Arts, Culture and Business:  
* A Relationship Transformation, a Nascent Field  
Bernadette McNicholas  

**Introduction**

In Australia and other countries there has been a shift in arts funding from government to the private sphere and increased interest on the part of governments in spreading the load. Concurrently, arts and cultural sponsorship and management have evolved and become increasingly business focused, in terms of professional business management, marketing orientation and reliance on sponsorship. The movement towards a business and marketing focus in the arts, and shifts in business such as the growth in Corporate Social Responsibility and Triple Bottom Line considerations and a change in the postmodern world and consumers, have led to some interesting paradigm shifts in arts and business relationships, such as the development of more two-way interactive relationships and arts and business partnership ventures of various kinds. Since 1992 there has been both an evolution in the field and a revolution in the relationship between arts and business.

From the early 1990s on, arts sponsorship has become increasingly integrated into business practices as part of the marketing mix. There has also been a movement towards greater professionalism in arts management, including an increase in the incorporation of business practices with the maturation of the field. The arts and arts sponsorship have become more business management and marketing focused (cf. Evrard and Colbert, 2000).

Simultaneously, postmodern effects of globalization, such as a diffusion of barriers, borders and boundaries, have paved the way for this evolution in the field and revolution in arts and business relationships. The parameters of the field of study have been extended with the complexities of postmodern influences and cross-disciplinary interconnectedness. Maturation of the field, incorporating business practices and disciplines such as information technology, public relations, marketing and human resources management, has concurrently brought an expansion in the field from within. Hence we are seeing the emergence, or *consilience* – to borrow a term from the physical sciences (Wilson, 1999; Schutt, 2000) – of a new discipline, *strategic arts and cultural management*, and an eclectic new field of *strategic arts and business sponsorship relationships and partnerships*, including the growth of cultural entrepreneurship. There is a different usage of knowledge management of intangible assets and a different way of valuing and evaluating “arts,” “culture” and “creativity,” as innovation and creativity have become critical success factors for 21st-century business (Drucker, 1999; Arts & Business, 2002; Lawson, 2003).

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The Research

In 1992–93 I conducted broad, multidisciplinary literature reviews and empirical, qualitative, grounded theory-based research and case studies for a multinational petroleum company and a national bank in Australia, exploring their sponsorships and arts sponsorships and arts funding in particular (McNicholas, 1993, 1994). My methods included primary data and document analysis, unstructured and semi-structured interviews, literature reviews, and statistical or quantitative analyses of all sponsorships, for 1992 in the case of the petroleum company and for the 1992–93 financial year in the case of the bank. My purpose was to address the paucity of qualitative research and the lack of theoretical base in the field of arts sponsorship, in order to provide an overview of the field and to explore the nature and forms of the relationships. I have extended the research with literature reviews to the present and a contemporary case study with an international corporation.

Findings

From this research I have identified three shifts in arts sponsorship: arts sponsorship as a business or marketing approach, arts sponsorship as a relationship and arts sponsorship as a partnership. Each of these approaches may be manifest in various ways and combinations, all of which are still being used in the field. I will outline these briefly. From this research I have also identified a major paradigm shift, as developments in this maturing field interconnect with the complexities of postmodern influences. I will look at these further in the section "Postmodern Influences: A Major Paradigm Shift."

Arts Sponsorship as a Business: The Marketing Approach

Since the early 1990s there has been a movement towards increased professionalization in the arts, with arts organizations increasingly taking a strategic perspective, and there has been a growth in private sector opportunities for arts associations. These developments have seen the growth of corporate arts sponsorship as a business opportunity, or the marketing approach to arts sponsorship (cf. Grunstein, 1999; Mulcahy, 2003). This approach has been accompanied by a trend towards zero-based budgeting by business and the funding of arts sponsorships from marketing budgets.

Arts Sponsorship as a Relationship

The second shift I observed was the development of arts and business sponsorships as a relationship. Two-way, more interactive, mutually affecting arts sponsorship relationships, building over time, are a growing trend.
(cf. Olkkonen, 2000). This relationship trend has evolved with systems models and theories, with more humanized, more personalized, interactive corporate systems, and has developed through the relationship management approach to business.

