

CULTURAL ENTREPRENEURSHIP ILLUSTRATED ON THE NON-PROFIT ARTS SECTOR IN THE CZECH REPUBLIC

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Abstract

Creativity in the arts has been influenced by an environment where the integral parts are state provisions, which directly and indirectly support the development of the independent arts sector. The past decades have seen a change in the field of arts and the support thereof as part of creative branches. The paper focuses on new approaches of non-profit arts organizations to receive support for their activities using the principles of cultural entrepreneurship. The research was performed in the Czech Republic in the monitored period of 2008-2016. The theoretical part of the research is concluded by a proposal for a new definition of cultural entrepreneurship of non-profit cultural and arts organizations and is then implemented in the practical part. The practical part includes outputs of the author's research in the field of crowdfunding platforms in the Czech Republic, outputs from the focus groups analysis and a selective survey. Apart from the research, there are outputs of three case studies from the field of non-profit arts, observing their economic behaviour as seen by cultural entrepreneurship. In the end, the paper presents a proposal for recommendations for the non-profit arts sector and the extent of strategic measures at the state level.

Keywords: funding, non-profit sector, cultural entrepreneurship

JEL Classification: L31, H59, Z10

Introduction

The onset of the new millennium has brought a radical change in the field of arts (Alexander & Bowler, 2014). We may witness the rise of arts markets at the international level, changes in definitions – what is an artwork, what constitutes audiences, or the new ways of participation and engagement in arts linked to the technological development (Abbing, 2002; Klajč, 2014; Sutherland & Gosling, 2010; Throsby, 2001).

New models of arts funding and new definitions emerge as well (Throsby, 2012). The principles of entrepreneurship have penetrated the field of non-profit culture and methods, which were formerly the domain of the commercial art sector, and have become common in arts non-profit organizations.

Hence the paper focuses on ongoing changes in arts in the period starting in 2008, which coincides with the commencement of reducing government expenditures (Petrová, 2017) and looking for new options to support arts (Alexander & Bowler, 2014; Colbert, 2009; Boeuf, Darveau & Legoux, 2014). The research focused on the non-profit cultural sector, consisting of subjects, which are not established to yield profit, i.e. on the traditional form of arts, which is part of professional arts.

The main goal of the paper is to offer examples of good practice in cultural entrepreneurship, which can be utilized by the non-profit sector in the arts as far as Central Europe is concerned, and which can be applicable on changes in the strategic orientation at the state level.

1 Theoretical background

Creativity in the arts is influenced by the environment, the integral part of which is the state provisions, directly or indirectly supporting the development of the independent arts sector. The recent decades in the Czech Republic have seen the change of the environment of arts and the support, being part of creative disciplines. The change grew even deeper with the onset of the 2008 economic crisis, which resulted into cutting down public expenses in arts as well as new opportunities, such as crowdfunding, associated with digital shift (Petrová, 2017).

The non-profit arts sector, which depends on public support to a large degree, is multi-source funding, based on the support from multiple sources, which is traditionally understood as a financial sustainability model. The multi-source funding in this sense consists of:

- Public support;
- Private support;
- Own resources.

The ratio of items in multi-source funding points out the ability and to what extent a non-profit organization can work with free entrepreneurship principles. On the other hand, it also points out conditions a state creates for multi-source funding.

The entrepreneurial attitude in culture or cultural entrepreneurship was defined for the first time in the publication *Cultures and Globalization: The Cultural Economy* (Anheier & Isar, 2008).

The contemporary attitude is described by Lidie Varbanová's definition (Varbanova, 2013, p. 17): *"Arts entrepreneurship is an economic as well as sociocultural activity, based on innovations, exploitation of opportunities and risk-taking behaviour. It is a visionary, strategic, innovative and social activity."*

All definitions in literature are associated mostly with the concept of cultural and creative industries, and sustainability of entrepreneurial cultural subjects, originally from the USA. In the time of public funds cuts and re-evaluation of cultural policies, we can see that cultural

entrepreneurship has moved to the non-profit cultural environment as well. Cultural entrepreneurship has become a voluntary or enforced necessity for non-profit organizations.

A newly-phrased definition for the non-profit arts sector has been created as part of empiric research:

Cultural entrepreneurship of non-profit cultural and arts organizations is a performance exploiting an innovative, visionary and creative attitude to get funds beyond public sources, which influences strategic decision-making in the organization as well.

Cultural entrepreneurship first appeared in the European context within the strategic thinking at the state level in the Netherlands in 2011 in the political memorandum *Meer dan Kwaliteit* (More Than Quality) for the period of 2013-2016. The memorandum covers four main priority axes in the state support of culture: internationalization, cultural education and participation in culture, innovation and talent development, and philanthropy and cultural entrepreneurship (Zijlstra, 2011).

