital shift has introduced new online sources that expose visual arts to the public, informing them about content and market values. Therefore, online platforms also serve dual functions as distributors and art archives. Furthermore, more traditional sources, such as magazines, actively document art pieces. Archiving can also occur through educational courses and official tours, disseminating knowledge about visual arts history.

1.1.3 Embeddedness

As explained at the beginning of the report, we have adopted the multi-layered approach to embeddedness that Coe and Yeung (2015) proposed, distinguishing between societal, territorial and network embeddedness. Below, we apply these concepts to the field of visual arts.

Territorial embeddedness

Like all CCIs, production networks in the visual arts industry are embedded and anchored in specific places. The territorial embeddedness is perhaps most evident in the creation phase when visual artists create designs for an artwork. During this process, they are inspired by their surroundings, as the artists themselves are embedded in certain places and use their experiences to make art. Thus, many artists use travel as a medium to gain inspiration for creating new works of art. Through artist-in-residency programmes, they travel to new locations and learn about different cultures, which they translate into art. The art may reflect certain local traditions. Thus, it can provide a knowledge exchange. Consumers can learn about different cultures, be inspired and broaden their horizons. The relationship with a specific place can also show in the production phase, as the choice of materials may be greatly influenced by available materials and traditions from that area.

Moreover, museums, art studios, galleries and cultural academies (e.g. conservatories) are important institutions for the cultural identity of places, often relating to the geographical surroundings and place specificities. Museums, in particular, remind the community and tourists of historical events and make meaning of the past (Gmeiner et al., 2020). Hence, museums are important sites for cultural experiences while enabling critical reflection. For example, the *Joods Historisch Museum* (Jewish History Museum) in Amsterdam presents narratives of the Holocaust, which can serve as means to prevent similar disasters. As such, museums are crucial to European history, collective belonging and education.

In addition, historically, museums were established by municipalities to demonstrate symbolic power. Museums were first created in the 18th century, and by the end of the first half of the 19th century, almost all major European capitals had opened museums to demonstrate to the public their historical events and prestige. “Museums became highly symbolic places of cities, nations, power and sovereignty and presenting their prestigious exhibits of cultural heritage was a constant competition between countries” (Gmeiner et al., 2020, p. 3). Thus, many cities have used museums to shape their identity and show others their prestigious cultural heritage, modernity and technological progress. Moreover, museums also attract tourists, ensuring income flows and various economic benefits for the city and broader region. Finally, municipalities increasingly make use of galleries to give a cultural boost to a neighbourhood as part of a broader gentrification project.

Network embeddedness

For visual artists, having access to and being embedded in a strong professional network is paramount since artists strongly rely on others to distribute, exhibit and sell their work. However, finding organisations to exhibit and sell artworks is difficult for many visual artists due to a high degree of competition, which often leads to a rather uncertain income. Consequently, many artists collaborate and share workplaces to save on rental costs. Here too, having a social network is vital for sharing workplaces. Being formally educated at an art school often facilitates network embeddedness, providing artists with strong social relationships.

In addition, artists can also join associations that focus specifically on the visual arts. Examples include the Visual Artists Association, ABS-Gallery International, Art Utile Project, ArtistMoms and Artists Without Borders. These associations support artists by providing them with peer support and mentoring networks that often include artists, arts educators, galleries and universities. Some associations target a specific sub-group of artists, such as ABS-Gallery international, whose memberships consists of elite artists selected by a jury, or ArtistMoms, an online community that offers support for female artists with children (abs-gallery, 2022; ArtistMoms, 2022).

Except for the (online) associations, most visual artists are embedded in local networks and distribute their artworks in local galleries. Galleries position themselves as intermediaries between artists and art critics, collectors, museums and curators, maintaining close relationships with suppliers and consumers (EC, 2017). The galleries sell artworks through exhibitions, catalogues and art fairs via “primary sales, in the primary market” (EC, 2017). Most galleries are fairly small and embedded in local or national networks. However, there are a few exceptions of internationally known galleries with considerable market power and strong networks. The few large and well-known galleries (3%) generate 50%–75% of the entire income of art galleries (McAndrew, 2010).

Thus, galleries are key actors in visual arts production networks, connecting different actors. To some extent, art fairs and auction houses take on a similar role as intermediaries. Art fairs assemble various galleries and dealers to present and sell their collections. Examples of relatively big art fairs are Art Basel, Frieze in London and FIAC Paris (EC, 2017). Auction houses are usually engaged in secondary sales and sell artworks to the highest bidder (usually collectors and dealers; Zorloni, 2013).

Museums also maintain large networks to collaborate with art dealers, galleries, auction houses and art fairs. They cooperate with institutions to exchange and lend pieces for permanent and temporary exhibitions. In addition, museums can also collaborate and share art with other museums. An example is a collaboration between Hermitage Amsterdam and the Hermitage in Saint Petersburg. Every year, the museum in Amsterdam is allowed to borrow paintings and visual objects from collections in Saint Petersburg. A special collaboration has developed with this world-famous museum, emphasising the historical bond between the Netherlands and Russia. Intensive contact between the two countries began when Tsar Peter the Great visited the Netherlands at the end of the 17th century to acquire knowledge that could help him modernise Russia. During the visit, he made his first purchase of a Rembrandt, which led to the beginning of the famous collection of Dutch Masters of the Hermitage (Hermitage, 2022). Museums may also be connected in associations such as NEMO, which unites and represents different European museums to help ensure their place as gatekeepers in cultural development by promoting their importance to policymakers (NEMO, 2022).

Gatekeepers

Gatekeepers are relatively powerful in selecting which artworks reach the public. Because of a high supply of visual artworks, gatekeepers actively filter products and thereby largely determine whether artworks are distributed (Alexander, 2005). Therefore, they are crucial actors who decide on cultural goods and services’ accepted aesthetics and value. In the distribution phase, various stakeholders become active in this gatekeeper role. Examples are museums, galleries and art critics (Velthuis, 2003), whose actions and decisions have a significant economic impact on the sector since they "generate 'credibility' or 'belief' in the artistic value of art among an audience of museum visitors and art collectors" (Velthuis, 2003, p. 471).

In addition, states can also carry out the role of gatekeepers, deciding which artists receive financial support by selecting artworks for public funding projects. Therefore, states have a degree of control over artists' produced works since they have the power to support those who conform to their accepted styles and ideas. Accordingly, Alexander and Rueschemeyer (2005, p. 9) stated that the line between repression and selective support is thin: "Not receiving what is expected or 'deserved' is punishment as well, and such sanctions may have important consequences for the ability of an artist to continue in the same direction or even to work in the field at all". Thus, to some extent, states can shape production networks by selecting only the "socially acceptable" artworks for public support (Alexander & Rueschemeyer, 2005). However, to prevent these injustices, many European member states have decided to outsource the operation of art subsidies to independent committees.

1.1.4 Policy

The visual arts display an outspoken winner-take-all characteristic, where only a small number of (often internationally known) artists and organisations earn most of the sales (Prendergast, 2014). Due to a high degree of competition on the supply side, most artists are in weak and uncertain market positions as they have a high degree of substitutability (EC, 2017; Towse, 2010). Velthuis (2003, p. 470) observed that "[i]n most Western European countries and the United States, only a small percentage of artists can make a living from selling their work on the market". Among those who can, a few are extremely successful and, typically, become celebrities. Towse (2010, p. 307) even stated that "uncertainty about income and career prospects seems to be inherent in artists' labour markets", making them dependent on external support from the state or private actors.

Therefore, the need for state support is rooted in unpredictable demand as artists face high levels of competition. To cope with these difficulties, we see various configurations of public and private sector actors involved. Different international, national (sometimes regional and even local) institutional frameworks maintain different systems of art subsidies.

European Union

To catalyse creativity, promote cultural diversity and intercultural dialogue, and enhance international relations, the EU has implemented several incentives and initiatives, varying from grant programmes and contests to different regulations (e.g. copyrights, artists' resale rights). The regulations have been primarily introduced to ensure the protection and support of artists by establishing a favourable framework for CCI development. Below, we discuss the variety of support measures implemented by the EU. However, this outline of public incentives is by no means exhaustive.

Artistic and cultural mobility

One of the central goals of Creative Europe is to stimulate the circulation of artists and their creative work among member states. Regulations aiming to internationalise careers and cultural activities are critical for stakeholders active in visual arts, as they increasingly depend on global (transnational) production networks. European policymakers have increasingly acknowledged this fact, seeing mobility as a key instrument to deliver cultural objectives.

The Creative Europe programme dedicated approximately 60% of its total budget for 2014–2017 to addressing the circulation of cultural works. Utilising various grants and prizes, the EU stimulated transnational distribution. In addition, a short-pilot project, i-Portunus*,* was selected and funded by Creative Europe to trial a mobility scheme for cultural professionals (i-Portunus, 2022). The project supported the international mobility of stakeholders active in the visual arts. Applicants who applied for this grand needed a "specific and well-defined objective, such as to develop an international collaboration, to engage in a production-oriented residency or in professional development in the destination country" (i-Portunus, 2022). In a short time, the organisation received over 3,000 applications from artists based in 41 countries, revealing the necessity for artistic and cultural mobility. Artists and their projects were selected through an evaluation by international experts. The project issued 620,933 EUR in direct financial support to 337 individual cultural professionals (i-Portunus, 2022). Thus, projects like i-Portunus have been used as trials to test how best to facilitate the cross-national mobility of artists. In 2021, a new Creative Europe started where these types of mobility incentives have sought to become a permanent action.

The grants and awards implemented by the EU are tools to strengthen international creative exchange. However, according to KEA (2018), there is still room for improvement to strengthen the European framework for mobility. At the EU and national levels, many regulatory issues (e.g. social security, taxation and visas) hamper mobility (KEA, 2018). In addition, various EU countries have fragmented mobility policies. As a result, KEA stresses the need for one clear strategy among all EU members, with a specific scheme for the mobility of artists and cultural professionals. A clear policy framework could lead to vibrant cultural communities and creative trans-border environments.

Direct and indirect public funding

The EU supports visual artists and professionals through direct and indirect public funding. Direct funding is a traditional way of directly supporting CCIs through subsidies, awards, and grants, provided by central and lower levels of government. A non-repayable amount of money is given to cultural professionals after a selection process mainly based on artistic quality (Daubeuf et al., 2020). For example, the EU has founded several funding programmes for the cultural sector to benefit visual artists. Examples are “Erasmus” (providing mobility grants for artists and encouraging cross-national education) and “Creative Europe” (funding cultural projects through pilots such as i-Portunus).

Besides direct public funding, the EU also supports CCIs through indirect financial support to create a financially favourable framework. Examples are public loan guarantees and value-added-tax (VAT) exemption regulations. Lower VAT rates for cultural products stimulate consumption, making products more affordable (Daubeuf et al., 2020). Whether a product is eligible for VAT reduction depends on its merit value, based on the social values and the positive externalities of cultural consumption.

VAT regulations stimulate the consumption of cultural products, whereas public loan guarantees are implemented to stimulate the production of cultural products. The EU offers public loan guarantees to encourage banks to provide loans to small- and medium-sized cultural enterprises. These guarantees can mobilise and leverage debt, thereby covering eventual losses incurred by investors in CCIs. This way, public loan guarantees operate similar to insurance. In cases of commercial default, guarantees cover (part of) the losses incurred by banks (EC, 2012). Thus, public loan guarantees mitigate risks, stimulating banks to invest in cultural organisations such as festivals.

Finally, the EU has also implemented regulations to stimulate private investments in cultural projects. Incentives leveraging private investments aim to create wider economic benefits for private capital to be invested in CCIs (Daubeuf et al., 2020). Examples are tax incentives and public investment funds. Public funds offer various financial instruments to encourage scaling-up promising enterprises. Examples are loans with free or favourable interest rates and matching funds (CINCERONE, 2020).

Copyright

Another topic on the EU policy agenda is the policy framework concerning copyrights protecting artworks. While digitalisation enables performers and visual artists to reach much larger audiences, online platforms increasingly freely distribute artworks through digitalised copies. Accompanying this trend is the increase of online exploitation, as many digitalised copies do not dispose of legal copyrights, raising concerns about the protection of artistic property and the need for modern copyright rules for the digital age. Thus, the EU has implemented copyright legislation, including “a set of eleven directives and two regulations, which harmonise essential rights of authors and of performers, producers and broadcasters” (EC, 2019).

Digitisation has led many to debate these regulations. Recently, a new article (article 14 – Directive (EU) 2019/790) was introduced to clarify “whether reproductions of public domain works, like photographs of public domain paintings, are original enough to attract their own copyright” (Wallace & Matas, 2020). The directive established that visual artworks in the public domain “shall remain in the public domain once digitised, unless the digitisation is original enough that it can attract copyright protection” (Wallace & Matas, 2020). All member states were required to adopt this regulation by June 2021.

Artists’ resale rights

Visual artists are often in weak and difficult market positions as they receive limited revenues from their produced artworks. Revenue sharing agreements tend to favour actors at the end of the value chain, while actors at the beginning of production networks (artists) face increased risks. Generally, artists receive an estimated 50% of the primary sale (EC, 2017). However, determining prices for their product is difficult because there is no typical regulation to monetise their labour, and artists tend to undervalue artworks. As a result, many artists receive insufficient income from their artistic activities, forced to find additional jobs (Bondi & Sitton, 2007). According to EY (2014), many visual artists are unpaid for their delivered work, even when exhibited in galleries.

Thus, the EU has implemented artists’ resale rights to improve these unfavourable conditions. The rights guarantee that visual artists “receive a percentage of the price obtained for any resale made by professionals from the art market, of this work (auction houses, galleries or any other art market)” (EU, 2019). The EU introduced resale rights for the benefit of authors of original works of visual artworks (e.g. paintings, pictures, sculptures, photographs, prints). “The sale price is divided into five portions, and the rate of the royalty ranges from 4% to 0.25%, depending on the portion” (EU, 2019).

National regulations

Interactions between artists, institutions and audiences involved in visual arts are, to some extent, shaped by state policies. The EU gives its member states a high degree of freedom to implement cultural policy. As a result, they differ significantly in the degree and manner of government support for cultural actors. Alexander and Rueschemeyer (2005) studied the interrelationships between state policy and visual arts. The authors highlight two key elements: “the amount and type of support that states may offer, and the degree of control they attempt to exert” (Alexander & Rueschemeyer, 2005, p. 2).

With this distinction, they emphasised states’ powerful positions in CCIs. States can support artists but can also negatively affect them through forms of repression and control. These policies may not be obvious to the public. For example, the state decides who receives financial support by selecting artworks for public funding projects, giving states some degree of control over artists’ produced works with the power to support artists conforming to their accepted styles and ideas. Therefore, Alexander and Rueschemeyer (2005, p. 9) stated that the line between repression and selective support is thin: “not receiving what is expected or ‘deserved’ is punishment as well, and such sanctions may have important consequences for the ability of an artist to continue in the same direction or even to work in the field at all”. Thus, by selecting only the “socially acceptable” artworks for public support, states are can somewhat shape artists’ work (Alexander & Rueschemeyer, 2005). However, to prevent these injustices, many member states have decided to outsource the operation of art subsidies to independent committees.

Below, we delve deeper into regulations and incentives implemented by states to support stakeholders active in visual arts.

Financial, legal and material support

Many states support artists and organisations through public subsidies. Based on certain criteria (positive externalities), states determine how their budget is divided. However, due to the economic crisis of 2008, many governments have been less willing to finance CCIs. Nevertheless, states are still essential in supporting CCIs, offering indirect financial support through VAT exemptions and favourable tax incentives to stimulate private investments in CCIs (e.g. tax deductions on private investments and donations). These tax shelters allow investors to deduct investments from their taxable income while still earning profits.

Moreover, states may also offer salaried positions, fellowships and educational opportunities. Artists may qualify for legal advice and assistance; in some cases, states provide artists with materials and space. Specific laws often accompany this form of support. An example is rent control given to art studios in neighbourhoods. Furthermore, states often subsidise artistic institutions such as museums, galleries and organisations.

Intermediating role

States may also take the role of intermediaries by stimulating cultural consumption and connecting art to the public. One of the more obvious ways is through educational systems. Schools often teach children about visual and performing arts history and arrange for artistic trips to museums. In addition, states may offer incentives to specific groups to make art more appealing to them. An example is a cultural pass that discounts museums and theatre concerts to lower-income citizens or the elderly (Alexander & Rueschemeyer, 2005).

Another example in which states encourage cultural consumption is “vouchers”, a credit meant to pay for a cultural commodity as a substitute for cash. Vouchers encourage interaction between cultural agencies, artists, private businesses and schools. Hence, vouchers stimulate businesses to hire creative services from artists. Many states award these vouchers to schools to spend on cultural and creative workshops with their students.

Regional regulation

Cultural and creative planning has become increasingly part of urban politics. Local governments use cultural planning in entrepreneurial marketing strategies to “convince tourists, residents and investors of their unique virtues” (Edizel, p. 634, 2013; Zukin, 1995). Consequently, “[t]he concept of the creative city [...] has become a powerful talisman for urban planners. Cultural policy has much to contribute towards re-vitalising depressed urban areas, improving liveability, and stimulating urban and regional economic growth" (Throsby, 2010, p. 29). Other local measures are focused on providing amenities to enable the clustering of cultural activities. Creative hubs, parks, theatres and galleries are installed or subsidised to enable networking, mentoring and the knowledge exchange of artists and cultural enterprises.

Another example is rent control given to art studios in neighbourhoods. In addition, regulatory incentives and vouchers can also be managed at regional or local levels. Indeed, municipalities can influence consumer patterns by offering incentives to specific groups to make cultural activities more appealing (Alexander & Rueschemeyer, 2005).

Summary regulations

Stakeholders active in visual arts often depend on public support because of the high levels of competition and unpredictable demand. The EU has introduced several general regulations and incentives to protect and stimulate creativity. States differ in how they support CCIs: some rely more on the market and indirect funding, while others provide direct funding from state taxes. Moreover, nations vary in how centralised their funding is. For instance, in Germany, funds are mainly decentralised and provided by local governments, while in East European countries, funding is highly monitored by national governments (Alexander & Rueschemeyer, 2005). More differences can be observed between states, making their involvement highly complex. We also recognise a trend in which support for CCIs is increasingly regulated locally, making it interesting to conduct further research on how socio-cultural and political frameworks on various scales influence the production networks of CCIs. Below is a summary of regulations according to the GPN framework (Daubeuf et al., 2020).

Phases	Creation	Production	Dissemination	Exchange	Archiving
	Grants, public investment funds, copyright legislation	Tax incentives, public loan guarantees, grants	Stimulate circulation of artworks through awards and grants, artist resale rights	VAT exemption, vouchers	Education, subsidising cultural organisations
	Grants, public investment funds, education	Vouchers, grants, public loan guarantees, tax incentives	Awards and grants, regulations: rent control	VAT exemption, vouchers, discount pass for cultural consumption	Education, subsidising libraries and other cultural organisations

1.2 Production network configurations

1.2.1 Actors and phases

Various actors are involved in the visual arts industry. Below is an overview of their roles and tasks along different production process phases.

Table 4. Overview of key actors broken down by production phase

	Creation design phase	**Production** Production of art works	**Distribution** & exhibition path	**Exchange** Consumption of arts works	**Archiving** Documenting
Lead firm					
Visual artists	Process of getting inspired and creating designs	Producing artworks, selecting materials	Searching for actors/platforms to exhibit/sell artworks	Searching for actors/platforms to exhibit/sell artworks	Documenting artworks (online). Artists might receive a memorable notion/prize. Recognition and publicity
Strategic partners					
Public authorities		Providing financial aid through a general social welfare system and specific regulations, providing aid in the form of schooling	Providing cultural institutions with financial aid	Stimulating consumption	
Promotion galleries		Offering space to produce artworks	Improving artists' visibility and networks, boosting artists' brand and market value	Improving artists' visibility and networks, boosting artists' brand and market value	Storing and showcasing artworks, designing catalogues
Sales galleries			Organising exhibitions, participating at art fairs	Selling artworks	
Art-in-residency programmes	Offering support: brainstorming and feedback from peers/experts	Offering space to produce artworks	Offering exhibition space, enabling network creation	Offering exhibition space	

Specialised suppliers					
Museums			Exhibiting and preserving artworks		Exhibiting and preserving artworks
Art libraries			Distributing art: lending art to consumers	Distributing art: lending art to consumers and sometimes selling it	
Auction houses			Selling art (often to investors)	Selling art (often to investors)	
Online platforms			Distributing art and information	Distributing art and information	Online documenting of artworks
Art fairs			Assembling galleries to sell art	Assembling galleries to sell art	
Generic suppliers					
Consultants/ managers		Providing financial, legal and practical assistance to visual artists			
Key customers					
Different kinds of consumers Art dealers/ collectors, citizens, tourists, public authorities			Are present at auctions/ museums/ galleries	Pay for artworks, consume or resell, trading art	

1.2.2 Governance and power dynamics

Resch (2011) stated that the visual arts market is characterised by monopolistic supply competition: high numbers of visual artists and consumers are in the visual arts with no single lead actor or firm controlling or dominating the sector. As mentioned before, all visual artists are, in principle, monopolistic actors because of the uniqueness of their products. However, this market position does not imply that all artists are powerful. Contrarily, due to intense competition between artists, visual artists often have weak positions and no market power. Because of the high degree of substitutability of artworks, prices are often low (Throsby, 1994), leading to a lack of sufficient income, which for some could be the only barrier to becoming a visual artist (Zorloni, 2013).

Thus, when looking at requirements for visual artists to produce artworks, the sector is characterised by low entry barriers, which also applies to the consumer side (EC, 2017). For instance, consuming art in the exhibition path occurs when consumers visit galleries or museums as visitors. Consumers may have to pay an entry fee, but museums are subsidised by governments in many states and are therefore free or fairly inexpensive. In addition, new digital platforms exhibit visual arts online for free. The same goes for the market path, where the central aim is to sell artwork. Establishing an art gallery does not require an official diploma or a large investment (Alexander, 2005; EC, 2017). Therefore, there are numerous small galleries across Europe facing intense competition. In addition, individuals can buy or lend art. Lending systems of art libraries lower barriers for individuals to admire artworks at home, thus making art more easily accessible to larger audiences.

Therefore, the visual arts sector could be considered a market of monopolistic competition, with a wide variety of products and very few barriers to participating on the supply and consumer sides. However, McAndrew (2010) argued the sector resembles an oligopsony, with a high number of visual artists and, in contrast, a relatively small number of consumers. A trend emerged where international galleries have taken over smaller, local galleries (EC, 2017). As a result, the visual arts market has developed a new structure where there are many more visual artists than spaces available in galleries. In addition, McAndrew (2010) indicated that the distribution in the visual arts market is highly skewed, with 3% of all galleries generating 50%–75% of the entire income of art galleries. Thus, large and well-known galleries are extremely powerful compared to smaller organisations. Museums also have powerful market positions for this reason. There are very few museums compared to the number of visual artists. Thus, these two examples indicate that supply and demand are imbalanced, and buyers are more dominant than sellers.

Furthermore, gatekeepers have much power to select which artworks reach the public. This statement is strengthened when looking at art fairs consisting of a few large, powerful international events. Many galleries compete with each other to obtain a space at fairs. Because of this imbalance in the visual arts market, actors at the end of the value chain are more powerful than actors early on in the production network. Museums, international galleries and art dealers face less intense competition than actors on the supply side. As a result, these actors have more bargaining power than visual artists, who face intense competition and often struggle to find an organisation to exhibit or sell their artwork. These unbalanced power relationships between actors are reflected in contractual agreements and the monetary value chain (EC, 2017).

Contractual agreements

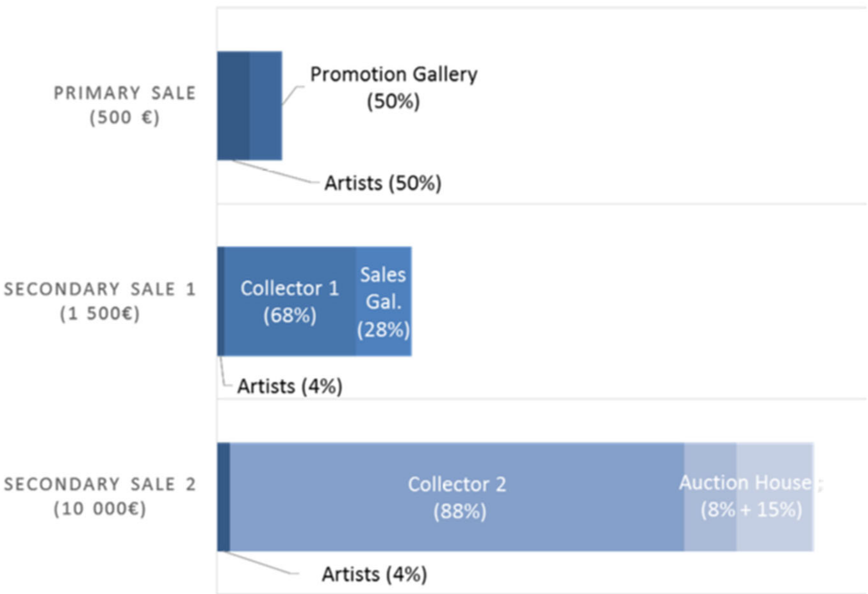
Information about contractual agreements and revenue sharing in the visual arts sector is difficult to find, and agreements between actors differ and are often not obtainable to the public. In some cases, agreements are not written down in contracts based on mutual trust (Zorloni, 2013). Arrangements between visual artists and galleries focus primarily on the duration of collaboration, exclusive rights to artists' work, the services produced by galleries, commission rates and ownership of the work (EC, 2017). Visual artists often lack sufficient market knowledge and skills to negotiate well and protect their interests. Hence, visual artists need protection.

