

# Philanthropy and the Creatives - a new dynamic yet to be shaped

**Carole Gürtler, 2023**

*A discussion on Cultural Policy*

**Zurich Centre for Creative Economies (ZCCE)**



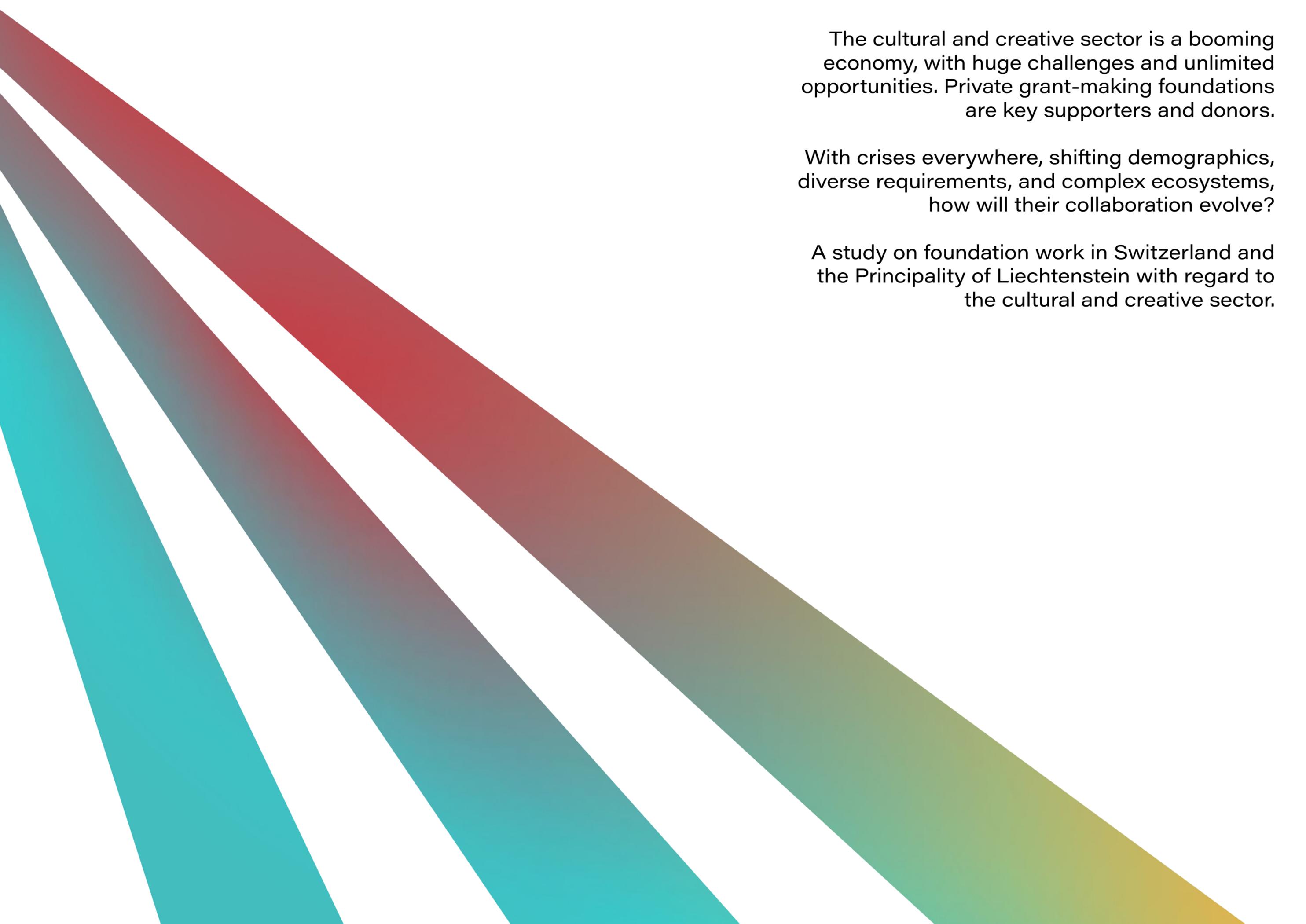
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The cultural and creative sector is a booming economy, with huge challenges and unlimited opportunities. Private grant-making foundations are key supporters and donors.