**Arts Sponsorship as a Partnership**

Traditionally there has been a binary approach to arts sponsorship, whereby it is primarily viewed either as giving or as a transaction, a business marketing deal. Recently arts sponsorship has been viewed mainly as a transaction or a transaction relationship, and in the last few years often as various types of corporate “sponsorship” or traditional business “partnership,” when extended over time (Australia Business Arts Foundation, 2002, 2003; Arts & Business, 2002). Now a new type of strategic partnership has emerged (McNicholas, 2004), one characterized by a fusion or synergy between arts and business core values. With this approach there is a focus on corporate image and mission statements, vision and values. At this level, compatibility, linkages and matching with the arts organization and/or art form are pivotal.

**A Framework of Types of Business Arts Support**

Thus there has been a movement from two to three approaches in this field and each of these approaches may operate in various ways and in various combinations. From the research findings I have evolved a framework of six broad types or levels of arts funding relationship (see Figures 1 and 2). Each may manifest in a variety of ways and all are still used. I have identified a hierarchy or typology of corporate or business arts support and constructed models of the levels or types, both for classification purposes and for use as an analytical tool by business and the arts, to assist them in understanding and implementing sponsorships and their possible effects. Initially, in 1992–93, I identified five levels or types. Since then I have identified the emergence of a discrete sixth level of arts “sponsorship” or business and arts partnership – arts-beyond-sponsorship level. We are now also seeing a trend towards arts and cultural sponsorship and partnership funding from corporate or institutional budgets, in line with a growth in sponsorships at levels 5 and 6 of the model (Model A). The framework and detailed models also address the lack of “an analytical framework of different sponsorship schemes as part of an integrated marketing strategy,” which Grunstein (1999) claims has yet to evolve.

Each ascending level, from 1 – donation, to 6 – arts and business partnership, involves

<table>
<thead>
<tr>
<th>Table 1</th>
<th>THE THREE APPROACHES TO ARTS SPONSORSHIP</th>
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<tr>
<td>Approach</td>
<td>1</td>
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<tr>
<td>Activity</td>
<td>Patronage</td>
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<td>Focus</td>
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<td>Basis</td>
<td>Donation</td>
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**RÉSUMÉ**

La relation entre les arts et le monde des affaires a changé de façon spectaculaire au cours de la dernière décennie. Face à la réduction du financement public dans un grand nombre de pays, les organismes artistiques et culturels se concentrent de plus en plus sur les entreprises et le marketing dans leur approche du financement et de la gestion. Des influences postmodernes ont entraîné un changement dans les valeurs et le comportement des entreprises et des consommateurs, comme le reflètent les énoncés de mission et les stratégies. L'article présente des résultats de recherche sur l'évolution de la relation entre les arts et le milieu des affaires, depuis le parrainage des arts jusqu'à des partenariats stratégiques et à diverses formes d'entrepreneuriat culturel, comme le montre une typologie de relations arts-entreprises. Les conclusions d'études théoriques et conceptuelles sont illustrées dans un modèle montrant la synthèse ou confluence de divers domaines et disciplines dans un domaine élargi, éclectique et multidisciplinaire, de gestion stratégique des arts et de la culture. Le « parrainage des arts » est dépassé; un nouveau domaine se développe. La relation arts-entreprises est devenue un système de rapports dynamiques, complexes et adaptatifs offrant aux entreprises et aux collectivités du XXIème siècle des possibilités et des avantages économiques uniques.

**MOTS CLÉS**

Marketing des arts et de la culture, parrainage, gestion des arts et de la culture, typologie, stratégie, entrepreneuriat culturel
a greater breadth of sponsorship activity by the company and a greater effect on corporate image through the relationship. Each level is a different type of sponsorship or arts and business relationship, involves particular kinds of business activities and results in particular benefits for the corporation. For example, level 2, corporate patronage, involves mainly corporate entertainment and hospitality benefits for the business, while level 3, marketing sponsorship, may include these and also offer product promotion opportunities to particular target markets. Level 4, public relations sponsorship, may include all of the previous activities and benefits for business while typically featuring more corporate brand and target audience linkage, an increase in two-way interactions and being extended as a campaign rather than a one-off event. Level 5, an integrated corporate image program, may include all of the benefits of the arts and business relationships from levels 1 to 4, as well as increasing the interaction and image linking between the business and arts. It is a broader, longer-term program, or series of coordinated campaigns, sometimes called “corporate sponsorship” or even “corporate partnership.” Partnerships may be formed and function in a variety of ways and at a variety of levels, through this continuum of arts and business funding relationships. Level 6 arts and business partnerships are more intermeshed, two-way, mutually involved and mutually affecting, including the development of highly customized activities and materials and stronger value

