Visual artists between cultural demand and economic subsistence. Empirical findings from Berlin.

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Abstract

Visual artists between cultural demand and economic subsistence. Empirical findings from Berlin.

This paper will show the increasing convergence between cultural and economic discourses. On the one hand, art activities can be seen in an interdependent relationship between cultural industries and knowledge economy. On the other hand, there are regional economic effects of art and culture. Furthermore the actors play, as pioneers, a key role in the occupying of urban space to regenerate de-industrialised and seedy places. I take up the lifestyle concept with the definition of a creative class and a creative milieu. The concepts of the creative city facilitate access into the correlations between culture and the development of a city, by which creative locations become elicited. Questions, such as what are the special attributes of performing artists, what forms the basis of creative potential and what characteristics make creative areas in cities identifiable, will be broached. The performed survey focused on conditions on the real estate market, on the social and professional situation of artists and on market integration. This investigation should offer some information to Berlin's policy makers to promote artists in their contribution to support the local creative scene, build local economies, develop communities and social cohesion, and as general image building.

Keywords: visual arts, urban economics, cultural economics

JEL classification: L82, R30, Z10
1. Introduction

1.1 The role of visual artists in urban economy

This analysis finds that visual artists are of particular importance, as they perform the role of being the driving force in developing the field of Creative Industries (CIs). Therefore the focus of the observation is a matter of creativity, innovative milieus and their positioning in the city. Furthermore, evidence has been found through the use of economic and socio-cultural and demographic indicators, that the intra-regional heterogeneity influences artists’ choice of location. With their inter-sectoral integration and cross-sector stimulus for the settlement and formation of companies, urbanization economies become especially apparent for the region in the examination of Berlin’s visual artists.

Based on these considerations, “the notion of creative industries” should be elaborated on, and the difficulties in the ambivalent association with this concept should be illuminated.

The spatial aspect elicits a different consideration. A process of re-organization and re-structuring of specific socio-cultural and urban-spatial requirements is associated with this. The geographical dimension of knowledge and information and its exchange in newly-defined communication areas thereby acquires a new meaning. Work and life spheres are increasingly amalgamated. Especially the artists take on a key role as spearheads of the creative process in stimulating and generating creativity. In particular in their contribution to visual development, they inspire other performing sectors (or cultural-products industries\(^1\)) and help to design new aesthetic, symbolic and expressive images and forms. Creativity is an important source for change, innovation, sustainable development, visions, future prospects and successful re-structuring. Creative processes in the generation of a product are increasingly essential in order to successfully position oneself as a player in the market.

The external effects of artists and CIs play a very large role. Creativity, as a location factor, is explicitly connected to urban areas (agglomeration areas), because an urban context does not only represent a spatial accumulation of physical capital but also a variety of human abilities, talents and capabilities. They function as an important

\(^1\) See also Scott 1996, 2000; Power 2002.
framework for cultural and material reproduction of urbanity and images. The search for innovative growth industries for the positioning of the region in the national location competition has meanwhile become an omnipresent component of the political debate.

The hypotheses presented here state that artists prefer and allocate special importance to spatial concentration and locational factors like networks, creative and innovative environments. Artists sort themselves in space, with those for whom networking is especially important residing in the central districts of Berlin (hypothesis 1). They tend to operate based on different strategies dependent on their preferred location in the city (hypothesis 2).

Firms in CI branches are likely to be found close to artists from other industries (hypothesis 3).

To be creative and gain experience, artists need open spaces without the pressure of commercial land use (hypothesis 4).

In the empirical analysis these conjectures will be examined on account of their applicability.

Consequently, the creative economy and its special innovation ability, in an urban context, can be seen as the motor and carrier of structural change in Berlin’s knowledge and information society. Not only will the labour, consumer, education and real estate market need to be newly defined but also the rising importance of non-pecuniary transfers and with that a connected re-definition of the relationship of the interdependent pillars culture and economy must be determined.