With crises everywhere, shifting demographics, diverse requirements, and complex ecosystems, how will their collaboration evolve?

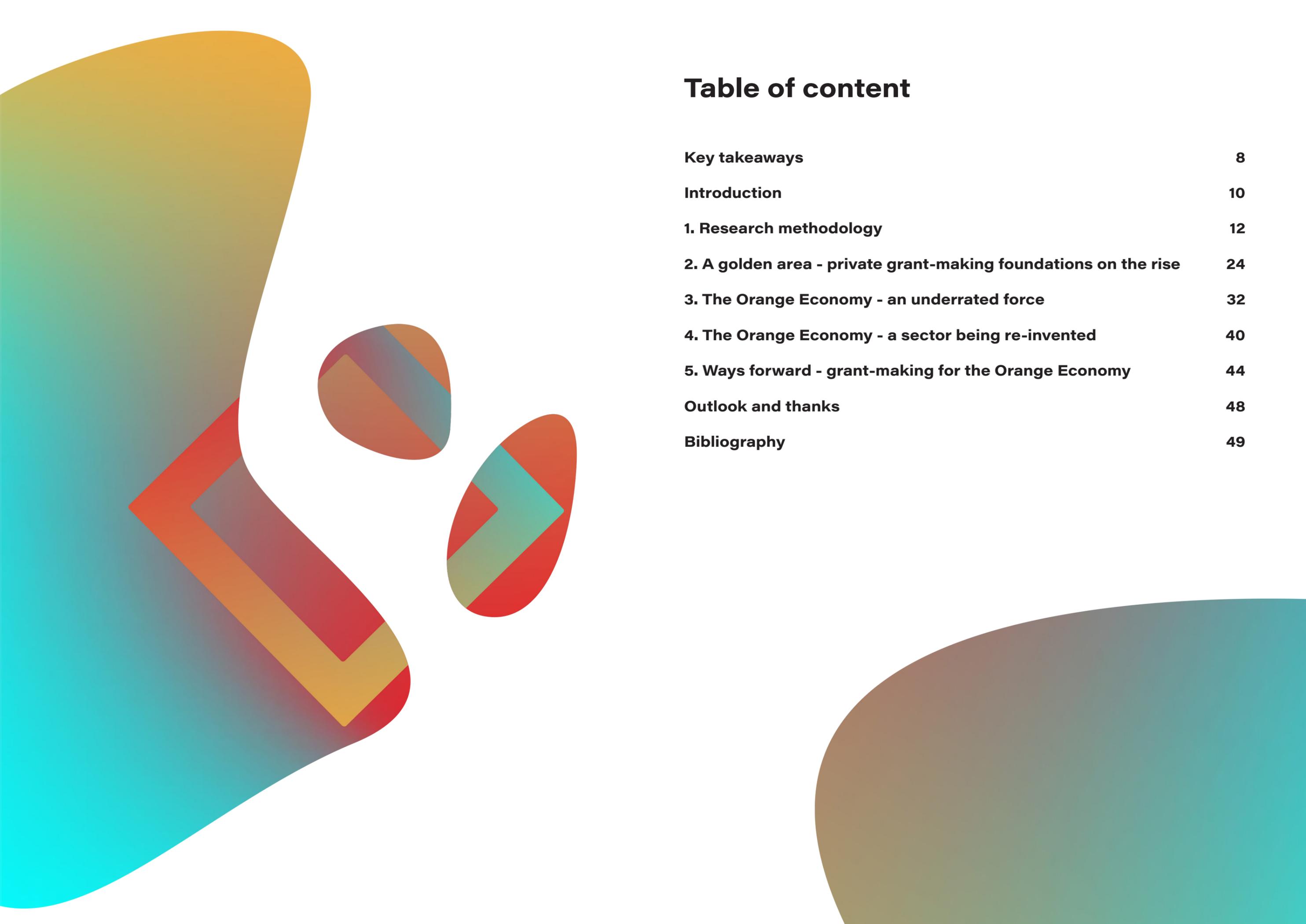
A study on foundation work in Switzerland and the Principality of Liechtenstein with regard to the cultural and creative sector.