Participation in culture demonstrated on attendance data has always been an important criterion of arts support (Matarasso, 1999; Belfiore, 2012). Nowadays, the engagement of audiences and making arts accessible to audiences is often becoming more important than the support of artists and arts institutions (Sutherland & Gosling, 2010).

Visitors have been brought to the fore in art institutions as well. Traditional models of presentation of artwork contents have ceased to be sufficient to the audiences. It is necessary for traditional cultural organizations and independent projects to be interested in their audiences, visitors or listeners, recognize their needs and requests, and comply with their wishes by their programmes and presentations. Thus, in this context, we speak about passive and active participation in culture. Passive participation is limited to the participation of viewers, visitors as observers and passive receivers of arts experience, whereas active participation is developed in various degrees of participation in arts production (Novak-Leonard & Brown, 2011).

New technologies and the development of the Internet offer new forms of communication (Truneček, 2014) and transform relations between artists and their audiences. Audiences do not want to be only passive receivers, but they want to participate in an active and engaging way. This active way of participation can be either direct, such as workshops, or it can directly intervene in the artistic process, thus influencing the content, course etc.

Audience relations are closely connected with crowdfunding being one of the new opportunities to fund arts. The increase of seeking new funding sources is also linked to cuts in the budgets of cultural organizations in Europe (Alexander & Bowler, 2014), and the USA (Colbert, 2009; Boeuf, Darveau & Legoux, 2014). Budget cuts made due to decreasing budgets of traditional supporters make the institutions focus on their audiences and widen the group of fans, who could become supporters as well. Thus, the development of new technologies and the Internet are ideal tools.

Crowdfunding can be defined as the collective effort of a great number of individuals to support the production of individual projects with a small amount of money (De Buysere et al., 2012). It is also defined as a way of raising funds for a specific project in an open call, which is performed on an Internet platform, usually for a pre-arranged fee (Howe, 2008, Brüntje & Gajda, 2016), which is never of monetary nature, however.

It is not a new method of raising monetary contributions in this respect, such as charity collection, in fact. Charity collection performed with the help of an open call is a very old tool – for instance, the nationwide collection for the building of the National Theatre in Prague in the 19th century. The new aspect lies in the form of spreading the word about the call to the public and the process of fundraising on the Internet.

Crowdfunding is also specific due to the fact that as for their contributions, donors become direct participants in the creative process, and they can directly influence whether the new work is going to be produced or not (Boeuf, Darveau & Legoux, 2014). This fact, i.e. to be a direct co-creator, is a motivating factor for consumers and users to support art through crowdfunding.

2 Methodology and Data

“Creative disciplines keep changing, and the course of the changes and rules linked to them remain unclear. New business models are in experimental stages, and all modern strategies have not proved to be efficient enough. It is necessary to find research, which will help us understand what is going on now” (Collinsová, 2017, p. 16).

Regarding the topic of the paper, an inductive approach has been chosen as it allows a better understanding of the context and emphasizes qualitative data. At the same time, it is so flexible that it allows changing the emphasis on various aspects in the course of research (Collinsová, 2017).

Since there are no summary attesting studies in the selected discipline so far, the emphasis lay on focus groups in the qualitative part of the research. There were two formats of focus groups in the course of research. Focus groups were assessed by a qualitative analysis, using thematic coding (Richards, 2009). The aim was to determine general issues as well as advantages and alternatives in arts supported by public sources. The focus group took place in the initial stage of research in 2015. The second step then specified the topics assigned to fields of arts in six professional focus groups in 2016.

The basic set of debaters consisted of the representatives of applicants, members of selection subsidy committees at the Ministry of Culture CR, professional associations and other representatives of arts (visual arts, literature, dance and motion arts, theatre, classical music, alternative music). The division of groups, according to fields, was based on the model of distribution of selection subsidy procedure at the Ministry of Culture CR.

The aim was to find general experience, non-profit players in the fields of art having discussions regarding topics as well as arts disciplines based on regularity and unifying elements.

Outputs of focus groups were used in questions in the survey. The survey was carried out as part of quantitative research and focused on applicants or potential applicants for public subsidies at the state level, and professional arts organizations and networks. The survey was performed in the Survio system from October 21 to November 30, 2016. It included the combination of open- and close-ended questions and focused on a low number of respondents.

The aim was to find out about opinions of respondents with primary experience with the selection subsidy procedure at the Ministry of Culture CR as well as with other public and private support. The selection of respondents focused on cultural organizations, artists, and professionals in professional arts, who have at least minimum experience with Ministry's subsidy programmes as successful or unsuccessful applicants, or members of selection subsidy committees.

There is no systematic monitoring of crowdfunding platforms focused on the field of arts in the Czech Republic, or which speaks directly to their yearly engagement in arts funding. In connection with focus groups and survey outputs, an independent survey was performed in the field of crowdfunding support of arts in the Czech Republic as the analysis of data received from crowdfunding platforms.