Revenue sharing agreements also tend to favour actors at the end of the value chain, while actors at the beginning of production networks face increased risks. Many artists receive insufficient income from their artistic activities and are forced to find supplementary jobs (Bondi & Sitton, 2007). Promotion galleries are also positioned at the beginning of the value chain and often struggle to cover costs. As mentioned above, there are a few exceptions with internationally known galleries that have rather large market power and possess strong networks. However, the vast majority have low profit margins and struggle to survive (Resch, 2011). Because of these risks, promotion galleries generally receive 50% of the selling price of artworks. Sales galleries and art dealers usually earn approximately 30% because their selection method is less risky.

When artworks are sold in auction houses, a collector buys the piece of art. Auction houses operate in the secondary sales market and are generally involved in low-risk activities. They receive a percentage, usually between 12%–25%, from the buyer. If the selling price is below a certain amount, auction houses receive an additional 10% of the selling price from the seller.

The graphic below illustrates a "hypothetical example of revenue sharing in the visual arts industry" (EC, 2017, p. 58).

Graph 1. Hypothetical example of revenue sharing in the visual arts industry



PART 2. Statistical mapping of the visual arts industry

2.1 Quantitative analysis of the visual arts industry

In the previous chapter, a literature review provided insight into the visual arts sector by describing the different production stages and involved stakeholders. This chapter elaborates, providing an exploratory and critical view of statistical data of the visual arts. We briefly discuss the characteristics of the available data and their usefulness and reliability in mapping the activities of this cultural and creative sector. We analyse current statistics and general trends, identify gaps in the data and recommend ways to collect (more) relevant data.

The chapter starts by mapping the sector on a European scale, using statistics from Eurostat, the statistical office of the EU. We then investigate how the field of visual arts is statistically mapped on a national level, providing detailed statistics related to the specific countries – the Netherlands and Bulgaria – where the case studies occur. The main databases derive from national statistical offices, interest groups and associations. Like our Eurostat analysis, we analyse what the data offer and their shortcomings. Therefore, the first sections focus on what the data allow us to measure statistically, despite the limitations. Thereafter, we provide a brief overview of the key variables we cannot measure and propose new ways to gather relevant data to fill these gaps.

2.2.1 Europe

The visual arts sector is characterised as “all non-literary and non-musical fine arts”, including various activities, from museum and gallery exhibitions to art fairs and auctions (EC, 2017, p. 40). As mentioned before, the main statistical source used to map these activities is Eurostat, consisting of two databases: business demography (BD) and structural business statistics (SBS) database for services, industry and trade. The databases use NACE codes to measure economic activities among different member states, which serve as a tool to make data more coherent and comparable between countries.

NACE codes per production phase

Below, we have attempted to outline the relevant NACE codes for each production phase. We have two separate definitions for each phase: minimal and extensive.

Creation

In the creation phase, visual artists conceptualise ideas for artworks. These works are visual and can take many forms (e.g. paintings, videos, installations, sculptures). Two NACE codes are included, focusing specifically on creating new works: 90.03 “Artistic creation” and 74.1 “Specialised design activities”.

Table 5. Relevant NACE codes for the creation phase in the visual arts; code, title and scope.

NACE code	Description	Minimal	Extensive
90.03	Artistic creation	X	
74.1	Specialised design activities	X	

Production

During production, artists gather the necessary materials and equipment to continue producing their artworks at home, in studios or in creative hubs. Thus, we include NACE codes 74.2 “Photographic activities” and 90 “Operation of arts facilities”. However, because many artists work from home to save on rent costs, these economic activities are often less visible and difficult to measure. The artists themselves do not always strictly track the total hours spent producing art.

Table 6. Relevant NACE codes for the production phase in the visuals arts; code, title and scope.

NACE code	Description	Minimal	Extensive
74.78	Other retail sales of new goods in specialised stores	X	
74.79	Retail sales of second-hand goods in stores	X	

Distribution

After an artwork is finished and effectively becomes a commodity, artists seek to distribute and expose it, making it visible to possible consumers. During this stage, various actors actively sell visual artwork and mediate between supply and demand. Thus, we include code 47.78, “Other retail sales of new goods in specialised stores", to measure activities from art galleries. In addition, Code 47.79, "Retail sales of second-hand goods in stores”, includes economic activities from auction houses. Finally, code 77.4 concerning intellectual property is included in the extensive definition.

Table 7. Relevant NACE codes for the distribution phase in the visuals arts; code, title and scope.

NACE code	Description	Minimal	Extensive
74.78	Other retail sales of new goods in specialised stores	X	
74.79	Retail sales of second-hand goods in stores	X	
77.4	Leasing of intellectual property and similar products, except copyrighted works		X

Exchange

The exchange phase refers to the place of consumption of cultural experiences (UNESCO, 2009). Key codes are "Library and archives activities" and "Museums activities". In addition, for the extensive analysis, we include codes that focus on the evaluation and value of the product as perceived by key actors.

Table 8. Relevant NACE codes for the exchange phase in the visuals arts; code, title and scope.

NACE code	Description	Minimal	Extensive
91.01	Library and archives activities	X	
91.02	Museums activities	X	
73.1	Advertising		X
58.11	Book publishing		X
58.14	Publishing of journals and periodicals		X
94.99	Activities of other membership organisations n.e.c		X

Archiving

In the archiving phase, visual artworks are documented. Economic activities concern the development of archiving systems such as museums, magazines and online databases. Moreover, code 85.52 is included because visual artworks can be archived for cultural education.

Table 9. Relevant NACE codes for the archiving phase in the visuals arts; code, title and scope.

NACE code	Description	Minimal	Extensive
91.01	Library and archives activities	X	
91.02	Museums activities	X	
85.52	Cultural education	X	

NACE codes and shortcomings

The tables demonstrate that the relevant NACE codes for the visual arts industry mainly fall under code R9: "Creative, arts and entertainment activities". However, several shortcomings come to the fore when distinguishing between the different production phases. First, many of the NACE codes are broad and could also measure activities that have nothing to do with visual arts. An example is code 47.78, "Other retail sales of new goods in specialised stores". Although we use this code to measure the crucial activities of art galleries, the code entails much more. Hence, when including statistics retrieved from this code, we face the risk that results show unrealistically high numbers.

Second, some phases, such as exchange and archiving, have similar NACE codes (e.g. "Library and archives activities" and "Museums activities"). Consequently, if we retrieve statistics for the entire production process of visual arts, these activities are counted twice. However, this duplication does not point to a shortcoming of the NACE categorisations as much as the GPN approach. Because of overlapping activities and stakeholders, no clear distinctions can be made between the distribution, exchange and archiving phases. For instance, museums are key actors in all three production process phases.

Finally, it could be argued that the NACE codes are somewhat out-of-date due to the digitalisation and flexibilisation of the labour market. Roles, executive tasks and power relationships have changed while the current NACE codes on economic activities have not. The categories are based on more traditional sectors with clearly different products and relatively transparent employment modes (dominated by workers with full-time and permanent contracts). However, the visual arts sector is not as transparent, and activities are not clearly divided into neat categories. With the blurring of products (e.g. online production and consumption of art) and flexible and hybrid labour conditions (e.g. self-employed, working two jobs), it becomes more challenging to correctly map these activities using Eurostat's data collection method. Thus, it is necessary to keep these shortcomings in mind while analysing the data and findings according to the NACE classifications of Eurostat.

Results

Despite these shortcomings, we briefly discuss the results derived from Eurostat's database. Because many of the NACE codes are rather broad and measure more than just visual arts activities alone, we use the minimal NACE codes for the statistical analysis. The data reference 2017.

The table below shows the total number of enterprises active per each country's production phase. It also adds up all production phases, thereby revealing the total number of enterprises active in the visual arts field (total production cycle). Eurostat (2014) defines the enterprise as follows: "The enterprise is the smallest combination of legal units that is an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations".

Table 10. Number of enterprises in the visual arts across Europe

	Tot. Creation	Tot. Production	Tot. Distribution	Tot. Exchange	Tot. Archive	Tot. Cycle of production
European Union 28 MS	207,719	134,710	246,684	54,787	:	**643,900**
Belgium	13,461	11,208	6,207	1,773	2,311	**34,960**
Bulgaria	2,114	2,097	9,870	1,479	8,504	**24,064**

Czechia	8,812	10,163	:	151	20,136	**39,262**
Denmark	6,937	4,733	2,306	470	4,562	**19,008**
Germany	87,375	69,742	24,577	6,015	79,169	**266,878**
Estonia	3,334	2,831	447	190	2,002	**8,804**
Ireland	9,708	8,608	2,206	631	14,692	**35,845**
Greece	9,049	11,231	9,769	1,008	22,046	**53,103**
Spain	46,022	51,854	23,720	5,592	115,791	**242,979**
France	80,524	71,229	37,965	12,205	188,175	**390,098**
Croatia	1,600	1,104	1,268	145	1,767	**5,884**
Italy	62,216	44,443	45,280	4,227	34,308	**190,474**
Cyprus	342	318	892	40	0	**1,592**
Latvia	2,593	2,500	687	648	3,814	**10,242**
Lithuania	8,435	10,067	916	491	12,765	**32,674**
Luxembourg	649	512	322	33	561	**2,077**
Hungary	16,916	16,402	5,353	3,191	31,265	**73,127**
Malta	920	920	:	0	0	**1,840**
Netherlands	108,890	101,398	6,073	6,430	86,847	**309,638**
Austria	13,085	13,668	2,579	1,141	9,453	**39,926**
Poland	11,204	9,893	10,436	6,933	0	**38,466**
Portugal	29,654	26,571	11,678	1,431	56,809	**126,143**
Romania	10,355	10,490	3,486	2,220	15,321	**41,872**
Slovenia	6,612	5,835	505	179	5,927	**19,058**
Slovakia	2,202	3,348	4,973	836	7,626	**18,985**
Finland	9,096	8,306	1,897	908	6,684	**26,891**
Sweden	13,411	8,604	3,597	1,766	0	**27,378**
United Kingdom	57,152	41,803	20,510	5,803	52,040	**177,308**

Source: Eurostat, 2022

The statistics on enterprises reveal that most enterprises in visual arts are registered in France (390,098), followed by the Netherlands (309,638), Germany (266,878), Spain (242,979) and the United Kingdom (177,308). Countries with few active enterprises include Cyprus (1,592), Luxembourg (2,077), Croatia (5,884) and Estonia (8,804), largely due to different population sizes and the fact that the degree of available data differs considerably from country to country.

The next table shows the total number of employees active in each production phase per country. It also adds up all production phases, thereby revealing the total number of employees active in visual arts. Eurostat (2014) defines employees as follows: “Within the context of structural business statistics, an employee is a person who works for an employer based on a contract of employment and receives compensation in the form of wages, salaries, fees, gratuities, piecework pay or remuneration in kind”.

Table 11. Number of employees in the visual arts across Europe

	Tot. Creation	Tot. Production	Tot. Distribution	Tot. Exchange	Tot. Archive	Tot. Cycle of production
European Union 28 MS	:	69,800	604,926	88,119	:	**762,845**
Belgium	7,647	8,310	7,324	1,309	2,991	**27,581**
Bulgaria	1,104	1,880	16,018	2,298	170,198	**191,498**
Czechia	1,754	2,581	0	505	15,843	**20,683**
Denmark	6,230	7,447	11,193	3,463	12,018	**40,351**
Germany	75,889	89,986	110,286	45,891	1,153,417	**1,475,469**
Estonia	1,097	1,330	1,995	701	3,131	**8,254**
Ireland	3,410	4,215	8,731	4,470	157,022	**177,848**
Greece	21,414	23,128	8,404	3,242	330,232	**386,420**
Spain	70,572	76,634	47,538	17,885	491,536	**704,165**
France	28,484	33,645	74,206	16,741	152,061	**305,137**
Croatia	547	1,247	3,562	413	8,628	**14,397**
Italy	11,866	14,989	46,942	12,561	85,583	**171,941**
Cyprus	:	309	2,482	21	0	**2,812**
Latvia	1,830	2,306	2,623	2,102	7,909	**16,770**
Lithuania	1,049	1,542	3,616	1,924	8,585	**16,716**
Luxembourg	118	161	0	50	1,406	**1,735**
Hungary	15,426	16,461	10,335	5,684	24,593	**72,499**
Malta	:	0	0	0	0	**0**
Netherlands	22,402	24,427	15,532	25,985	538,291	**626,637**
Austria	5,924	7,535	10,017	3,406	27,204	**54,086**

Poland	:	3,431	24,961	7,125	0	**35,517**
Portugal	3,496	5,390	28,256	2,537	44,108	**83,787**
Romania	3,572	5,812	12,297	6,539	18,120	**46,340**
Slovenia	595	834	1,122	345	3,549	**6,445**
Slovakia	795	1,586	9,240	810	7,258	**19,689**
Finland	2,406	3,256	5,187	1,338	17,870	**30,057**
Sweden	:	2,132	8,644	1,218	0	**11,994**
United Kingdom	92,095	108,965	122,043	72,610	1,172,135	**1,567,848**

Source: Eurostat, 2022

The tables show how employees in the field of visual arts are distributed across European nations. Most employees are located in the United Kingdom (1,567,848), Germany with 1,475,469 employees, and Spain with 704,165. The Netherlands accounts for 626,637 employees. France, while accommodating most enterprises, only accounts for 305,137 employees. According to these results, more companies are active than employees. This result most likely points to an error in the data.

Nonetheless, small-sized enterprises are common in visual arts, as many visual artists are embedded in local networks where they create, produce, distribute and sell their own art. The statistics confirm this picture of self-reliant artists. For instance, 309,638 enterprises are registered in the Netherlands, while 626,637 employees are active, suggesting that an enterprise has an average of two employees.

2.2.2 The visual arts industry in The Netherlands

State-collected statistics

As in Europe, the same problem concerning a lack of relevant, coherent and up-to-date data applies to the Netherlands due to the complexity and heterogeneity of activities within the visual arts sector. At the request of the Ministry of Education, Culture and Science, the government organisation *Centraal Bureau voor Statistiek* (Central Bureau for Statistics [CBS]) compiled a statistical report which mapped the employment and income position of artists and other creative professionals. The most recent data referred to the period 2017–2019. The monitor was based on data from various surveys (the Labour Force Survey [EBB], the National Working Conditions Survey and the Self-Employed Labour Survey).

The report provides insights on artists’ demographic characteristics (e.g. distribution of age, gender and education level) and labour conditions. In 2017–2019, there were an average of 164,000 artists in the Netherlands (CBS, 2021), 2% of the Dutch labour force. Among the group of artists, CBS made a distinction between visual artists (e.g. painters, photographers), design professionals (e.g. architects, fashion designers), executive professionals (e.g. dancers, singers), and writers, translators and other arts professionals. Visual artists accounted for the smallest group with 13,000. In 2010–2012, this group was 2,000 larger.

Moreover, visual artists earned the least (14,000 EUR per year) among the different artist groups. Visual artists were less likely to be in paid employment, and the share of self-employed in this sector was considerably high. Due to low income, visual artists often received financial assistance from the Dutch government. In addition, the income position of visual artists deviated considerably less when the income of other household members was considered. Finally, a relatively large number of these artists lived in the Amsterdam region and the province of Utrecht.

Representative organisation *Beeldende Kunst Nederland*

The statistics from CBS can be supplemented with statistics from *Beeldende Kunst Nederland* (BKNL), an organisation established to represent the interests of visual artists, museums and galleries in the Netherlands. In recent years, they partnered with research bureaus to extensively analyse available statistical data on the visual arts sector, conducting several studies to provide insight into general trends to obtain a better position to discuss the effects of spending cuts from the government on the visual arts sector (BKNL, 2022). As a result, BKNL has made an extensive inventory of available data in contemporary visual arts, providing a broader and more detailed analysis of available figures. Their most recent study was conducted in 2019.

One of BKNL's main goals is to better visualise visual artists' current labour market situation in the Netherlands. In 2018, the total number of artists accounted for 138,000. Of this number, 14,000 were visual artists, which has not drastically changed over the years. In 2017, the sector shrunk by 3,000, but in 2018, growth resumed. Visual artists earn an average of 1,600 EUR per month. The hourly wages of visual artists rose from an average of almost 7 EUR to more than 10 EUR between 2007 and 2017, possibly indicating a more general trend among alumni and graduates receiving higher hourly wages. Moreover, compared with other types of art alumni and HBO graduates, visual artists were the least represented group in paid employment. Instead, the proportion of self-employment among visual artists was significantly high: two of three were self-employed (1.5 years after graduation). However, there was a slight increase in more paid employment. Between 2013 and 2016, 24% of the visual artists worked in paid employment; in 2017, it increased to 31%. Despite this increase, alumni from the study of "autonomous visual arts" were the least positive about the connections for finding work after their study. The share of artists that found this connection either good or sufficient decreased from 74% in 2007 to 44% in 2017. Finally, visual artists still lead the list of artists with mixed professional practice. Of all cultural professionals, visual artists work least often exclusively in their field.

BKNL also provides detailed statistics on museums (e.g. the number of visitors, financing strategies, public subsidies) and galleries. For instance, BKNL showed how the number of galleries in the Netherlands decreased, partially explained by a new trend where international galleries take over smaller, local galleries (EC, 2017). In 2016, there were approximately 440 galleries in the Netherlands. Furthermore, the annual turnover per gallery was diverse. In 2016, 36% of the galleries earned less than 50,000 EUR, whereas 10% had a turnover of more than 1 million EUR (BKNL, 2019). Based on these statistics, BKNL has contributed to a broader picture of the visual arts sector, consisting of visual artists and other actors in different production phases. Accordingly, BKNL's approach is aligned with the GPN approach.

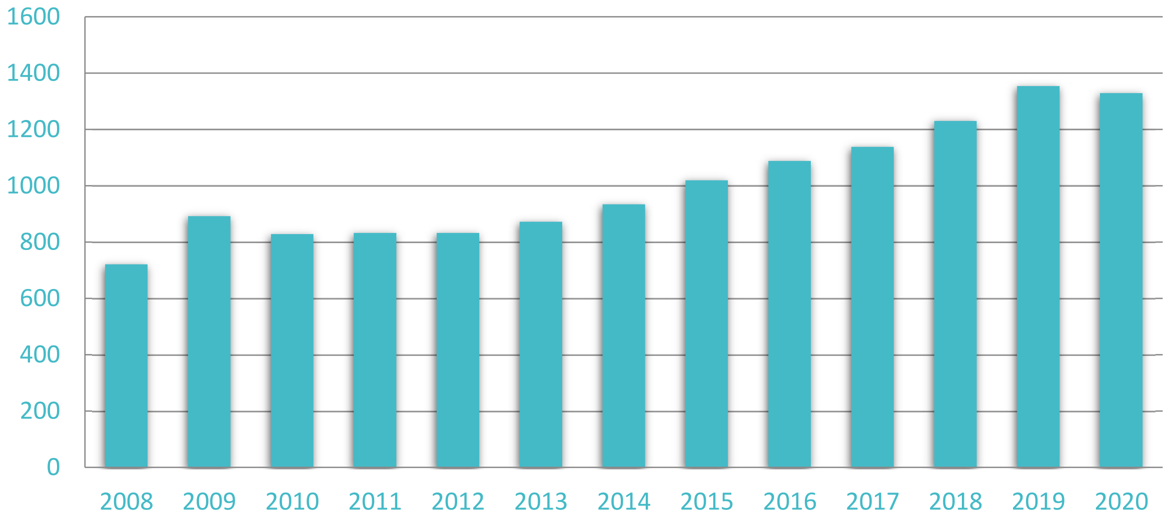
2.2.3 The visual arts industry in Bulgaria

Visual Arts[1] – Statistical data for Bulgaria

The main sources of data for the statistical analysis of the visual arts and festival sector in Bulgaria come from the annual mapping of CCIs in Bulgaria, conducted by the Observatory of Cultural Economics, Sofia. The mapping is carried out in the framework of a project called 'Economic Contribution of Arts, Cultural and Creative Industries, Cultural Heritage and Cultural Tourism', implemented with the support of Sofia Municipality and the assistance of the National Statistical Institute, which provided the data according to the methodology developed by the Observatory. The mapping survey has been carried out annually since 2011, with data covering the period 2008–2020. Enterprises in this sector include small and medium-sized enterprises and the non-governmental sector.

There are no statistics on private galleries in Bulgaria, nor is there a systematic monitoring of the number of visual artists in a separate code. The data below was extracted predominantly from OCE's mappings and refers only visual arts in Bulgaria.

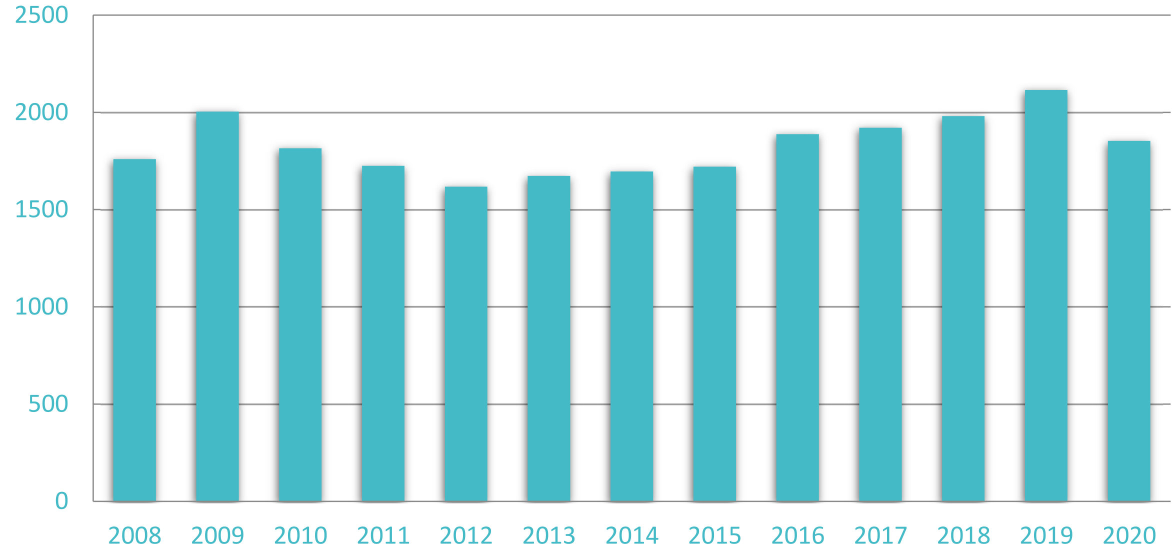
Figure 1. Number of enterprises in the Bulgarian visual arts industry (2008-2020)



[1] The project "Economic contribution of the arts, cultural and creative industries, cultural heritage and cultural tourism" was implemented by the Observatory of Cultural Economics with the support of Sofia Municipality and the National Statistical Institute, which provided data using methodology developed by the Observatory.

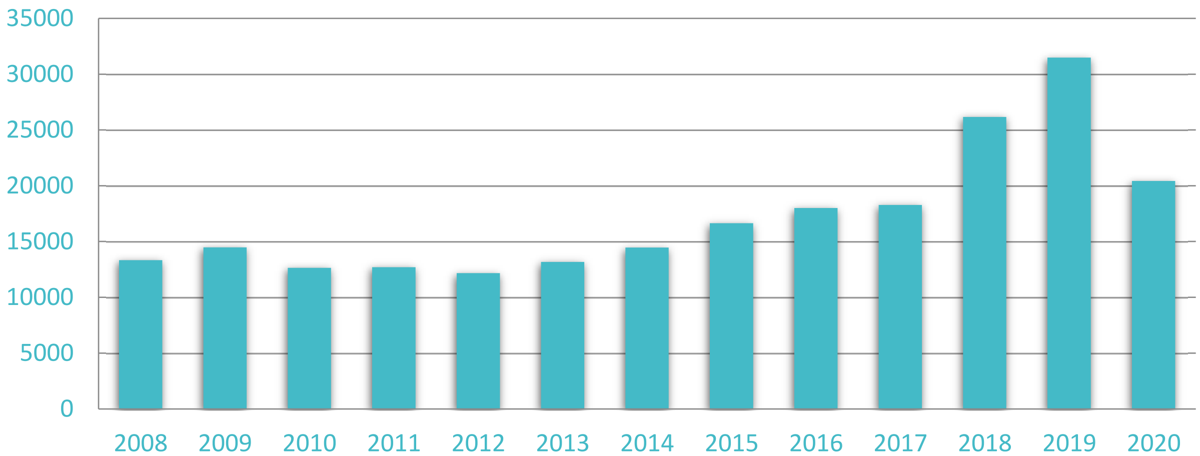
Data on visual arts enterprises for the period 2008-2020 shows nearly two-fold growth, from 721 in 2008 to 1,329 in 2020. The highest number of visual arts enterprises is seen in Photography activities - 1,028 for 2020 or almost twice the increase compared to 2008 – 599. The largest growth in the number of enterprises is the sub-market Creative activity in the field of arts – from 122 enterprises in 2008 to 301 in 2020 or nearly two times and a half relative growth. The impact of the Covid pandemic has affected visual arts enterprises with a reduction of 25 enterprises.