Private foundations and the arts and culture have always been intertwined.

Both areas have undergone major developments in recent past. The foundation sector is increasingly being professionalized; arts and culture have broken out from their bubble into other fields of society and economy, creating thereby the so-called *Orange Economy*.

While overlaps and common interests are obvious, implementation differs. Realities on the ground are overtaking funding strategies, leaving foundations lost in translation and Creatives looking for alternatives.





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# Key takeaways

Contributing to the research work in the field of creative economies of the Zurich Centre for Creative Economies, this study discusses how private grant-making foundations engage with the actors of the cultural and creative sector. The key takeaways are:

- ⚡ Private grant-making foundations are a major partner and source of income for people working in the cultural and creative sector or with creativity.
- ⚡ The cultural and creative sector is one of the fastest growing and most promising economies around the globe, despite the setback caused by the covid pandemic. It is essential for sustainable development.
- ⚡ The cultural and creative sector is under major transformation. Conventional classifications, categorizations and standards are losing their validity. New working and business models are being developed independently of territorial or physical limitations. Existing relationships and power dynamics are being questioned.
- ⚡ The transformation in the cultural and creative sector is dominated by young people. They are working on a new ecosystem that better reflects the role of creativity in society, economy, environment, and politics.
- ⚡ The cultural and creative sector is still not recognized for its full potential. As such, the sector does not receive the support it should get considering its immense impact on societies.
- ⚡ Private grant-making foundations are the perfect bodies to fuel the discourse and try out new approaches to reinforce and empower the cultural and creative sector. They have, however, not yet sufficiently taken up the topic on how to address the sector's transformation and its complex ecosystem.
- ⚡ Foundations focusing on arts and culture usually prefer a few standard sub-sectors (such as performing arts, music, film, visual arts). Other sub-sectors (e.g., crafts, cultural heritage, media, digitization, or design) are also supported, but their support stems mainly from foundations aiming for economic and/or international development and they are rarely recognized as being a part of and a contributor to the cultural and creative sector. Finally, certain sub-sectors and occupations within the sector (e.g., translation, technical services, marketing) are taken for granted and seldom considered support-worthy.

⚡ Current grant-making practices and modalities are often not suitable for people working in the cultural and creative sector as they do not sufficiently take into consideration the many changes the sector is undergoing and the many inventions the sector is experiencing.

⚡ The reasons for such a hesitant approach are manifold: inconsistency in defining the cultural and creative sector; contradictory concepts - with foundations rather change-resistant by nature versus a sector in constant motion; lack of data and information about the sector; weak lobby work by people working in and for the sector; rigid patterns of charity and partnership.

⚡ The lack of recognition and acknowledgment of the whole ecosystem by foundations is not helpful for the development of the cultural and creative sector. It misses out on strengthening its overall sustainability and impact, and it overlooks the sector's potential. Furthermore, it makes it difficult to assess the foundations' investment in and engagement towards the sector and to draw any conclusions.

⚡ Recommendations to empower the interaction between foundations as donors and people working in the cultural and creative sector as grantees include: acknowledgment of the sector's ecosystem; promotion of participation and decision-making power of young people in foundations' work; enabling inclusion and networking across other sectors and disciplines; simplification of accessibility and communication between donors and grantees; adaptation of eligibility criteria for grantees and of grant-making practices; investment in knowledge creation and dissemination; considering of new finance models; investment in competence building and skills development; offering fair remuneration; rethinking the partnership model.

