



**BRITISH ACADEMY  
OF MANAGEMENT**

---

**BAM**  
CONFERENCE

---

**3RD-5TH SEPTEMBER**

**ASTON UNIVERSITY BIRMINGHAM UNITED KINGDOM**

This paper is from the BAM2019 Conference Proceedings

**About BAM**

The British Academy of Management (BAM) is the leading authority on the academic field of management in the UK, supporting and representing the community of scholars and engaging with international peers.

<http://www.bam.ac.uk/>

**Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

**Berlin: A Study of What Creative Entrepreneurs Value in  
Germany's Capital and the Role of its Unique History.**

Tom Johnson 1 and Sawlat Zaman 2

1 Independent researcher 2 Newcastle University Business School, Newcastle University, UK

Contact: Sawlat Zaman email: [sawlat.zaman@yahoo.co.uk](mailto:sawlat.zaman@yahoo.co.uk)

## **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

### **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

#### **Abstract:**

Discourse on 'creative cities' has sparked a global drive amongst policy makers in post-Fordist metropolitan areas towards promoting creative growth as the key to economic development in the new 'creative economy'. Given the continued success of Berlin's creative sector and the evidence that the city administration has to some extent latched onto this discourse, Berlin could be viewed as a paradigmatic 'creative city'. However, few studies have focused on the influence of Berlin's history on its creative environment. In light of this, this research paper investigates what creative entrepreneurs value in Berlin as a place to do business and to live, how this value is rooted in the city's unique history, and what this means for the creative city discourse. Empirical evidence from the study indicates that Berlin's specific appeal to creative entrepreneurs cannot be wholly replicated by prescriptive 'creative city' policies, because the nature of what creative entrepreneurs value is abstract, elusive and complex, and has developed as a result of an organic historical process.

*Key words:* Creative City, Creative Class, Berlin.

*Track:* Entrepreneurship

*Word count:* 2153 (excluding references)

# **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

## **1.0 Background**

Schumpeter's (1942) classic work provided one of the first and arguably the most influential frameworks explaining why and how entrepreneurship is favourable for innovation and economic growth. Entrepreneurship is broadly considered as a 'regional event'; a generically social, collective phenomenon, influenced significantly by environmental factors including spatial proximity and features of the regional or sub national environment (Sternberg, 2009). It was Richard Florida's highly influential book (2002), and associated 'creative city' discourse that sparked a global drive amongst policy makers in post-Fordist metropolitan areas towards promoting creative growth as the key to economic development in the new 'creative economy'. The focus here lay on start-up companies as 'the embodiment of innovation' (Feldman, 2001), with regional policymakers increasingly striving to mobilise their own unique framework conditions, networks and policies to create entrepreneurial environments in which such nascent firms will cluster and thrive.

Critiques like Kalandides and Lange (2007) condemn such a popular representation of the 'creative city' as 'delirious, imaginative, and self-projected', arguing that it is blindly considered as a solution to all urban problems. Peck (2005) argues that the creative city model tends to be enacted with a narrow focus on the display and marketing of cultural production and technological innovation, rather than the foundational sustenance thereof. According to Jakob (2010), the discourse on 'creative city' is thus interpreted by planners and policy-makers as a set of prescriptive policy and planning mechanisms that, once applied, result in a creative city. This is seen as a 'cynical rhetorical play for property-led and amenity-oriented urban development, as well as a spectacle-driven governance of arts, culture, place production and promotion' (Jakob, 2010: 193).

Berlin's creative industries are a defining part of the city's economy, including industries such as music, film, publishing, performing art, visual art and extending further to software development and computer services (Vivant, 2013). The creative sector in Berlin grew by more than 22% between 2000 and 2005 (Senatsverwaltung für Wirtschaft und Arbeit und Frauen, 2005), generating 17.5 billion Euros in 2006, representing around 21% of Berlin's net GDP (Senatsverwaltung für Wirtschaft und Arbeit und Frauen, 2008). Approximately 30,000 small to medium-sized firms (including start-up companies and self-employed entrepreneurs) are operating in this sector, employing more than 10% of Berlin's working population – a figure vastly exceeding that of other German cities (UNESCO, 2016).