![FIGURE 1: MODEL A: HIERARCHY OF CORPORATE ARTS SUPPORT AND CORPORATE IMAGE EFFECT](image1)

![FIGURE 2: MODEL B: TYPES OF CORPORATE ARTS SPONSORSHIP AND RELATIONSHIP TO CORPORATE IMAGE AND STRATEGIC COMMUNICATION PLANNING](image2)

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**RESUMEN**

En la última década, se ha producido un cambio mayor en la relación entre el arte y los negocios. Las organizaciones artísticas y culturales de muchos países han dejado de contar con fondos del Estado y su actitud respecto de la financiación y la gestión se ha vuelto cada vez más hacia las prácticas de negocios y de marketing. Las influencias posmodernas han quebrado el paradigma tradicional en cuanto a los valores y comportamientos del consumidor y de los negocios, como puede apreciarse en las múltiples y las estrategias. En este trabajo se presentan las conclusiones de investigaciones sobre la evolución de la relación entre el arte y los negocios, la que ha pasado del patrocinio de las artes a las asociaciones estratégicas de arte y cultura y diversas formas de emprendimientos culturales, como se ilustra en un marco de relaciones entre arte y negocios. Los resultados de investigaciones teóricas y conceptuales realizadas en la materia se consignan en un modelo que muestra la síntesis, o “consistencia”, de distintos campos y disciplinas que forman entonces un campo ampliado, ecléctico y multidisciplinario de gestión estratégica de las artes y la cultura. El “patrocinio de las artes” ha quedado perimido para dar lugar al desarrollo de un nuevo campo. La relación arte-negocios, que siempre se ubicó en un espacio un tanto indefinido, actúa ahora como un sistema innovativo de vanguardia o sistema dinámico y complejo de relaciones adaptativas que ofrece singular oportunidades y ventajas económicas a las empresas y comunidades del siglo XXI.

**PALABRAS CLAVE**

Marketing cultural y de las artes, patrocinio, gestión artística y cultural, tipología, estrategia, emprendimiento cultural
and image associations over time. An emergent, leading-edge type of partnership has developed under postmodern influences. I will be outlining this in more detail below.

Model B illustrates the relationship further, indicating the increased integration of the arts sponsorship or partnership within various business activities at the higher levels of "sponsorship." The higher levels in the model also correlate with greater strategic communication sophistication and a more powerful effect on corporate image.

Utilizing these tools of analysis allows arts sponsorships to be targeted at particular levels for particular benefits or desired outcomes. There was a movement in the 1990s from hospitality and entertainment benefits to a marketing or public relations type of sponsorship, with arts sponsorship often being used as a product or service promotional tool. Now there has been a further shift, and arts sponsorship at level 5 is operated predominantly at a corporate or institutional level for corporate image purposes, or at this level or level 6 as a partnership, in a range of "types" of partnership arrangement. Arts and business partnerships may operate as a traditional business partnership, echoing features of levels 3, 4 and 5 in a structured or contracted partnership. They may also function at an emerging strategic cultural partnership level with stronger linked associative values and imagery, or synergies, in a more dynamic partnership, for long-term values positioning.