# Introduction

The covid pandemic has put arts and culture in our focus again. Individuals, collectives, big institutions or smaller organizations and enterprises working in the cultural and creative sector across the globe were heavily impacted as most of their core activities were literally put on hold, interrupting a seemingly well-functioning process of creation, production, distribution, and consumption. Ad-hoc support was strong and fast, often also thanks to private foundations creating specific emergency funds accompanied by simpler accessibility and administration, as well as generous financing. Also, alternatives to creating and sharing products and services were widely invented and tried out. Despite all that, once again it became clear that the sector lacks accessible, sustainable, and comprehensive support mechanisms. Much has been discussed and written about this.<sup>1</sup>

Now, with the pandemic over and in the face of a volatile future, ideas and plans to engage differently with the cultural and creative sector risk ebbing away. The large number of hazards we are nowadays dealing with on an individual, societal, and global level force us to prioritize and seem to limit our will to start something new and bear risks. Exposed to a whole range of crises – from climate change, fragile democracies, political polarization to growing inequalities, demographic shifts, digital disruption and a growing burden of mental disorders – and unsure which scenario to follow, we tend to restrict access, limit resources and investments, to retreat and look back instead of opening up and easing up, trying out, testing, accelerating, pushing forward, and extending commitment, thus, rather increasing inequalities of opportunities than widening support.

<sup>1</sup> E.g.: Fondation Lombard Odier in Kooperation mit CEPS: Kulturförderung in der Schweiz zu Pandemiezeiten - Erfahrungen und Schlussfolgerungen. Fondation Lombard Odier, 2022

## Are foundations ready?

The cultural and creative sector is under transformation, requiring different ways of interaction. The pandemic has made the needs more obvious; the change, however, has been under way for some time now. Private grant-making foundations are major partners and a relevant source of inspiration, support, and income for people working in the cultural and creative sector. This is particularly the case in countries where public or private support is minimal, restricted, or non-existent, nor audiences and clients able to pay for services and products. Foundations are called upon to act. Are they ready? Does the partnership provide what we want to see?

Contributing to the research work in the field of creative economies of the Zurich Centre for Creative Economies, we want to learn how private foundations with an interest in the topic reflect the latest developments of the sector in their work. The study puts up for discussion a variety of observations and reflections about ongoing developments and future trends in the cultural and creative sector, and how these may affect the interaction between private foundations and people working with creativity. In the foreground of the research are thus less thematic areas in which foundations may invest but rather ideas as to how they could engage to redefine the relationship between donors and grantees for the sector's benefit.

## Various inputs and experiences

The text is divided into 5 chapters – background information about research methodology, a few remarks about the foundation sector in the region, reflections on the creative and cultural sector in general, ideas on changing perspectives and, finally, a few concrete traits on how foundations can boost collaboration with and support for the creative and cultural sector. Interviews with international experts and short notes about inspiring

projects have been added to spice up the line of thoughts with concrete examples of action.

Above all, the text is a snapshot of experiences and inputs by people active on one or the other side of the spectrum – donors and grantees in the cultural and creative sector. It is a brain teaser about ways forward for foundations and the **Orange Economy**.