This paper starts with a critical review of the receipt of artists in Creative Industry (chapter 2), focuses in chapter 3 on Berlin’s visual artists, the empirical findings and ends with some suggestions to promote the visual artists.
2. Artists equal Cultural Industry equal Creative Industry?

The public is confronted with an inflationary association of the concept creative industry. The most different concepts and terms are subsumed into one idea. It is especially difficult, to make comparable empirical studies on the subject cultural industry, since most different sectoral classifications are undertaken. STEINERT (2004) speaks of a “belittlement of the concept” cultural industry. Moreover, it is argued that there is not a cultural industry (HESMONDHALGH 2002).

This leads to confusion that has been complicated by the problematic nature of defining the term, which is at the centre of an objective dispute. The self-perceiving collection of artists within a sector, whose focus is dominated by the economic aspects of artists’ activities, is especially problematic. It then becomes precarious, when art and culture are instrumentalized and serve the purpose of a legalization of self-referenced interests of individual beneficiaries in economic assistance measures. It follows that economic measures are generated that become prestige projects and vindication assistance for the local economy. MEDOSCH (2001) speaks of a creative bastardization of the culture concept and implies a clear differentiation between commerce and content.

Art and creators of art are mostly treated at the margin in cultural-economic observations. This can be interpreted as the peril of being pushed to the periphery. This circumstance is brought forth by defining creative sectors as “Culture that makes money” (FREEMAN 2003).

To just name a few examples how different the term and the classification of the originally created and distributed cultural products are employed, different authors shall be named. Furthermore, the shift in meaning, that was a consequence after the transition of the term cultural industry to the term creative industry or creative economy, will be elaborated on.

The term cultural industry was originally brought forth by the Frankfurt School (HORKHEIMER & ADORNO 1979) in its critique of mass production within culture production from the aesthetic as well as from the consumer side. THROSBY (2001) distinguishes three areas, from which cultural products come. The core art industries with traditional art forms such as visual and performing arts², crafts and newer forms of practise such as video art, computer and multimedia art constitute the first group.

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² Including music, theatre, dance and literature.
A second group comprises cultural industries producing *hybrid forms* of cultural and non-cultural components such as in film, radio and television, newspaper, books and magazine publishing. Related industries, which are operating outside the cultural sphere but whose products could be regarded to have some creative or cultural content including advertising, tourism and architectural services, pose the last group. These divisions are demand-led and based on goods and services, however they do not lead to a clear definition. The suggested definition of agents in the creative class from FLORIDA (2002) is also insufficient. An identity-endowing definition is offered that allows for a generous delimitation of defined risen and large industries with a self-definition “attracting bohemian types who like funky, socially free areas with cool downtowns and lots of density” (GLAESER 2005: 594).

With such a multitude of definitions, the Creative Cluster model from HARTLEY (2005) will be elaborated on. Originally the depicted pyramid only included three sectors. The artists at the tip (added here), topping the cultural economy as a subsumed sector, points out to what extent this fourth sector lies at the beginning of the value added chain (see illustration 1). The agents, who take over the part of origination, represent the actual creative portion in the CIs.

Illustration 1: Artists as the spearhead of CIs

As the musicians define the innovative products in the music industry, it is the painters and sculptors who serve as inspiration for the designers to reproduce artistic products; it is the authors and writers in publishing companies; it is the video artists and actors in the film industry; and finally in the advertising industry it is the art
directors, who in the preliminary stage of the creative process, give the actual creative impulse.

3. Beyond the celebration of the cultural economy: The vulnerability of artists.

3.1 Visual Artists in Berlin
Along with painting, sculpture, drawing, graphic, design, photography and installation, performance, video/film and new media also belong to the examined group. Visual artists and their artwork and cultural production can not always be measured monetarily. The coherence with other creative industries and the ability to be appealing in the tourist industry are much more significant. These artists are regarded as ambassadors of art and culture with an international dimension for a location. Because of the associated transfer of image and their omnipresent, publicly effective outer performance, they directly generate economic effects.