Figure 2. Employment in the Bulgarian visual arts industry (2008-2020)



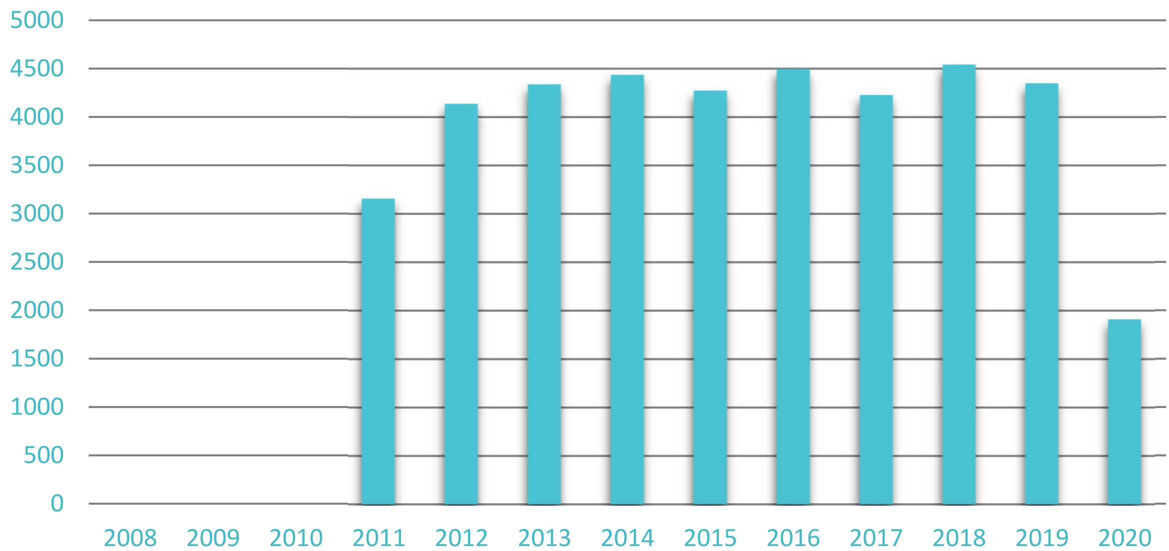
The analysis of the employment data in the visual arts for the period 2008-2020 shows the preservation of relatively the same levels - from 1759 in 2008 to 1853 employed in 2020. The largest number of employed persons is in Activities in the field of photography - 1488 for 2020, compared to the sub-market Creative activity in the field of arts - 365 employed or nearly four times the share of employed. The COVID-19 pandemic has affected engagements and activities in the visual arts, resulting in a decline in visual arts employment or from 2,115 employed in 2019 to 1,853 in 2020. By this measure, visual arts nationally are back in the years 2016.

Figure 3. Added value in the Bulgarian visual arts industry (2008-2020)



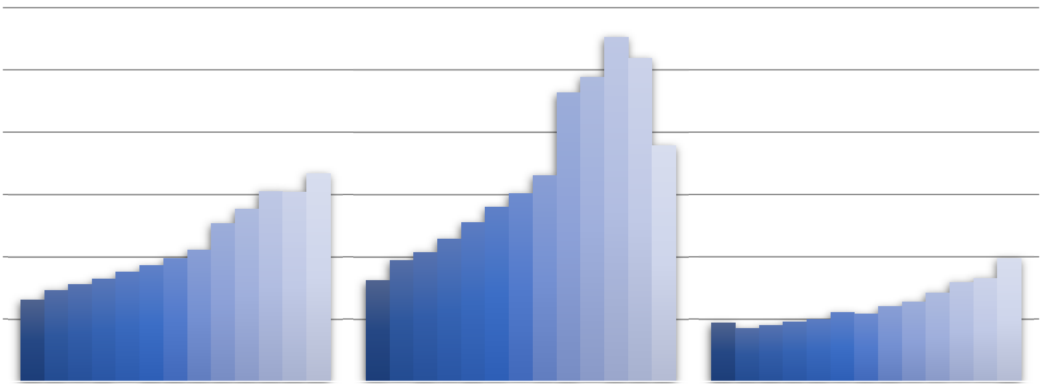
The data on the added value in the visual arts for the period 2008-2020 show one and a half times positive growth dynamics - in total for the period or from BGN 13,330 thousand in 2008 to BGN 20,430 thousand in 2020. In absolute terms, the pre-Covid year 2019 has the highest added value for the period under review - BGN 31,486 million. The highest added value is observed in the sub-market Activities in the field of photography - BGN 23,897 thousand for 2019, or almost three times greater than the sub-market Creative activity in the arts - 6,963 million euros. In general terms, we could divide three main periods in the dynamic order 2008-2020. The first, 2008-2013, which is characterised by stable values of added value over time without serious fluctuations, the second period 2014-2019. , which is characterised by a relatively high dynamic of positive growth of added value, and in this period again the largest share of growth is in the field of photography. The third period is characterised by a decline due to COVID-19 and by this indicator the visual arts are back to the level of 2017.

Figure 4. Foreign direct investments in the Bulgarian visual arts industry (2008-2020)



The data on foreign direct investment in the visual arts for the period 2008-2010 is BGN 0. The first part of the period 2008-2010 is characterised by the presence of an economic and financial crisis with reduced budgets in the field of cultural activities, so this result not surprising. In 2011 - the year in which Bulgaria also recorded significant economic growth in the economy, we observed foreign direct investments of 3,100 million euros. For the period 2012-2019, according to this indicator, a sustainable growth rate of foreign direct investments is observed, and on average for the period they are in the range between 4.1-4.5 million euros. In 2020 , the presence of a pandemic situation and the contraction of activity in the visual arts has an impact on foreign direct investment, and compared to the previous year 2019, we observe a drop of more than two times to 1,910 million euros.

Figure 5. Average gross payments in the Bulgarian visual arts industry (2008-2020)



	All economic activities	Arts, cultural and creative industries, cultural heritage and cultural tourism	Visual arts
2008	6.538	8.090	4688
2009	7.309	9.692	4245
2010	7.777	10.341	4514
2011	8.230	11.421	4798
2012	8.773	12.748	5004
2013	9.301	13.993	5529
2014	9.860	15.079	5414
2015	10.535	16.511	6006
2016	12.650	23.164	6400
2017	13.828	24.419	7111
2018	15.257	27.629	7947
2019	15.209	25.934	8254
2020	16.687	18.942	9.874

Regarding the average gross salary in the visual arts, we can highlight the following trends:

- From the table presented above, which compares the average gross remuneration for the Bulgarian economy, the arts, cultural and creative industries, cultural heritage and cultural tourism - the lowest remuneration is in the visual arts - for 2008 – 4 668 BGN - 9,874 BGN for 2020.
- The visual arts have a slower dynamics of wage growth compared to all economic activities and nearly twice the size of the cultural and creative industries.

2.2 Conclusions

This report has briefly appraised the quantitative data on the visual arts sector. First, we mapped the sector on a European scale. Using statistics from Eurostat's NACE codes, we zoomed in on the number of enterprises and employees active in visual arts across EU member states. However, for visual arts and many other sectors of the CCIs, coherent statistical data on a European scale is incomplete because the definitions of visual arts and activities differ between countries. Visual-arts-related activities are extremely broad; artists can choose between several methods to exhibit or sell their artworks. Therefore, data collected from different countries are not easily comparable. What complicates these quantitative data analyses is that information about contractual agreements and revenues is not easily obtained. Stakeholder agreements are mostly private and sometimes not written down in contracts, based on mutual trust (Zorloni, 2013).

Moreover, the boundary between officially employed and not officially employed visual artists can be vague. For instance, many visual artists are not formally recognised or registered as artists but sell their work. In contrast, an artist can be registered as a visual artist while not actively producing art for years. Because of these uncertainties, it can be challenging and troublesome to indicate the actual number of visual artists and related economic activities. The current systems following NACE categorisations are ill-equipped to measure these blurring and flexible labour market dynamics. Although Eurostat offers interesting insights, it cannot portray a complete and up-to-date picture due to increasingly hybrid organisations and relationships that make activities and value chains highly diversified and dynamic.

Compared to the European scale, a relatively rich set of statistical data is available regarding the Dutch and Bulgarian visual arts fields. These states provide statistics on demographics, working conditions and trends of visual artists. Furthermore, BKNL contributes to the statistical mapping by elaborating on museums and galleries. However, to compare statistics across EU member states, it is crucial to grasp what the visual arts sector entails precisely. A barrier to more comprehensive and inclusive statistical research is the lack of understanding of the profession of visual artists and, more broadly, the visual arts sector. Questions such as, "Who calls themselves a visual artist?" and "When do they no longer call themselves a visual artist?" must be further explored in detailed qualitative research, possibly leading to a more comprehensive picture considering which activities are part of the visual arts, how people step in or out of being considered a visual artist, how they appear in the statistics and which stakeholders are involved.

In the next chapter, we explore how these questions can be answered utilising the GPN approach. Departing from the different production phases, we broaden the focus and include crucial information on production, distributing, exchange and archiving activities, allowing us to deepen our understanding of the complexity and size of the sector.

PART 3. The fieldwork: analysis and results

3.1 Case studies in the visual arts industry: setting the scene

The visual arts consist of different subsectors, such as painting and sculpture, comprising a nearly endless array of distinct *art worlds* (“the network of people whose cooperative activity, organised via their joint knowledge of conventional means of doing things, produces the kind of artworks that the art world is noted for”; Becker, 1982: p. x). Each art world consists of specific configurations of artists, suppliers, gatekeepers, critics, customers and support systems involving non-profit organisations and public and private sector stakeholders. In addition, these distinct *art worlds* constantly undergo change as they are embedded in and shaped by broader socio-cultural and institutional contexts. Think of, for instance, the trend of digitalisation, which has influenced artistic styles’ and visual arts’ operative structures (e.g. artists have gained agency to promote and distribute artworks online without the help of intermediaries while increasing transparency on prices; McCarthy, 2005; EC, 2017). Moreover, globalisation has contributed to processes of market consolidation and allowed the visual arts market to grow with important buyers emerging in Asia (EC, 2017). As a result, the visual arts market has developed new structures, networks and processes.

This report explores these developments by investigating different paths for visual artworks to be created, produced, distributed, consumed and archived. Following a qualitative methodology, we have conducted three in-depth case studies: (1) Patty Morgan, a Dutch webshop for contemporary art, (2) Sibumski, a recently graduated visual artist and (3) Bulgarian participation in the Venice Biennale, an international cultural exhibition hosted annually in the city. The cases were selected to showcase a diversity in the visual arts and to provide novel insights on the mechanisms, relations and dynamics that are relevant to the research.

For instance, with each case, we depart from different phases of the production process. As a webshop, Patty Morgan is active in distributing and selling art, whereas Sibusmki, a graphic designer, is primarily active in creating and producing art. The Venice Biennale, as an international exhibition, is active in the exchange phase. In addition, while the cases analysed in the Netherlands (Patty Morgan and Sibumski) focus on actors attempting to become more established, the case analysed in Bulgaria (Venice Biennale) focuses on a prestigious international art exhibition. In this exhibition, a well-known Bulgarian artist and his curator participate. Due to the differences in prestige and fame, these cases provide insight into the power dynamics, challenges and opportunities throughout their careers.

Moreover, Patty Morgan is selected as a case because of its deviancy and critical attitude towards capitalistic practices in the visual arts. With its web shop, Patty Morgan presents an extreme case as the goal is to go against the grain of the market. As Flybjerg (2006, p. 229) argues, extreme or atypical cases have the potential to “reveal more information because they activate more actors and more basic mechanisms in the situation studied". Furthermore, as a digital platform, this case allows us to explore in detail how digitalisation can affect the distribution and sale of art, especially among emerging visual artists.

Finally, the cases differ concerning their territorial scale. Sibumski's case is an example of a highly local case, Patty Morgan primarily operates on a national level and the Venice Biennale presents an international case. Although we do not intend to make generalised conclusions, the diversity between these cases can be used to expose causal relationships and reveal the complexity, dynamics and values in the sector.

In addition, for each case, we analysed a specific project to explore labour market dynamics (e.g. power relationships between actors, necessary skills, contracts and policy issues). As such, we analyse Patty Morgan's sales activities and Sibumski's creation of an artistic design while disentangling an entire art project. Utilising the GPN approach, we analyse the economic activities that bring an art project from "creation" to sales and consumption. For Patty Morgan, we interviewed several of its represented artists and studied the Breaking Boundaries Project, a travelling exhibition intended to establish an international professional network among art spaces, artists and curators. The project brings together 12 emerging artists who exhibit their work in six art spaces across four countries over a year. One of the exhibitions is organised in Patty Morgan's showroom. For Sibumski's case, a young visual artist, we selected a small-scale project where he designed a bag commissioned by the fashion company UNU Rotterdam. Finally, we narrowed the focus to Bulgarian participation in the Venice Biennale. This case will provide insights into a bottom-up local production network and reveal dynamics within a cross-industry collaboration between small-scale creative actors.

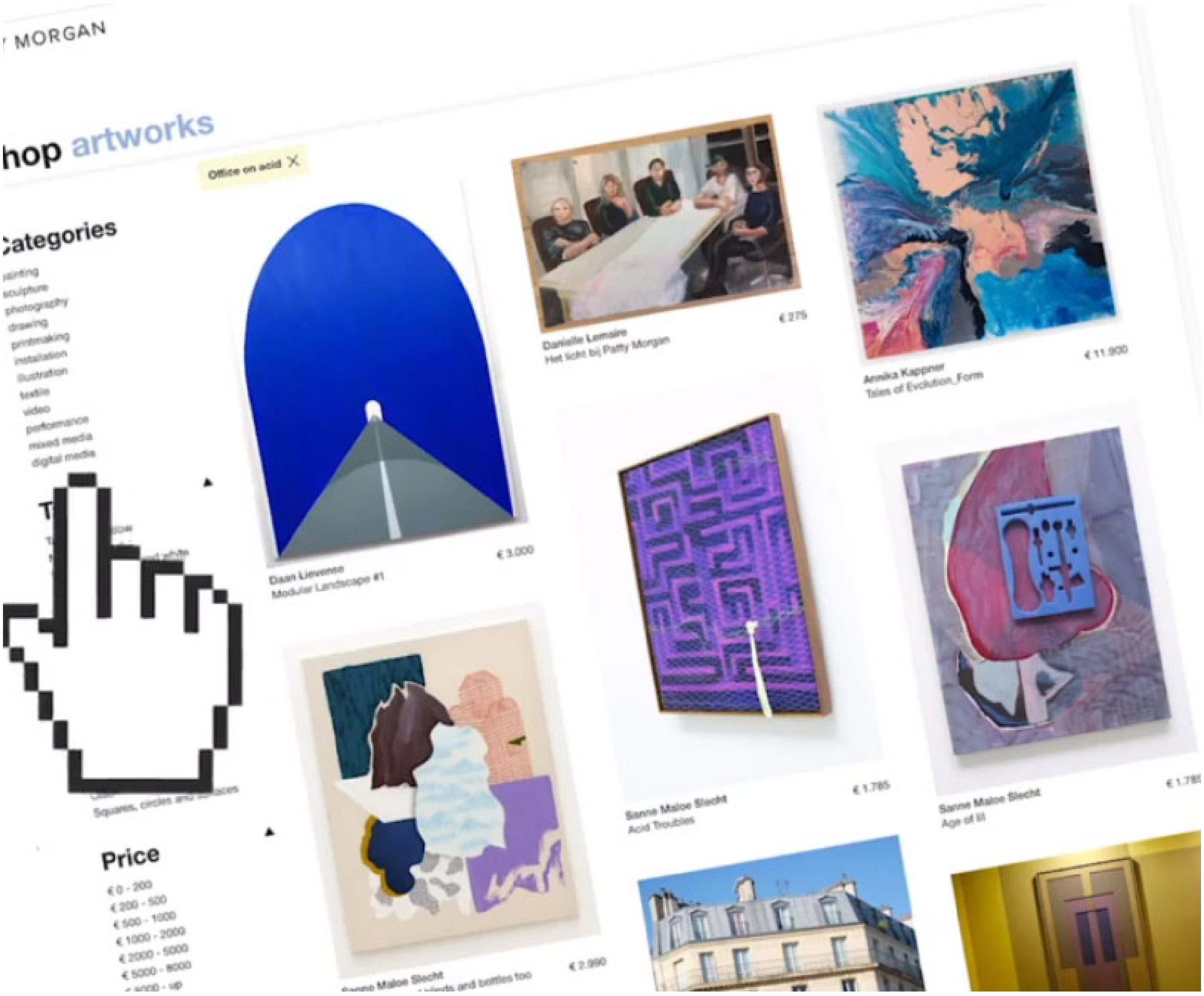
3.1.1 Methodology

We conducted semi-structured in-depth interviews with actors in different production phases for each case study. Rather than focusing exclusively on the creator (i.e. Sibumski), we provided a variety of angles to broadly discuss developments and dynamics in the visual arts, resulting in a total of 22 interviews. The structure of the interviews was based on the framework of the GPN approach's key analytical building blocks, which are useful for research purposes. More specifically, the interviews were structured by three key notions of the GPN perspective: 1) processes of value creation and appropriation, 2) power dynamics and 3) embeddedness (Coe and Yeung, 2015) used as the structure for discussing the results.

Concerning Patty Morgan, we interviewed its founders, employees, represented artists and the funding agency *Amsterdam Fonds voor Kunst* (AFK), resulting in 13 interviews. We selected artists in different stages of their careers (i.e. from just starting to well-known). We also spoke to several artists involved in the Breaking Boundaries Project. Finally, we thought it important to speak to the funding agency AFK, which provided Patty Morgan with funding twice but also declined applications on several occasions. We were curious about its considerations in this regard.

For Sibumski, we conducted interviews with the key actors involved in his production of a fashion bag. This case is considerably smaller, so we conducted four interviews: twice with Sibumski, once with the client and once with the producer, Talentfabriek 010. Finally, we conducted five interviews for the third case study dedicated to Bulgarian participation in the Venice Biennale.

3.2 Case 1: Patty Morgan



Source: www.instagram.com/patty_morgan

3.2.1 Phases, actors and locations

Actors

Patty Morgan was founded in 2013 by artist Matthijs Booij and former designer Casper Schipper. Both were dissatisfied with the disproportionate power dynamics in the visual arts sector. By establishing Patty Morgan, they sought to change the sector's "rules of the game" to support emerging talent in their sales. Their approach was to create a webshop for contemporary art and only ask for a 30% commission instead of the traditional 50% to provide young artists with a promising sales channel. Besides the digital platform (the primary interest), the founders organised exhibitions in a showroom in Amsterdam-Noord.

Over nine years, Patty Morgan has represented over 800 artists on their webshop. Although most have been relatively young and unknown to the general public, Patty Morgan has also represented a few A-list artists to attract clientele. Thus, using a digital approach, Patty Morgan has fulfilled a similar role as traditional galleries through scouting, curating, promoting and mediating activities.

However, in carrying out these activities, the founders of Patty Morgan were unable to gain sufficient revenue, as the webshop did not yield the desired financial outcome due to low demand. Moreover, Patty Morgan's already fragile state was worsened by the outbreak of the Covid-19 pandemic, causing the company to officially shut down the webshop in February 2022. Although Patty Morgan's webshop is currently unreachable to clients, the owners hope to give Patty Morgan a reboot in the future. This report investigates Patty Morgan's key obstacles to determine why their digital approach was unprofitable. Thus, we interviewed Patty Morgan's founders, two employees, some represented artists and AFK, a funding agency in Amsterdam. We also analysed Patty Morgan's achievements and promising aspects, one of which is the Breaking Boundaries project.

Breaking Boundaries was created in response to Covid-19, a time when artists could not travel and exhibit. Breaking Boundaries aimed to enable and support cultural professionals to establish international networks. The project brought together 12 emerging artists selected by eight curators. Over a year, the artists exhibited their work in six art spaces across four countries. The second to last destination of the travelling exhibition was supposed to be Patty Morgan's showroom. However, due to their current state of suspended animation, the exhibition was moved to a different gallery.

Locations

Patty Morgan's office and showroom were situated in Amsterdam-Noord. Because of Patty Morgan's cultural goals for and artistic contribution to the neighbourhood, they retained a relatively large space for low rent. Patty Morgan operated their webshop on a national scale. Due to the difficult logistics of transporting art, it did not make sense to sell artworks to international clients. However, in Patty Morgan's final year, the company gained an international network through the Breaking Boundaries project.

Phases

Creation

Patty Morgan relies on their represented artists to upload pictures and information about new artworks on their webshop. Then, Patty Morgan enters the stage as a middleman between artist and consumer. Therefore, creation does not start with Patty Morgan but the artists responsible for creating new artworks and maintaining a well-filled page on the digital platform.

Patty Morgan wishes to represent upcoming professional artists who, similar to the company, "do things differently" and challenge contemporary power dynamics in the visual arts. An example of such an artist is Peim van der Sloot, who is self-described as "quite rebellious" and "experimental" in his approaches to distributing and selling art. He tries to counter the sector's capitalistic structures by playing with art market tools:

> *For example, I had one exhibition where people could decide how much they wanted to pay or an auction where the price went down instead of up. [...] Or, another example, the price of an artwork is 1% of your yearly income. Or, if it gets sold, I divide all the money with everyone that's present at that moment in the gallery. (Peim)*

Besides emerging talent, the owners of Patty Morgan have attempted to represent a few more established artists to attract clientele. One of these artists is Barbara Broekman, known for her monumental artworks using textile patterns and techniques. Barabara normally does not work with "mediating" actors such as galleries and prefers to take care of the exchange phase herself. However, she made an exception for Patty Morgan because she admired their critical attitude and values. For Patty Morgan to represent the more established artists, they offered to create and maintain the artists' personal pages and write blogs about them.

In addition to Patty Morgan's active talent scouting, artists could register by submitting their portfolios. In these cases, an external committee of curators (volunteers) would provide an assessment and initial advice, after which Patty Morgan made the final decision to accept or decline the artists depending on whether they fit Patty Morgan's taste profile.

As for the creation phase of Breaking Boundaries, the project was initiated by Jessica Capra, head of the cultural enterprise "the Artists and the Others", and Jelmer Wijnstroom, an employee of Patty Morgan. Their dual goal was to support artists in developing their careers and connect them to international art spaces during the pandemic. Jessica started the project searching for curators and art spaces to select artists and exhibit their works in different countries. From her broad cultural network, she managed to involve eight curators and six art spaces across four countries, who were given the freedom to each choose two artists to create and exhibit art in the travelling exhibition. The artists selected differed in the type of art they created but shared the inability to make ends meet from their art activities alone. The artists had additional jobs and largely operated on a local scale. Thus, the Breaking Boundaries project was intended to help them take the next step in their career and establish international networks.

Production

Due to low sales, Patty Morgan's webshop was not profitable. Matthijs, one of Patty Morgan's owners, realised the necessity of traditional galleries' 50% commission rate: *"Selling art takes a lot of time and* *is simply expensive"*. Therefore, they depended on public funding to finance and maintain their webshop and pay staff the minimum wage. Over the years, Matthijs and Casper have applied for multiple funding applications from AFK and the Mondrian Fund. However, according to Matthijs, the procedures for requesting funding have become increasingly time-consuming and difficult, as he criticised the applications for their unrealistically high demands. In addition, Patty Morgan generally was only awarded funding for their non-commercial exhibitions, while the commercial webshop did not receive funding. As explained by the funding agency AFK, they followed the strict procedure of exclusively funding projects with no profit-seeking activities, only socio-cultural goals. This obstacle was one of the key reasons behind Patty Morgan's financial hardship in producing and maintaining their digital platform.

In the production phase of the Breaking Boundaries project, artists started producing their artworks. Throughout this process, each artist was given much freedom to create a new piece of art. The only requirement was to relate it to the broad topic of *travel*.

For Jessica and Jelmer, it was important to create a fair practice and pay artists for their time and investments in creating new art, so they set up online crowdfunding to acquire start-up capital. Jessica continued to apply for funding in the four different countries of the project: the Netherlands, Germany, Turkey and Italy. This highly complicated task required much patience. As explained by Jessica,

> *It is really interesting because you discover a lot of things. You see that within the EU, countries have such different ways of dealing with artists. They are completely different worlds.*

According to Jessica, "*Italy is screwed up*" since it does not offer a supportive structure for visual artists because, as Jessica was told, "*In Italy, the focus is on design".* The same obstacles were present in Turkey, where receiving public funding was also highly difficult due to unclear structures and a lack of information. As a result, Jessica started looking for private funding (e.g. from rotary clubs) and primarily registered for applications from the Dutch and German funding agencies. However, here too, she struggled with deadlines, overall inflexibility, minimal and restrictive budgets and different national structures. Jessica recalled this (still incomplete) part of the process as a "nightmare". Despite the frustration, she was happy to have gained experience and knowledge on these obstacles. Jessica heavily stressed the need for changes in these institutional structures. She urged for more flexibility, clearer assessment information and uniformity across EU countries.

Distribution and exchange

With their digital approach, Patty Morgan fulfilled similar tasks as traditional galleries. On the webshop, employees of Patty Morgan scouted, supported and promoted emerging talent, acting as middlemen between artists and consumers. Each week, Patty Morgan tried to increase a few of their represented artists' visibility through promotional activities, such as writing blogs and organising exhibitions. Casper proudly portrayed one of Patty Morgan's series of exhibitions:

> *The most successful series of shows came from a concept where we matched a novice artist and an experienced artist. They went on to create an exhibition together, creating a cross-pollination. This worked out very well for both artists. The experienced artist could experiment and do things that could not be done in a classy gallery, where everything revolves around image. And for the novice artist, it helped build his visibility and status.*

In addition to the goal of supporting emerging talent, Patty Morgan also strove to lower the threshold for art consumption. By charging only a 30% commission, the company attempted to keep art more affordable and accessible for young (emerging) buyers. Later, due to financial pressures, Patty Morgan was forced to let go of this goal. Accordingly, in their final year, Patty Morgan increasingly sold and rented art to companies, clubs and hotels as a way to earn more revenue. This activity seemed promising, providing Patty Morgan with more profit and creative and challenging assignments. However, demand dropped significantly due to Covid-19 and their related measure to work from home. As such, the time and investment put into the webshop and finding new clients did not align with the financial returns, causing the company to shut down after seven years of hard work.