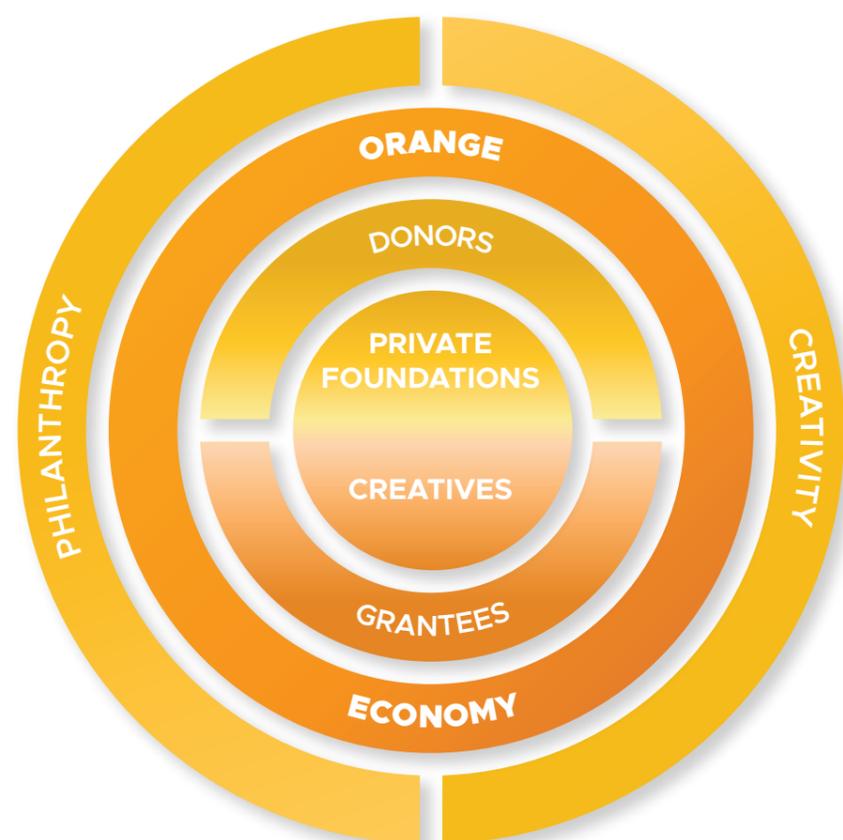
# 1. Research methodology

How should one approach a topic so vast as philanthropy and creativity? What defines their relation? What should one focus on? Philanthropy is in and of itself a diverse field, with very different concepts of charity and a touch of exclusivity. Similarly, creativity - one of today's preferred buzzwords - can be found everywhere but is challenging to grasp. Both areas have in common that they are of huge importance for our world and have gained a maximum of attentiveness, with positive and negative consequences<sup>2</sup>. A need for more clarification

about terminology and interpretation is therefore obvious, as well as a wish for further narrowing down the area of research.

We decided to look at a specific point of intersection between philanthropy and creativity that concentrates on the dynamics and interactions between a certain type of donors and grantees within the cultural and creative sector: private grant-making foundations and people working in the Orange Economy.

Figure 1: Intersection of the three main elements on which the study is based



- <sup>2</sup> E.g.:
- <https://givingpledge.org>
  - <https://ceps.unibas.ch/en/>
  - <https://www.unige.ch/philanthropie/en>
  - <https://www.economiesuisse.ch/de/schwerpunkte/corporate-social-responsibility>
  - Paul Valley: Philanthropy from Aristotle to Zuckerberg. Bloomsbury, 2020

Within the vast field of philanthropy, we choose to focus on **private grant-making foundations**, understanding hereby the foundation as an independent legal entity that has been set up for a charitable purpose, manages a dedicated fund and is governed by a board.<sup>3</sup>

After having determined our focus on private grant-making foundations, we added another limitation: to approach only foundations with a mission linked to arts and culture, preferably to the cultural and creative economy. Their websites as well as other publicly available information material were searched for terms specifically describing, or somehow referring to, the cultural and creative economy, and not just to arts and culture in general. Hardly any could be found. A fact that was later confirmed by all representatives of foundations or research institutes that were interviewed for this study. Nevertheless, a finding that surprised.

Consequently, considering the important role the cultural and creative sector plays in the global economy and international development work<sup>4</sup>, the selection of foundations was extended to foundations working on these particular topics. Do they eventually recognize the role of the cultural and creative sector as a driver of sustainable development and the global economy, making it explicitly part of their funding strategies?