The delineation of this leading-edge sixth level of strategic cultural partnership represents a shared venture or alliance between business and arts, not necessarily using the word "sponsorship" at all, a word which implies a transaction rather than a partnership. This type of partnership is not exclusively or predominantly on an economic rational basis, but incorporates many of the benefits of arts sponsorships at levels 1 to 5 and at level 6. At level 6, as at level 5, the fusion or appropriation of cultural or value archetypes may be possible. This is a beyond-arts-sponsorship level of arts and business synergistic partnership. Strategic matching of core values, a creative synergy of narrative and images, a sensitivity to appropriate "sponsorship" strategies, and an intermeshing of arts and business activities, values and involvements may lead to optimum cultural fusion and effect on corporate image. I call this personalization or customization of the sponsorship or arts and business partnership. It is an ongoing, generative process, and it is increasingly a key factor in successful outcomes for business and the arts.

This approach of strategic sponsorship analysis and evaluation provides a framework for a broad analysis of arts and business relationships. It can be used to focus business aims and objectives and match these to sponsorship activities and effects. These models, and other, more detailed, ones not included in this paper, provide a useful tool for cost-benefit analyses and real/ideal state analyses (Simmons, 1990, p. 14–18) of existing sponsorships, revealing gaps and inconsistencies, or mismatches, in sponsorship strategies and desired outcomes. It is a tool that enables the conduct of arts and business audits, useful for the assessment of existing sponsorships or relationships and for selecting and evaluating potential ones.

Postmodern Influences: A Major Paradigm Shift

Arts and cultural sponsorships have always been something different or apart. They have been seen as less commercial, as offering the potential of a goodwill response from audiences and consumers, as well as embodying strong mythical, non-verbal links, messages and associations. The differences between arts sponsorship and other forms of sponsorship have become increasingly significant in the 21st century and are particularly suited to communication in a global marketplace. My research has shown that postmodern and global developments have introduced some interesting shifts and questions that, together with maturation of the field and incorporation of business disciplines and professional business practices, have changed the parameters of arts sponsorship.

Interrelatedness, complexity, pluralism, creativity and innovation, authenticity, congruence and values are all features of the postmodern arts sponsorship matrix. Globalization and postmodern culture have added complex variables and interactional matrices, with more intricate, interconnecting relationships and an increasing emphasis on values—and the effects of this are still evolving. This matrix...
includes social, environmental, strategic and value compatibility contexts and considerations. At the same time, in the decade since 1993, there has been a trend towards greater sharing of resources and increased interactivity between arts and culture and business, with more “arts-in-business and business-in-“arts” (or “culture”) activities.

The postmodern consumer and environment have changed considerably (Gergen, 1991; Klein, 2001; McNicholas, 2003; Eyrard, 2003). There has been a significant paradigm shift. Postmodern consumers and audiences are increasingly marketing and brand aware. Inappropriate, insincere or inauthentic arts and cultural sponsorship can be viewed critically, treated harshly and even have negative sales and image effects (Nelson, 1997). Corporate social responsibility and social and cultural activism are growing (Klein, 2001). Businesses need to adopt different approaches in order to accommodate a much more sophisticated, marketing and media savvy consumer in their strategies and programs (McMurdo, 1993). Social and community values are being expressed differently through the workplace and the community. With globalization and the diffusion of barriers, borders and boundaries, there has been a concomitant diffusion of boundaries between work, individual and community values. The parameters have shifted. There has been “transformation of positively everything” (Peters, 1992, p. 636). Authenticity and congruence of messages, actions, values, words and images strengthen communication effectiveness. All of this has important implications for sponsorship approaches and offers particular advantages for businesses developing arts and cultural associations (see Meenaghan, 1991; McMurdo, 1993; McNicholas, 2003).

Kan (1999) supports my earlier findings on the movement towards strategic business and arts partnerships. She claims that there are new, emerging business sponsorship relationships or partnerships and that “these strategic partnerships are not philanthropically oriented, and are only distantly related to sponsorships. The partnerships represent a long-term commitment between organisations that both learn – corporations and communities.” Similarly, Evans (2003) explores the commodification of arts and culture, discerning a synthesis or convergence of culture and consumption. His research explores “the extension of global leisure products and popular entertainment into city retail and public realms” (p. 1).