Finally, although Patty Morgan connected supply to demand, they did not take responsibility for the actual transaction of the artworks. After a consumer purchased a work of art on Patty Morgan's webshop, the artist was notified and responsible for sending it to the buyer. Similarly, Patty Morgan did not store artworks. This important value of Patty Morgan's owners sought to give artists more control over their work's dissemination and sale. Accordingly, artists were also responsible for setting the price of artworks.

The distribution and exchange phases of Breaking Boundaries were the most crucial: these were the phases that mattered and were intended for the project. Initially, the project was calculated to last one year, during which the artworks would travel to six art spaces in four countries. However, the project was delayed and scheduled to occur over two years due to funding-related obstacles. As of today, the exhibitions have travelled to three places. The project started in Istanbul, open to the public from 15 September to 15 October 2021. In November, the artworks travelled to a small art space in the centre of Maastricht. Lastly, on 9 April 2022, the Breaking Boundaries exhibition opened its doors at the theatre of *Castiglione dei Pepoli*, near Bologna. Moving the artworks has proven extremely difficult due to logistical obstacles such as the "*art got stuck in customs*" and "*the destruction of a work of art during the journey*". In addition, some of the art places were considerably smaller than others, and the owners had to become creative to display all the artworks at once.

Although the works of art moved from place to place, the artists could not accompany the different openings due to the limited budget. Each artist was allowed to visit one of the locations. Thus, the openings of exhibitions were broadcasted online to address the absence of most artists.

Archiving

Patty Morgan archived the artworks on their webshop, categorising them per key segments, such as paintings, sculptures, photography and illustrations. Visitors could also search along more abstract segments such as “taste the rainbow”, “not too colourful”, “my world is black and white”, and “office on acid”. Finally, the webshop allowed consumers to search artists, price segments and sizes. Considering the webshop displayed the artworks of over 800 artists, these tools were of great importance to guide visitors in their search for artwork.

However, due to Patty Morgan’s financial trouble, the webshop was (temporarily) shut down. The most important source for archiving Patty Morgan’s activities therefore disappeared. Besides artists’ personal websites where they display art, the Instagram page is now the only place where people can obtain an overview of Patty Morgan’s previously represented artworks and activities.

The Breaking Boundaries project is actively archived online. On its Instagram page, information on the key activities and goals are distributed, trying to be open and reach as many people as possible to inform them about the project. The opening of exhibitions is livestreamed to reach a larger audience. Online, a tour is given by one of the artists of the different artworks. Occasionally, artists and curators take over the Instagram page to speak about how they operate and navigate in the visual arts sector. They inform people about their method of work and the obstacles they have faced, especially during the pandemic. In this way, they attempt to promote the exhibition and boost the career of the participating artists, demonstrating the added value to funding agencies.

Moreover, the Instagram page also functions as a platform to discuss general issues in the visual arts sector. An example is the organised virtual meeting where artists can talk to experts to learn more about the role of the Dutch consulate in Turkey in facilitating cultural and mobility initiatives. Therefore, it serves the wider purpose of helping artists gain knowledge on ways to establish international networks.

Although digital platforms potentially function as a great tool to reach a larger public, promote artistic careers and archive cultural activities, not every artist feels comfortable with this digitalisation trend. One artist argued that the necessity to share everything online becomes an obstacle:

> *Something that I find a little bit difficult about this exhibition is the need to be present online and to share our experiences right away. I'm still getting used to this hybrid, half online, half in real-life situation. [...] During the exhibition, I had to take over Instagram. And in my work, I have exchanges with visitors in real life, when I'm in the exhibition and talk to someone, but I don't really like to talk into the unknown, let's say. I'm just, I don't know, shooting out information online that for me is very precious. Experiences that I go through. I'm not really a big fan of that. I would rather want to digest the information by myself, and then decide a few days later what I would post or share. And I think that this need of having everything live and online doesn't really help the quality of the material that is sent out and maybe*

sometimes seems a bit unprofessional. I would prefer that there would be less need to be live or to share seconds after something happened, to take a little bit more time and more quality instead of quantity and fastness.

In addition, she argued that artists and visitors do not always feel comfortable when being filmed. In her exhibitions, it is important to create a feeling of trust with her audience and have a real conversation: "*It doesn't really help when someone is there with the iPhone and filming it, showing it live to whoever likes to see it online*". Therefore, she criticised the livestreaming of exhibitions due to the high level of exposure: "*In these days or in this project, it seems like we should all want that, but I would rather want more intimacy".*

3.2.2 Relationships between actors

Patty Morgan's network comprised 800 represented artists, their client base (from individual buyers to companies), funding agencies and the Breaking Boundaries consortium. In addition, if another gallery represented an artist, Patty Morgan occasionally had to work out the details on the pricing of artworks to ensure they were aligned.

Patty Morgan represented over 800 artists on their webshop. While this large number of artists was what distinguished Patty Morgan from traditional galleries, they became increasingly difficult to manage. As Casper explained,

> *At first, we thought, the more artists, the better, because it's very unique that we represent so many artists. However, there are two drawbacks. One is quality. The moment you represent so many artists, you can no longer guarantee that everyone has a well-filled and active profile. Secondly, we don't sell that much. […] Artists have invested in making their profile with a certain hope or promise that Patty Morgan would be a new sales channel for them, but the majority has not really benefited yet.*

According to Matthijs, only a third of the accounts registered were active because they uploaded a new piece of art on the webshop in the last year. Therefore, most artists left their pages largely blank, a sight Patty Morgan did not want their customers to see, so the owners decided to quit expanding the network. Instead of continuing curating and scouting activities through a committee, they decided to solely work with a much smaller group of artists.

The active artists on Patty Morgan's platform have high regard for the company for trying to create a sales platform with supportive settings. Patty Morgan has allowed artists to be on their webshop for free without demanding exclusivity, asking for a smaller commission than most traditional galleries, and the company has not interfered with artists' production processes. They have provided a high degree of autonomy, in control of uploading information on artworks on their personal pages. In addition, the company has tried to be less elitist than traditional galleries.

Patty Morgan's showroom in Amsterdam-Noord aimed to radiate a community feeling where artists and residents could drop by for an informal conversation. As such, artists have respected Patty Morgan for their innovative approach and goals as a foundation. Even when artists have not yet benefited from the platform, such as Barbara Broekman, they admire the platform for their attempt to change the sector's structures in favour of the artist.

The company initially attempted to target newcomers in their client base. The goal of asking for only a 30% commission was to keep art more affordable, lowering the threshold to buy art. However, the webshop did not become profitable over nine years due to low sales, which caused Patty Morgan to explore new customer groups. A few months before the Covid-19 pandemic, Patty Morgan started building clientele among companies. Within these assignments, Patty Morgan could sell multiple works of art at once. As Sarah explained,

> *It's just not very lucrative to. [...] It takes a lot of energy to go through that entire process [selling artworks] with individuals. In the end, you won't make that much money anyway. So, if a company wants something in bulk from you, [...] it's, of course, more profitable.*

Since these assignments resulted in larger profit margins, employees of Patty Morgan could put more of their creativity out there. For instance, as Casper explained,

> *One of the first really big jobs was for a law firm that moved to a new office in Amsterdam. They were a progressive firm and wanted to propagate this in their art as well. We started a very nice, interactive process in which we talked about the company's values and what kind of art would fit or radiate this image. We then created an entire plan with more than 50 artworks.*

Patty Morgan also explored collaborations with brands, such as international clothing brands (e.g. Obey, Basket), clubs and festivals (e.g. Paradiso North) and alcoholic beverages (e.g. Absolut Vodka, Oedipus). In these two-way collaborations, brands provided Patty Morgan with beverages and merchandise in return for creative input from artists to increase their visibility. Matthijs enjoyed these activities because of the different, more creative roles they demanded. He had to more actively link artists to specific clients, curate art and co-create in the realisation of artworks. On Patty Morgan's most recent activity (realising an artistic light installation for a hotel lobby), Matthijs stated,

> *I design those things pretty much myself or in collaboration with the artists that I mediated. So, where a normal gallery would just like, meditate or book the artist, I'm kind of directive, and I'm stepping on board in the artist's practice, and we are co-creating. So, I'm more in the process of doing, like, creative stuff.*

Although these collaborations seemed promising, they were never really able to take off due to the pandemic. Due to the regulation to work from home as much as possible, companies no longer prioritised filling office spaces with art, and demand dropped significantly. Therefore, the pandemic was the final straw that caused Patty Morgan to shut down their activities.

Besides the represented artists and clientele, Patty Morgan was in close contact with funding agencies. Since their webshop did not yield the desired financial outcomes, they relied on the AFK and the Mondrian Fund to subsidise part of their projects. In the beginning, when the owners had just founded the company, a deal was made with the Mondrian Fund:

> *To start up Patty Morgan, we received a loan. If we were not profitable within three years, this loan would turn into a subsidy. Would we stand on our own two feet? We would have to pay them back. […] Unfortunately, after seven years we are still not profitable, so the money was given to us. (Casper)*

This arrangement was much appreciated by Patty Morgan, giving them start-up capital to invest in the company. In the end, Patty Morgan received the amount as a gift due to their financial state. However, the webshop owners recalled this situation as an exception since funding applications have become increasingly restrictive and time-consuming. It takes Matthijs an entire day to fill in applications, time he would rather spend "*doing things that really work for the artists*".

However, despite being critical of increasingly strict demands from funding agencies, Matthijs emphasised how he does not want to be too negative towards AFK, as he appreciates them for being accessible: *"I think AFK is one of the funds that's really reachable. You can call them, you can go to their office. You got a lot of entries".* However, he wishes that funding agencies would become more flexible and better tailored to various cultural actors. As of today, and except for the deal made with the Mondrian Fund, it is nearly impossible to receive funding for a webshop for contemporary art, which is a commercial activity. Nevertheless, Patty Morgan strives to support emerging artists and achieve non-commercial value with their webshop. Funding agencies do not seem to understand or wish to support these dual commercial and non-commercial activities. In the contemporary institutional funding structure, these two interests seem to clash, while, as Patty Morgan has proven, they can also work together.

3.2.3 Positioning the case within the typology matrix

The typology matrix distinguishes between different phases. Each phase addresses the economic activities' scale, and which actor(s) coordinate these activities.

Except for Breaking Boundaries, Patty Morgan's activities occur nationally. Logistically, the webshop collaborates with artists living in the Netherlands. Their clientele consists of Dutch companies and individual buyers. In addition, in a winner-take-all sector, the owners of Patty Morgan try to decentralise power in favour of emerging artists, being democratic while providing artists with more control over the dissemination of their work. As such, artists are responsible for maintaining their pages on the webshop, setting the price for artworks and transporting them to the consumer. However, as a gatekeeper, Patty Morgan remains in control of the artists they represent on the webshop, dispersing power.

Table 12. Case 1: fitting it into the typology matrix

PRODUCTION NETWORK PHASES	Local/regional	National	Intra-EU	Global	GOVERNANCE
Creation		Lead actor Creators			
Production		Creators			
Distribution		Lead actor			
Exchange		Lead actor Consumer	Lead actor		
Archiving		Lead actor			
Network level					Multiple actors/dispersed

3.2.4 Dynamics over time

The visual arts sector has undergone several changes related to its operative structure. Important developments such as globalisation and digitalisation have brought about new opportunities and obstacles for different actors along the value chain. Thus, Patty Morgan is a key example of a new type of actor active in the distribution and sale of art. Patty Morgan has carried out similar activities on their webshop as traditional galleries, albeit with a different approach. Over the past nine years, Patty Morgan has been actively scouting, curating, mediating and promoting artistic talents thanks to opportunities brought by digitalisation.

Initially, this digital approach seemed highly promising and valuable, as it could partially solve a crucial problem that the sector currently faces. According to cultural sociologist Olav Velthuis, the visual arts sector is under pressure due to an increasing financial dichotomy between small and large galleries. The trend of globalisation has allowed a small group of internationally renowned and highly visible galleries to take up the large majority of sales, while a much larger group of small galleries struggles to keep their head above water.

This winner-take-all structure among galleries is highly problematic as it forces small and medium-sized galleries to close their doors due to bankruptcy. Without these galleries and their crucial scouting and curating activities, the sector is deprived of an important influx of emerging talent, considering that the internationally wealthy galleries typically work with already established artists. As a result of a prospective lack of innovation, Velthuis fears that the visual arts sector could implode. Hence, within this worrying situation, Patty Morgan could potentially provide a solution, as the webshop focuses on a new digital method to scout and promote emerging talent. Accordingly, Patty Morgan could fill the gap of the disappearance of traditional small and medium-sized galleries by taking over some of their crucial activities to enhance innovation.

Initially, Patty Morgan's digital approach seemed less vulnerable to some key obstacles small and medium-sized galleries face. For instance, unlike traditional galleries, Patty Morgan did not struggle to pay high rents to store artworks because of their digital character. In addition, many small-sized galleries depend on one or two rising visual artists as their main source of income. Thus, if internationally renowned galleries steal these talents away, galleries would lose significant revenue and years of investment in the artists' promotion process (Schneider, 2018). For Patty Morgan, this possibility posed less of a threat. Instead of representing an average of 15 to 20 artists as traditional galleries do, they sold artworks of over 800 artists. Thus, if an artist left Patty Morgan for a bigger gallery that demanded exclusivity, the webshop could fall back on many other artists.

Despite these beneficial factors, Patty Morgan shared the crucial problem of low demand with small- and medium-sized galleries. The webshop did not yield the desired financial outcomes, and despite lowering the commission rate to keep art more affordable, the threshold to buy art remained too high. Therefore, digital or not, promoting emerging visual artists and selling their works was not financially rewarding, and Patty Morgan shut down their activities, similar to many traditional galleries. Therefore, this case shows how the sector still faces a crucial dilemma because many actors cannot afford to continue scouting and promoting new artistic talent. This situation also threatens successful international galleries that depend on actors like Patty Morgan to do the groundwork and scout talents worth the investment.

To solve this issue and safeguard a varied ecosystem, scholars advocate exploring new models and market structures for the distribution and sale of art (Sacco, 2017; Velthuis, 2020). For Patty Morgan to restart their activities, they would still require external funding to compensate for low demand.

3.2.5 Impact

Patty Morgan is dually registered as a foundation and a company. As such, they have two key goals in mind. As a foundation, the goal is to support emerging artists by providing them with a promising sales channel and making art more accessible to "newcomers". As a company, the goal is to make money from these activities. Below, we discuss Patty Morgan's economic and socio-cultural impact in detail.

Economic impact

Patty Morgan has been unable to earn sustainable and sufficient revenue from their activities as a webshop for contemporary art. Over nine years, the owners, two employees and several interns have invested many hours optimising the company's potential. Despite their efforts, the return on investment has remained low. As Casper, one of the owners, indicated,

> *As a co-founder, I have never made any income from Patty Morgan. We have not yet discovered how we can earn an income in a reasonable way and pay our staff sufficiently. That is, of course, a big problem in the cultural sector. Yes, I would very much like to pay my staff normally, but we simply cannot offer contracts above minimum wage.*

As a result of the financial hardship, Casper decided to leave Patty Morgan. For him, *"seven years of an empty bank account"* became too precarious, and he decided to put in more hours at his teaching job.

When asked about the reasons behind Patty Morgan's inability to become profitable, Matthijs pointed to a mistaken belief among Dutch citizens:

> *The artist is perceived as someone who's been funded with public money, but this hasn't been the case for like ten years or so. […] I've got some friends in New York who see it as a responsibility to buy art instead of paying taxes and assuming that a share of that money is going to artists. They see it as a responsibility to buy a piece of art every once in a while. In the Netherlands, no one does so.*

According to Matthijs, the belief that the Dutch government well-funds artists is incorrect and outdated. Over the past 25 years, political and public recognition of and gratitude for artists have decreased, manifesting in cutbacks in the cultural budget and funding for artists (Eckenhaussen, 2021). However, the dominant public perception of "funded" artists has remained unchanged, resulting in the idea that "*we are in a culture of subsidising art instead of buying art*". According to Matthijs, contrary to other countries, Dutch citizens do not feel responsible for buying art to support artists, resulting in low sales on Patty Morgan's webshop. In addition, because of Patty Morgan's commercial registration as a company, funding agencies are often unwilling to subsidise the webshop. Matthijs concluded that, in the Netherlands, promoting and selling the work of upcoming artists is a nearly impossible task, requiring great financial risks and effort with a low return on investment.

After Casper left Patty Morgan, Matthijs became the sole owner of the webshop. Instead of shutting down Patty Morgan, he gave the company one last chance by largely discarding his goals as a foundation in favour of commercial practice. Rather than improve the webshop to increase sales for emerging artists, Matthijs searched for customers elsewhere, working with a much smaller group of artists. Patty Morgan increasingly collaborated with firms to which they could "sell and lend artworks in bulk". With this renewed focus, Patty Morgan's webshop became less important as Patty Morgan handpicked artworks from artists that fit within a company's values and preferred image. These firms (e.g. a law firm in Amsterdam) were not the intended clientele because, originally, the plan was to sell affordable artworks to "newcomers". However, since these sales did not make sufficient money, Matthijs felt obliged to become more commercial. In addition to firms, Patty Morgan increasingly collaborated with brands (e.g. clothing, alcoholic beverages, clubs and hotels).

Initially, this renewed commercial focus seemed promising and resulted in larger profit margins. However, demand among firms and brands dropped significantly due to Covid-19 and their related regulation to work from home. Therefore, Covid-19 was the final straw that caused Matthijs to shut down Patty Morgan's webshop.

Socio-cultural impact

As a foundation, Patty Morgan pursued social and cultural goals, one of which was to create a sales channel for contemporary visual art with supportive settings for artists. Patty Morgan was established because the owners thought it was "*bizarre that galleries charged 50% commission"*. They believed that artists were exploited but had done most of the work. On Patty Morgan's webshop, the owners decided to represent many more artists, provide free admission without exclusivity demands and charge only 20% of sales. However, the owners of Patty Morgan quickly realised why galleries charge a 50% commission: *"Selling art takes a lot of time and is simply expensive".* Although they still did not want to require a 50% commission, Patty Morgan increased their rate to 30% out of pure necessity.

Patty Morgan established cultural value by scouting emerging artists and aiming to help them move forward in their careers. As gatekeepers, they helped young artists become visible to a wider audience, thereby contributing to innovation processes. However, since the number of sales on the webshop was low, not all artists benefited from Patty Morgan. For Casper, this felt worrisome and sometimes like a burden:

> *We don't sell that much. We conducted a survey of our artists, and it turns out that in recent years, we, of course, sold artworks of a few hundred artists, but we never sold anything from a much larger share. These artists have invested in making their profile with a certain hope or promise that Patty Morgan would be a new sales channel for them, but the majority has not really benefited yet.*

Although this situation was unfortunate, it hurt less considering the website's free admission. Barbara Broekman, a more established artist, is one of Patty Morgan's represented artists. Her workplace is right across from Patty Morgan, which is how they got to know each other. Patty Morgan has rented her work for an office but never sold anything. Although she has not benefited yet, she admires the owners for trying to do things differently to change the precarious situation of artists. Like her, many other artists mentioned admiring and respecting Patty Morgan because of their social and cultural goals.

In addition to supporting artists, Patty Morgan strove to make art more accessible to newcomers, feeling that more people should be able to enjoy art. As such, the owners attempted to make their webshop attractive to young adults and keep the art more affordable. However, as indicated above, this mission was somewhat unsuccessful. Patty Morgan's final year altered the focus, increasingly selling to firms.

Patty Morgan also contributed to the neighbourhood of Amsterdam-Noord. Patty Morgan's office and showroom are located between small companies and studios. Although the neighbourhood has somewhat been able to flourish, it was different five years ago, when the company had just moved there. At that time, there were few activities, and Patty Morgan brought a "positive injection":

> *We have had financial support from the AFK in Amsterdam, the Amsterdam Fund for the Arts, to do things at our location because we like to organise shows that are not so much about selling art but more about creativity and art. The shows contribute to the neighbourhood, and residents of the neighbourhood can drop by.*

Patty Morgan tried to present an open and welcoming appearance. With an inviting "community", they aimed to be less "elitist" than traditional galleries, hoping that artists and local residents would drop by for a chat. Thus, according to Casper, companies such as Patty Morgan could contribute well to neighbourhoods. He stated that public policy should respond more to this idea:

> *There are a lot of places in the city, especially in peripheral areas, that are empty. These areas could really benefit from a positive injection. Put a cultural enterprise in a vacant building. I think that it is relatively cheap, and you get a lot in return. I see that, for example, in what we have contributed through our shows, where we are located across from a sex club and between car damage repair companies. But, suddenly there is also a place where there are very nice art openings and exhibitions. That's very good for a neighbourhood.*

3.2.6 Policy implications

Due to the complex logistics of transporting artworks, Patty Morgan is confined to a national market. The owners of Patty Morgan are, to a certain extent, critical of national policy. Because of Patty Morgan's limited revenue from their webshop, they are dependent on public funding. However, the institutional procedure for requesting and receiving funding has proved to be a weighty obstacle. According to one of the owners, funding arrangements have become increasingly restrictive and minimal, exclusively available for non-commercial activities. Thus, Patty Morgan does not receive funding for their webshop, only for their non-commercial art projects.

Without this funding, Patty Morgan could not continue and had to shut down their webshop as of February 2022. In addition, the remaining owner of Patty Morgan argued that funding applications were too time-consuming, with impractical demands not tailored to various cultural companies (Vriesema, 2022). For instance, in one of Patty Morgan’s subsidy applications, the owner had to demonstrate how he tried to keep his team diverse. Patty Morgan’s team usually only consists of a group of four to six people, so diversity was not a priority. However, the owner understands the diversity requirement regarding large cultural institutions. With this example, he indicated that requirements must differ per company and their related size and capabilities.

Although the owner was critical of the high demands, he also emphasised how Dutch subsidy institutions are accessible and easy to talk to for advice. The Breaking Boundaries team also confirmed this idea. Throughout interviews with artists from abroad and the initiators, they stressed how the Dutch subsidy system for artists and cultural actors is much better than other European countries. Indeed, it is more clearly organised in their provision of information: as an artist, you know where you can apply for funding and how long you will have to wait for the assessment. In other countries (e.g. Italy and Turkey), it is unclear where and when to apply, and it is common to never receive an answer. Therefore, some artists and actors emphasised the necessity of more unity across EU countries: an overarching EU policy framework regarding funding for the arts.

3.3 Case 2: Sibumski and UNU Rotterdam

Because of Patty Morgan's considerable size and the Breaking Boundaries' international network, we selected a much smaller, local project as a second case. Below, we analyse the collaboration between graphic designer Sibumski and UNU Rotterdam.

Source: sibumski.com/sibumski-x-unu-rotterdam

3.3.1 Phases, actors, and locations

Actors

Sibumski is a recent graduate of the Willem de Kooning Academy in Rotterdam for visual arts. As a young visual artist, he designed a bag commissioned by UNU Rotterdam, a producer of handmade bags. He creates graphic designs using a "well-balanced combination of working digitally and using traditional ways, such as screen printing" (Sibumski). UNU Rotterdam is a fashion firm founded in 2016 by Virgil Grot, together with his wife and his wife's niece. These entrepreneurs – who have additional jobs next to their UNU activities – are inspired by colourful Surinamese fashion. UNU Rotterdam means "our Rotterdam" in Surinamese. The bags are manufactured by Talentfabriek010, a social enterprise that employs local people who face obstacles getting a job in the regular labour market, for instance, due to language barriers.

Locations

The production network of this project has a high local spatial footprint as the key actors: UNU Rotterdam, Sibumski and Talentfabriek010 are located in Rotterdam, and the bag is designed and produced in the city. UNU Rotterdam consciously made this choice to boost local economic development and express their appreciation of Rotterdam's multiculturality. In addition, the company have preferred to keep production local for environmental reasons. However, the spatial footprint is also influenced by global factors, particularly in the creation phase, as the UNU Rotterdam entrepreneurs are inspired by Surinamese fashion and Sibumski, while working with digital (global) software, has consciously tapped into that tradition for the designs of the bags – a clear example of how international inspirations are narrowed into a local production network.

After the bags are produced by Talentfabriek 010, they are distributed in shops. UNU Rotterdam maintains partnerships with four "concept" stores in the Netherlands: three are based in Rotterdam and one in Amsterdam. Therefore, the distribution phase mainly occurs on a regional and national scale.

Phases

Creation

In the creation phase, UNU Rotterdam chose Sibumski to make the design for their bag. This phase was interactive and iterative. The start of the project was characterised by an exploratory phase, in which UNU Rotterdam and Sibumski got to know each other better to see if a collaboration was what they both wanted. UNU Rotterdam indicated what ideas they wanted to pursue with the design of their bags, and Sibumski continued to talk about his work methods. After discussing what was expected of each other, both parties agreed to continue the collaboration. Agreements were made about Sibumski's hours and costs put into the project. About these labour negotiations, Sibumski mentioned the following:

> *Well, it's very difficult negotiating, but over the years, and by making lots of mistakes, you learn what to do and what not to do. That is pure experience. And I still have to learn things. In this case, too, I simply did not agree on things well or clearly enough. Later on, I thought, "I forgot to ask this, or I really should do that better in the future". But then again, that's part of the life of an artist. The business side of it is less fun, but also part of it.*

Sibusmki's sister, a former business student, decided to support Sibumski in future negotiations by reminding him what to demand and request.

After agreements were made, Sibumski started with his design process. Sibumski elaborated on the wishes of UNU Rotterdam and tapped into Suranimaese fashion patterns. It was clear that ideas were generated through previous collections from UNU Rotterdam, making it a circular process. To protect his position, Sibumski reminded himself and his partners not to put in more hours and effort than agreed. Thus, his method consisted of drawing up three sketches and letting the client (UNU) decide what aspects they favoured for the final design, saving money, time and effort while making the project a bit less iterative and more structured, beneficial to both parties. A final design was agreed upon through "correction rounds", check-ups and adjustments.