As far as further data accuracy improvement and their specification are concerned, three case studies with integrated elements focusing on cultural entrepreneurship in the non-profit sector (Yin, 2003) were included as well as changes in the economic behaviour of non-profit organizations in arts. This part of the research took place in 2008-2016 and 2009-2016. The main sources for case studies were information obtained from secondary data analysis as well as primary data obtained in the course of visits to arts organizations through covert participant observation.

Collected data was divided into a structure of cultural entrepreneurship model in the field of non-profit arts organizations. Based on the definition of cultural entrepreneurship in the non-profit arts sector, criteria for evaluation of arts organization economization using the cultural entrepreneurship principles were created – Figure 1. The starting point of articulation was the overall structure of arts organization's sources of support.

Figure 1 | Basic criteria for the evaluation of economization of non-profit arts organizations



Source: author, based on the definition of cultural entrepreneurship in the non-profit sector in arts

As far as the quantitative part of the research is concerned, case studies focused on cultural entrepreneurship employed the determination of time series dynamics using an average absolute increase and average growth coefficient.

Average absolute increase:

$$\bar{\Delta} = \frac{\sum \Delta y_t}{n-1} = \frac{(y_2 - y_1) + (y_3 - y_2) + \dots + (y_n - y_{n-1})}{n-1} = \frac{y_n - y_1}{n-1} \quad (1)$$

Average growth coefficient:

$$\bar{k} = \sqrt[n-1]{k_1 \cdot k_2 \cdot \dots \cdot k_n} = \sqrt[n-1]{\frac{y_2}{y_1} \cdot \frac{y_3}{y_2} \cdot \frac{y_4}{y_3} \cdot \dots \cdot \frac{y_n}{y_{n-1}}} = \sqrt[n-1]{\frac{y_n}{y_1}} \quad (2)$$

An audio recording (focus group) and record sheets during the observation were used for qualitative data fixation. The method for qualitative data analysis was the method of contrasts and comparisons (Miovský, 2006), comparing common features and differences.

3 Results and Discussion

The survey in crowdfunding platforms in culture identified nine platforms, out of which eight were active since 2011 when the first platform was established in the Czech Republic until the end of the monitored period. Table 1 illustrates the amount of financial support for existing crowdfunding platforms in the Czech Republic in the arts and Czech arts projects. The highest amount was distributed through the Hithit.cz platform, Startovac.cz ranked second. Other platforms have no principal impact on the field of culture.

Table 1 | Support of arts through crowdfunding platforms in the Czech Republic in the 2011–2016 period (in thousand CZK)

	Music	Theatre and dance	Literature	Visual Arts	Total
HitHit	14360	6364	6265	4649	31638
Kreativcisobe.cz	749	0	225	22	996
Katalyzátor	285	0	383	136	804
Nakopni.me	365	66	8	0	439
Music Cluster	416	0	0	0	416
Everfund	79	26	0	33	138
Vision Partners	0	0	38	0	38
Startovac.cz	5973	665	3644	1339	11621
Total	22227	7121	10563	6179	46090

Source: author, based on available data from crowdfunding platforms

Based on professional discussion groups and a follow-up qualitative analysis of their responses, three main categories of non-profit players' experience in arts were identified: they can be further interpreted in a consistent concept. The prevailing main topic of the discussion is the feeling of underfunding selection subsidy procedures as far as the state is concerned. Speaking of accessibility, another important topic is the overall inflexibility of the subsidy system at the state level and its insufficient flexibility in the perception of new needs in arts.

The state also insufficiently supports the development of cooperation between the non-profit and business sector and private investments in the arts in general. The importance of the cooperation is underlined in all strategic documents, yet specific and targeted measures linked to weaknesses in inter-department communication among ministries are missing.

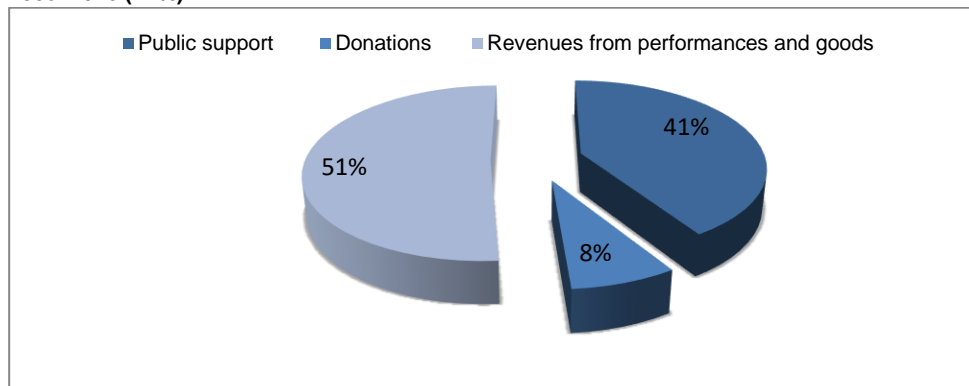
All areas of interest showed the insufficient support of professionalization of arts organizations, regarding the intense support for a wide range of activities, production houses activities, as well as stable multi-year funding, which would allow the organizations to plan in the long term and to think more strategically about other sources of support.