With postmodern and global influences there has been a broadening from “arts” to “arts and culture” and “culture.” We are seeing an expansion in the boundaries of the fields of arts sponsorship and of arts management, as they encompass or consilicate additional diverse areas and disciplines, including business disciplines and strategic management practices. The research shows a movement from organization and art form to a broader “cultural” focus, signifying an increase in the scale and scope of the field and in the possible reach and impact for business. Globally there has been a growth in culture marketing and in arts and culture entertainment precinct branding. This includes cultural tourism and cultural marketing on the part of arts and cultural institutions, precincts, cities, regions and countries. Governments are using arts and cultural tourism and the marketing of culture in new ways – for example, as major economic ventures, in conjunction with business partners and local governments, to promote local and regional business and sometimes as the basis for an economic resurgence, through creating jobs, fostering tourism and bringing substantial peripheral benefits, via the growth in hotels, restaurants and airlines.

Recent research provides evidence of an “arts dividend” and “creative capital” bonus for communities and cities with flourishing arts and cultural environments and industries, advocating culture as a sound investment (Markusen and King, 2003; Florida, 2002a, 2002b, 2002c; Gertler et al., 2002). Direct links and correlations are emerging between arts and cultural economies and the growth of business economies. These studies reveal a peripheral benefit of lively arts and cultural urban environments – that is, as a key factor in the decisions of innovative, creative people about where to live and work. At a time when business and economies are relying increasingly on innovation and creativity to keep ahead, arts and culture are emerging as pivotal factors in enabling industry growth, and hence in community, city and regional economic strength (cf. Drucker, 1999; Arts & Business, 2002).
My research has led to the identification of four key success factors for arts or culture and business relationships and partnerships:

Strategic matching of core values, image and target audiences, and sometimes key goals — that is, a synergy of parts of their mission statements

Relationships — the development of two-way, interactive relationships; effective communication and compatibility between the parties on this personal and operational level, as well as in vision

Longevity of commitment — a building of relationships and associations over time; this conveys sincerity and authenticity, and enables the development of customized approaches and activities, through development of security in the relationship and gradual intermeshing of business and customer knowledge

Creativity and customization — in terms of approach, management, the relationship and activities and materials; this includes sensitivity to each other's values and business, as well as a fusion, metaphorical or value linkage in the narrative and visual representations of the relationship or partnership and/or in the “mute” or mythical associations. The clarity, nature, prominence and form of the business identification are crucial to achieving desired outcomes. Most impact is achieved in a “less-is-more” approach — for example, naming rights are not highly significant. A fusion, metaphorical or value linkage between the business and the arts event, art form, or arts or cultural organization or area is an effective postmodern communication strategy, developing powerful synergies. Customization is a strong feature of levels 5 and 6 in my arts support framework and of emergent arts and culture and business relationships.

Customization echoes the individualization or personalization of the tailor-made, a trend in postmodern culture, with its emphasis on authenticity, sincerity and commitment. This strategic matching and intermeshing of arts/culture and business relationships and activities reflects the increasingly two-way, interactive, synergistic relationships that are emerging. Customization is a key factor for successful arts/culture and business relationships and partnerships in the 21st century.

The actual relationship or product — its nature, quality and “realness” — is increasingly important. Business audiences and markets, including consumers, are influenced less by image, branding and hype. They are drawn more to the individual approach, to the actual product or relationship. As the London-based forecasting company the Future Laboratory states: “We’re moving into a period where we’re more interested in things like knowledge, certainty, ethics and morals” (Demasi, 2003). The trend is for the real arts/culture and business relationship — what it does, how it is conducted, what it means, how it adds value and quality to the community — to have the most impact for business, in economic terms, in creative, innovative and staffing inputs, and for networking and influence. Thus optimal business outcomes may require very little traditional marketing, branding, advertising or promotion.

Transformations in the Field

The evolution of arts sponsorship in the past 10 to 15 years may be observed in the theoretical evolutions from traditional forms of sponsorship, as giving, through the rationalist and business-marketing approach of the late 1980s and early 1990s, to the more humanized, more interactive relationship of the 1990s systems approaches, through to the postmodern. This evolution has occurred concurrently in the different fields or disciplines that have “housed,” shared or claimed ownership of arts sponsorship, as illustrated in Figure 3. It is further detailed in Figure 4, which outlines features of the arts/culture and business relationship model and interaction.