The iterative component appeared when talking about the communication between Sibumski and UNU and UNU and their shops and customers. UNU has an open attitude toward feedback to improve their designs. As an example, they mentioned adding zippers:

> *The design of the new bag is also partly influenced by customer feedback over the years. For example, the tote bags had no zipper, neither did the shoppers. The new bags that we are going to make will have a zipper. Sounds very simple, but those are important things. We receive this feedback from customers but also from people who don't buy the bags but do have a conversation with us.*

This example of an iterative communication strategy is only possible in small production networks like this.

Production

UNU outsources the production to Talentfabriek 010, a sewing studio in Rotterdam. This local collaboration provides UNU Rotterdam with four important advantages:

1) Talentfabriek010 employs disadvantaged workers. By outsourcing production to this enterprise, UNU Rotterdam directly contributes to local economic development in Rotterdam.
2) Talentfabriek 010 uses sustainable materials, which is important to the fashion firm.
3) Talentfabriek 010 attempts to lower their carbon footprint instead of outsourcing production to another country or continent.
4) Local production allows UNU Rotterdam to oversee the entire production network. Thus, the production network is not too big to lose sight of any activity.

Knowing all actors, relationships and modes of production is unique. However, as we show, it is possibly quite characteristic of these locally embedded production networks, raising the question of whether these small-scale networks do more than boost local development. It can be argued that local production can provide a better overview and clearer responsibility structures. Thus, by knowing what happens where and being able to drop by to observe labour conditions, lead actors are perhaps more careful in their outsourcing and willing to choose "responsible" options.

Distribution

Since UNU is a small, local company, they have a relatively weak market position with economies of scale. As such, they primarily try to distribute their products on their website. They also actively promote products on social media such as Facebook and Instagram. In this case, they oversee the distribution and exchange activities. However, they also try to approach like-minded shops to convince them to sell their bags, negotiating how value should be divided in a selling strategy. Sometimes, a shop agrees to buy a certain amount of bags before selling them, while other times, a shop loans the bags and pays UNU a specific percentage for the sold items. The shop then returns the unsold items.

To enlarge the distribution range, establish a bigger brand name and grow as a company, UNU consults with "business experts" for advice on strategies to improve visibility. Therefore, external consultants are active in the distribution phase.

Exchange

In the exchange phase, the bags are sold online and in shops. There are three types of bags: pouches, shoppers and tote bags. The price is determined by assessing production costs, distributive costs and margin, agreed upon beforehand with the distributors. For example, the distributor in Amsterdam recounted how she does not add an extra margin: she is delighted to sell the product as it is and is not set on making a profit on the bags.

Archiving

UNU mainly accomplishes archiving on their website, both in Dutch and English. Archiving has a global reach and plays an important role as UNU Rotterdam uses it to document their bags and exhibit logbooks, asking customers for feedback. Again, we stumbled on the circularity of the production network: every new design is made by reconsidering previous designs. Besides the webshop, UNU Rotterdam has different ways of obtaining feedback:

> *We've been to markets for small entrepreneurs. There, you immediately get into a conversation with possible customers, but we also receive feedback from retailers. We ask them what customers tell them, what they like and what not. And, of course, we receive feedback from our environment because the first people we sell to are our friends and family. We take their opinions into consideration.*

Table 13. Case 2: summary of activities per production phase

Creation	Production	Distribution	Exchange	Archiving
Creation of the design: An interactive process between UNU Rotterdam and Sibumski	Production of the bags by Talentfabriek 010	Meetings with consultants on how to grow and establish more of a brand name UNU's website Searching for shops to sell the bags Logistics of distributing through shops	Bags are sold online (UNU's website) and in shops	UNU's website Street image

3.3.2 Relationships between actors

The production network of the collaboration between Sibumski and UNU Rotterdam is telling of a broader segment of the visual arts sector, where many artists and cultural companies are embedded in small-scale, highly local networks. Sibumski recently graduated from a Dutch art school and now seeks to make a name. As a young and upcoming artist, he must deal with serious competition, which does not help him to demand certain labour conditions.

The lead actor in this project is UNU Rotterdam. The fashion firm initiates the creation, assembles a stakeholder network by approaching designers, producers and shops, and has the final say on the product design. Despite having a leading role, UNU Rotterdam does not have most of the power throughout each production phase. Instead, the location of power differs per phase, depending on the actors involved and the combination of resources (e.g. economies of scale, knowledge and reputation), which are key in a particular phase.

First, in the creation and production phases, UNU Rotterdam collaborates with Sibumski and Talentfabriek010. These relationships are informal, based on mutual trust and respect. They use one another to successfully realise a project with mutual admiration for each other's work and concepts. Sibumski, being the artist, has acquired specific artistic skills, but for him, the business side of the story (e.g. negotiating the costs of his service) is challenging. Therefore, his sister functions as his manager and helps him make more concrete deals with clients.

As a young firm, UNU Rotterdam is also relatively inexperienced in financial maintenance and negotiations. Hence, they have hired consultants to advise how to grow as a firm and gain more brand awareness. Talentfabriek010 has fixed prices for their services, and, for UNU Rotterdam, they are more expensive than if they were to outsource production abroad. However, the local, social and sustainable values of Talentfabriek010 outweigh UNU's economic interests.

In the distribution and exchange phases, UNU tries to sell their products online and in shops. Since UNU is a small local firm, they have a relatively weak market position with economies of scale. The owner of UNU Rotterdam explained, *"I have experienced that the clothing industry, and especially the market for bags, is highly difficult, with a lot of competition".* With their social and sustainable character, UNU Rotterdam has tried to distinguish themselves from other brands. However, they noticed that large fashion firms also increasingly sell sustainable products, and they cannot compete with these international brands. When negotiating with a shop, a selling strategy is determined. Shops can either agree to buy a certain amount of bags before selling them or loan them, pay UNU a specific percentage for the sold items and return the unsold ones.

Then, at the start of production, UNU Rotterdam coordinates flows and determines the final design. However, in the distribution phase, they lose some of their power when negotiating with stores. To obtain more control over distribution, UNU Rotterdam seeks to sell bags on their website.

To conclude, the production process of the UNU bag has a clear local footprint. UNU Rotterdam's choice to design and produce bags locally by Sibumski and Talentfabriek010 supports a social enterprise and creates local employment. The production network mainly consists of small actors based in Rotterdam. Throughout the process, UNU Rotterdam is formally in charge of coordinating flows. However, due to their small scale and local character, it is difficult to distribute their bags in various shops across the Netherlands.

3.3.3 Positioning the case within the typology matrix

The typology matrix distinguishes between different phases. Each phase addresses to what scale the economic activities occur and which actor or actors coordinate these activities.

As mentioned above, the production process of the UNU bag has a clear local footprint. Each phase takes place in Rotterdam. As for the concentration of power, it is more dispersed. In the creation phase, Subumski and UNU Rotterdam decide on the bags' designs. Then, production is outsourced to specialised supplier Talentfabriek 010. In the distribution phase, UNU Rotterdam seeks to disseminate their bags online and in shops. In the exchange phase, UNU Rotterdam depends on shops (specialised suppliers) to sell the bags. Finally, archiving activities are taken care of by UNU Rotterdam.

Table 14. Case 2: fitting it into the typology matrix

PRODUCTION NETWORK PHASES	Local/regional	National	Intra-EU	Global	GOVERNANCE
Creation	Creator Customer				
Production	Specialised supplier				
Distribution	Customer Strategic partners				
Exchange	Customer Consumers				
Archiving	Customer				
Network level	X				Horizontal/dispersed

3.3.4 Dynamics: changes over time

Covid-19

Sibumski is a recently graduated visual artist at the beginning of his career. He confided that Covid-19 has not helped secure a foundation of clients, exhibitions and networking. Interestingly, however, he has noticed increased demand. More people are approaching him on his website and social media than before the pandemic. His explanation is that *"as people are working from home, they notice their empty walls and realise the space for artworks*". The crisis has also forced Sibumski to think of creative solutions on how to cope with restraints:

> *Covid-19 is limiting and constraining, but, on the other hand, we are used to being thrown in the deep end. I try to see it more as a challenge and a motivation, as a test that requires out-of-the-box thinking, creative solutions. What are the possibilities? What can I do? For me, this confirms the capability to handle and rethink those challenges, challenges that I will stumble upon for the rest of my career.*

As an artist, he argued for becoming used to enduring setbacks and quickly learning to adapt and be flexible. The same holds for fashion firm UNU Rotterdam, which has also had to cope with Covid-19 regulations. These regulations have caused a slight delay in the production of their bags.

It is difficult for UNU Rotterdam to answer the question of where the company will be in five years. What gives them hope is that consumers seemingly attach more and more importance to sustainability:

> *I can see that there is a much greater sense of sustainability, a product with a story, which is becoming increasingly important. I don't know if I can back that up with facts, but I do feel that the customer finds it more and more important, and I really hope the industry moves towards that. That, if you buy something and you pay a little more for it, you know that it is made of good products, that attention has been paid to it, that it is not too polluted. In our case, it also serves a social purpose through the party we hire to make it and the local artist we collaborate with. So I'm hoping that what's going to happen in the next five, ten years is that consumers will start asking more and more for those kinds of products.*

3.3.5 Impact

Economic impact

The economic impact of this project is highly local. The founders of UNU Rotterdam made a conscious choice to economically support "their city". As such, they always try to collaborate with talented fellow townspeople. In Sibumski, they saw such a person:

> *What makes it nice is that the product is really the result of people from Rotterdam: a Rotterdam designer, a Rotterdam company and then it is also made in Rotterdam by a social enterprise. That connection, Rotterdam and art, also makes our story stronger. It appeals to customers.*

The bags are sold at different prices, depending on the size and model. The smallest model, the Pouch, is currently available for 35.95 EUR. For a slightly larger model, customers can opt for the Harper Bag worth 44.95 EUR. Finally, customers can buy a tote bag for 79.95 EUR and the shopper for 109.95 EUR. About the calculations of their prices, the owner explained the following:

> *It's a bit of a combination. What does it cost you to make such a product in relation to what you think someone is willing to pay for it. So that's the tension you're in. I think we've grown into that as well. You have to learn how to do this and how to look at it smartly. We now have Sibumski's design, which we print on our own fabric: ecological cotton, which is a bit more expensive. If you make that bag in small quantities, it is a relatively expensive product. So we are now really faced with the choice of what kind of quantities we want to produce. It must be realistic and manageable. So we have to take a critical look at the target group and the potential of the market you want to serve.*

Thus, in their considerations, they consider the costs, the number of bags and the potential sales. Because the material is relatively expensive and the bags are produced in Rotterdam, the price of the bag increases. According to the owner, the target group is considered "*working women between the ages of 25 and 45*".

For the three owners of UNU Rotterdam, the business is not profitable enough to make ends meet. During the five years they have set up their fashion firm, they have continued full-time jobs. As a result, certain periods are more intense than others with the time spent on the company. As to whether they would want to change this aspect, they replied,

> *You ask yourself certain questions: how much is it worth to you? How big do you want it to become, and how much of your own money do you want to invest? How much time can we really devote to it with the jobs we have now? What is realistic? That's the conversation we're in right now. We already have taken the idea more seriously than we ever initially envisioned. And you have to be very honest with yourself and with each other. If we want to grow, we may need to bring in professionals and invest more. [...] Sometimes, I wonder, should we want to grow? What am I doing it for? To get bigger and bigger? Or do I do it because I like to be creative?*

In addition to the economic value, other motivations play important roles:

> *We get a lot of energy out of it. It's great fun to be involved in something else as well. Because, for example, my wife is a lawyer at a large American insurance company, and Ruth is trained as a social worker, so we all have very different professions, and to be involved with UNU Rotterdam is great. You also meet completely different people in the creative industry and in fashion.*

To conclude, the economic impact of production is local. Although the company is not profitable enough to quit their full-time jobs, the owners enjoy working at UNU Rotterdam for what they gain, economically and intrinsically.

Social impact

Talentfabriek010 manufactures the bags of UNU Rotterdam. By outsourcing production to this enterprise, UNU Rotterdam contributes to the socio-economic development of a particular group of residents in Rotterdam. Talentfabriek010 offers work to people with distance from the labour market and for whom the municipality and welfare organisations do not have a suitable offer. Think of status holders and care-avoiders who, for instance, have never worked before, do not have diplomas (recognised in the Netherlands) and have insufficient command of the Dutch language. In addition, many participants are accustomed to living in isolation and poverty, making it difficult to continue working on their development. The director of Talentfabriek010 wants to prevent these people from “falling between two stools” and remaining isolated at home. Hence, Talentfabriek010 offers them a place where they are welcome and appreciated and can build a network accessibly. Talenfabriek010 offers a place where they can meet new people and learn new skills. The director explained it as follows:

> *The number of people for whom the government in Rotterdam has no job offer is more than 50% of all people on welfare. So it's not a small group. In most cases, those people live in poverty. And so you have no money to do something outside. Basically, you are at home, and you have nothing to do. You don't have a network. You don't meet other people anymore. Your life has come to a standstill, as it were, and you can no longer develop yourself. That's really bad for people, and that's the reason I started Talentfabriek010. Because there are so many people for whom there is no offer, and for which the government is also withdrawing more and more.*

Talentfabriek010 started small but has quickly grown. Currently, it has three sewing workshops (mainly working with residual materials), a start-up laundry service and an urban farm. It also offers additional services in cleaning and catering. The director estimates that about 150 people are actively participating: 20 are employees and 20 are interns. There are also many freelancers involved in catering and the city farm, but unfortunately, this number has shrunk due to Covid-19.

Talentfabriek010 guides participants to a paid workplace in four steps: (1) an initial meet-up determines whether participants are interested in joining the neighbourhood workshops, (2) participants become volunteers with an established plan for personal development, (3) participants are offered MBO-1 training as interns while attending school for one day per week and (4) participants are offered a paid position and follow additional trainings to gain experience. In carrying out these steps, the sewing studios are central places. The director mentioned several reasons for setting up a sewing company:

> *Many people from our target group are familiar with running a company. They often come from families with a business whose parents, for example, have a shop. So it’s not unknown to them. And a company is stimulating. Plus, with the company, we also generate income. So it's also very emancipating. It's empowering.*

The fact that running a business is emancipating and stimulating is crucial to reaching the target group:

> *In general, the target group we work with has been told many times that they cannot do things and that therefore they cannot be helped. That is why we try to look at what people CAN do. Then you look for activities that are very close to people. Whether they can do it or not, it must be recognisable, and the threshold can’t be too high. People must have the feeling that they are given something to do that they understand. That's our goal. So that's why we*

started sewing, cooking and washing. And that sounds very role pattern confirming, but yes, that is really the first means for us to see how we can stimulate people.

Thus, Talentfabriek010's neighbourhood workshops offer local residents in Rotterdam a network and the opportunity to work on their personal and professional development. The neighbourhood companies are located in "poor" neighbourhoods where many inhabitants qualify as the target group. Talentfabriek 010 uses the income generated from their neighbourhood businesses to finance their activities. Therefore, the sewing studios are impactful socially and economically. Talentfabriek010 does not receive a municipal subsidy.

Cultural impact

The key thought behind UNU Rotterdam is that their designs are based on Surinamese pride and heritage:

UNU Rotterdam means "us" in Surinamese. So basically, it says, "our Rotterdam". All three of us have been living in Rotterdam for a long time with great pleasure. We love the city. UNU arose from the fact that we ourselves grew up with African fabrics and traditional Surinamese costumes. And we actually thought it was a shame that those colours, motifs and designs were rarely seen in the Rotterdam street scene. It could only be seen in a kind of traditional setting of Afro-Caribbean cultures. But we thought that it also fits very well in European or Western fashion.

The idea was to spread colourful Surinamese fashion, introducing it into the streets of Rotterdam. From previous experience, they knew that this idea would appeal to residents of Rotterdam:

My mother moved back to Suriname with my father, and she had once sent a fabric. So, she bought some fabric there and sent it to us. My wife Gwen had it made into a bag. And so many times, she was approached by people on the street, saying: where did you get that from? How beautiful. And then we were like, hey wait a minute, this is interesting. When we received so many positive reactions, we decided to turn it into a company.

The goal is not to sell bags exclusively among Surinamese women but to broaden it to other groups that normally would wear Scandinavian fashion:

It has to be appreciated across cultures. That's what we do it for, that you can look beyond cultures, that everyone thinks it's beautiful. The clientele is also very diverse. I think we have more Dutch clients than Surinamese clients. People who like fashion, basically. That's how we put it in the beginning: a tighter, more Western clothing style in which you present the UNU bag so that it shines even more.

To conclude, UNU Rotterdam attempts to tap into Surinamese fashion to design their bags. The goal is to distribute them among residents from Rotterdam. The bag pops out when combined with a “tighter” Western fashion style, bringing something colourful and eye-catching to a look.

3.2.6 Policy implications

This case study exemplifies how different cultural and creative sectors can merge and benefit from each other. Two small-scale entrepreneurs located in Rotterdam, notably visual artist Sibumski and fashion company UNU Rotterdam support each other by collaborating on a specific project. Hence, the owner of UNU Rotterdam mentioned the following:

> *I have a lot of respect for people like Sibumski. I see that it is quite difficult for a creative person. What is nice is that he was open to taking that step towards us. And vice versa, that we wanted to take that step towards him. So I think if you're talking about the future, that's part of the future too. You're going to think a little bit outside the box. That you get new collaborations, that fashion, art and other industries will merge a bit when you talk about policy because you can really strengthen each other, but it is sometimes quite difficult to find each other.*

The owner of UNU Rotterdam hoped that more collaborations between creatives and municipalities would support them. He believed more possibilities could help connect small companies, especially across sectors, leading to creative and economic value exchanges on a local level.

3.4 Case 3: The Venice Biennale

Source: festivalsherpa.com

This case study analyses Bulgarian participation in one of the world's largest and most influential visual art events: the Venice Biennale (*La Biennale*), the prototype of contemporary biennial exhibitions. While not officially an "art market" or fair, it influences the international art scene and markets. *La Biennale* constitutes a platform where most contemporary artists want to see their work exhibited amidst the world's most prestigious, renowned contemporary artists.

> *Biennials are "gigantic arrays of competing selections and representations that attract media attention as well as popular participation" (Sassatelli, 2017). They are a global phenomenon, and the opinions about their role in the contemporary art world vary from the "standardisation" and "banalisation" of a culture industry to a "space of self-reflexivity" and artistic innovation. Biennials generate symbolic and economic value. Sassatelli (2017) argued that they do not simply add value to the exhibited artwork (which eventually materialises in the increased market or economic value). Biennials have become "key loci" for symbolic production (Sassatelli, 2017).*

How does an international forum of such a scope and scale interact and influence the area of contemporary visual arts locally, nationally and globally? How does the national participation of a mid-sized, relatively weak administrative and financial country like Bulgaria perceive their place, gains and contributions to a global art forum like *La Biennale*? To answer these questions through the prism of the GPN, we also consider the specific context of the historical, political and socio-economic transformation after 1989 in Central and Eastern Europe.

Contemporary visual arts processes in Bulgaria in the mid-1980s had begun to break the borders between East and West, but sustainable relations with Western artists, curators, galleries and arts schools were established in the 1990s (Petrova, int.). The socialist system (dismantled after 1990) had a well-structured system of education, creation, production, distribution and state-led market (acquisition and commissioning) of visual art, which was almost entirely dissolved in the early 1990s when the democratic system and market-driven relationships came into being. In a turbulent political and economic transition, visual artists had to navigate individually or in small groups around the mushrooming private galleries and find their new circles, public and clients. There has been no public policy in the field of visual arts, with a high fragmentation level reflecting the political processes. Hence, artists have looked to international donors (foundations) or collectors to gain international exposure, with little individual success.

This case study focuses on the national participation of Bulgaria in the Venice Art Biennale, used as an entry point of the GPN of the Venice Biennale. The case introduces the oldest international visual arts forum in Venice, its role and its place in the global visual art scene. It looks at the Bulgarian participation in the Biennale over the past 30 years (after 1989), extracting information on the phases and the impacts of the Biennale's GPN locally, nationally and globally. The concrete project in the case study is the last two national participations (the 58th in 2019 and the 59th in 2022) because they were the first Bulgarian participations based on a dedicated institutional and financial framework of a national statute, a publicly open national competition for projects and a clear process.

The case conducts five interviews with curators, artists and public institutions to reveal the nature of the project (national participation in the Venice Biennale), including the production network, phases, actors, power relations and embeddedness. It also relies on research literature (national and international), media outlets and publicly available sources illuminating the project network's theoretical and practical aspects. Public institutions have almost entirely organised the participation in the 58th Biennale; hence, key players from the Ministry of Culture and the National Gallery (including the commissioner) were interviewed. The artists and curators from the last participation were approached but did not agree to be interviewed. An interview with Bulgarian artist Nedko Solakov at the Biennale was possible, who refused to be quoted at a later stage.

La Biennale di Venezia

Founded in 1895, the Venice Art Biennale is among the most prestigious international cultural forums with a leading role in exhibiting, exploring and promoting global trends in contemporary art. Created by a resolution of the Venice City Council, the Biennale started as a national art biennial exhibition to enhance the art market in the city (Anguelova, 2019) and "to establish a new market for contemporary art" (Velthuis, 2011). Over the years, the Biennale has transformed into a global factor in the contemporary arts world with a strong focus on artistic and cultural values. The Biennale's purpose and scope have expanded; since the 1930s, it has included music, cinema and theatre festivals. In 1980, the Venice Biennale of Architecture started, and in 1999, the dance festival was launched.[2] The sector-specific exhibitions were organised by specific departments of the Biennale's structure.

Originally conceived as an art expo and market, the Biennale's sales office has facilitated the sales of artworks and earned a 10% commission, earning market-based revenues. This trend continued until 1968, when under the leftist political orientation of the Italian progressive youth, the Biennale abolished the sales department and officially stopped its commercial activities (Veldhuis, 2011).

In 1998, the role and the structure of the Venice Art Biennale (also replicated for the Architecture Biennale) evolved into a "three-pillar" model, which included the following:

1) The exhibitions by the national pavilions – each with their own curatorial and artistic project;
2) The international exhibition by the Biennale curator, chosen specifically for this task;
3) Collateral events approved by the Biennale curator.

The new model allowed the exhibition to promote a wider diversity of artistic expressions, with more artists exhibiting their work, not limiting their participation to the choices of "national" curators. Being the largest international event, the Biennale continues to be strongly embedded in the local community and has developed ever-growing cooperation with schools, art schools and universities from Italy and abroad, involving an increasing number of students and pupils (see 3.3.5 on societal impacts).

The Venice Art Biennale has been recognised as the world leader in contemporary art exhibitions, reaching 86 participating countries in 2017 (from 59 in 1999).[3] The Art Biennale has also developed important research and production opportunities for a younger generation of artists to work directly with renowned teachers through the international project Biennale College. (This format is also available in the dance, theatre, music and cinema sections).

[2] https://www.labiennale.org/en/history

[3] https://www.labiennale.org/en/la-biennale-di-venezia

In terms of organisation, the Biennale started as a public institution and, in 1998, was transformed into a *società di cultura*, becoming a foundation in 2004.

A useful summary of La Biennale's story was shared by Iara Boubnova (an international curator and the commissioner of the Bulgarian participation), featuring its position in the local and international political context:

> *The Venice Biennale was created de facto for the needs of the city of Venice at the end of the 19th century. It is hard to believe today that the idea of creating it was to attract tourism at a time when the city was declining, nobody liked it, nobody visited it unlike other Italian cities like Rome, Florence, Genova etc. and most of the names of the artists who lived in Venice at that time speak nothing to us today. The city initiated such an extensive exhibition and review of the contemporary state of the art at that time, which was mostly paintings.*
>
> *Since then until now, the Venice Biennale has become a gigantic international business very closely linked with international politics. Politics in the field of art and in general in the international political context, the relations between countries, the freedom of speech and expression that goes along with it, modernity as the basic condition that the Venice Biennale requires in all possible interpretations.*

The Bulgarian participation in *La Biennale*

From its beginning until 2022, Bulgaria has attended the Venice Art Biennale ten times (i.e. 1910, 1912, 1942, 1964, 1993, 1999, 2007, 2011, 2019 and 2022). Since 1999, the Ministry of Culture has made Bulgarian participation more or less possible. Before World War II, the Venice Biennale was still a fair where artworks were sold.

In 1942, the largest Bulgarian participation was intended to ensure sales of artworks of some visual artists represented in the Bulgarian pavilion. It happened in a contradictory historical and political context, during World War II. Several paintings by Bulgarian artists shown at the 1942 exhibition were bought by private collectors and European royal houses, which later became publicly known (Boubnova int.). The near-total absence of Bulgarian participation was notable during the 45 years of the totalitarian socialist regime (1945–1989), during which there was only one participation at the initiative of the Bulgarian Union of Artists and the Culture Committee (the equivalent of a culture ministry). The best contextualisation of the earlier Bulgarian participations in the Biennale was summarised in the Bulgarian Pavilion Catalogue at the 58th Biennale in 2019 (interview with Boubnova in "How We Live", 2019).

In the first years after 1989, the appetite of contemporary Bulgarian artists and curators to expose their works internationally frequently stirred the public debate, with an attempt to position Bulgarian participation in the Venice Biennale high on the national cultural policy agenda. To their great disappointment, amidst the serious economic and social struggles of the post-totalitarian state, the Ministry of Culture could not prioritise neither to mobilise sufficient resources due to lacking administrative and financial capacities during that period.