Three case studies included the fields of contemporary music (Berg Orchestra), visual arts (Moravian Gallery in Brno) and contemporary circus (Cirk La Putyka), based on monitoring of their activities.

The following charts summarize the distribution of main sources of support in monitored subjects. Chart 1 depicts the Berg Orchestra, with the greatest part being revenues from their performances and goods; public support is the second largest source.

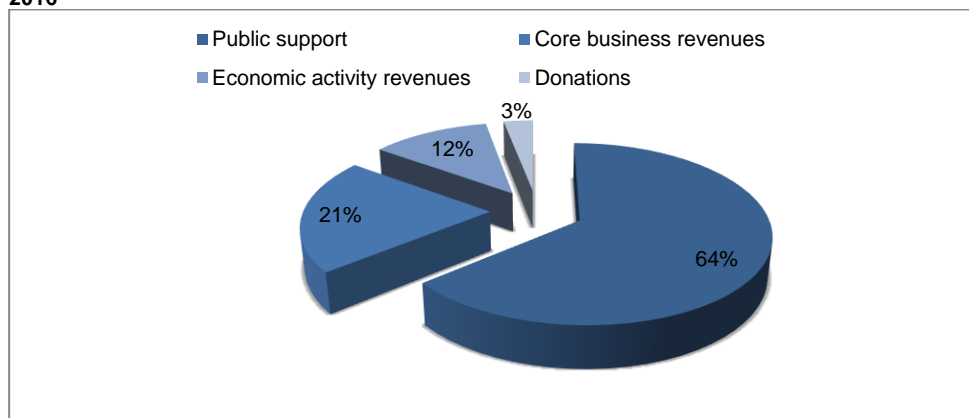
Chart 2 represents the distribution of four main sources of support for Cirk La Putyka. In this case, revenues from the core business were 64 %. Public support prevailed over revenues from economic activity. However, if we count up revenues from the core business and economic activity, Cirk La Putyka can be described as having a high degree of self-sufficiency.

Chart 1 | Distribution of main sources of support of the Berg Orchestra for the period of 2008–2016 (in %)



Source: author, based on the organization's annual reports and annual accounts

Chart 2 | Distribution of main sources of support of Cirk La Putyka for the period of 2010–2016

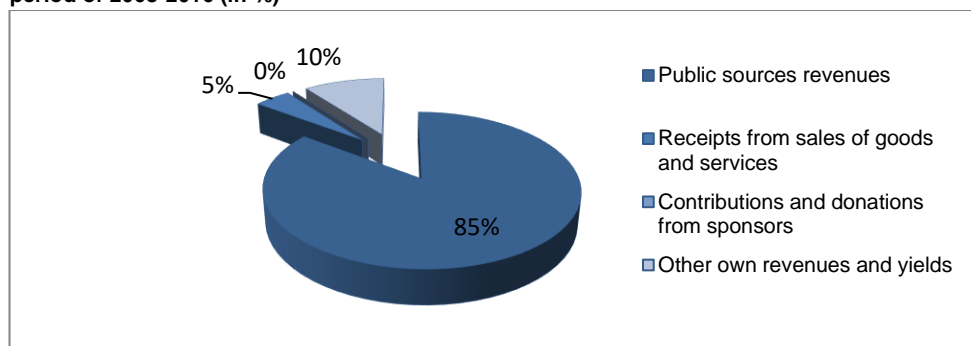


Source: author, based on the organization's annual reports and annual accounts in 2010-2016

If we examine the distribution of the main sources of support for the Moravian Gallery in Brno – Chart 3, then we see that public sources are the largest stream at 85%. The revenues from the sale of goods and services account for only 5 % of all sources.

Absolute increases and growth coefficients in monitored organizations are listed in the following tables. Concerning the Berg Orchestra – Table 2 – the average absolute increase in the total was -17 thousand CZK. When we look at individual types of financial sources, the negative average absolute increase occurred in own resources, -133.25 thousand CZK. Public sources had an average absolute increase of 36.75 thousand CZK and donations of 42.63 thousand CZK. The average growth coefficient in total financial sources was 0.993.