Kalandides and Lange (2007) attribute this growth to the 'emergence of large quantities of micro-entrepreneurial agents', characterized as 'culturepreneurs' – a portmanteau comprising both culture and the entrepreneur (Lange et al., 2008; Lange, 2009). The term 'culturepreneur' refers to how creative entrepreneurs must balance a high degree of artistic and cultural practices with the economic and business practices necessary for entrepreneurship. Berlin's receptivity to these hybrid actors is said to be the basis of the city's strong creative sector (Lange, 2009).

The post-Fordist transformation of advanced capitalist economies has blurred the boundaries between place, culture and economy and increased the importance of cultural industries such as craft, design and the production of cultural products (Scott, 1997). The importance of place in creative entrepreneurship is therefore a fertile area of research. With this in mind, a close look at the context of Berlin makes for fascinating analysis.

## **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

### **2.0 Creative City and Creative Class**

Richard Florida argued that economic growth and innovation are now driven by the new 'creative class', 'whose economic function is to create new ideas, new technology and/or creative content' in the fields of science, engineering, computer programming, education and research, the arts, design and the media (Florida, 2002: 8). Attracting such creative people and developing a thriving creative sector has since become a central aim of local economic development policy across the world. Florida (2002) explained that in the new 'creative economy', cities (rather than nations) compete to attract this talented and highly mobile 'creative class' by improving metropolitan development levels and 'quality of place' (through amenities such as parks, cycle paths, etc.), while promoting a tolerant and diverse atmosphere in which creative milieus can flourish and ideas can flow openly. Cities that succeed in this will experience economic growth; those who fail will not (ibid.).

A strikingly large number of cities have committed themselves to Florida's creative vision (Peck, 2005); Berlin is no exception. The city's former mayor, Wowereit (2006), even quoted Florida's trio of urban values: 'technology, talent and tolerance' in his inaugural speech. A growing literature on Berlin's specific creative entrepreneurial environment refers to the capital as: 'playfully bohemian' (Lange, 2009: 132), 'a global centre of arts and culture' (Jakob, 2010: 195) and a 'laboratory in which to study the relationship between the creative entrepreneur and their location' (Heebels and van Aalst, 2010: 353). In the early 2000s, the creative industries became a focus of Berlin's public policy and place promotion as part of their adoption of the burgeoning 'creative city' discourse (Colomb, 2013; Colomb, 2012). Since then and throughout the 2000s, policy makers have integrated the city's creative scene into its place marketing and growth strategies (e.g. Kalandides and Lange, 2007; Colomb, 2013; Vivant, 2013) with policy shifting gradually from the active promotion of cultural consumption to that of cultural production by its 'creative class'. Various programmes and policy initiatives to improve local amenities and urban infrastructure and to support the creative industries were developed, while the city's lively club and music culture, multiculturalism and tolerance were increasingly integrated into the marketing discourse as 'USPs' for Berlin (Ebert and Kunzmann, 2007; Colomb, 2013). Berlin's city administration adopted Florida's discourse on policy to attract the new 'creative class' – namely educated creative professionals and knowledge workers – through improving metropolitan development levels and quality of place and life.