The first official national participation of Bulgaria with a proper pavilion in Venice (after 1989) and appointed commissioner happened in 2007, when the Ministry of Culture took the lead and negotiated with the UNESCO Venice office space for the Bulgarian curatorial project in Palazzo Zorzi (curator: Vesela Nozharova; authors: Pravdoliub Ivanov, Ivan Moudov, Stefan Nikolaev). In 2007 and 2011, the Ministry appointed the commissioner (the director of the then-National Art Gallery), and the Commissioner appointed the curator without a public call for projects.

Participation in the 58th Biennale in 2019 is considered the "Great Return" of Bulgaria to the Biennale, as the Minister of Culture explained the strategic political decision:

> *All of us should be aware of the need for Bulgaria's participation in the most prestigious world forum for art, which should not remain sporadic in itself, but to work for the regular representation, which will contribute to the development of the national scene and will have a positive impact on the writing of art history and its promotion beyond national borders. Last but not least, the participation stimulates the interest and efforts of artists to create competitive and worthwhile projects for participation in future editions of the Biennale. (B. Banov, Minister of Culture, 2019)*[4]

The 2019 participation was the first where the Ministry of Culture set the necessary institutional infrastructure and rules for national participation and conducted an open call for the national curatorial project, attracting much interest across the artistic community. For the first time, a statute regulating the stages of preparation for national participation in the Biennale was developed, publicly discussed and adopted by the Ministry of Culture (in November 2018).[5] Subsequently, dedicated funding was provided (500,000 BGN) in the State Budget Act 2018, and ever since, national participation has been a cultural policy priority.

The project "How We Live" by curator Vera Mlechevska and artists Rada Boukova and Lazar Lyutakov was selected through this public call, and their work was exhibited between 11 May and 24 November 2019 at *Palazzo Giustinian Lolin* in Venice.[6] In 2022, the Bulgarian pavilion at the 59th Venice Biennale was inaugurated on 22 April in Spazio Rava with the project "There You Are" by the Bulgarian artist Mihail Mihaylov and the curator Irina Batkova.[7]

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[4] Source: Ministry of Culture of Bulgaria, 2019 https://mc.government.bg/newsn.php?n=6836&i=1, last visit 29-06-2022

[5] Statute of the national participation of the Republic of Bulgaria in the Venice Biennale of Arts (link)

[6] Website of the Bulgarian Pavilion 2019 http://howwelive-pavilion.com/

[7] Website of the 2022 Bulgaria Pavilion https://bulgarianpavilionvenice.art/en

3.3.1 Phases, actors, and locations

The project

The 2019 Bulgarian participation in the 58th *Biennale di Venezia* is the focus of this case, serving as the gateway to the GPN of the Biennale. The most recent Biennale in 2022 is also considered in the analysis because it was created along the same institutional framework and process. Other participations are also referenced exemplifying or clarifying the different phases, actors and relationships.

National participation is possible with an official invitation by *La Biennale* to the Bulgarian Ministry of Culture of Bulgaria, according to and in compliance with the published procedure and the rules for national participation. Since Bulgaria has no permanent space or pavilion in *La Biennale's* main locations (the Giardini and the Arsenale), it needs to reserve and rent a different space every time, hiring local facilities and services under the rules of the Biennale national participation.

Actors

Ministry of Culture

The Ministry of Culture of Bulgaria creates the institutional framework and the conditions for Bulgarian participation, ensuring the high political prioritisation of the project for contributing to the international positioning of the Bulgarian arts scene. Besides the coordination function (Dzhumalieva, int.), the Ministry enables statutes and procedures and appoints the commissioner in line with the Biennale's rules. The Ministry is the first national contact, hence the gateway to the production network. It has a powerful position in the network, having executed strong gatekeeping power in the past.

The Ministry procured the total national participation budget, approximately 250,000 EUR (500,000 BGN) in 2019. The amount included 50,000 BGN for the project's construction, transport and installation in the exhibition space, plus 450,000 BGN for renting exhibition spaces and facilities, overhead costs and related services in Venice between 22 April and 30 November 2019. The amount also covered the mandatory permits and the overall organisation of the national participation by the National Gallery (Ministry of Culture). Further costs included promotional costs for publishing the project catalogue, travel and accommodating the artistic teams (Radoeva, int.).

Contributions by private partners and sponsors secured some aspects of the Bulgarian pavilion, but so far they have been only complementary. For example, Bulgarian participation at the 58th International Art Exhibition in 2019 received support from a private donor, Gaudenz B. Ruf, and the Arts and Culture Division of the Federal Chancellery of Austria for the catalogue. Private sponsors of the inauguration of the Bulgarian pavilion were two Bulgarian wine cellars: Alexandra Estate and Better Half Garage Wine.[8]

The National Gallery

The National Gallery is the only state cultural and scientific institution under the Ministry of Culture in the visual arts field, which also manages many museums, galleries and visual arts institutions in Sofia. The National Gallery has responsibilities for the preservation, registration, cataloguing, conservation and digitisation of the museum collections.[9] The National Gallery was appointed by the government's decision (No 848 from 26 November 2018) as the main organiser of the Bulgarian participation in the 58th Venice Biennale and its director as the commissioner.

Entrusting such a task to national galleries or museums of contemporary arts is a common practice in countries in Central and Eastern Europe, mostly due to their important administrative and financial capacities to distribute public funds.

The commissioner (director of the National Gallery)

> *Since the very first International Exhibition in Venice in 1895, the rules required that the commissioner of the pavilion (director of the National Gallery) shall be directly subordinate to the state institution, which made decisions and initiated the national participation in the Biennale.* (I. Boubnova)

The function of the commissioner stems from the Regulations of the Venice Art Biennale, specifically related to the national pavilion programme:

> *The Governmental Authority will appoint a Commissioner who will have to belong to the Governmental Authority or to the delegated Public Institution representing the Country. As representative and direct expression of the Governmental Authority of the Country the Commissioner will not be allowed to perform such role for more than one Country. The Commissioner will supervise the exhibition project of the national participation and will be responsible for the exhibition in the Country's own pavilion, in agreement with La Biennale and in compliance with the Exhibition's cultural and organisational standards. No deputy Commissioners nor Co-Commissioners will be accepted.* (Art. 4, Regulations of the 58th Art Exhibition)

In 2018, the Bulgarian government appointed the director of the National Gallery, Iara Boubnova, as the commissioner of the Bulgarian Pavilion of the 58th Venice Art Biennale, as agreed to by the management of the Venice Biennale. The commissioner is the person with whom the national participation starts. From the moment when the country presents *La Biennale* an official letter, the

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[8] Website of the Bulgarian Pavilion 2019 http://howwelive-pavilion.com/
[9] National Gallery https://nationalgallery.bg/about-us/structure/

commissioner (with name, position and professional capacities) considers official participation in Venice. The *La Biennale* Foundation communicates with the national participation through the commissioner. All decisions, orders, rules, authorisations and communications related to the national art project go exclusively through the commissioner.

The curator

The curator is a key figure in the creation phase as the co-initiator of the artistic project, together with the artists, who develop the project proposal for the national competition, considering the parameters and the requirements of the exhibition space and the rules of *La Biennale*. The curator's broad skills and knowledge of international art trends and context, along with the artists' works and writing and communication skills, are important for a successful proposal.

Artists

Visual artists take part in the curatorial project. In 2019, the selected curatorial project "How We Live" by Vera Mlechkova (Bulgaria) included two Bulgarian contemporary visual artists: Rada Bukova (based in Paris) and Lazar Lyutakov (based in Vienna). The production of the artworks involved audio-visual materials, montages and effects for filming and recordings. The artists re-created the exhibition space and developed the work, adding artistic value to it.

Phases

Creation

The actors involved in the creation phase of the national participation are the curator, the artists and the commissioner, at the backdrop of the national selection procedure, involving the Ministry of Culture's Directorate of Cultural Heritage, Museums and Visual Arts and the National Gallery. At the beginning of the process is the Venice Biennale and its "Procedure for National Participations", issued and distributed almost two years before the start of the Biennale to the national authorities. The procedure sets the terms and conditions for national participation during each Biennale edition, the deadlines for appointing and communicating with the commissioner, the selected artworks, the exhibition's exact start and end dates, and other specifics.[10]

Then, the Ministry of Culture adopts a national statute regulating the national participation in the Venice Biennale, consistently with the rules, budget and the commissioner (the National Gallery director). The national statute is accompanied by the national call for artistic projects for the upcoming Biennale. The proposals are assessed by an expert jury of seven experts appointed by the Ministry of Culture.

At the end of the selection procedure, the Ministry contracts the commissioner (at the National Gallery) to prepare and produce the national pavilion with the attributed public budget subsidy (in

[10] 58eia-nat-part-en.pdf (labienanale.org)

2019, 500,000 BGN; in 2022, 600,000 BGN). Contracting of the exhibition space happens after appointing the commissioner during the creation phase. For countries without permanent pavilions (e.g. Bulgaria), the extent of the choice of spaces is limited, leading to higher rent prices. The technical parameters of the space hired for the pavilion must be included in the announcement of the national competition, and all the submitted curatorial projects must be designed for that space. Hence, a country should contract a space for ten years, for example, so that the authors become familiar with the parameters of the space before announcing the national call for projects (Dzhumalieva, int.).

The spatial footprint of the national participation at the Biennale during the creation phase happens predominantly in Bulgaria, along with developing the national statute, attributing the commissioner's role and budget and selecting the national project. In the last two editions (2019 and 2022), the national projects involved Bulgarian artists based abroad (Austria and France) who were part of the European visual arts networks. The creation phase is strongly linked to Venice due to the strict rules and criteria for participation and the main location: the pavilion space. In the case of 2007 participation, a partnership between the Ministry of Culture and the UNESCO Venice office ensured the pavilion space at *Palazzo Zorzi* for a preferential rate.

Production

The commissioner and the National Gallery have a key role in creating the conditions and providing the Bulgarian pavilion's key financial and logistical resources. The Ministry contracts them to carry out the production process, including subcontracting all services and expertise needed in Italy and Bulgaria, from the rental agreement for the space to all support services. The curator and artists carry out the production of the artworks for the pavilion in Bulgaria and, sometimes, in the artists' residence countries (France, Austria).

Furthermore, national participation involves a variety of expertise and skills in technical facilities and solutions related to installing and mounting the artwork at the pavilion premises. Bulgaria does not have a permanent pavilion space, so the commissioner must rent a space in Venice between April and November (the exhibition duration is approximately seven months), plus a few more weeks for the preparation and dismounting of the pavilion. The country hires almost all specialised services required for setting up the space for that particular curatorial project in Italy.

According to the Biennale's rules, the specialists, technicians and support services related to installing and overseeing the pavilion, including maintenance during the exhibition, must be locally subcontracted according to the Italian legislation. Subcontractors may include architects, carpenters, light designers, electricians, painters, guardians, insurance, cleaning and waste collection and disposal. Purchase of local services also includes permits for specific activities or interventions in historical buildings (most exhibition spaces in Venice are located in historical buildings with specific regimes.

Communication and promotion services are important for national participation. The commissioner hires two public relations (PR) communications specialists: one in Italy (to ensure outreach in the Italian and international media and full compliance with the Biennale's rules) and the other in Bulgaria (for the national coverage). The commissioner is also responsible for the timely delivery of good-quality information and visuals from the artists and the curator for the official catalogues and promotion of the Biennale, including copyright clearances by the right owners.

The Biennale has the exclusive rights to film and video-record the works in the exhibition spaces for the official promotion of the art exhibition (e.g. TV, press, DVD and internet). The Biennale is entitled to use these materials without paying the participants. Indeed, *La Biennale* controls all promotion and communication strategies and tools within its territory, with restrictive policies for other possible sponsors or supporters of a national pavilion. Thus, any sponsor of a national pavilion cannot be promoted as a sponsor of the Biennale but only the specific pavilion or project ("Procedure for National Participation", 2018).

At the national level, sponsorships and participation of private donors have been involved in the production, distribution and exchange phases. In 2007, the Belgian art collector Hugo Voeten supported participation, and, in 2019, additional support was provided by the Federal Chancellery of Austria for the project of the Austria-based Bulgarian artist Lazar Lyutakov, and by the Swiss art collector and patron Gaudenz B. Ruf.[11] Business sponsorships have mostly involved Bulgarian wineries that provide wine for the official inaugurations, including 2019 and 2022.

The spatial distribution at the production phase is distributed in Bulgaria and Italy. Regarding the artistic production, Bulgarian artists can be based in other countries and use materials from them (e.g. the glasses for the installation "Way of the Sand" by Vienna-based Lazar Lyutakov in 2019 were from Bia Hoi in Vietnam).[12] The physical transportation and installation of the artworks in the pavilion space, including the artists' and curators' related mobility, occurs in close collaboration with the commissioner.

Distribution

One of the two main distribution paths in visual arts is exhibiting artworks. The other path (per Part 1 of this report) is the market path. From its launch in 1895 until 1968, *La Biennale* has combined two functions: the art market and the exhibition. From 1968 until now, it has been a prestigious exhibition, adding symbolic value to the economic value of the exhibited artworks while not participating in the sales, the so-called "Venice effect" (Velthuis, 2011). The Biennale is a distribution place for artworks along its parallel programmes: the national participation of pre-selected artworks by the participating countries and approved by the Biennale, and its curatorial programme, developed by the curator whom the Biennale appoints.

The distribution phase includes actions such as the communication and PR strategy, press relations and the production of the catalogue (distributed during the exhibition and key for archiving), involving all the publications and media outlets. The distribution phase overlaps to some extent with the

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[11] The official website of the Bulgarian Pavilion at the 58th la Biennale di Venezia (howwelive-pavilion.com)

[12] https://www.artsy.net/artwork/lazar-lyutakov-way-of-the-sand

exchange phase. Communication and public relations are key for the distribution phase in promoting the exhibition (the real exchange phase) along its duration. Communication and PR experts are contracted by the commissioner (the National Gallery): one expert in Bulgaria, in charge of disseminating and communicating in Bulgaria, while another communication professional is in Italy for all international and Italian coverage.

In both the market and exhibition paths, the exhibited artworks are “filtered” by high-level experts at the national level in compliance with the Biennale’s statute and rules. In addition, the *La Biennale* Foundation has introduced strict branding and communication policies regarding the communication to the national participants, reaffirming its most powerful position in the distribution and exchange phases. Hence, the distribution phase starts with selecting the project (curator and artistic works) and communication with and subsequent approval by the Biennale, followed by confirmation that the work will be included in the exhibition’s programme, including the catalogue and official dissemination policy.

Exchange

The exchange phase is de facto the exhibition of the artistic project, from its inauguration and showing in Venice for approximately seven months. It starts with the programme’s announcement, the Biennale’s inauguration and the different exhibitions and pavilions. The exchange is happening at the pavilion in Venice where the exhibited artworks could be seen or experienced by the public.

After 1968, the organisers turned the focus toward the high-quality artistic value of the exhibited work, transforming it into the most prestigious international exhibition. Participation in the Biennale contributes substantially to professional biographies and portfolios of participating artists and curators, promoting them across the vast international artistic community.

The Biennale creates the platform and the conditions for exhibiting, communicating and accessing the artworks for six months, including all related services. The exchange of symbolic cultural value happens there and echoes across the art world globally, attracting large audiences. Some authors describe the Biennale’s overall symbolic and economic importance for the artists as the “Venice effect” (Holman, 2015; Shaw, 2015; Velthuis, 2011). An important dimension of *La Biennale* is its potential to boost the symbolic value of the art exhibited there, positioning it higher on the art market. While the Biennale does not allow sales in its framework and on its premises, art deals often happen before it has even opened. The overconcentration of high-quality artistic works, most of which are advertised in advance, offers space for private galleries and dealers to sell the works they exhibit. Thus, museums and private collectors can select and agree to purchase artworks before the Biennale’s launch (Veldhuis 2011).

Bulgaria participated three times in *La Biennale* during its years as an art fair while the sales department was still operational (until 1968) in 1942, 1948 and 1964 (Radoeva, int). In 1942, the

Bulgarian pavilion displayed over 100 visual artworks, and over 30 were bought by galleries and private individuals.

An important element of the exchange phase is the outreach to the wider public, guaranteed at the Biennale and national levels by the involved actors: the Ministry of Culture, the National Gallery and the commissioner, including the national and international media.

The Biennale has set strict communication policy in its rules (art. 6) regarding the promotion and the publicity of the national participation via its institutional communication tools: materials supplied to the Italian and international press (per the Biennale's communication plans), the official catalogue of the art exhibition in the national participation section, where each participant has a standard number of pages (including texts and images provided by the countries via the commissioners) and guides and maps for the art exhibition for the visitors in Giardini and Arsenale.

The official Biennale catalogue in 2019 was produced in two volumes: one volume on the international exhibition curated by Ralph Rugoff, featuring the 79 participating artists, and the second volume featuring the 89 national participations and 21 collateral events. A London-based designer created the graphic design. Each national pavilion issues a catalogue of its project and distributes them around the pavilion and dedicated spaces around Giardini and Arsenale (e.g. the Bulgarian pavilion of the 58th Biennale has a bilingual catalogue).

Every country subcontracts its communication and PR tools to increase the number of visitors' overall interest in national participation. For the 2019 national participation of Bulgaria, for the first time, the National Gallery hired specific PR persons to develop and implement the project's dedicated PR and press communications. The PR campaign was developed in two directions: nationally and internationally. This division of competencies was needed due to the lack of PR specialists in Bulgaria capable of promoting such an event internationally. However, the international media and communication specialists did not relate sufficiently to the national context in Bulgaria. Thus, the subcontracted PR specialist delivered quality materials in Bulgarian and English for the Biennale's institutional promotion and Bulgarian institutional promotion, executing the social media campaign (Radoeva, int.). Regarding the press and media outreach, the biennale attracts over 5,000 journalists (counting on their preliminary accreditation for the Biennale).

Audiences are key in the exchange phase. The number of visitors to the Venice Art Biennale reportedly keeps increasing with each edition. The organisers' official website reported a record high number of visitors in 2017: 615,000 (23% higher than 2015). In 2019, the total number of visitors reached 618,378 (including the pre-opening). In monitoring visitors' profiles, an astonishing 31% were under 26 years, which has much to do with the special Biennale sessions project, involving 69 affiliated universities from all continents and 4,554 university students, plus over 30,000 young people and pupils (LaBiennale.org). In 2019, the Bulgarian pavilion was visited by 17,200 people (Ministry of Culture, 2019).

The Biennale's social media (2019) outreach is quite large and steadily increasing, as shown below. (see Table 15). Data about social media outreach of the 2022 edition of La Biennale have not been published yet.

Table 15. The Biennale's social media outreach (2019)

Number of page views (11 May to 23 November 2019)	Increase compared to the beginning
9,530,316 page views	+37.56%
2,009,454 unique visitors	+32.06%
3,284,774 sessions	+41.16%
Users via smartphone: 1,118,343	+66.22% total increase
Users via desktop: 769,156	
Users via tablet: 116,711	
Total increase of social media compared to the beginning of the exhibition 2019	
Facebook: 377,110 total page fans by 24 November 2019	+32,012 compared to the beginning
Twitter: 707,166 total followers on 26 November 2019	
Instagram: 470,835 followers	+105,051
YouTube Biennale Channel: 29,641	

Source: Official website *www.laBiennale.org*

Archiving

The long, rich history of the 127 years of *La Biennale di Venezia* is documented in its historical archives at Marghera Venice and its library at the Giardini's central pavilion. The Historical Archives of Contemporary Arts (ASAC) collects, catalogues, enriches and improves the documentation of the Venice Biennale. The ASAC promotes exhibitions and archival collections. The ASAC was inaugurated in 1928 with a collection of books and catalogues from Italy and other countries, including many photographs. The ASAC's multi-disciplinary archive includes a historic fund, photo library, film library, media library, poster collection, documentary material, library (Giardini), periodicals, a collection of music scores and an artistic fund (most are digitised). It is now linked to the National Library Service system in Italy.[13] Archives' items can be lent to foreign institutions. Hence, the archiving network has international linkages. The ASAC is involved in many thematic curatorial and research projects with partners in Italy and abroad.

The Biennale Library is an integral part of the central pavilion (Giardini) and specialises in contemporary arts, specifically documenting *La Biennale's* activities. It preserves all Biennale catalogues over the years, collecting bibliographic material related to the seven disciplines of the biennial: architecture, visual arts, cinema, dance, photography, music and theatre. The library has

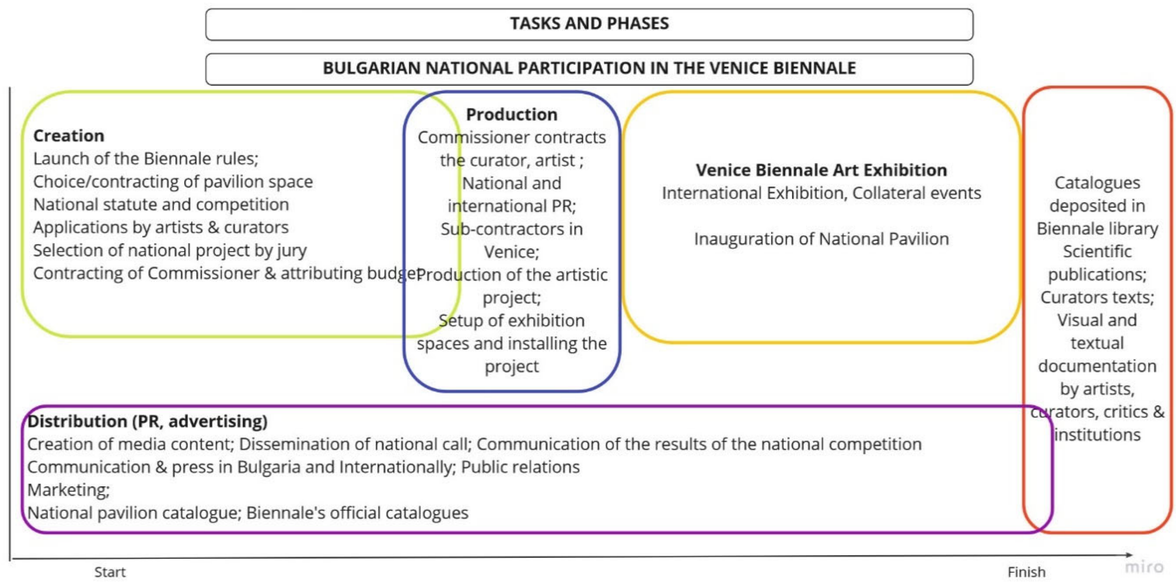
[13] https://www.labiennale.org/en/asac/history-asac

collected 153,000 volumes and 3,000 periodicals in the field of contemporary art (*La Biennale* website).[14] The rules of national participation (art. 9) require the national organisers to provide copies of all catalogues, publications and printed materials related to their projects for the ASAC archives.

The history of Bulgarian national participation in *La Biennale* does not have a complete archive. The commissioner of the 2019 and 2022 participations found documentation about the early participations scattered across the national library in Sofia, the library of the National Gallery and private ownership (Boubnova, int.), and published some of the findings in the Bulgarian catalogue of the 2019 Biennale. Publication of Bulgarian participation catalogues started in 2007. There are publications reflecting the national participation in specialised magazines and newspapers. The only Bulgarian participation during socialism (in 1964) had not gained much publicity back in the day, apparently being considered "dangerous" by the authorities (Boubnova, int.).

Documentation and archiving of national participation are key to defining and developing the national visual arts scene. Visual arts archives are needed to ensure knowledge has been preserved and transferred across generations in the past 30 years, which is important for researchers, art historians and, above all, artists (Petrova, int).

Figure 6. Case 3: Tasks and phases of the production network



Spatial footprint

Taking the example of the 2019 Bulgarian participation in the 58th Biennale, the project's GPN was distributed as follows:

[14] https://www.labiennale.org/en/venues/biennale-library

- The creation phase was located in Bulgaria as long as the Ministry organised the selection of the national project.
- The production phase was mainly located in Bulgaria as the main producer was the National Gallery and the curator. The two artists were based in France and Austria, spreading the creation and production to two more countries that played a role in the professional development of the two artists.
- Two donors were attracted from Austria (for the Austria-based artist) and Switzerland (Gaudenz B. Ruf) to produce the national pavilion catalogue. Bulgarian sponsors joined in for the inauguration.
- The production stage depended on the Venice location; hence, the final production stages were based in Italy, including most subcontracting and services.
- The official distribution and exhibition of the pavilion were strongly embedded in Venice with exclusively local support services. Communication in the framework of the Biennale programme was carried out exclusively by *La Biennale*, and no national sponsors could acquire visibility. Only at the level of the national pavilions (via PR, catalogues and side events) could the national media (public and private) publish the press information in Bulgaria. Italian-based communications reached out to the Italian and international specialised press.
- The real exchange in Venice included the visits of over 17,000 people (lacking data on profiles and nationalities). Art collectors, art professionals, curators, students, national representatives and tourists were among the visitors.
- Subsequently, the works of the two artists were bought by galleries in Oslo, Norway and Germany.

3.3.2 Embeddedness

> *La Biennale has been gaining popularity and influence. The scale and the ability to conduct regular global monitoring are its unchanging qualities*. (Iara Boubnova, Catalogue of the Bulgarian Pavilion, 2019)

Bulgarian national participation in the Venice Biennale is an example of a national project, loaded with expectations and opportunities for international exposure during seven months among the best artists and curators in the world. The project aims to be temporarily embedded in Venice, becoming part of the local environment in the exchange phase, whereas the exhibition and exchange phases happen exclusively in Venice while echoing nationally and internationally through various communication channels.