Chart 3 | Distribution of the main sources of support of the Moravian Gallery in Brno for the period of 2008-2016 (in %)



Source: author, based on the organization's annual reports and annual accounts

Table 2 | Funds of Berg Orchestra in an absolute increase (in thousand CZK) and growth coefficients in 2008–2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public sources	1056	1157	1203	1427	1130	1190	1392	1317	1350
Absolute increases		101	46	224	-297	60	202	-75	33
Own revenues	83	55	40	60	705	211	395	162	424
Absolute increases		-28	-15	20	645	-494	184	-233	262
Donations	1482	2138	1801	2892	988	1576	1106	1604	416
Absolute increases		656	-337	1091	-1904	588	-470	498	-1188
Total	2621	3423	3075	4623	3171	2543	3279	2775	2485
Absolute increases		802	-348	1548	-1452	-628	736	-504	-290
Growth coefficient		1.306	0.898	1.503	0.686	0.802	1.289	0.846	0.896

Source: author, based on the organization's annual reports and annual accounts

Table 3 shows absolute increases in all types of financial sources of Cirk La Putyka and in the total, where it is possible to see a growth coefficient. The monitored period shows the average absolute increase resulting in the final sum of 3,241.25 thousand CZK. The highest average absolute increase was 2,187.88 thousand CZK in main activity revenues, and the average growth coefficient was 2.214 in total financial sources.

Table 3 | The sources of Cirk La Putyka company in absolute increases (in thousand CZK) and growth coefficients in 2010-2016

	2010	2011	2012	2013	2014	2015	2016
Public sources	150	2147	3112	3734	4810	7009	3535
Absolute increases	150	1997	965	622	1076	2199	-3474
Main activity revenues	0	6597	9747	9098	14306	16705	17503
Absolute increases	0	6597	3150	-649	5208	2399	798
Receipts from economic activity	0	780	479	321	1608	6098	4844
Absolute increases	0	780	-301	-158	1287	4490	-1254
Revenues from foundations and endowment funds	70	0	320	42	249	0	0
Absolute increases	70	-70	320	-278	207	-249	0
Accepted donations	0	0	0	0	0	2965	0
Absolute increases	0	0	0	0	0	2965	-2965
Short-term loans	0	0	0	0	550	98	0
Absolute increases	0	0	0	0	550	-452	-98
Other revenues	0	32	6	358	48	112	48
Absolute increases	0	32	-26	352	-310	64	-64
Total	220	9556	13664	13553	21571	32987	25930
Absolute increases	220	9336	4108	-111	8018	11416	-7057
Growth coefficient	-	-	43.436	1.430	0.992	1.592	0.786

Source: author, based on the organization's annual reports and annual accounts in 2010-2016

Table 4 illustrates the absolute increases in all types of financial sources of the Moravian Gallery in Brno and the growth coefficient. The monitored period shows the average absolute increase in the sum of all gallery revenues in the negative number of -15,707.5 thousand CZK. When we look at types of financial sources, the negative average absolute increase was -17,144.38 thousand CZK in investment revenues from public sources and -329.25 thousand CZK in other own revenues and yields. The value was positive in other items. The average absolute increase in revenues from non-investment sources was 994.63 thousand CZK, in other own revenues and yield 40.75 thousand CZK and in sponsor contributions and donations 94.25 thousand CZK. The average growth coefficient in overall financial sources was 0.913.

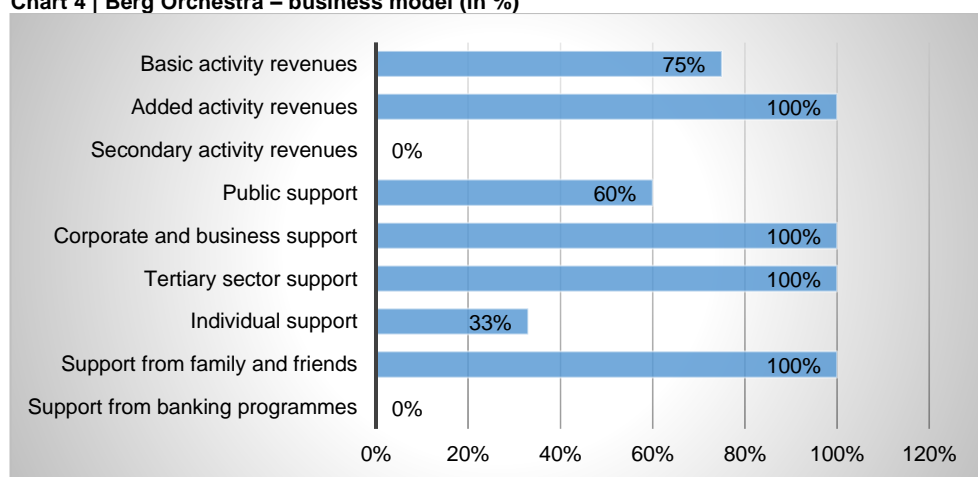
Charts 4, 5 and 6 present the overall organization of the business model with monitored subjects.