The economic situation of visual artists in Berlin is, in part, extremely tense. It is often an issue of marginal income, which is often countered with, to some extent, very high costs. (For some areas of visual arts such as sculpture, on the one hand high material costs and on the other hand high lease/rental costs, due to a great need for space, arise.) It is only possible for a third of the artists to finance adequate workspaces. Not even half of the surveyed artists are able to completely dedicate themselves to artistic production.

Almost half of the cultural production is sold nationwide, and a sixth is sold on international markets.

As observed in other creative industries, certain city districts are preferred, whereupon the nearness of the places, in which one works and lives, plays a very important role in choosing a site.

3.2 Many artists, many agents of CIs?
At the place, where relatively many artists live in Berlin, there is also much culture and creative industry- and vice versa (cp. Illustration 2). A quarter of all the documented companies in CIs as well as those employed in art or culture, who are

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3 The group of designers makes up close to 4 per cent of visual artists.
4 That applies to contemporary art as well as the conservation of cultural heritage.
5 Correlation coefficient R² = 0,93. In a test of correlation between population density and artists and creative industries for the 193 postal code districts the correlation coefficient was R² = 0,46.
insured by the ‘Künstlersozialkasse’ (artists social insurance fund), are situated, alone, in 5 per cent of Berlin’s 190 postal code districts with a surface area proportion of 2 per cent. The diagrammed correlation in illustration 2 clearly shows, above the trend line, outliers, by whom the concentration of companies is higher than that of artists. For this section of the study, companies and small trade firms in the industries film, radio and television, publishing, music and advertisement, software development and multimedia, design, architecture, photography, exhibitions, fairs and commodity market facilities as well as the supply of other cultural and entertainment were included (approx. 24,500, from them 19,500 small trade firms; Status: August 2005). The number of artists and employees in cultural facilities resulted from the inventory of the ‘Künstlersozialkasse’ (approx. 23,000, Status: August 2005). Thus, an exact classification according to postal code districts could be conducted.

Illustration 2: Coherence between density of CIs and artists on ZIP-code areas in Berlin

Sources: Chamber of Commerce and Trade Berlin 2005; Artists social insurance fund 2005; Own calculations.

Here it exclusively concerns postal code districts, which are located in close proximity to the main street, ‘Kurfürstendamm’, in the Western part of the city, which belongs to the most highly priced real estate segments, and thereby Berlin artists, are more than likely not considered (please refer to chapter 3.7). In former studies Mundelius

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6 From these postal code districts, four are in the city district Prenzlauer Berg, two in Kreuzberg, two in Friedrichshain and two in the city centre.
7 CB RICHARD ELLIS BÜROMARKTBERICHT 2004.
(2006b), companies from the advertising and music industries with settlement around the Kurfürstendamm were interviewed\(^8\). Most companies alleged that they chose and have stayed at this location because of a certain prestige and status notion that goes along with this renowned and simultaneously expensive location.

### 3.3 Empirical findings

In a regional-national comparisation, the growth of companies and employment speak for an increasing concentration of visual artists in Berlin and underline the importance of Berlin as a metropolis of art and culture.

An investigation of the economic and social circumstances of visual artists in Berlin on this scale has not been carried out up to now. The following section should help to close this gap and offer suggestions, in what way this profession and its contribution to the achievement of welfare as well as the conservation and maintenance of cultural capital within a knowledge-intensive urban economy is to be classified (MUNDELIUS 2006a).

Information, which was collected within the framework of a written company survey and expert interviews by DIW Berlin in Berlin in the spring of 2006, constitutes the database.

For this investigation, over 5,400 professionally working visual artists in Berlin were surveyed in written form. The response rate was approximately 12 per cent. The share of organized freelance visual artists, who are members of Berlin’s Federal Association of Artists of the Fine Arts, lays at one-third. For a nationwide comparison, Berlin has a percentage rate of approximately 18 per cent.