The creation and production phases predominantly happen in Bulgaria and the artists' countries (i.e. Austria, France). Creation is also closely intertwined with the rules and context of the Biennale and the specificity of the pavilion space in Venice. The final production stages happen in Venice, including many local suppliers and agents. Archiving of the Biennale projects is power-centred in Venice, rooted in national institutions by the curators and artists.

It is difficult to calculate the country's direct social and economic benefits of the national participation endeavour. The practical return on investment of the public funds is completely unclear, as most of the national subsidy is spent on services and costs in Italy or other countries (Boubnova, interview). Most of the public money is invested in international positioning and prestige. Each country gains visibility in over 80 countries globally. The main purpose of being in Venice is to participate in the global art scene. Hence, newcomers like Uganda and Nepal, which participated this year for the first time, take their national participation seriously. Countries ravaged by war and political crisis (e.g. Ukraine and Venezuela) are also present, increasing their visibility while amplifying their messages.

The territorial embeddedness of the Venice Biennale is obvious. It was created to contribute to the local economy, attracting regular, highly profiled art tourism, exceeding its local role many times. The latest editions have attracted 250,000 to 500,000 visitors to Venice. Another aspect of the local embeddedness is that all national projects must be curated specifically for Venice's spaces. Although some artworks could have been created in a different environment, the curatorial approach embeds them in local spatial parameters, adding new meaning and, potentially, new experiences. On a third level, if a work of art is bought after the Biennale for a museum or gallery collection, it could be further embedded in a different place, according to a different context and curatorial decision.

3.3.3 Relationships between actors

In the creation phase, the power is concentrated in the *La Biennale* Foundation, defining the scope, scale, rules of participation and spatial distribution of the exhibition. *La Biennale* is a "gatekeeper" of sorts, inviting national contacts and institutions to participate while setting the rules, terms and conditions for national participation. Moreover, it assesses and selects the national projects using high-quality artistic criteria, approving the national commissioner while strictly controlling the communication and dissemination channels ("Procedure for National Participations 58th IAE", 2018). *La Biennale* controls the compliance of the national pavilion projects with local employment regulations. It requires exclusive local usage of spaces and specialised labour, rental prices, visual identity and representation of the Biennale's materials and the distribution of national catalogues, admission policies, visitor's management and security and press and PR. Thus, *La Biennale* is in a most powerful position across the entire network of national participation.

This position was acquired by the Venice Biennale, establishing itself as the most prestigious, uniquely located, most representative (in levels and number of countries) and long-standing art exhibition of its kind (127 years of steady development and growth). It is the most visited art biennial, attracting up to 500,000 visitors annually. Over the years, its scope has expanded to more art forms, launching the prestigious Architecture Biennale (which happens in between the Art Biennale) and the famous Venice Film Festival with theatre, dance and archive events.

At the national level, the Ministry of Culture of Bulgaria concentrates the key decision-making power since it must secure annual funding (for the Art and Architectural Biennales) through the State Budget Act while developing and adopting the national statute for participation in the Venice Biennale and appointing the commissioner. From that moment, the Ministry delegates responsibilities (and power) to the National Gallery and its director, the commissioner. The commissioner (upon request by the Biennale's rules) is in a powerful position as the only contact and coordination point for the creation, production, implementation, dissemination and exchange of artistic projects. The commissioner is responsible for all subcontracting, from the curator to the artist, by hiring communication and PR specialists (in Bulgaria and Italy) and all service providers, firms and workers in Venice.

The curatorial project developed by the curator and artists is unique. Although some of the artistic works could be created earlier than the exhibition year, the curator decides upon the pavilion concept and contextualises it in the framework pre-set by the Biennale. Hence, the curator is the most influential player in artistic production.

3.3.4 Positioning the case within the typology matrix

The production network of the Venice Biennale is dominated by the lead actor – La Biennale Foundation that defines the rules of participation for all international actors for producing, exhibiting and distributing their works. Decisions about national participation are taken by each of the over 100 participating countries, hence the network governance is also dispersed. Creation takes place nationally, but taking into consideration the locality (the specifics of the exhibition spaces/pavilions in Venice). Production phase is strongly embedded in Venice, as required by the statute (employing local suppliers and services, renting spaces etc.). In the case of the Bulgarian participation in the 58th biennale, the artists' work in two other European countries, hence both creation and production phases have Intra-EU level. Exchange happens exclusively in Venice during the exhibition. Archiving is kept by *La Biennale* archive, as well as by the national commissioner, artists, curators.

Table 16. Case 3: fitting in the typology matrix *La Biennale*

PRODUCTION NETWORK PHASES	Local/regional	National	Intra-EU	Global	GOVERNANCE
Creation	Specialised suppliers private sector	Strategic partners public sector Creators	Creators Lead actor (La Biennale)		

Production	Strategic partner public sector Strategic partner private sector Specialised Creators	Strategic partner public sector Strategic partner private sector Creator	Creator		
Distribution	Lead actor Strategic partner public sector Specialised suppliers (Venice)	Strategic partner public sector Creators	Specialised suppliers	Lead actor	
Exchange	Lead actor Creators Strategic partner public sector Audiences (Venice)				
Archiving	Lead actor	Strategic partners public sector			
Network level				X	Hierarchical: Lead actor (La Biennale)

3.3.5 Impact

Economic impact

The Venice Art Biennale was created to contribute to the local economy, predominantly dependent on tourism and related local services (with a small local population). The competition to rent the properties for national pavilions is high, as are rental costs. Moreover, according to local legislation for the past 12 years, only the local workforce and services can be hired in Venice. Hence, for any service related to the pavilion production and display, only people from Venice or who have a legitimate right to work there can be hired.

In its years as an art market (until 1968), the Biennale generated substantial revenues (from commissions) and even donated to local charities (Veldhuis, 2011). In terms of financial deals, the city no longer receives a financial boost from the Biennale's revenues. Keeping the high quality and prestige of the forum and its capacity to display the best of art worldwide in one city is attractive to dealers and collectors, saving them time and resources.

The Biennale attracts visitors (and potential clients for the artists) with high economic status through special VIP access, which includes access to pre-openings, receptions and parties, with exclusive visits to collectors. Hence, the VIP crowd is "channelled" towards exclusive deals. Curators, collectors and dealers worldwide visit the Biennale and often choose to negotiate before or during the Biennale, but the acquisitions are announced publicly after the event.

The EU-led Cultural and Creative Cities Monitor categorises Venice as third place in category L of the Cultural and Creative Cities Index. The L-category sample includes 40 European cities with 250,000 to 500,000 inhabitants that are a cultural capital, a UNESCO creative city or host at least two international cultural festivals (Alberti, Saisana et al., p. 63, 2019). According to this Europe-wide ranking, Venice is considered second (after Florence) on the sub-criterion of "cultural vibrancy" based on Eurostat data. It ranks remarkably high in Europe and Italy due to its important cultural participation and attractiveness to international audiences based on its cultural offerings (CCC Monitor-Italy, 2019).[15]

Social and political impact

The effects of the national participation at the Venice Biennale are predominantly social and political. Securing participation by the national authorities is a question of national prestige that positions the country among the vast number of country pavilions and projects around the globe. Big and small, rich and poor, countries try their best to show artistic excellence, guaranteed by the high criteria of the Art Biennale. The official inaugurations and the presence of high-level officials, ambassadors and key figures create important momentum for international diplomacy:

> *Every year there are new countries that we are not familiar with […] It's just a question of honour, a question of dignity, a question of real self-confidence that you can have a space there among all the others and show what artists are doing in Bulgaria. (V. Radoeva, int.)*

National representation at the Biennale has been crucial for several generations of Bulgarian artists, mostly because of the sector's fragmentation after 1989 and the absence of state policy to consolidate and promote Bulgarian contemporary art nationally or internationally. Few Bulgarian visual artists (regardless of the quality of their work) are represented internationally, mostly due to their individual efforts (or via small groups and circles).

Nevertheless, national participation is most beneficial for artists and curators since the main focus is promoting the symbolic value of art. Having exhibited one's work in Venice places the artist on the international map at this prestigious art festival. Regardless of the (often) political biases in the curatorial choices, most countries strive to show their best artists and demonstrate their belonging on the international stage. The VIP activities and other parallel programmes, including exclusive access and pre-launches, are attractive to potential sponsors, future clients and buyers of artworks. Thus, the Biennale is an unofficial but important *intermediary* in the international art market.

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[15] The Cultural and Creative Cities Monitor, 2019 Edition, Italy Source: KJ0419019ENN.en.pdf

Impact on the artists ("Venice effect): international exposure, acquisition of artworks and access to international networks

International biennials contribute to the professional biographies and careers of visual artists. Most significantly, the largest biennials connect artists to a global network of curators, programmes and selectors of other art forums, collectors, art dealers, critics and specialised media. The Venice Biennale does not guarantee increased sales or subsequent selections for other prestigious art forums, but it creates a dynamic that could propel some known artists to more prestigious places or allow younger artists to gain recognition.

Both works of the artists who participated in the 2019 Bulgarian pavilion were bought for public collections in Europe. The Munch Museum in Oslo bought Lazar Lyutakov's work, and a decorative collection bought Rada Bukova's work in Germany (int). For the artists, participation in the Venice Biennale was directly beneficial. The sales of artworks are not guaranteed for everyone, but the visibility they gain is enormous because, in Venice, they encounter many hunters for artworks and ideas. Most major contemporary art museums from Europe and the world come there (int.) In this direction, Johanson et al. (2021) interestingly find that the 'Venice effect' can be observed in more established artists who tend to 'appear in a greater proportion of international and solo exhibitions after their participation in the Biennale' (Johanson et al. 2021).

The Venice Biennale has a strong relationship with the local community. An entire educational programme by the Biennale has been developed for the pupils and students in the Veneto region to promote artistic creativity among the younger generations with the support of the Venice Chamber of Commerce (3,000 teachers and 30,000 pupils were involved in 2014). Cooperation with universities and research institutes making special tours and stays at the exhibitions has also been established, including 227 universities (79 Italian and 148 international) participating in the Biennale's side programmes and events. (www.laBiennale.org).

Cultural impact

National participation in *La Biennale* creates symbolic capital for the state (Sassatelli, 2017, Boubnova, int.) and the creators (artists and curators). This symbolic capital consists of immaterial values (e.g. a sense of belonging to the global visual arts community and networks, national and professional prestige, international visibility of the artists, exchanges with and feedback from international peers, critics, collectors, public institutions and art dealers). International acknowledgement and belonging of Bulgarian visual artists is vital for individual professional development and as a sector. Moreover, regular participation in the Biennale enables distinctive national trends in contemporary visual arts to form (Petrova, int.).

3.3.6 Policy implications

The policy dimension of the national pavilions is related to the question of national representation at the world's most prestigious visual arts exhibition, which gives visibility to the countries and positions the visual art scene among the best in their field. Hence, participation in the Venice Biennale is considered strategic by most countries. Thus, since 2007, Bulgarian artists and the authorities have strived to ensure a long-term trajectory of national pavilions (as opposed to long years of disruption after 1942). The Bulgarian Ministry of Culture and key stakeholders want to embed national participation in a multiannual perspective of strategy to ensure funding on an annual (not bi-annual) basis, considering the restrictions posed by a zero-based annual public budget framework.

A big issue for the national arts sector in 2018 was the untimely publishing of a national statute for national participation and an open call for projects. In 2018–2019, the timeline for submission of the curatorial projects was short due to the prolonged time for developing the first national statute. The assessment process was somewhat unclear, leading to the disappointment of many candidates (some curators filed court cases against the Ministry for non-transparent and unjustified choices).

The determination of the Biennale to give a platform to artistic freedom worldwide unavoidably reflects political themes and global urgencies, such as climate change, migration, human rights and inequalities. While the national pavilion project may oscillate from fairly conservative to avant-garde, the Biennale's curatorial choices give artists a global platform on a specific theme or topic, independent of national and political filters. The Biennale attempts to bring art to a different level, beyond nation and national pride, beyond borders and mental boundaries. Choosing a different curator for every edition offers pluralistic and non-state-bound views. Nevertheless, countries like Bulgaria, which have participated in only ten editions during its 127 years, suffer from "underrepresentation", striving to secure regular participation to ensure the country is represented in the global community.

Regardless, the overall consideration among artists is that the Bulgarian authorities have not done enough for the national visual arts sector between 1999–2018, so every participation "is an achievement in itself" (artist Pravdolyub Ivanov in an interview for Sega newspaper). The main issue outlined by the curators and the artists is the lack of steady presence of Bulgarian contemporary art on the international stage. In comparison, Lithuania has participated ten times in the past 20 years without interruption with a similar budget, and the result is much more visible.

Since 2019, the Ministry of Culture, with the help of the National Gallery, seems to have been on the right track with its approach. What could be of help for improving the national policy for visual arts includes the following:

- A strategic and sustainable approach to building up the country's artistic presence at the Venice Biennale, the beginning of which was launched with the adoption of the first national statute in November 2018 and should be continued and improved;
- State budget allocations for the Biennale should be made yearly, not bi-annually, to secure all the phases (including the preparatory stages of creation and production); hence, national participation in the Venice Biennale should be included in the annual cultural calendar of events subsidised by the Ministry of Culture;
- Regularity of future participation should attract more public attention and possibly private support (donors and sponsors). As long as national institutions (the National Gallery and the Ministry) are in charge of the implementation, they face legal obstacles to receiving and spending non-state funding. Hence, mixed models of public and private funding should be allowed or enabled by the state.

PART 4. Conclusions

4.1 Conclusions

Visual arts is a relatively large sector in the CCIs, encompassing various products, actors and activities. The literature review revealed that the sector displays an emphatic winner-take-all characteristic, where only a small number of (often internationally known) artists comprise most sales (Prendergast, 2014). These artists are associated with high-quality work, and their market value makes them interesting to investors. However, most artists are relatively unknown, struggle to make ends meet and operate in local networks. The same structure can be observed among art galleries, where only a few established international galleries comprise most sales, while many more local galleries face financial insecurity.

In our case study research, we attempt to visualise this structure and analyse it from both perspectives. The Dutch cases (i.e. Patty Morgan's webshop and visual artist Sibumski) are small-scale enterprises attempting to become established and institutionalised. We show the obstacles and opportunities they encounter daily. The Bulgarian case follows the participation of renowned Bulgarian visual artists in curatorial projects that position the country at one of the most prestigious international art fairs. The road of Bulgarian artists to the Venice biennale after 1989 was long and bumpy, as only in the recent years, the public authorities set up a statute and procedure for national participation, which would continue in the future.

While the Bulgarian case is an example of positioning curators and artists among the global artistic elites, giving them exposure to large public, peers and critics, Sibumski and Patty Morgan are still relatively unknown to the larger public and possess less market power, still trying to grow while struggling along the way.

In both Dutch cases, the struggles are mainly on the demand side (i.e. low sales rates). Sibumski, as a recently graduated visual artist, must invest time and energy to build up his clientele. He finds this business aspect of his profession especially difficult, preferring to focus on the artistic parts. Patty Morgan's goal of lowering the threshold for buying art by charging less commission and thereby keeping art more affordable did not succeed and was financially unrewarding. Nevertheless, the fieldwork has shown how other intrinsic values are just as, if not more, important for these companies. Patty Morgan's main values are creative and ideological, as the owners desire to make the art world more balanced and fair to emerging actors, stimulating them to continue the webshop for over eight years, despite minimal earnings. Likewise, Sibumski is primarily motivated by creative values, which shows in his choice to cooperate with the similarly minded company of UNU Rotterdam, distributing Surinamese fashion to the Netherlands.

Although the literature review touches upon these intrinsic values, they are not reflected in the statistical mapping, which primarily focuses on economic value. Therefore, case study research using the GPN approach can contribute to a more holistic and comprehensive picture of what motivates and drives actors in the visual arts. The GPN approach is useful as it tries to fully unpack each case, emphasising stakeholder dynamics and the broader institutional contexts along different production phases. This approach highlights economic and artistic values, showing how they function together in dense networks of actors and interests.

This insight from the GPN approach can serve as an important message for policymakers to approach the visual arts sector more holistically. The lens of the GPN approach shows an interplay between economic, artistic, social and cultural values that do not operate separately. Policymakers often focus more on one of these aspects, either stimulating economic growth or socio-cultural impact. This idea came to the fore in the case of Patty Morgan, which did not receive any public funding for its webshop due to funding agencies' policies of excluding commercial activities. As a result, the company could not grow its webshop or achieve its non-commercial goals (i.e. supporting young artists and providing them with more control over their sales). In addition, the more established international galleries and the visual arts sector depend upon actors like Patty Morgan to do the groundwork (i.e. scout, promote and sell artworks from lesser-known artists) necessary for innovation while avoiding stagnation. The GPN approach invites policymakers to view the visual arts sector as a whole, involving different actors and interests while allowing for a fruitful interplay between different values and impacts.

Furthermore, the Bulgarian case study emphasises a different angle of the visual arts sector, focusing on a well-known visual artist and his participation in a prestigious art fair. Unpacking the "progenitor of biennials" (Sassateli, 2017) through the prism of the GPN, using the rather narrow lenses of Bulgarian national participation, limits the chances to examine the real breadth of *La Biennale's* network and global connectivity. However, it provides a clear, traceable story of how a rarely represented European country in the Biennale could pave its way in today's overly populated global visual art scene. A network could unravel from an artist's innovation and initiative and the established public policy. Visual artists tend to work individually or in smaller groups, depending on institutional and financial power relations and extant policy frameworks or their absence. This case study also shows the artist as a powerful source of symbolic meaning, which transforms into symbolic value in the constantly developing locus, institution and experience of *La Biennale*.

To conclude, through case study research utilising the GPN approach, we have tried to generate new insights into the visual arts sector. This lens has enabled us to focus on different aspects, such as the intrinsic values of actors and relationships between artists, customers and distributors at different stages of production. Future research and policymakers can benefit from this method and delve further into the dynamics in the visual arts sector.

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Appendix A. Methodology

A1. Research methodology

Introduction

The general aim of the CICERONE research, and in particular of WP2, is to understand the role of Cultural and Creative Sector (CCS) in the local development of EU countries starting from the configuration and dynamics of their global production networks (GPNs). This work package is based on a case study approach combining quantitative with qualitative research. The former is aimed at positioning the sector along a number of dimensions, while the latter will uncover the more in-depth aspects of the GPNs of the selected industries. While the project adopts a prevailing qualitative approach, it also envisages secondary data analysis. The case study approach is coherent with the research aim because of its ability to cover both the phenomenon and its context.

This appendix presents the main methodological issues of the WP2, some of which have been pointed to at the beginning of the reports.

Methodology stands for the systematic examinations of procedures and modalities of explanation that are used for the analysis of empirical data[16].

In social sciences, empirical research may adopt a descriptive or an explorative logic; however, all research is always informed by a theoretical apparatus, even though the connection between theory and empirical research takes different connotations in the different disciplines/fields.[17] Notably, epistemology draws a distinction between explanation and comprehension. Explanation implies the search for a stable nexus of causality between two (or more) variables, independently from the social and historical context. The underlying assumption is that we should be able to identify universal laws explaining the nature of observations (like in the so-called hard sciences). Comprehension refers to the traditional Weberian conception of understanding the meaning of the action for social actors. Such a meaning is influenced by institutional, normative and cultural dimensions that are spatially and historically specific. Reality is not simply described, but it is read, analyzed and interpreted.

In a situation where universal laws are inapplicable, the logic is to search for empirical generalizations. In order to move towards empirical generalization, social sciences make use of models or typologies

[16] Selvin, H. C. (1958). Durkheim's suicide and problems of empirical research. *American journal of sociology*, *63*(6), 607-619.

[17] Rueschemeyer D. (2009) Usable Theory: Analytic Tools for Social and Political Research.

starting from Weberian insights. Weber describes ideal types as 'mental constructs, formed by the analytical and one-sided 'accentuation of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified analytical construct'.[18] Through ideal types, reality is recomposed and synthesized starting from classificatory categories, so to help researchers to identify dynamics and mechanisms that underlie social processes.

Traditionally, empirical research is based on either qualitative or quantitative methods (or both). The distinction between the two has a technical nature: the choice depends on many elements, such as the research questions, data availability or the approach that drives it.

The choice of the method: the case study

Among many qualitative methodologies, case study research investigates in-depth into a real-life phenomenon by considering its situatedness and contextual embeddedness. [19] Such a case can be an individual, a group, an organization, an event, a problem, or an anomaly.[20] Contrary to the quantitative logic, the case is chosen because it is of interest[21] or for theoretical reasons.[22] Unlike experiments, the contextual conditions are not delineated and/or controlled but are part of the investigation.

In the case study methodology, the selection of cases is a crucial phase, and generalization of results is mostly based on that. There are two modalities to select case studies: [23] random and information-oriented selection. Random selection is usually chosen to avoid systematic biases in the sample; in such circumstances, the sample size is decisive for generalization.

In social science research, cases are generally not randomly selected because it is difficult to in depth explore a huge sample. Moreover, random selection not necessarily provides informative cases, while in a research based on information-oriented selection of cases, the generalizability of results can be increased by the strategic selection of cases. As Flyvbjerg claims:

> *"When the objective is to achieve the greatest possible amount of information on a given problem or phenomenon, a representative case or a random sample may not be the most appropriate strategy. This is because the typical or average case is often not the richest in*

[18] Weber, [1904] in Rossi P. (1974)(ed.) *Lo storicismo contemporaneo*. Loescher, Torino: 124-125.

[19] Ridder, H.G. (2017). The theory contribution of case study research designs. *Business Research*, 10(2), 281-305.

[20] Burawoy, M. (2009). *The extended case method: Four countries, four decades, four great transformations, and one theoretical tradition*. Univ of California Press; Stake, R.E. (1995). *The art of case study research.* Sage, London; Yin, R. K. (2014). *Case Study Research Design and Methods* (5th ed.). Thousand Oaks, CA

[21] Stake, R.E. (1995). *The art of case study research.* Sage, London

[22] Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *Academy of management journal*, 50(1), 25-32.

[23] Flyvbjerg, B. (2006) Five Misunderstandings About Case-Study Research. *Qualitative Inquiry*, 12(2).

information. Atypical or extreme cases often reveal more information because they activate more actors and more basic mechanisms in the situation studied."[24]

Information-oriented selection of cases implies that case studies are selected based on the expectations about their insights into processes, agency, strategies (information content). The experiment in hard sciences can also be seen as an extreme example of information-oriented selected case studies.

"*Carefully chosen experiments, cases, and experience were also critical to the development of the physics of Newton, Einstein, and Bohr, just as the case study occupied a central place in the works of Darwin, Marx, and Freud. In social science, too, the strategic choice of case may greatly add to the generalizability of a case study*".[25]

Cases bring new knowledge either because they have a strategic importance in relation to the general problem or because they help to test the validity of the theory. Moreover, case studies allow cross-country comparison: the different contexts shed light on different dynamics related to economic circumstances, national and local regulatory framework, labour market, local culture and know-how, and so on. According to Robinson[26] the choice of the territory assumed as the basis of the comparison (being it a nation, region or city) should be carefully chosen in relation to the single case study rather than assumed a priori.

Research design and research steps

As said, WP2 is based on a mixed methods approach of investigation. This means using both quantitative and qualitative tools; primary and secondary data allow a complex research design composed by several interconnected research dimensions: a sector description, an analysis for the identification of the case studies and the case studies themselves.

Industry description

Quantitative data was used to have a factual overview of European GPNs in CCS together with literature and desk analysis.

Literature analysis and quantitative (secondary) data were used to explore and describe the features of each sector, its quantitative consistence and its European production network, its role in the European economy, the territorial distribution of its companies and the typical business models.

[24] *Ibid. p.229*
[25] *Ibid. p226*
[26] Robinson, J. (2011). Cities in a world of cities: The comparative gesture. *International journal of urban and regional research*, *35*(1), 1-23.

1. Literature review – for each industry
    a. Configuration of the Production Network (input-output structure) in the selected industry
    b. Prevailing governance typology in each industry (e.g. power relationships, barriers to entry, value adding mechanisms, labour processes/skills …) + possible governance typologies considering single interfirm relationships
    c. Key socio-institutional dimensions affecting network configuration/dynamics (e.g. fiscal incentives, property rights, labour legislation, path dependent cultural aspects) at various levels (European, national, regional)
    d. (possible) Changes over time (e.g. digitalisation, technologies, …) + possible firms upgrading processes (value capture strategies)
    e. (possible) National variations and specificities (e.g. national funds that support the film industry)

Statistical mapping of production network of CCS in Europe

Statistical data at the EU level (by Nuts 1, 2, 3 if possible) on number of firms, employment, VA, ... relative to the *different network phases* (e.g. creation, production, distribution, etc.) composing the Production Networks of the 8 selected CCIs.

Case studies in WP2

One of the strengths of the research lies in the fact that the great variety of case studies share a common unit of analysis. This is the production network of actors, firms, organisations involved in projects, which is very much in line with a whole body of literature on forms of collaboration in the cultural and creative industries. According to Watson (2012, p. 168), the benefits of a such project-based approach are:

> *"… first it moves beyond [solely] structural analyses to allow for an understanding of the importance of agency in project work; second it allows us to move on from firm-level analyses to develop an understanding of the complex social networks involved in [production networks]; and finally it moves on from research at the meso-level on inter- and intra-firm networks to provide micro-level analyses of project work."*[27]

Such an approach enabled the whole research to take into account agency *and* structure as well as their interaction, thereby heeding the view of Powell and Smith Doerr[28] who conceptualise networks both as relational forms and structural ones.

[27] Watson, A. (2012). Sociological Perspectives on the Economic Geography of Projects: The Case of Project-Based Working in the Creative Industries. *Geography Compass*, *6*(10), 617-631, p. 618.