Table 4 | Sources of Moravian Gallery in Brno in absolute increases (in thousand CZK) and growth coefficients in 2008–2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Non-investment public sources	74026	84740	88034	75625	76116	76208	76256	71384	81983
Absolute increases		10714	3294	-12409	491	92	48	-4872	10599
Investment public sources	138356	11297	20311	1229	813	500	3937	4906	1201
Absolute increases		-127059	9014	-19082	-416	-313	3437	969	-3705
Revenues from the sale of goods and services	5002	5751	6086	4695	6781	4645	5279	5260	7971
Absolute increases		749	335	-1391	2086	-2136	634	-19	2711
Other own revenues and yields	10705	14256	12314	15108	11067	11176	7913	10208	8071
Absolute increases		3551	-1942	2794	-4041	109	-3263	2295	-2137
Contributions and donations from sponsors	0	922	0	1620	150	43	95	629	754
Absolute increases		922	-922	1620	-1470	-107	52	534	125
Total	242418	133884	143249	113797	113623	108660	107877	109142	116758
Absolute increases	-	-108534	9365	-29452	-174	-4963	-783	1265	7616
Growth coefficient	-	0.552	1.070	0.794	0.999	0.956	0.993	1.012	1.0698

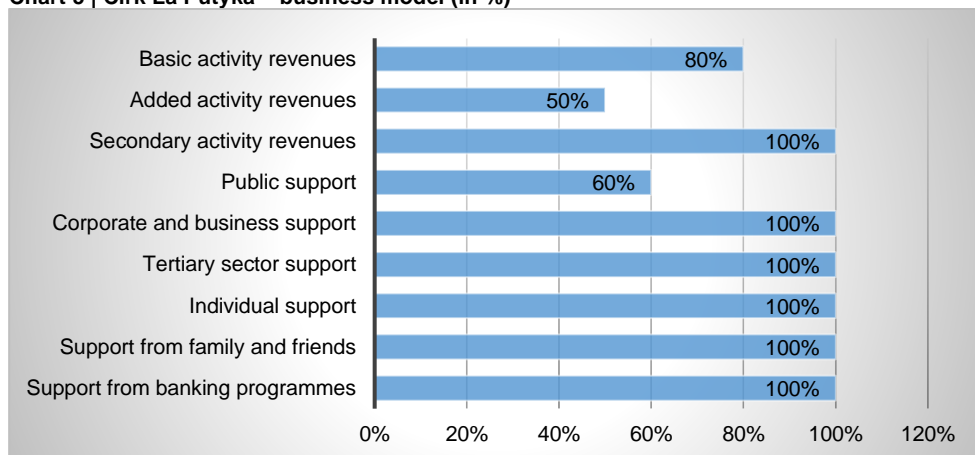
Source: The author, based on the organization's annual reports and annual accounts

Chart 4 | Berg Orchestra – business model (in %)



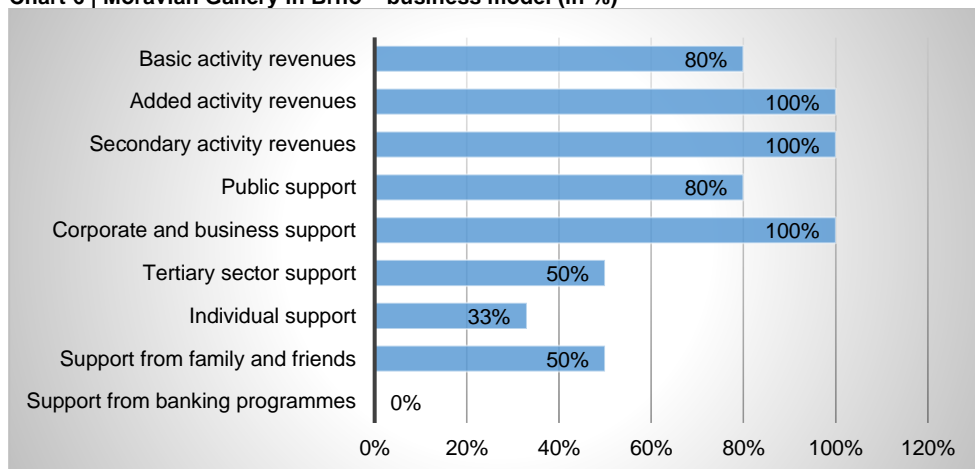
Source: author, based on the distribution of sources of support

Chart 5 | Cirk La Putyka – business model (in %)



Source: author, based on the distribution of sources of support

Chart 6 | Moravian Gallery in Brno – business model (in %)



Source: author, based on the distribution of sources of support

The final comparison of all three monitored subjects was based on criteria for monitoring and assessment of organization economization – Table 5.

Table 5 | Final comparison of criteria in monitored organizations

Criterion	Berg Orchestra	Cirk La Putyka	Moravian Gallery in Brno
Ratio among revenues <i>Public support x own revenues x donations</i>	51 %/41 %/8 %	21 %/76 %/3 %	85 %/15 %/0 %
The most frequently engaged sources of support <i>Own revenues x External fundraising based on the project x External fundraising based on a business plan</i>	External fundraising based on the project (in 73 %) 58 %/73 %/50 %	External fundraising based on a business plan (in 100 %) 77 %/90 %/100 %	Own revenues (in 93 %) 93 %/66 %/50 %
Innovative methods	•	•	•
Management's decision-making is of a creative character with risk elements	x	•	x

Source: author, based on partial results of case studies

The final conclusion clearly shows that all three monitored organizations employed innovative methods in audience and community relations in the monitored period. The conclusion was tried and tested by a qualitative survey during a covert participant observation as well as a secondary data analysis.

