

Seminar Cultural Organization and cultural entrepreneurship
Essay 3: Does the form of organization matter, or a variation on a theme of Klamer

In the last two weeks, we have been giving special attention to two analytical frameworks. The first one, by identifying three forms of capital, is an attempt to grasp non-economic values within an economic paradigm of capital as stocks and flows. These seeds of *meta-economics*¹ we discussed, as well as a framework of three ideal-typical social spheres².

Does it help us in understanding cultural organizations? We saw that the three forms of capital help in identifying the values at stake in the specific conventions and conversations of a given organization. We saw that the three spheres sustain three different forms of financing of organizations, and three different formal definitions of organizations. Now, can we combine the two frameworks in an attempt to sharpen the insights given? And what do these insights tell us about cultural organizations, that can be useful after all?

In the following table, I try to combine the two frameworks. I do not pretend to have found *the* satisfactory “items” in each case, but at least this gives me a starting-point to discuss the relevance of such a two-dimensional framework.

	Government sphere	Market sphere	Third sphere
Cultural values in terms of...	Public duty, nationalism	Competition, enterprise	Mission, vocation
Social values	Solidarity, citizenship, responsibility	Contract, individualism, interest	Trust, participation, care
Economic processes	Universal public budget	Market-price mechanism	Gift as voluntary arbitrary contribution
Decision making ideal-type	Political struggle and compromise ³	Informed gamble and price-taking	Commonly reached consensus

Table 1

The use of the three capitals as a way to understand processes at stake in organizations, help us perceive how the three formal structural spheres of social interaction matter to the organization.

An organization functioning within the government sphere⁴ will seek to foster the development of what economists call public goods: it will engage in processes and productions that hopefully will benefit society as a whole, or at least will satisfy a major

¹ <http://agecon.unl.edu/lynne/metaeconomics.htm> ... bears some connexion with our interest here. Thus the word meta-economics might be relevant indeed.

² Klamer and Zuidhof 1998...

³ Political compromise is far too often confused with consensus. I follow here political scientist Slobodan Milacic (who denounces consensus in the political realm of government as “soft totalitarianism”). Compromise is the outcome of the confrontation of opposed political ideas on the public stage of parliament. Consensus is the outcome of the total agreement of the whole, leaving no minorities and euphemizing opposition. If consensus is an appropriate ideal-type for a club (with a common good which is not a collective good), thus for the third sphere, it is in no way an appropriate ideal-type for a democratic sphere of government in which pluralism is to be preserved.

⁴ Personally, I would rather say *Public sphere* rather than *government sphere*: Government is only one element of the State, and the state is only one form of the Public sphere... Therefore, as a political scientist, I would say “government sphere” is far too narrow compared to what we’re really talking about here. But I’ll use *government sphere* in the essay to avoid a misunderstanding in our conversation.

proportion of society without pushing others into all-out rebellion. Such an organization will view itself as fulfilling a “public service”. (This notion of public service is very strong in France.) Therefore, such an organization will be financed by public funds and will be subject to public scrutiny via the political representation. Such an organization will have to fulfil the expectations of the public financing bodies.

An organization functioning within the market sphere will primarily be profit-seeking. Therefore, all the innovative processes (creativity in the case of cultural organizations) will merely be instrumental to the spirit of enterprise: overtaking other organizations by enlarging one’s market-share. The organization will look out for private goods that could satisfy specific customers. Such an organization will view itself as opportunistic. Therefore, such an organization will finance itself through the market and be sanctioned by the market. Such an organization will be under such a survival constraint.

An organization functioning within the third sphere will seek to foster the development of common goods, defined according to the original mission of the organization (Drucker). It will engage in processes and productions that hopefully will benefit society as a whole, or specific sections of society, or even humanity in general, or even a wider perspective (the ecosystems, Gaïa, God’s will, etc.)... but always according to the views shared within the organization, stemming from the vocation the organization believes it ought to fulfil. (There is here no need to put the mission under the cross-fires of collective political debate. See the footnote on consensus vs. compromise: an organization in the third sphere ought not to make compromises with its opponents.) Such an organization will view itself as missionary. Therefore, such an organization will financially depend on voluntary contributions sustaining no direct exchange as on the market, thus a form of the gift-economy. Such an organization will have to fulfil the expectations of its own members: donors, volunteers, paid staff and leaders (Drucker).

We claim that the organizational form matters for the organization: for its creative processes, for the objectives it tries to fulfil and the method it employs to fulfil them. Where does this lead to for the cultural organization? Before heading to the creative process, what about the normative objectives?