We find that the city administration's pursuit of the 'creative city' mantra reflects a strong emphasis on city marketing and growth focused promotion strategies which contradict the values of the creative entrepreneurs who make up a large proportion of the creative sector. The promotion of creative cities in this way is based on the assumption that creativity in a city can be fostered, steered or governed in some way; some evidence however contradicts this. A classic example is the highly controversial 'Media Spree' project near Berlin's river Spree where many alternative clubs, bars and other sub-cultural spaces are located. This project aimed to improve conditions for cultural industries and attract large creative sector corporations to the area, while at the same time using the 'authenticity of the sub-culture' and the 'creative and alternative image of the neighbourhood' as a key asset for city marketing (Novy and Colomb, 2013). However, due to widespread concern surrounding gentrification and the displacement of the area's sub-cultural fabric, the project found itself facing huge protests, which in 2008 culminated in a referendum forcing developers to reconsider many of the existing plans (Scharenberg and Bader, 2009). Much of the opposition to 'Media Spree' was driven by

## **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

precisely the segment of the population that such 'creative city' policies are targeting: the 'creative class' (Novy and Colomb, 2013).

Project 'Kolonie Wedding' is yet another example of how creative city planning in Berlin was used to further profits and status (Jakob, 2010; Brenner et al, 2012) since it failed to include the majority of the local population in favour of the 'artistic elite', who pursued commercial success through association. Jakob (2010) criticized the project as valuing public perception and illusionary images of creativity rather than inclusion and equality – a clear contradiction to Landry's (2002) portrayal of a creative city development model that advocates a progressive change, enabling all city residents to be creative and promoting equality, liveability and personal advancement by harnessing people's imagination and talent.

According to Harvey (2002), the exploitation of local marks of distinction tends to lead to the homogenisation and commodification of cultural capital (i.e. the area's symbolic and objective historical features (Bourdieu, 1984)). This leads to alienation and resentment among cultural producers (the 'creative class') as with the 'Media Spree' project (Harvey, 2002). Apparently, 'creative city' policies in Berlin are doing little to attract the 'creative class' and bear instead the potential to generate conflict and inequality (Mayer, 2013), while commodifying the very cultural values of tolerance and diversity that the 'creative city' discourse holds in such high regard. The question therefore arises: what is driving the growth of the city's creative sector and its receptivity to 'culturepreneurship'?

Accordingly, this study explores what attracts creative people to Berlin with an emphasis on how this attraction is rooted in Berlin's specific history, and the resulting implications for the 'creative city' discourse. There exist few studies on the micro experiential level of Berlin's creative entrepreneurs or on the influence of Berlin's history. This study therefore aims to contribute to the understanding of the nature of creative entrepreneurship and what makes a metropolitan environment receptive to it.

### **3.0 Research Methods**

The study adopts an interpretive approach (Wills et al, 2007) and is collecting data using in depth semi-structured interviews (Fontana and Frey, 2005) with entrepreneurs running small businesses (less than 50 employees) in various branches of Berlin's creative sector. All participants thus fall within Kalandides and Lange's (2008) notion of a 'micro-entrepreneurial agent' or 'culturepreneur' and can be broadly considered as 'homogenous' (Guest et al, 2006). The paper is in a developmental stage as data collection is still on-going. To arrive at current findings, available data (twelve interviews) was transcribed, translated and coded using NVivo and analysed thematically (Silverman, 2014; Alvesson, 2011).

### **4.0 Current Findings in Brief**

Data analysis suggests that creative entrepreneurs in general draw significant value from their subjective perceptions of Berlin. Broadly, this manifests itself in a strong perceived sense of independence, freedom and tolerance, which was the most salient theme that arose in the interviews. This perception of Berlin as a free-thinking, tolerant space is also intertwined with the participants' entrepreneurial identities; the majority of the interviewees found the subjective

## **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

value of being in Berlin complementary to their entrepreneurial endeavours for it facilitates an environment which is receptive to creative ideas. Findings also suggest a lack of regulatory interference is desirable, for example the city's 'underground' music scene where unlicensed open-air parties are organised in locations such as woods and industrial areas. Participants generally saw such apparent lack of concern from the law enforcement agencies as 'desirable' and showed an inclination to reject support from the state to avoid 'interference'.