The highest public support – 85 % of total revenues – is assigned to the Moravian Gallery in Brno. The Berg Orchestra falls well behind with 51 % and Cirk La Putyka with 21 %. The highest amount of own revenues accounts for Cirk La Putyka, followed by the Berg Orchestra. The lowest level of own revenues is associated with the Moravian Gallery in Brno (15 %), although, of all three monitored organizations, it employs tools generating own revenues. On the contrary, Cirk La Putyka mostly used external fundraising based on a business plan (in 100 %), as well as external fundraising based on the project (in 90 %). The Berg Orchestra employed external fundraising based on the project the most.

In the monitored period, the Cirk La Putyka company used decision-making methods, which are of creative nature with risk elements and, in the overall comparison, the Cirk La Putyka company shows the biggest potential and fulfilment of cultural entrepreneurship principles. The Berg Orchestra shows the majority of cultural entrepreneurship feature, yet greater development is slowed down by the enforcement of decision-making methods with risk elements.

The Moravian Gallery in Brno, the state-funded institution, falls behind in the comparison as the limits of a state-funded organization can be easily traced – by definition, it cannot show the risk elements. The objective reasons prevent the real development of cultural entrepreneurship, such as the long-term lease of other spaces or bank loans.

In order to complete the image about the state of change in supporting the non-profit arts field, a questionnaire survey was carried out, with outputs being summarized in the following coherent text. The most active field of art in the overview of the respondents was

the field of theatre (40.3 %), followed by visual arts (23.5 %) and literature (21.4 %), having in mind that 54.6 % of them were non-governmental, non-profit organizations. It refers to a generally pro-active realm of the Czech non-profit cultural field interested in the matter.

The questionnaire survey targeted on subjects, which are in more than 75 % regular and successful applicants as far as the state is concerned. It may be interpreted in the way that respondents had extensive knowledge of the issues. Even the lower level of state administration showed good knowledge of the issues as well. The survey respondents demonstrated they do not rely on one source of public support only, but they think about the combination with other sources of support at the level of local public support, public international support, or support from private programmes, such as foundations and endowment funds. They would also welcome new efficient tools for arts support.

71.4 % of respondents appreciate the State Cultural Fund in the Czech Republic, yet more than 50 % of them are not capable of assessing the goals and conditions for support, and 66.9 % are not capable of assessing whether the fund has an appropriate budget.

Hence, respondents proved to be rather conservative and not willing to risk in this respect – only 16.6% of respondents would welcome the transformation of the State Cultural Fund in the Czech Republic (in the same model as the Czech Film Fund), 24% of respondents would welcome transferring the financial support from the Ministry of Culture to an independent body inspired by the Art Councils abroad.

Speaking of the extent of state measures in indirect support of arts and private investments, nearly one half of the respondents were not capable of assessing the extent of measures, despite the fact, that the respondents were entities which are familiar with strategic thinking and cultural advocacy.

The questionnaire survey showed that as far as their sources are concerned, respondents rely on classic public or private programmes of support. It is striking that 71.9% of respondents have not used any other type of private support, such as sponsoring, donorship, volunteering, crowdfunding, bank loans, and others.

According to the survey, the typical applicant is a theatre non-profit subject, which regularly applies at the level of the state more or less successfully, and pro-actively uses other opportunities in public and private programmes of support at Czech and international levels. Yet it is very conservative and is not motivated to risk more.

The course of research showed some restraints. Regarding Cirk La Putyka, it was not possible to find data for 2009 even in cooperation with the subject; data from 2010 was very limited. Another restraint of implemented research, which prevents creating a generalizing allegation at the level of case studies in the field of non-profit arts organizations, is a low number of examined organizations. The recommendation for further research is a more extensive inquiry, using a big sample of organizations, which would lead to acquiring more data and verifying the effects of measures in connection with principles of cultural entrepreneurship in the non-profit arts sector. The research showed that there is a big potential for subsequent research as well as a more detailed analysis of some of the principal topics in this respect.

Conclusion

The implemented method in research has proved that there is a huge potential in this research category for subsequent research as well as more detailed development of some of the central topics in the Czech Republic and abroad.

The main suggestions for further research are to continue in the research on the support of arts from crowdfunding platforms with a regional impact. Based on independent research of crowdfunding platforms, it has been demonstrated that Czech arts subjects look for the support on international platforms, but mostly on crowdfunding platforms with Czech founders. Slovak subjects pay their attention to these types of platforms as well. Thus, the suggestion is to continue in the continuous research aimed at regional impacts of these platforms.