Furthermore, findings were made regarding the economic and social circumstances of visual artists by way of interviews with Berlin’s visual artists and a further reference study. In this connection, it was a matter of an isochronal written survey of aspirants for financial support in catalogues and projects as well as work stipends from the Berlin Senate Administration Department (Senatsverwaltung) for science, research and culture, including 110 participants (response rate approx. 30 per cent).

### 3.4 Berlin’s development in comparison to Germany’s average

Although a statistical survey of this profession is difficult, using benchmark data Berlin’s development is to be contrasted with nationwide development, with the aid of a generated time series. The number of those liable to tax on sales in Berlin rose to

\(^8\) These interviews were conducted between August 2004 and June 2005.
6.6 per cent in the years of 2001-03 (national level minus 8.7 per cent), and revenues rose 5.4 per cent (minus 12.7 per cent) in the same timeframe. Companies with employees subject to a social insurance contribution grew 25.8 per cent in this timeframe (1.0 per cent), and the employees subject to a social insurance contribution grew 31.0 per cent (minus 7.5 per cent). The number of statistically recorded employees is likely to only represent a small portion of artists, who are actually self-employed⁹, and thereby this number is an unsatisfactory value in the evaluation of the development of these agents.

Using the group statistic as a basis, the development of the displayed visual artists can be stated as a yearly growth rate of 3.6 per cent in the time period from 1995-2005. This value lies slightly above the national average¹⁰.

3.5 Attractiveness of Urban Districts for Artists

In Berlin visual artists are remarkable spatial concentrated (see map 1).

In the favour of Artists are inner-city districts.

At the nomination of living and working places the most counts were the inner-city districts (also in this order) Prenzlauer Berg, Kreuzberg, Mitte and Charlottenburg¹¹. Among the most popular districts were Mitte, Prenzlauer Berg, Kreuzberg and Friedrichshain¹².

Beside personal domain decisions cost minimized arguments counts as well as the quality of socio-cultural and the image as a creative site. In an OLS regression with three types of different urban districts the preferences of artists for locational site factors were analysed. The working place of visual artists which was quoted in the written survey is the crucial factor for building the dummy. For locational site factors were the cultural offering, the image as creative site, the transport connection, the proximity to customers, suppliers and colleagues and the estimated level of real estate market prices in the districts selected. As an controlling predictor the two accumulated age groups from 25 to 40 years were used to take them for artists who are in the beginning of their careers.

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⁹ In a study by SÖNDERMANN (2004), the assumed share of dependent employees amounted to 6 per cent and the self-employed to 94 per cent.
¹⁰ While the named numbers of employees subject to a social insurance contribution are assigned an industry branch, to which companies are in turn assigned, independent of what occupation is exercised, the profession group statistic demonstrates an attempt to register every employee according to his profession. Since 1995 these data have been combined for East and West Berlin.
¹¹ The 23 „old“ districts were be available.
¹² Due to overlaps, more than one answer was possible.
In this investigation I prove the hypothesis 2 (They tend to operate based on different strategies dependent on their preferred location in the city).

The results of the OLS regression for reasons of districts preferences of visual artists in Berlin shows that for the “Scene” group (column 2 in table 1) of visual artists the cultural offering and the image as creative site is significant. Notably strong are the affinities in contrast to both other groups. As for the “Central” group (Column 3) as the “Rest” group (column 2) the cultural offering is no significant reasons.

For locational site preferences image as creative site the “Central” group shows a relevance but with an unexpected sign.

The Off-Culture is located in the scene districts, not automatically in the inner-city districts, like Charlottenburg and Tiergarten. To be central is not enough. Even the street credibility plays an important role also for visual artists. A Visual Artist appears on the market and to potential buyers authentic, if emotion can convey, that one’s is a part of scene and on the basis on back round knows, what about one’s talk. Therefore a scene-close site is indispensable. Products with the charm of an identity owned imprint to emphasise the originality and mention the socio-cultural element.

Visual artists in these scene districts have a direct access to the scene (or share of it). As a result of the proximity or affiliations they dispose to niche-specific knowledge and know the different codes and the independent-(ethos) required from specific niches.