[28] Smith-Doerr L, Powell W (2005) Networks and Economic Life. In Neil Smelser and Richard Swedberg, eds. *The Handbook of Economic Sociology*, Russell Sage Foundation and Princeton University Press.

As anticipated in *The Cicerone approach to production networks* section of this report, cases were selected on the basis of their informative power and of the theoretical expectations about their insights. Particularly, case studies represent a sufficient range of variation in terms of key business model characteristics, geographical span within the EU limits and cross the borders of European countries, finally and obviously they are accessible to researchers.

Such choices aim at bringing new knowledge on the contribution of the European CCS to local development, sustainability, social cohesion and (local) identity. Furthermore, as already discussed, an information-oriented selection of case studies increases the generalizability of results.

In details, theoretically based case study selection was grounded on the review of the existing literature on CCS and their organizational forms[29] assuming a novel viewpoint. Three common aspects underlie this choice.

A) GPNs in the CCS, as in any other industries, are characterized by differential power relations. Powerful actors (the lead firm) are those who drive networks and make things happen: as explained, their ability derives from their control of key resources, namely physical, economic, technological but also social, political and immaterial ones. The control of resources however does not automatically imply that the actor is powerful until power is exercised. Rather than being matter of actors' position in the network (more or less marginal actors), power should be conceived as the capacity to concretely exercise control within it. Governance identifies the authority and power relationships that affect how resources – material, financial, human, etc. – are distributed and flow along the chain. Following Gereffi it is possible to distinguish between two typologies of networks: the producers- and the buyer- driven chains. Governance as driveness embraces a broad idea whereby governance refers to the whole chain dynamics: this concept is meant to capture the power that lead firms exert over other participants and to highlight its ability to govern the chain by making decisions about where, how and by whom goods/services are produced. In the identification of concrete governance typologies characterising a specific sector, the concept of governance as driveness is one important aspect[30].

B) Relationships between lead firms and the other actors in the network differ across industries due to the particular features of the products/services produced, to the production process and the organization of that specific industry. The configuration and coordination of global production networks are also shaped by the expansion of demand and markets. Goods and services' demand needs to be created and sustained by final consumers and end users (i.e. think about the increased role of merchandising). It is therefore important to satisfy customer pressures, (i.e. price, quality), the so-called time

[29] Different disciplinary insights have been gathered from literature in business, economics, sociology, economic geography.
30 Greco, L. (2016) Capitalismo e sviluppo nelle reti globali del valore. Carocci, Roma.

to market (i.e. time imperative) as well as the basic access to the market and to new markets (i.e. in emerging economies). Finally, the choices and strategies of production networks are also influenced by financial considerations, which relate both to firms' activities and to their shift to non- manufacturing ones. Such aspects refer more to technical, organizational dimensions and demand that are shaped primarily by the industries' internal logic.

C) As underlined, the innovativeness of the CICERONE project lies in the application of the GPNs perspective to the CCSs. Whilst a vast array of studies has concerned the manufacturing industry, considerably less attention has been devoted to the cultural and creative sector. The empirical work required by the project intended primarily to make a contribution to the understanding of the CCS considered by the project at European level. Nonetheless, the empirical research aimed also to account for the broad institutional context in which production networks operate. Institutions do not only influence chains' dynamics but should be considered constitutive of these networks in ways that are critical for understanding their social and economic consequences: institutions were therefore not be considered external to the networks even though they are not strictly connected to inter-firms' relationships.

For each industry, case studies numbers range between two to four, according to the identified typologies, complexity of the case studies, availability of interviewees and so on.

Case study analysis

The empirical research based on case studies (namely the production network of projects) was carried on through the exploration of the single network-nodes and their relationships. Qualitative data was used to produce novel knowledge in the field and constitute the base for further research.

The explicative power of the selected case studies lies in the fact that the analysis is able to produce a 'substantive' representativeness of the EU CCS rather than their statistical one; in other words, case studies analysis allows understanding dynamics, mechanisms, relationships, etc. useful for explaining the functioning of such sector.

After selecting case studies, the empirical investigation was carried out using interviews, observations, ethnographies, digital ethnographies. The key dimensions of the analysis are: the network configuration and its geographical footprint; the governance dimension (power relations; value creation); the variety of embeddedness forms; the impact on socio-economic development.

As already indicated, production networks are socially and territorially embedded, beyond their organizational embeddedness. Societal embeddedness places economic actions within a multilevel institutional and cultural framework. Territorial embeddedness appreciates the differing ways in which firms are anchored to different places and to its specific resources and features, for instance the local culture, labour forces, policies, raw materials and so on. Ultimately CCS industrial dynamics in Europe was analysed both in their ideal-typical sense (by accounting for the specific sector-level characteristics affecting inter-firm linkages) and with concern to the differentially embedded nature of their economic activities. Attention was paid also to the ways in which actors mobilize and deploy resource, forge alliance, shape regulatory structures through discursive constructions and mechanisms that legitimate the GPN configuration, i.e. eco labels, fair trade, ethical labour, environmentally friendly productions, etc. Consideration was also devoted to any relevant policy (or the lack of it) at the different stages in chain, which may affect the way in which the whole chain is configured. Policy analysis has looked at different kind of policies, i.e. cultural but also industrial as well as regulatory and trade policies. Additionally, policy and policy environment were addressed in their multiscalar nature.

A unifying matrix focusing on the two key dimensions of governance (power) and spatial footprint allowed synthesizing the case study results by conducting a series of comparisons in different contexts. In addition, the systematization in the matrix is designed as a tool for policymakers in support of better CCS-relevant policies.

Research strategy

Preparing the interview

For each node of the production network, interviews were made to all the informed people that were considered suitable to understand the mechanisms at play in the node. The number of interviews was decided by each team according to the availability of interviewees and the information to be gathered. Three or four pilot interviews were recommended in order to recalibrate / reorganise the interview script; in some cases, interviewees were not available for the interview, but they were asked a number of key questions via mail: this solution was adopted if no alternative was possible. Empirically, the field was accessed through a company, which represents a node/phase in the network; starting from that, the whole network (both relations among phases and phases themselves) has been explored.

At the beginning of each interview, the interviewer presented him/herself and presented the research. The interviewee was given a leaflet containing information on the research as well as on the specific role that the EU can play in this field. After the signature of a consent form on the part of the interviewee, the interviewer started recording the interview. Interviews were done in person or in videoconference when the situation required it.

Each case study gathered qualitative data on a number of topics, which are detailed in the next section containing the interview outline, namely

- The interviewee profile
- The organization profile

- The network configuration
- The governance structure and strategies
- The embeddedness
- Policy
- Contribution to development

Qualitative data gathering

All interviewers allowed recording the interview with digital recorder. Interviews were then transcribed *verbatim*, pointing out emotional status only if particularly relevant.
Each interview was labelled and stored using all the following variables:

- Industry
- # case study
- Phase of the production cycle
- # interview (within the phase)
- Geography (Nuts3)
- # interview (within the industry)
- Date (DD/MM/YY)

Interviews coding

A two-step codification was used:

1) Codification of the interview according to the homogeneous excerpts on the basis of thematic areas identified for the research:
   - Network configuration → CODE: NET-CON
   - Spatial organization of the networks → CODE: GEO
   - The governance of the network → CODE: GOVERN
   - Embeddedness → CODE: EMBEDD
   - Institutional conditions → CODE: INSTIT
   - Policy → CODE: POLICY
   - Contribution of the production network to the development of European regions → CODE: EU_DEVELOP
   - Any other relevant issue that we might "discover" → CODE: OTHER

2) Codification of all the excerpts in each of the previously identified thematic areas (input-output structure, its spatial organisation, governance, institutional conditions, role in the EU development, other) based on relevant analytical categories.
   - Ex. Mechanisms of value appropriation; modalities of cooperation among organisations; upgrading mechanisms, working conditions, social/cultural embeddedness; any other new element

A2. Interview outline

Profiling the case study

A first step in the interview outline was to profile the interviewee and her or his organization, company, or agency.

Interviewee's profile

Themes to analyse:

- Position within the organization/agency/company/etc.
- Years spent in the position
- Main responsibilities
- Years spent in the organization/agency/company/etc.
- Years spent in the industry
- Years spent in the field
- Competences required for the job
- Any other relevant theme

- What is your job position within the organisation/agency/company/etc.?
- How many years have you been working in this position?
- What are your main responsibilities?
- How many years have you been working in this organisation/agency?/company/etc.?
- How many years have you been working in this industry?
- What are the main skills/competences required for your job?

Organisation profile

Themes to analyse:

- Brief history of the organisation
- Core business
- Legal nature of company
- Employees
- Any other relevant theme

- What does your organization/agency/company/etc. do/develop?
- What is the main activity performed by your company/organization/agency/etc.?
- What is your core business?
- Is your organization/agency/company/etc. independent or is it a part of a bigger company? (if yes) how responsibilities with the headquarter are distributed?
- How many employees does your organisation/agency/company have?
- Can you briefly tell me about your or organisation/agency/company? (*gather some information on its history, key moments, etc.*)

Network configuration

The second step of the interview outline aimed at shedding light on the whole cycle of cultural production from creation to final users (actors involved, roles, geography). In what ways is the industry X articulated/organised? How does the division of labour occur in the industry? Who are the main actors? Their roles? The geography?

The sketch of a diagram together with the interviewee can be a very useful tool at this stage: we suggest to use a large sheet of paper and start with the interviewee in the middle; then add the other organisations/agencies/actors/… involved in the different phases (locate the phases at the corners of the paper). Use this diagram as a map throughout the whole interview.

- Among the projects (services/activities/goods/event) that you briefly presented us, let us consider now the chosen one (possibly it should be one that involves an extended/extra-local/European/international network). Please, help us to identify the whole cycle of cultural production and your role in it.
- Who are the actors that are involved, together with you, in the carrying out of your project (i.e., customers, intermediaries, consumers/audiences, etc.)?

Actors involved

Possible actors involved:

- Artists, composers, designers, creatives
- Producers
- Suppliers, impresarios
- Audience, customers
- Intermediaries, dealers, experts, critics
- Media, influencers
- Archivists
- Any other relevant actor

Themes to analyse for each actor:

- Description of the actors
  (Who they are? Big or small organizations/groups, independent, subsidiaries…)
- Role played by the actor in the network
- Type of resources mobilized (financial, economic, reputational, technological resources…)
- Any other relevant theme

- Who do you work with?
- Who are the people that are involved in the realization of the project?
- Who are the suppliers that are involved in the realization of the project?
- Can you tell us more about them?
- (i.e. SME / large organizations, public/private, local/global, independent/subsidiaries, etc.)
- What kind of resources do they mobilize in the project?
- (i.e. a service, an idea, technical or professional knowledge, raw materials, a semi-product, a final product, financial assets, etc.)
- Who are your customers? or your audience?
- Do you sell directly to the final consumer?

- Are there any actors in your business that you would define as intermediaries? Why? For instance, because they help your product/you to be visible, or they "translate" your work for the audience, or they appreciate particularly your work.
- Is there anybody that helps you in promoting your products/projects? (e.g. art curators, advisors, critics, etc.)
- Do they have an impact on your business? How?
- What do they do precisely?
- What does their intermediation consist of?
- Could you give me an example of a situation in which intermediaries were useful to your business?
- How did you come in contact with this intermediary?
- How did they find you?
- Has your relationship with intermediaries changed over time? Why?
- Do media and influencers play a role in your business?
- How do they impact on your activities?
- How do they get to know you?
- Let us consider the social media. Are there any influencers on Instagram/Facebook/etc. that have an impact on your strategies/activities?
- Have your own accounts an impact?
- Do you use them to promote your project?
- Have you or has your organisation got an archive of your projects (creations/services/activities/products)?
- Have you or has your organisation been part of a show/exhibition/etc.?
- Does collecting exist as a practice in your business?
- (If yes), Who are the collectors? Does a collecting market exist?
- Who decides on what will be archived and in which form?
- Have your projects ever been part of a collection?
- Are there any museums/institutions particularly important in your sector that collect major/innovative works?

Spatial organisation

Themes to analyse:

- The geography of the network
- The issue of physical distance
- The management of distance (if relevant)
- The management of communication (if relevant)
- Any other relevant theme

- Where are the actors/organisations of the network located? (Use the diagram to identify actors)
- (consider all the phases of the PN)
- Have you ever experienced any problem due to the distance? (for instance, dealing with something implying face-to-face communication; the need to check a process personally; …)
- How do you communicate with the different actors in the network?
- Do you need to travel a lot?
- How is the geographical distance managed?

Governance

What kind of relationships govern and regulate the network organization in the Industry X? What are the economic, socio-institutional, political aspects affecting inter-firms' dynamics?

Relations among network organisations

Themes to analyse:

- Type of relationships between actors (formal/informal)
- Decision-making process concerning the project. (who decides, autonomy / cooperation / subordination, participation)
- Existence of standards / conventions to follow
- Resources: type of resources that the interviewee can mobilise, whether they are specific or generic, easy to find or difficult, locally based, … type of resources that the interviewee needs, whether they are specific or generic, easy to find or difficult, locally based, …

- What's your role in the network?
- What [actor/organisation x's] role in the network? (Use the diagram to identify actors)
- How do your customers/suppliers/partners/… choose you?
- How did your customers/suppliers/partners/… get to know you?
- What are your relationships with customers/suppliers/partners/… based on?
- (i.e. trust, competences, flexibility, quality, price, uniqueness, etc.)
- Has your relationship with customers/suppliers/partners/… changed over time? Why?
- Has your relationship with your customer(s)/audience impacted on your business in terms of production/profit growth, number of people working in the company/organization/agency/etc., visibility, etc. Could you quantify it?
- Do your suppliers/partners provide you with standard projects?
- Have you ever asked them to customise their products for you?
- Do your suppliers/partners provide special goods/services that are difficult to find?
- Do your suppliers/partners provide special goods/services that only them are able to provide you?
- Have you ever developed a project together with suppliers/partners?
- How do you select your suppliers/partners?
- How did your suppliers/partners get to know you?
- Have you ever had any problems with suppliers/partners? how did you solve them?
- Has your relationship with suppliers changed over time? Why?
- Do you have direct relationships with the consumers/audience of your project?
- (if yes) How do you manage it?
- Does audience/final consumer participate in your creation/production/distribution/exchange/archiving processes? How?
- How important are audience/consumers' preferences/judgments for your projects/business/activity?
- Does their judgment affect your creation/production/distribution/exchange/archiving processes?
- How are your relations with your customers/suppliers/partners/…regulated/governed?
- (i.e. formal agreements, informal accords, individual contracts, codes of conducts, etc.)
- Have you got any exclusive agreement with your customers/suppliers/partners/…?
- Does it include non-disclosure clauses?

- Does it include the use/concession of technologies/knowledge that are protected by (any kind of) agreement that you cannot use/replicate for other processes?
- (If yes) what kind of agreement?
- Who decides how to create/produce/develop/make/provide/etc. the project that you carry out?
- Does your customers/suppliers/partners/…participate in such a process?
- Do you have a say in such a process?
- Has your customers/suppliers/partners/… their own margins of autonomy in such a process?
- Do you have your own margins of autonomy in such a process?
- Can you/your customers/suppliers/partners/… negotiate terms and conditions of the creation/production/distribution/exchange/archiving/etc. process?
- Is there any quality standard to be respected in such a process?
- What are the consequences in case of non-compliance with the contract/standard?
- Do you envisage any kind of reward for your best suppliers? What does it consist of?
- Do you have any knowledge of the destination of the project (service/activity/good) that you produce/ create/develop/make/provide/etc.?
- In your opinion, how easy would it be for you to replace your other customers/suppliers/partners/…with others?
- In your opinion, how easy would it be for your customers/partners/… to replace you with other suppliers/partners?
- What do you/ does your company/organization/agency do better than others in your industry?
- What is your specific asset/advantage with respect to others?
- How important is reputation in your business? What elements are crucial for it?
- How do you build your reputation?
- How do you make yourself/your organization/agency/company known?
- Have there been any crucial moments in your organization' history/your career that have changed your reputation?
- Have there been any people that have been particularly important for your career/your organization' growth?

Price and value

Themes to analyse:

- Mechanisms at play in the price and value formation
  (decisions, relevant aspects such as brand, status, reputation, production…)
- Actors involved (or excluded) in value/price formation
- Any other relevant theme

- Who decides the price of the project that you exchange with your customers/suppliers/partners/…?
- On the basis of what dimensions?
- (i.e. market position, competencies, reliability, reputation, brand, design, technology, etc.)
- Can you/your supplier(s)/customer(s) negotiate the price? On what basis?
- With respect to such a price do you think that your contribution is adequately rewarded?
- Could you tell us how much it costs the realization of the project that you exchange with your customers/suppliers/partners/…?
- How often do you receive a non-monetary reward for your work? What do you receive instead?

- Does the price of the service/activity/good that you exchange with your customer(s)/supplier(s) allow you to run your activity/business according to legal and social standards? Why/Why not?
- Do you know the final price at which the project (service/activity/good) is sold?
- In your opinion what are the elements that contribute to determine the final price of the project?
- (it might be the price of the final good, the price of the ticket of a concert/show/exhibition but also the price of the whole exhibition/festival)
- Do you think that the final price of the project is appropriate? Why?
- Do intermediaries impact on decisions about the price of your project? How?
- In your opinion does the final price of the good/service reflect its value?
- In which stage of the production cycle (refer to the diagram) is the value of the project mostly created?
- Who are the actors/organisations in the PN that gain the most from the realisation of the project? Why?

Working conditions, labour and collective actors

Themes to analyse (when applicable):

- Profile of the workforce/associates/collaborators/partners
- Recruitment process and wage definition
- Organisation of work
- Presence and role of trade unions in the organisation/agency/company/etc.
- Presence and role of trade unions and/or business/trade associations in the industry
- Any other relevant theme

- Do you have employees/collaborators/associates, etc.?
- How is your workforce composed?
- (i.e.: percentage of professionals/consultants/technicians/workers, etc. out of the total, but also percentage of women/men, percentage by ethnicity, etc.)
- How is work organized in your organization/agency/company, etc.?
- (i.e.: on projects, regular working time, piece rates, etc.)
- What types of contracts does your organization/agency/company mainly apply to them?
- (i.e.: fixed-term contracts, permanent contracts, agency staff, freelancers, consultants and contractors, etc.)
- Do they work mainly full time/part time?
- Where do they mainly work?
- (i.e. offices, ateliers, workplaces, at home, in co-working spaces, etc.)
- What aspects do you mainly consider when selecting the workforce?
- (i.e. skills, formal training and education, experience, reputation, flexibility, technical knowledge, etc.)
- Do you employ foreign professionals/workers? Why?
- Do you have internships? Do you have any specific agreement with schools/universities in this respect?
- How do you set salaries and working conditions for your workforce?
- (i.e.: collective agreements, plant level agreements, informal agreements, individual negotiation, etc.)

- Does your organization/agency/company set any productivity incentives/bonus for your workforce?
- Do workers have a say in the activity carried out by the organization/agency/company?
- Do your workers must respect any codes of conduct?
- Do your workers must respect any non-disclosure agreements/clauses?
- Are trade unions present in your organization/agency/company/etc.?
- What are their main claims?
- Have they ever helped you? When?
- Do they influence your business? How?
- (i.e. through the bargaining process, strikes, demonstrations, disputes, etc.)
- Have you had any conflicts with unions recently?
- (If yes), Could you tell me what was the issue?
- How did you negotiate your positions?
- What is the role of business associations/trade associations/etc. in your industry? (at different levels: local/regional/national/international)
- Do you participate in some of them?
- (If yes), How is this beneficial?

Skills and knowledge

Themes to analyse:

- Main skills/competencies/resources required in the industry
- Skills/competencies/resources that make the interviewee / organization crucial / important for the network.

- What kind of skills/knowledge/competencies/technologies/etc. are involved in/needed by your production/creative/distribution/etc. process?
- Do you have any specific expertise that makes you irreplaceable to your partners?
- Do you find skill/knowledge/competencies/technologies in the local labour market or do you need to acquire/buy them from abroad/very far from you/in a difficult way?
- Do you provide any training programme to your workforce? Who decides for them?
- Does/do your customer(s) play a role in such a process?
- (i.e.: sending consultants/technicians/skilled workers, organizing training programmes, etc.)

Innovation

Themes to analyse:

- Main innovations for the industry and the specific economic activity
- Impact of innovations on the cycle of production
- Impact of innovations on relationships with partners
- Impact of digitisation
- Any other relevant theme

- How do you keep yourself informed on the latest technologies/innovations/trends/etc. that are relevant for your business?
- (i.e.: fairs, contests, consultants, journals, magazines and sector publishing, etc.)

- What is the most important/recent innovation that has been introduced in your creative/production/ distribution/exchange/archive process?
- (focus on different types of innovation: product, technological, stylistic, in the distribution, …)
- Who/what urged this innovation?
- How did this innovation impact on your business?
- (Please, explore the different implications of this innovation)
- Did it allow you to develop new organizational capabilities?
- To hire new/qualified workforce?
- To reach other customers or/and enter new/different markets/businesses/activities?
- To acquire new/better capabilities?
- How did innovation impact with your work?
- Have you been asked to acquire new skills?
- How did this innovation modify your relationships with the other actors/organisations of the network?
- Have you ever needed/solicit collaboration with schools/universities/ laboratories/education centres/etc. for developing/learn any innovation?
- (i.e. for finding skilled professionals/workforces and/or for developing new skills/competencies/knowledge)
- Is there any research centre with which you cooperate to research and develop new services/products/ideas? Are they private, public or are they the result of public-private partnership?
- Has digitalisation had an impact on your activity? How?

Embeddedness

Relations between the production network and the region

Themes to analyse:

- Resources that the territory/context offers and relevance for the activity carried out
- Advantages/disadvantages connected to the area
- Role of Institutions
- Policies
- Any other relevant theme

- What kind of resources can this territory offer to your organization/agency/company, etc.?
- (Here's a list of possible items that you may explore: know-how, traditions; logistics; skilled labour; research structures, academies and schools, innovation hubs, incubators; geography and natural resources);
- For instance, with reference to social resources:
- What kind of social resources can the community of this area offer to your company/organization/agency/etc.? (i.e. local work ethos/culture, informal relations, attitudes towards the economy, openness to innovation, diversity, social values, cultural activities, etc.)
- In what ways are they relevant for your activity?
- Do you think that the local community supports your economic activity? (If yes) In what ways?

- Would you say that it is strategic to be here? Why?
- What factors keep you here?
- Has this territory a special reputation in your industry's tradition? How do you benefit from it?
- (i.e. territorial brand that may help your activity?)
- What are the problems of the territory that impact on your organization/agency/company, etc.?
- Do institutions (regional, local authorities, ---) in this territory encourage economic initiatives in your industry? In what ways?
- Do institutions (i.e. region, local authorities, ---) encourage cultural initiatives in this area? In what ways?
- Does the economic and institutional context in which you work help/hinder your activity? How?
- (focus on fiscal requirements, industrial policies, labour regulation, environmental standards, trade policies, etc.)
- Do you think that the existing policies at regional level are adequate to the needs of your organization/agency/company?
- (focus i.e., on innovation policies, labour and tax regulation, incentives, industrial policies, etc.)
- Do you think that the existing policies at national / international level are adequate to the needs of your organization/agency/company?
- (focus on innovation policies, labour and tax regulation, incentives, industrial policies, trade policies, intellectual property right agreements, etc.)
- Has your organization/agency/company, etc. tried to influence policy making?
- Has your organization/agency/company, etc. benefited from policy initiatives developed in industries connected to yours?
- Do you participate in some regional-funded project/initiative?
- In your opinion what should be done at a policy level to promote/help your industry/activity?

Contribution to socio-economic development

Themes to analyse:

- Socio-economic impact of the PN on the region
- Birth/decline of new/traditional job/economic activities connected to the PN
- Birth of new professional/technical schools/courses connected to the economic activity
- Collaboration with institutions/universities/schools
- Participation of the interviewee/organisation in local cultural/social initiatives
- Economic/social/environmental sustainability
- Any other relevant theme

- Does your involvement in a network of (global) activities impact on the economy of the region you work in? In what ways? (i.e.: incomes, employment and wages, local taxation, touristic trends, etc.)
- Has your participation in the network favoured the birth/diffusion/expansion/decline of new/traditional jobs/professionals and/or economic activities connected to it?

- Has your participation in the network favoured any collaboration with universities or local schools?
- Has your participation in the network favoured the birth of new professional/technical schools/courses/etc. connected to your activity?
- Has your participation in the network favoured the development of local cultural and social initiatives?
- (i.e.: festival, fairs, competition and contests, community revitalization programs, urban regeneration, etc.)
- Has your participation in the network favoured the involvement of your organization/agency/company, etc. in the social life of your locality/region? (i.e.: charity initiatives, with prisons, etc.)
- Do you support/promote any local association/organization/initiative/festival/fair/sport club/etc.?
- Are you involved in any local association/club/organisation for the promotion of the local society?
- (i.e. local festival, local fairs, etc.)
- Has your participation in the network contributed to improve the well-being of your workforce's conditions in this region? (i.e.: labour standards, diversity promotion, health and safety, etc.)
- Has your participation in the network contributed to improve the environmental sustainability of your economic activity? (i.e.: introducing cleaner technologies, environmental sound processes, materials, etc.)
- Do you think that your business has contributed to change/improve your region's image/reputation? In what ways? (i.e.: local specializations, brand rent effect, testimonials, etc.)

Concluding session

- In your opinion, how important is your contribution to the production network you participate in?
- How do you think you are contributing to the development of local society?
- What are the main values that inspire your activity/organization?
- How do you imagine this industry in ten years' time?
- (focus on e.g. cultural hybridization, technological innovation, new markets, etc.)
- How do you imagine you/your activity in this industry in ten years' time?