In the government sphere, the cultural organization will have to foster accessibility, equity and education. In the market sphere, the cultural organization will have to respect consumer sovereignty (with different outcomes in terms of aesthetic value: in deep-pocket markets aesthetic value would be given more chance than in mass-media markets⁵). In the third sphere, the cultural organization will have to foster proselyte pro-action. The arts being especially viewed as what economists call “merit goods” and “experience goods”, the third-sector organization is particularly fit for creating and fostering new tastes.

One remark before heading to the issue of the creative process: Of course there are interactions between the three spheres, as happens with all ideal-types. Economists will strive to prove that *Public Choice* is full of lobbies and market-considerations and that free rider behaviour is a serious issue for non-profit organizations (Netzer). Some political scientists will perceive issues of public interest and therefore political struggles within the market sphere (Crozier) and third sphere⁶. And Arjo Klamer will insist that third sphere values are necessary in market-organizations too, while others⁷ argue that monetary policy must take into

⁵ I’m referring of course to Abbing, *Why are artists poor?*

⁶ I have no author in mind right now, but I know that many students in political science in France are working on NGO’s right now (especially in research on *international relations*).

⁷ In France: Jean-Michel Servet, *Revue du MAUSS*, etc.

account the dimension of money as a gift (and that a gift-economy is always in the background of all transactions).

To assess the space given to creative processes within different organizational forms, while remaining in our two-dimensional framework, yet another framework can be discussed: that of Cameron and Quinn (the *quadrant*): If one combines it with the three spheres, what can one say (referring to the table of values)? The government sphere involves a major proportion of *Hierarchy Quadrant* (universal rules) and a minor proportion of *Clan Quadrant* (collective interest, public cohesion). The market sphere involves a major proportion of *Market Quadrant* (competition) and a minor proportion of *Adhocracy Quadrant* (enterprise). The case of the third sphere is more complex in terms of proportions: it involves a variable proportion of *Clan Quadrant* (cohesion in shared mission) and a variable proportion of *Adhocracy Quadrant* (open participation, open gift, unique proactive vision⁸).

Some organizational cultures give little space to creativity: the hierarchy quadrant because of its rigid control structure (chapter 1 of Davis and Scase); the market quadrant because of its attachment to the external influence of consumers and to productivity. Therefore, one could expect the government sphere and the market sphere to be less creativity-friendly.

What about the third sphere? According to Arjo Klamer, the *clan culture* is essential to creativity, because it provides an environment of intense and renewed interaction fostering conjunctive problem-solving. But making such a one-sided choice would be detrimental to creativity: the *adhocracy culture* allows an openness to both external inputs and inner inspiration that could be suppressed in an ideal-typical clan. Creativity thrives both on the cognitive fluidity of the individual *and* on the group-construction of reality⁹. More concretely, one can think of project-organizations (that do foster creativity). In such organizations, the participants join for an ad-hoc creative peak and then disband. Such fluidity in creative organizations can even become a system in which the individual's creative experience is fostered by participation in numerous projects (as with the French system of "intermittents du spectacle"). One could also think of participatory cultural processes at grass-root level and the need there to balance clan (subculture) with open ad-hoc interaction (in a cosmopolitan openness).

We should not choose between clan and adhocracy, we need both. Quoting Paul Hoggett¹⁰: "Underlying the creative practices [...] is a dense and extended mass of social networks. [...] a mass of over overlapping groups and individuals who have acted as catalysts, incubators and innovators. [...] Festival organisers weave a loose social fabric which contributors can embroider in different ways. [...] Even quite small festivals mobilize countless networks [...] The social forms that support grass roots cultural production demonstrate even less formality than the welfare associations. [...] The basic constituents are individual enthusiasts, networks and groups. Sometimes these groups are tightly bounded and exclusive [...] But more typically the groups are highly permeable, a shifting membership around a small core or, alternatively, a stable number of performers who may all belong to several other groups at the same time."

What we can expect therefore is that forms of organizations based on the third sphere will leave more space for creativity. They should however try to keep a balance between the

⁸ Such organizations can be very short-lived. They are also very numerous. This is often because they stem out of one vision and establish themselves in an undetermined temporary status. They can indeed be ad-hoc organizations of creativity.

⁹ For these two notions, see my previous essays.

¹⁰ In ed. Nystrom, *City and Culture*, 1999.

fossilization of clans into self-satisfied institutions, and the superficiality of ephemeral spectacles¹¹.

¹¹ Guy Debord, Jean Baudrillard, George Ritzer.