Because of these factors visual artists get the so called „Street credibility“, who in turn act as a figurehead of a style and rise the competiveness, because some of demanding customers give them a high significance.

The notion „street credibility“ as a milieu anchored kind of image finds its source in the „symbolic-imaginary charge of specific spaces with accordingly pictures and association“.

„It is more about ‘imaginative phantasm’ as material spatial qualities, which generate a feeling of affiliation“ (LANG 1998: 77)

The reputation and character as artists districts is at least stamped by the artists even by themselves.

Also the critical mass of visual artists who sell art and artistic products via their studios, attract attention to the artistic districts and enhance the prestige for the preferred locations.
According to the demographic structure to the “scene” districts the most significant empirical result is the predictor “Age group until 40 years” for both groups “Scene” and “Central”. This concentration of almost young visual artists in the inner-city districts correlates to the other mostly younger inhabitants\(^{13}\). In contrast to this, visual artists over 40 years seem to prefer more periphery districts of Berlin (see column 1).

And in the end there are empirical evidences for different strategies of visual artists in finding their living and working places (refers to hypothesis 2).

In each case 40 per cent of visual artists working in their flat or have a studio, 13 per cent working in a studio flat, 7 per cent have no working facility.

Table 1: Results of the OLS regression for reasons of districts preferences of visual artists in Berlin

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.616</td>
<td>0.507</td>
<td>0.686</td>
</tr>
<tr>
<td></td>
<td>(10.87)***</td>
<td>(15.91)***</td>
<td>(23.81)***</td>
</tr>
<tr>
<td>Age group until 40 years</td>
<td>-0.086</td>
<td>0.169</td>
<td>0.084</td>
</tr>
<tr>
<td></td>
<td>(-2.34)**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cultural offering</td>
<td>-0.019</td>
<td>0.106</td>
<td>0.008</td>
</tr>
<tr>
<td></td>
<td>-0.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Image as creative site</td>
<td>-0.393</td>
<td>0.097</td>
<td>0.071</td>
</tr>
<tr>
<td></td>
<td>-1.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transport connection</td>
<td>-0.004</td>
<td>-0.028</td>
<td>0.008</td>
</tr>
<tr>
<td></td>
<td>-0.10</td>
<td>-0.61</td>
<td>0.2</td>
</tr>
<tr>
<td>Proximity to customers</td>
<td>-0.044</td>
<td>0.069</td>
<td>0.024</td>
</tr>
<tr>
<td></td>
<td>-0.81</td>
<td>1.17</td>
<td>0.45</td>
</tr>
<tr>
<td>Proximity to supplier</td>
<td>0.010</td>
<td>0.052</td>
<td>0.028</td>
</tr>
<tr>
<td></td>
<td>0.17</td>
<td>0.84</td>
<td>0.5</td>
</tr>
<tr>
<td>Proximity to colleagues</td>
<td>-0.065</td>
<td>0.032</td>
<td>0.078</td>
</tr>
<tr>
<td></td>
<td>-1.36</td>
<td>0.61</td>
<td>1.64</td>
</tr>
<tr>
<td>Low real estate market prices in districts</td>
<td>0.024</td>
<td>-0.047</td>
<td>-0.038</td>
</tr>
<tr>
<td></td>
<td>-0.55</td>
<td>-1.1</td>
<td>-0.99</td>
</tr>
<tr>
<td>Observations</td>
<td>589</td>
<td>589</td>
<td>589</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.03</td>
<td>0.08</td>
<td>0.04</td>
</tr>
<tr>
<td>Constant</td>
<td>0.616</td>
<td>0.507</td>
<td>0.686</td>
</tr>
<tr>
<td></td>
<td>(10.87)***</td>
<td>(15.91)***</td>
<td>(23.81)***</td>
</tr>
</tbody>
</table>

Absolute value of t statistics in parentheses

* significant at 10 per cent; ** significant at 5 per cent; *** significant at 1 per cent

3.6 Artistic Co-operation Relationships

It should be shown in this consideration, to what extent an increasing co-operation in content and organization with other artists and other creative industries is observed. For artists as well as actors in other creative industries the challenge exists, to offer, to an extremely high degree, innovative and original creations in times of excess supply on the market of art and cultural production in order to stay competitive. To do both, temporary, project-based work is often suitable as a freelancer, wherein the artists newly define their work spheres as well as personal development paths. Exactly in this position, in which artists are situated, it is essential to reach a trusting and reliable co-operation.