Furthermore, a time and geographical criterion was decisive for data collection. All oral interviews and written questionnaires were conducted during

- <sup>3</sup> E.g.:
- <https://www.swissfoundations.ch/stiftungssektor/stiftungsglossar/>
  - <https://www.kmu.admin.ch/kmu/en/home/concrete-know-how/setting-up-sme/starting-business/choosing-legal-structure/foundations.html>
- <sup>4</sup> E.g.:
- François Matarasso: Reflection Papers on Culture and Development. Federal Department of Foreign Affairs FDFA. Swiss Agency for Development and Cooperation SDC, 2020
  - UNESCO: Re Shaping Policies for Creativity. Addressing culture as a global public good. Unesco, 2022
  - UNESCO: Culture for the 2030 Agenda. Unesco, 2018

the summer of 2022 and early 2023 with representatives of private foundations registered in Switzerland and the Principality of Liechtenstein. Both countries have foundation sectors of impressive size and high professionalism; additionally, the two foundation sectors are closely interlinked which makes the combination of both countries for this study obvious.<sup>5</sup> Finally, both countries are proud of their flourishing cultural and creative sectors.<sup>6</sup>

## The challenge of definitions

As a next step, to describe the cultural and creative sector, we chose to refer to it in the text as the **Orange Economy** and to rely on its interpretation as described by Letizia Gasca & Alejandra Luzardo in their publication „Launching an Orange Future“<sup>7</sup>. It speaks of the sector as an ecosystem of various kinds of artistic, creative, and cultural goods and services, activities obviously linked to the sector, as well as other forms of creative and cultural expression, participation and employment that are being newly discovered. As such, it is an overarching expression describing the diversity

<sup>5</sup> <https://www.swissfoundations.ch> and [www.vlgst.li](http://www.vlgst.li)

<sup>6</sup> E.g.:

- Die Kulturwirtschaft in der Schweiz. Kulturbetriebe und Kulturschaffende. Bundesamt für Statistik. <https://www.bfs.admin.ch/news/de/2020-0458>
- Peter Staub, Ruth Jochum Gasser, Vera Kaps, Celina Martinez: Erster Kreativwirtschaftsbericht Fürstentum Liechtenstein. Institut Architektur und Raumentwicklung, Institut für Entrepreneurship. Universität Liechtenstein, 2014
- Creative Economy Employment Switzerland 2010Q1-2022Q3: <https://creativeeconomies.com/creative-economy-switzerland-2010q1-2022q3/>
- Jobradar for Creative Occupations Switzerland 2012Q1-2022Q3: <https://creativeeconomies.com/jobradar-for-creative-occupations-switzerland-2012q1-2022q3/>

<sup>7</sup> Letizia Gasca & Alejandra Luzardo: Launching an Orange Future. Inter-American Development Bank, 2018  
The term „Orange Economy“ has been introduced by Felipe Buitrago Restrepo & Ivan Duque Marquez in „The Orange Economy - an Infinite Opportunity“. Inter-American Development Bank, 2013

and specifics of the cultural and creative sector as it presents itself today and mirrors best the context of this study.