Almost all of the participants found the low cost of living as a major benefit of living in Berlin but seemed concerned about potential rising cost. These entrepreneurs unilaterally considered 'network' as highly important but showed little emphasis on 'spatial proximity' of network: probably best explained by technological advances in communication. All of the participating entrepreneurs were very well acquainted with Berlin's history and development and valued a certain symbolic worth connected to this history. They identified the role of specific historic events like the fall of the Berlin Wall and German reunification in attracting like-minded creative people from all over Germany to the city; an important factor in fostering creative output.

### **5.0 Future Directions**

The study results indicate that Berlin's creative sector has developed organically through its turbulent history of division, decline and lack of governmental input. This has stimulated a still-present symbolic worth which is valued by creative entrepreneurs as a source of inspiration, creative reputation and 'sub-cultural capital'. These entrepreneurs are attracted to a certain 'symbolic worth' of Berlin: a historical uniqueness that works to inspire creative ideas. Our proposed step forward is to explore and analyse our findings further using a conceptual framework based on creative city discourse, theories of motivation (i.e. expectancy or needs theory), and creative entrepreneurial psychology. Due to their elusive, subjective nature, more work is required to further understand the implications of our findings and we seek advice from BAM participants on further investigation (interviews, secondary data, etc.) that may be required.

## **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

### **References:**

- Alvesson, M., 2011. *Interpreting Interviews*. London: Sage.
- Bourdieu, P., 1984. *Distinction: A social critique of the judgement of taste*. London: Routledge.
- Brenner, N., Marcuse, P. and Mayer, M. eds., 2012. *Cities for people, not for profit: Critical urban theory and the right to the city*. Routledge.
- Colomb, C., 2012. Pushing the urban frontier: temporary uses of space, city marketing, and the creative city discourse in 2000s Berlin. *Journal of Urban Affairs*, 34(2), pp.131- 152.
- Colomb, C., 2013. *Staging the New Berlin: Place marketing and the politics of urban reinvention post-1989*. London: Routledge.
- Ebert, R. and Kunzmann, K.R., 2007. Kulturwirtschaft, kreative Räume und Stadtentwicklung in Berlin. *DisP – The Planning Review*, 43(171), pp.64-79.
- Fontana, A., & Frey, J. H. (2005). The Interview: From Neutral Stance to Political Involvement. In N. K. Denzin & Y. S. Lincoln (Eds.), *The Sage handbook of qualitative research* (pp. 695-727). Thousand Oaks, CA: Sage Publications Ltd.
- Feldman, M.P., 2001. The entrepreneurial event revisited: firm formation in a regional context. *Industrial and Corporate Change*, 10(4), pp.861-891.
- Florida, R., 2002. *The rise of the creative class: and how it is transforming work, leisure, community and everyday life*. New York: Basic Books.
- Guest, G., Bunce, A. and Johnson, L., 2006. *Field Methods*, 18(1), pp.59–82
- Harvey, D., 2002. The art of rent: globalization, monopoly and the commodification of culture. *Socialist Register*, 38(1), pp.93-110.
- Heebels, B., and van Aalst, I., 2010. Creative clusters in Berlin: Entrepreneurship and the quality of place in Prenzlauer Berg and Kreuzberg. *Geografiska Annaler: Series B, Human Geography*, 92(4), pp.347-363.
- Jakob, D., 2010. Constructing the creative neighborhood: Hopes and limitations of creative city policies in Berlin. *City, Culture and Society*, 1(4), pp.193-198.
- Kalandides, A. and Lange, B., 2007. Creativity as a synecdoche of the city – marketing the creative Berlin. In: Wang, H., Yueng, E. and Yueng, T. (eds.) *Proceedings of the Hong Kong Institute of Planners Conference, When Creative Industries Crossover with Cities*, Hong Kong, pp.122-133.
- Landry, C., 2000. *The creative city: A toolkit for urban innovators*. London: Earthscan/Kogan Page.