The postmodern trend towards integration and synthesis is evident in the development of new cross-disciplinary fields of strategic arts and cultural relationships and partnerships and strategic arts and cultural management. From the fragmentation of arts sponsorship in the early 1990s within different disciplines such as marketing, philanthropy, public relations, advertising, anthropology, fine arts and arts management, a synthesis or consilience of diverse disciplines and fields of business is forming both a new discipline and a new field of endeavour for arts and culture business (cf. Wilson, 1999; Schutt, 2000).

We are seeing a growth in the theoretical base of this field of study and the nascence
of an eclectic body of knowledge on strategic arts and cultural management and relationships. This is evident in the increase in scientific research and doctorates in the field, the increased number of theoretical investigations and the expanded knowledge base (Salvemini, 2003; Evarard and Colbert, 2000).

This evolution in the field may be explored through two interconnected shifts:

- **Expansion within the field.** The range and focus within the field have expanded to include additional and broader areas, for example a growth in film and multimedia, popular culture and entertainment, arts festivals and arts festival components of non-arts events, precinct, city and regional cultural branding and tourism. This is a movement from “arts” to “arts and culture” or culture, along with a broadening of the concept and definitions of these terms and activities.

- **Consilience from without.** As borders and boundaries have become diffused with globalization, so too have discipline boundaries. Various disciplines have been incorporated or consilated into the field, including business disciplines and practices, and there has been a growth of discipline blends, for example cultural economics, cultural statistics, arts and cultural tourism, cultural marketing and branding. There is a shift in approach to a more strategic focus. Previously, arts management was dominated by arts organizations, institutions and arts forms; it was more operationally oriented and empirical and case study research predominated. Now we are seeing a movement from art form and organization study and management towards broader, integrated cultural and environmental management, and a growth in theoretical and conceptual research and analysis.

Complex, dynamic relationships are emerging. This development is outlined in the model of emergent consilience in the field depicted in Figure 5.

This concept of consilience is appropriated from Wilson (1999) and the physical sciences. It resonates with the notion of combining knowledge from diverse fields of inquiry to explain different phenomena. The emergent field of strategic arts and cultural management has been formed through the consilience or coming together of different disciplines, fields and practices, through their convergence or nexus.

My research and theoretical investigations have led to the finding that arts/culture and business relationships now operate as what I call dynamic complex adaptive relationship systems. Also drawing from the physical sciences and Chaos Theory, my research has identified comparable patterns in evolving arts/culture and business relationships, which are subject to external influences and randomness and display complex, interconnected, environmentally reactive and varied patterns. Arts/culture and business relationships at levels 5 and 6 of my model display the forward-moving, adaptive change responses of generative learning.
Figure 4  EVOLUTIONARY CHART: TRENDS IN ARTS/CULTURE AND BUSINESS RELATIONSHIPS

1. The Gift
- Giving
- Donations
- Patronage
Dominant model of interaction/communication: more one-way, dependent
Mode: random, subjective, more tacit

2. Rationalist
- Sales and persuasion
- Promotion
- Marketing
- Public relations
- Business management
Dominant model of interaction/communication: one-way or limited two-way
Mode: planned to achieve a sales/business profit objective; defined

3. Systems
- Strategic alliances, partnerships
- Communications management
- Strategic planning and strategic management
- Corporate contribution programs
- Relationship marketing
- Cause-related marketing
- Corporate image
- Corporate identity
Dominant model of interaction/communication: two-way, targeted
on several levels rather than just economic/profit
Mode: planned for corporate goals, including corporate image

4. Postmodern
- Globalization
- Relationship theories
- Corporate citizenship
- The Triple Bottom Line - long-term values, including economic, social/community and environmental
- Strategic planning and integration, including corporate goals and values and social and community objectives
- Postmodern theories
  - the social construction of reality
  - pluralism (growing consciousness of interrelatedness), social saturation, the legitimation crisis, multiplicity, associative representations, the new self-consciousness - emergence of a new postmodern self, and the postmodern sophisticated consumer, with a focus on authenticity and values, transparency and sincerity, congruence
Dominant model of interaction/communication: two-way, linked and matched
Mode: strategically planned, interactive, evolving

systems and function at an on-the-edge position of creative chaos. Arts/culture and business relationships and partnerships are thus ideally positioned for innovation that is so critical for 21st-century business success. They are relationally oriented and responsive to change, they foster innovation, and they will continue to transform and evolve – arts/culture and business relationships and partnerships are dynamic complex adaptive relationship systems.
Conclusion