In the survey, a third of the artists specified that they worked on cultural production with co-operation partners within their profession. The most important co-operation partners for visual artists are architects (12.6 per cent), graphic designers (10.0 per cent), and film, broadcast and video producers (9.9 per cent).

3.7 Income of Visual Artists in Berlin

Many artists operate at their economic subsistence level. Income is generated through the most different of sources.

At least 40 per cent of the surveyed can live off the proceeds from their artwork. A third, however, must substitute their income shortfall through an additional activity. Now, one could think that there is not much to develop considering 90 per cent of the surveyed artists stated that on average they earn no more than 18,000 euro a year\textsuperscript{14}. The same share, however, only earns 11,000 euro exclusively from artistic activities (see illustration 3).

For age groups up to 40 years no relevant sex-specific differences can be found. But then male artists have an advantage in the higher income segments over their female counterparts.

The discrepancy between the investment in education (over 60 per cent have a higher education) and the expected income is noticeably high.

Teaching was named most often as a side job. Moreover, due to their varied capabilities, artists work in the entertainment industry or in the fields of health and social work. Arts, craft and service relevant jobs were named less frequently.

\textsuperscript{14} 93 per cent answered this question.
Illustration 3: Income exclusively from artistic activities in 2005

 Shares of age groups

<table>
<thead>
<tr>
<th>Age group</th>
<th>25 to 30</th>
<th>30 to 40</th>
<th>40 to 60</th>
<th>Older than 60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share (%)</td>
<td>4.3</td>
<td>32.9</td>
<td>49.8</td>
<td>13.0</td>
</tr>
</tbody>
</table>

N = 562

Source: Written survey 2006; own calculation.

Other sources of income are family support, private loans and patronage; alongside transfer payments from the State (see illustration 4).

Earnings are mostly attained through direct sales of artwork. Other receipts are made possible through artistic orders, projects and teaching art.
3.8 Expenses of visual artists in Berlin

Rent

Visual artists can normally not afford to pay rents in line with current market trends. Without consideration of the rent, it has been indicated on average that a studio size of close to 60m² is necessary. If the different average level of rent for such leases in these districts is used as a basis\textsuperscript{15}, then the desired size correlates only slightly with the given willingness to pay a particular rent price (approx. 240.00 euro)\textsuperscript{16}. Only 3 per cent of those, who specified the necessary studio size and amount that they are willing to pay, would be able to pay the rent\textsuperscript{17} at their current work location. In accordance with their indicated willingness to pay, the other artists would only be able to pay a third of the normal rent for such leases\textsuperscript{18}.

In the analysis carried out by DIW Berlin of a simultaneously executed survey of visual artists on their admission into the Berlin Studio Programme, 70 per cent of the surveyed indicated the ability to pay a rent of 4.09 euro per m², all inclusive. Only 18 per cent could not pay this rent; 12 per cent see this rent as comparable to market prices.

\textsuperscript{15}CB Richard Ellis Office Space Market Report (Büromarktbericht) (2004)
\textsuperscript{16}Correlation coefficient $R^2=0.47$.
\textsuperscript{17}Here the monthly total rent cost is meant.
\textsuperscript{18}Due to the different characteristics of quality in the furnishing of office space and the demands of artists, it can be assumed that the district-specific average levels of rent are somewhat overestimated.
Other costs

Here it was differentiated between annual expenses for material, job-related travel costs, other job-related costs and advertising costs as well as expenses for a social safety net. With around 2,400 euro, material costs take up the largest share of expenditures. Additionally, travel expenses and other project-related costs also account for a large portion.