## **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

- Lange, B., 2009. Accessing markets in creative industries—professionalization and social-spatial strategies of culturepreneurs in Berlin. *Creative Industries Journal*, 1(2), pp.115-135.
- Lange, B., Kalandides, A., Stöber, B. and Mieg, H.A., 2008. Berlin's creative industries: governing creativity?. *Industry and Innovation*, 15(5), pp.531-548.
- Mayer, M., 2013. First world urban activism: Beyond austerity urbanism and creative city politics. *City*, 17(1), pp.5-19.
- Novy, J. and Colomb, C., 2013. Struggling for the right to the (creative) city in Berlin and Hamburg: new urban social movements, new 'spaces of hope'?. *International Journal of Urban and Regional Research*, 37(5), pp.1816-1838.
- Peck, J., 2005. Struggling with the creative class. *International Journal of Urban and Regional Research*, 29(4), pp.740-770.
- Scharenberg, A. and Bader, I., 2009. Berlin's waterfront site struggle. *City*, 13(2-3), pp.325-335.
- Schumpeter, J., 1942. *Capitalism, Socialism and Democracy*. New York: Harper and Row.
- Scott, A.J., 1997. The cultural economy of cities. *International Journal of Urban and Regional Research*, 21(2), pp.323-339.
- Senatsverwaltung für Wirtschaft, Arbeit und Frauen, 2005. *Kulturwirtschaft in Berlin. Entwicklung und Potenziale 2005*. Available at: [http://digital.zlb.de/viewer/content?action=application&sourcepath=15330257\\_2005/kulturwirtschaft2005.pdf&format=pdf](http://digital.zlb.de/viewer/content?action=application&sourcepath=15330257_2005/kulturwirtschaft2005.pdf&format=pdf) (accessed 20 March 2017).
- Senatsverwaltung für Wirtschaft, Arbeit und Frauen, 2008. *Kulturwirtschaft in Berlin. Entwicklung und Potenziale 2008*. Available at: [http://www.berlin.de/projektzukunft/fileadmin/user\\_upload/pdf/magazine/kuwibericht\\_2008\\_inhalt.pdf](http://www.berlin.de/projektzukunft/fileadmin/user_upload/pdf/magazine/kuwibericht_2008_inhalt.pdf) (accessed 20 March 2017).
- Silverman, D., 2014. *Interpreting qualitative data*. 5th edition. London: Sage.
- Sternberg, R., 2009. Regional dimensions of entrepreneurship. *Foundations and Trends in Entrepreneurship*, 5(4), pp.211-340.
- UNESCO, 2016. *UNESCO Creative Cities Network Monitoring Report 2008 – 2016: Berlin, Germany*. Available at: [http://en.unesco.org/creative-cities/sites/creative-cities/files/monitoring\\_reports/Report\\_Berlin\\_UNESCOCREATIVECITIES%20Network\\_final.pdf](http://en.unesco.org/creative-cities/sites/creative-cities/files/monitoring_reports/Report_Berlin_UNESCOCREATIVECITIES%20Network_final.pdf) (accessed 26 March 2017).
- Vivant, E., 2013. Creatives in the city: Urban contradictions of the creative city. *City, Culture and Society*, 4(2), pp.57-63. 43
- Willis, J.W., Jost, M. and Nilakanta, R., 2007. *Foundations of qualitative research: Interpretive and critical approaches*. Sage.

## **Berlin: A Study of What Creative Entrepreneurs Value in Germany's Capital and the Role of its Unique History.**

Wowereit, K., 2006. *Den Wandel steuern: Berlin hat Zukunft (Erklärung des Regierenden Bürgermeisters von Berlin, Klaus Wowereit, zu den Richtlinien der Regierungspolitik – Teil 1)*. 14 December, State Parliament of Berlin. Transcript available at: <https://www.berlin.de/rbmskzl/aktuelles/pressemitteilungen/2006/pressemitteilung.51015.php> (accessed 29 March 2017)