It is understood that the interpretation of the sector poses a challenge as there is no universally accepted definition. "Kreativität und Innovation sind als zentrale gesellschaftliche und wirtschaftliche Ressourcen und Zukunftsfelder anerkannt, aber was ist eigentlich genau damit gemeint, jenseits pauschaler Bekenntnisse und Behauptungen?"<sup>8</sup>, ask Simon Grand and Christoph Weckerle in their paper: *What if? – Die Creative Economies als zentrales Forschungsfeld der Zukunft*<sup>9</sup>. «Entsprechend drehen sich viele Diskussionen im Kreis. Bei näherer Betrachtung wird deutlich, dass hier unterschiedlichste Sichtweisen und teilweise gegenläufige Narrative durcheinandergehen: Sogenannte Kreative werden als wirtschaftliche Ressource oder als Künstler und somit auch als gesellschaftskritische Instanz verstanden; Wertschöpfung differenziert sich zwar zwischen ökonomischer und nicht-ökonomischer – kaum jemand weiss jedoch, was damit gemeint ist. Eine Heterogenität von Themen, Akteuren, Prozessen und Kontexten charakterisiert das Feld; lokale Agenden stehen in Konkurrenz mit globalen Dimensionen; die Ränder der Creative Industries sind unscharf und überschneiden sich permanent mit anderen Feldern wie Technologie, Wissenschaft, Politik.»<sup>10</sup> Hence, different definitions under various terminologies exist<sup>11</sup>; their interpretation depends on how narrow or broad the understanding of the sector is, and for what purpose it is needed. We observe an increasing complexity, fragmentation, and contextualisation. Nevertheless, all interpretations have in common that they have evolved from a rather isolated and quite exclusive view on arts and culture to a much broader appreciation of the sector, integrating a wide range of social and economic aspects based on creativity.

<sup>8</sup> „Creativity and innovation are recognized as key social and economic resources and fields of the future, but what does it actually mean, beyond sweeping generalizations and claims?“ (Translated into English by the author)

<sup>9</sup> Simon Grand & Christoph Weckerle: *What if? – Die Creative Economies als zentrales Forschungsfeld der Zukunft*. Zurich Centre for Creative Economies, 2017, quotes on p. 168 and p. 169

The lack of a universally accepted definition makes, however, data collection and comparative analyses imprecise and a discussion about the topic experimental. Even more the reason, however, to reflect and talk about it.

Finally, a third element was integrated in the research approach: the people working in the sector and with creativity, the Creatives as they shall be addressed in this context. In accordance with the interpretation of the Orange Economy, we consider three groups of people relevant to this study: (1) specialists - people with creative occupations working in the cultural and creative sector, (2) embedded creatives - people with creative occupations working in any sector other than the Orange Economy<sup>12</sup>, and (3) support workers - "non-creative" workers who are active in the Orange Economy, but do not consider themselves to be artists, designers or related workers.

With this framework in mind, we started to talk content and to approach foundations, experts, donors, grantees, Creatives – people defining the Orange Economy.