1,300 euro is spent on the guarantee of a social safety net. More than half of the surveyed are members of the Künstlersozialkasse (artists social insurance fund); a fourth have some type of compulsory health insurance. The remaining fourth consists of artists who are privately insured or not insured at all (2 per cent).

3.9 Sales Markets of Berlins Visual Artists

60 per cent of the visual artists market their artwork via their own studio and not through galleries.

For the rest of the surveyed, gallery owners are commissioned to commercialize their artwork. Just 10 per cent have fixed contracts with the galleries. More than half indicated that sales have improved or at least stayed the same. For a third of the surveyed artists exhibition opportunities have either improved or at least stayed the same.

To that effect newly initiated art exhibitions give Berlin hope. With ART FORUM, the “Berliner Liste”, the “Preview Berlin”, the “Berliner Kunstsalon”\(^\text{19}\) and the Berlinale in the city, which in turn enhance the marketing possibilities and boost the value of the label “Berlin”, new presence and sales opportunities are created that strongly assist the competitive position of the art market in Berlin. Also Berlins CI exhibitions like Design Mai and Bread & Butter can be completed by products of visual artists.

Ultimately, every—even unknown--artist profits from this attention.

Also Berlin profits from this diversity of the art scene. One example is that less than one quarter of the artists were born in Berlin, over the half come from the “old” states (Bundesländer), almost 15 per cent from the “new” states, the rest from other countries.

In the regional distribution of presence and sales areas, Berlin is represented by slightly more than the half, whereat alone 8 per cent thereof are supplied within a particular district (see illustration 5).

\(^{19}\) ART FORUM, Berliner Liste, Preview Berlin and the Berliner Kunstsalon as an exhibition between OFF-Culture to established culture have been held in Berlin at the same time in Autumn since 2005.
A further 31 per cent falls on the inner German market, roughly equally distributed over the regions of the Rhine-Main-Area, and North and South Germany. Internationally it is 16 per cent\textsuperscript{20}.

### 3.10 Statements for public support for Art in Berlin

Berlin must weigh to what extent art and culture fall under the saving measures due to the consolidation of the state budget. To consider visual artists and art under cost-producing aspects exclusively, is insufficient in the context of an integrated observation of regional-economic interrelations.

On the one hand, it is a matter of the preservation of cultural heritage and on the other hand the conservation of diverse art and cultural (sub-) scenes.

After all, regional companies of different branches profit from the label “Berlin” and the growing role of Berlin as an international art and culture metropolis.

In the end, these impulses can serve as promotion for the settlement of companies of various natures. The political economic strategies, which make Berlin and the neighbouring region a magnet for the international art and culture scene, are manifold.

Since a large proportion of income is generated from the sale of artwork, the promotion of new exhibition formats, such as the Berlin Gallery (Berlin Artists show

\textsuperscript{20} This share is differentiated into the following regions: Europe (12 per cent) and Rest (4 per cent).
their work), is an example. Similarly, purchases by museums of contemporary art are made possible.

Furthermore the financial support from the state in paying the stand fees for national and international exhibitions for private galleries as well as individual actors is of great importance.

In addition, curator network support should be used in the context of a curator school located in Berlin like the International Studio Program (ISP New York) as a demand-orientated possibility, in order to lure collectors, art buyers, and even sponsors and patrons to Berlin. Simultaneously, the international exchange of art would be accelerated.

A reasonable re-usage of abandoned property, in particular in the downtown area, presents the opportunity to offer visual artists work possibilities especially in such locations, where many artists and other creative and innovative industries are already settled and where there exists already a strong socio-cultural linkage within existing milieus.

4. Conclusion

The aim of this paper was to show, how visual artists use creative milieus in a context of Creative City to transform Creativity into Cultural Goods and Services. As a result of the broad empirical data pool is this investigation, an original contribution towards the comprehension of Berlin’s artists.