Due to the broader hold of the issue, the present research dealt with the comparison of three case studies concerning non-profit arts organizations. Three organizations were selected, demonstrating some attributes of cultural entrepreneurship, yet they were from various fields, had different legal personality and size. As far as these factors are concerned, other recommendations are to extend the research to a bigger sample of arts organizations or to focus on one art discipline or one type of legal personality.

Research showed that greater motivation of non-profit arts subjects to extend the multi-source funding as cultural entrepreneurship is impeded by a number of obstacles in the non-profit sectors and in providers of public support.

Research outputs then identify two applied approaches to lower the dependence of supported subjects on direct public support.

The directive approach is defined by an immediate decision to lower the support of a specific programme without any other explanation, without a clear strategic basis and attached support provisions. It is usually a mere transfer of the current state of cutting down public budgets to another level. This phenomenon was identified repeatedly in the monitored period as part of research in the Czech Republic.

Supporting approach is defined by lowering the public support of art, which is closely linked to the group of attached supporting provisions focused on the motivation of the private sector to support arts, simplification and introduction of new legislative measures or active negotiation about conditions from the state in favour of arts, e.g. in the banking sector. Research outputs have proved that the Czech Republic is absolutely missing the supporting approach.

The implemented crowdfunding survey proves that total volumes in the monitored period are still a complementary source to state support.

If we focus on three arts organization case studies, we may detect an essential impact on the structure of their funding in the monitored period between years, as they are related to new forms of arts support. In 2015, Cirk La Putyka changed the structure of their funding completely, based on the crowdfunding project because they received the record-breaking

amount of 2.421 thousand CZK. All case studies also show the utilization of other sources of arts support.

Whereas the total volumes of income through crowdfunding platforms as part of multi-source funding were insignificant, the new forms of support for arts organizations showing strong demonstrations of cultural entrepreneurship had an important impact on the funding structure.

As far as the paper is concerned, new methods of work were monitored mainly in case studies of three arts organizations. New methods of work, based on the findings, can be categorized in several groups – education activities, marketing campaigns, working with communities, visibility through internationalization and, last but not least, new offers for corporate business.

Based on the implemented research, the conclusion is that barriers preventing the development of cultural entrepreneurship in the non-profit arts sector in the Czech Republic are at the level of the non-profit arts sector as well as public support providers.

The barriers in the development of cultural entrepreneurship in the non-profit arts sector were identified within the research in the outputs of focus groups and surveys. The most important are:

- Conservative attitude towards new funding opportunities and using new Types of marketing in the non-profit sector;
- Institutions' low motivation for multi-source funding;
- The low motivation for extra-budgetary funding due to insufficient stimulation from the state;
- Nonexistence of multi-annual funding from the state;
- Unsatisfactory definition of funding priorities at the state level;
- Unsatisfactory legislative support of donorship or volunteering;
- Art organizations are not trustworthy enough for the banking sector.

Identified barriers are the demonstrations for the change of strategic thinking of the state and introduction of specific measures in the indirect support of arts.

In the Czech Republic, there was no direct connection between cultural entrepreneurship of non-profit arts organizations and public support in the monitored period. The sample of monitored arts organizations showed that, even though organizations increased revenues in their own basic and economic activity or donations in the course of time, they strived for public support as actively as before.

Suggested recommendations for the non-profit arts sector are suitable specific tools for cultural entrepreneurship, which are verified in the Czech environment and are available for non-government organizations of various types and sizes. The tools are recommended regarding their generally strong added value and strengthening capacities of non-

government organizations and competitiveness growth in local and international comparisons. The suitable tools are:

- Community relationships (crowdfunding, donorship, volunteering);
- Targeted marketing campaigns (openness towards the participating public);
- Education activities (added value for schools and the public);
- Internationalization;
- Special offers for corporate business.

If we speak about working with communities, we mean both traditional forms of accompanying activities (discussions with audiences and visitors) and new ones (crowdfunding, volunteering, angel's support, various forms of associations of friends and supporters).

Another category is marketing campaigns aiming at convincing the general public of subject's openness – the opening of spaces that were not accessible before or topics, or openness of the programme (votes from the audiences, competitions, openings for children). Education activities are divided into those for schools and for the public.

Internationalization attends to greater visibility in the Czech Republic and internationally (representational events of the Republic abroad, such as EXPO, guest performances and exchange with foreign partners) as well as spreading of other forms of funding (international public and endowment funds).

New forms of working with corporate business include innovating proposals, such as concerts or theatre performances with dinner, the offer to use the otherwise inaccessible spaces (backstage, training spaces, depository) or interconnection at a charity event.

The main recommendation is aimed at the state level as well, mainly in connection with the regulations in legislation, based on the needs linked to cultural entrepreneurship and specific features in the field of arts, such as ethical sponsoring, donorship, volunteering in culture, and tax incentives. Other recommendations are focused on the partnership between the state and the banking sector, when they cooperate in funding and guarantees in arts, such as loans for arts and creative sectors under preferential conditions, including long-term investments.

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