Why is all this important? Arts and business have always been seen as “something different.” They have existed in a potentially on-the-edge position or *edgy* relationship. The arts contribute creative input and add community and social value, while business contributes money and sometimes management expertise to the arts. But now arts and culture are offering increasingly valued and valuable creative inputs and economic advantages to business, cities and regions, and we are seeing a growth in arts and cultural entrepreneurship.
If arts/culture and business relationships or partnerships are viewed as operating as dynamic complex relationship systems, as on-the-edge innovation systems, we see how they may function as a barometer for social and environmental shifts, and this is significant and useful for business and government in a rapidly changing world. For example, massive global changes emanating from 9/11 (2001) and the war on terror are of particular significance and need to be examined empirically. My research findings prior to 9/11 show postmodern changes leading to shifts in the parameters of arts and business sponsorship behaviour and relationships that suggest increased opportunities for radical multicultural, innovative and even marginalized arts organizations to gain business support – that is, postmodern changes tend to favour an expansion of plurality in arts and culture, not a diminution. However, effects on the global environment since 9/11, such as a climate of fear and uncertainty, and economic downturns, have permeated globally through postmodern national, regional and local boundaries. Current discourse and reports indicate that these occurrences have hijacked or fractured the progression along the previous path of postmodern global expansiveness and inclusion in the area of arts and cultural relationships and partnerships with business at present (Dow, 2003). They are affecting trust and security, integral components of relationship formation and maintenance. This is opposed to the postmodern movements towards inclusiveness and multiplicity. Whether this is an episodic reaction in the dynamics of the larger process of globalization, or a longer-term trend contrary to the postmodern, will be revealed in time and with further research. Meanwhile strategic culture and business relationships are positioned to rapidly respond and to reveal much about this change and the environment generally.

I will summarize by stating that arts “sponsorship” is outmoded. It has been transformed and will continue to develop. New forms of (arts and) cultural partnerships are taking shape and evolving in the interconnected postmodern world of the 21st century. The nature of this relationship and its sincerity and conduct is becoming increasingly important. As dynamic complex adaptive relationship systems and learning relationships or learning partnership systems, strategic (arts and) culture and business relationships and partnerships reflect and adapt to complex social, economic and environmental conditions. As on-the-edge innovation systems form and shape, their changes may be a useful barometer of societal and business trends, and may enable swift response to our rapidly changing environments (cf. O’Connor, 1998, p. 201: “the edge-of-chaos effect”). Our motivations and values are changing. Image, branding and hype have become less influential. There is a shift to more individualized or customized approaches. Knowledge, certainty and ethics are greater motivators, and the actual product or relationship is the key to success, not the selling and promotion of it.

The future offers great promise for arts and cultural organizations and communities. A nascent multidisciplinary field of strategic arts and cultural management has emerged from the consilience of eclectic disciplines and business practices. This field will continue to grow and develop with postmodern 21st-century changes and transformations, and will develop a stronger theoretical base. The evolution in the field has opened up new horizons for arts and cultural funding through mutually beneficial relationships and strategic partnerships between business and culture. Strategic arts and cultural relationships and partnerships offer business increasingly valuable benefits and opportunities. There has been a paradigm shift in the way business and culture interact, and this revolution is continuing. Two of the significant emergent trends are, firstly, a back-to-basics movement towards customization, with a focus on the product or relationship and an emphasis on sincerity, knowledge and ethics – this trend is also manifest in an emergent leading-edge type of strategic cultural partnership that is broad, integrated, multifaceted, values-aligned or embedded, and dynamic (McNicholas, 2004); and, secondly, a trend towards a growth in cultural entrepreneurship and arts/culture, business and government relationships, in particular major precinct, city and regional economic ventures. These are two directions or models for the future face of the growth in this burgeoning field.
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