As one of the core players of cultural industries, visual artists operate between cultural demand and economic subsistence. Especially the extreme tense economic situation on the margin of subsistence make it difficult for most artists, to be productive at all.

50% of society’s necessary work is already yielded outside of monetary transactions. There is a strong, rising tendency of reductions in the social fallback system, making self-sufficiency and subsistence economy increasingly necessary for visual artists.

Furthermore the actors play, as pioneers, a key role in the occupying of urban space to regenerate de-industrialised and seedy places.

Work environments are situated in newly defined communication areas, which correlate, to an increasing extent, with geographical clustering of performing artists.

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21 That, what the state can not afford, could then be supplemented through sponsoring, patronage, donations, development associations and partnerships.

22 This is already being practiced by the agents in Berlin’s music industry, in a rudimental manner.
The illustrations of intra-regional spatial distribution of visual artists in Berlin (refer to map 1) shows a high spatial concentration of visual artists in the inner-city districts. But not only the concentration is interesting, also the interrelations between the agents and their contribution to creative milieus. Especially visual artists, found as a result of empirical findings, sort themselves in space, with those for whom networking is especially important residing in the central districts of Berlin (hypothesis 1).

On the basis of temporary limited collaboration on collective projects these are personal contacts and the experiences from previous work is very important to the production and distribution of cultural goods and services as soon as there is a source of inspiration and innovation.

The interview partners confirm the relevance of relations between actors. The relations are stable and a result of friendly terms over the years.

In all study cases a sign of belonging to the image combined with their self-cognition, the option to take part in social, often personal relations to other CIs and the option to contact them to initiate learning processes were the most important features. Consequently in central districts in the minority of cases a coincidence in firm settlement was seen. Beside location factors as strong motivation to move or to remain in these districts, are the value of an option to be a part of networks and the value of option sharing socio-cultural infrastructure. The perceived delimitation of the specific districts are strong and are important for image building and strategy of marketing as self-conception and the belonging to specific cultural (sub-)scenes. Concerning the exchange of knowledge all criteria indicates, the theory of creative milieus for the development of network related structures.

As shown in the econometric modelling of different actor groups in the showed case studies, artists tend to operate based on different strategies dependent on their preferred location in the city (hypothesis 2). In my approach of qualitative methods I focused in my interviews on the milieu oriented group and peripheral and non-milieu oriented groups represent only a reference factor. To do so, the majority of my almost 15 interview partners of CIs confirm the hypothesis.

The most important considerations for the client for their choice of location are the image as a creative site and the cultural offering and the demographic structure. The size of firms takes great importance.
In Berlin there exist four hotspots of CIs, three of these are also artists districts. Every hotspot has its own urban milieus including breeding grounds. There not only exists a spatial concentration but also a coherence between density of CIs and artists in ZIP-code areas in Berlin (hypothesis 3).

To be creative and gain experience, artists and agents in CIs need open spaces without the pressure of commercial land use (hypothesis 4).

The linkage microstructure of agents will be more close meshed outwards, more completed and consequently also the access to tacit knowledge is more difficult.

If the market position is too strong for the client, it is possible to overcome the barrier of socio-economic bounding and to leave the milieu.

If firms do so, they take along their social and value-chain related relation to the new location.

Thus not all explaining variables enter the econometric modelling, as the case may be unknown or only on the administrative level of Berlin’s district available, the heterogeneity of represented different actor groups has become clear and points at certain trends of different reasons for settlement in parts of Berlin and corresponding milieus. Despite complex regional-economic effects, potential synergy effects, originating from the co-operation with other industries and an increasing absorption of artists and cultural values in the production of services and products, visual artists have a difficult economic situation to master. Although they decisively initiate and promote innovative processes in value added chains, the discussion on the challenge of artists and their contribution to the economy as a whole is hushed.
References:


Map 1: Intra-regional spatial distribution of visual artists in Berlin
Density of firms per km²