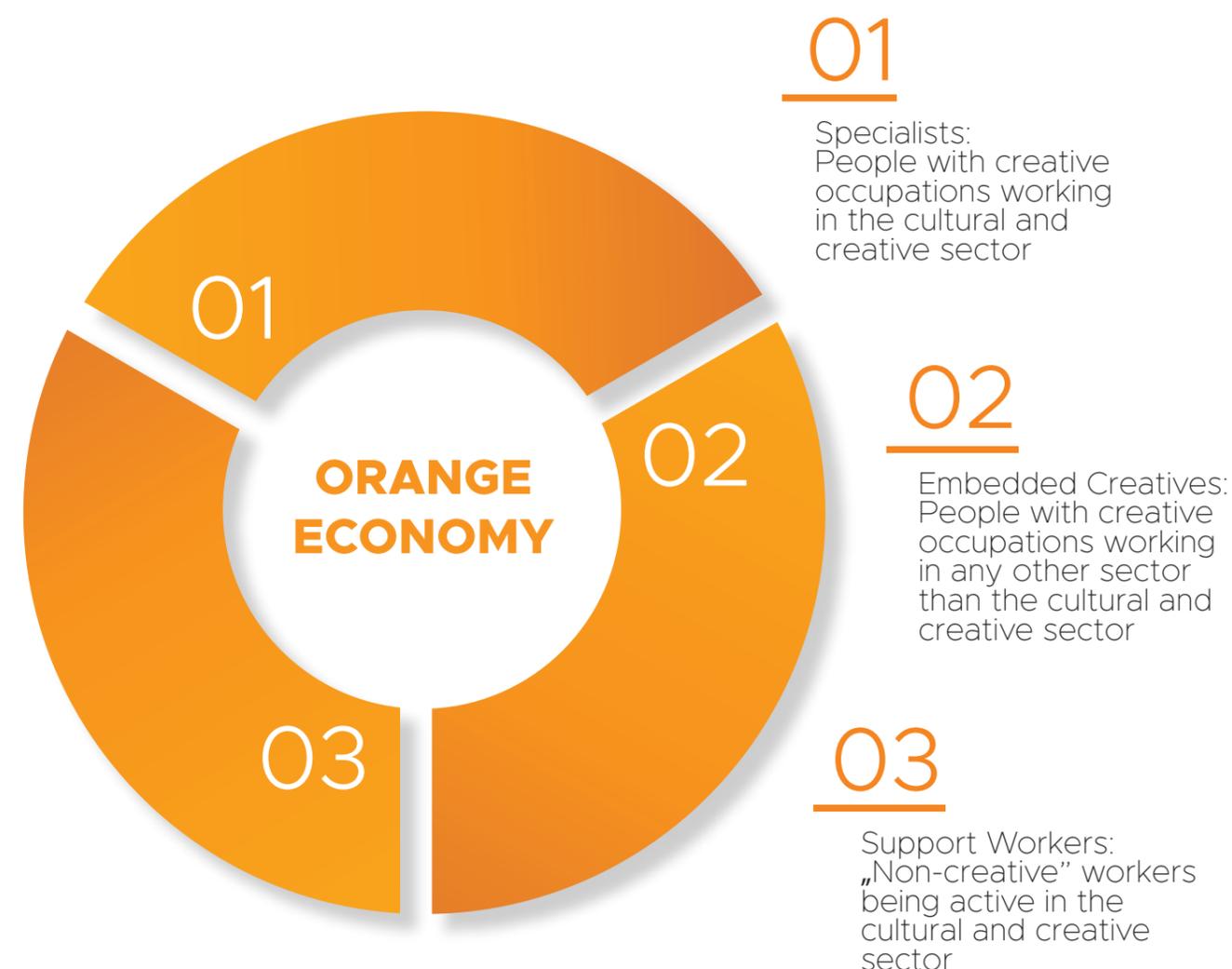
<sup>10</sup> „Accordingly, many discussions go around in circles. Closer inspection shows that a wide variety of perspectives and sometimes conflicting narratives are mixed up: so-called creative people are understood as an economic resource or as artists and thus as a socially critical authority; value creation is differentiated between economic and non-economic - however, hardly anyone knows what this means. The field is characterized by a heterogeneity of topics, actors, processes and contexts; local agendas compete with global dimensions; the peripheries of the creative industries are blurred and constantly overlap with other fields such as technology, science, politics.“ (Translated into English by the author)

<sup>11</sup> E.g.:

- <https://en.unesco.org/creativity/convention>
- UNCTAD: *Creative Economy Outlook 2022*. UNCTAD, 2022
- OECD: *The Culture Fix: Creative People, Places and Industries, Local Economic and Employment Development*. OECD Publishing, 2022
- <https://creativeeconomies.com>
- <https://www.wipo.int/portal/en/index.html>

<sup>12</sup> OECD: *The Culture Fix: Creative People, Places and Industries, Local Economic and Employment Development*. OECD Publishing, 2022, p. 16: "On average, about 40% of cultural and creative employment can be found outside of cultural and creative sectors, i.e. the "embedded" cultural and creative professionals working across the economy."

Figure 2: The Creatives - three groups of people relevant to this study



## Sources and inputs

As a start, a set of specific questions around arts and culture and current developments in the sector was formulated, and the context studied. How do grant-making foundations perceive the Orange Economy? How do they adapt their support and grant-making mechanisms to the latest developments? What is the dynamic between donors and grantees in the sector? To gather information from and feedback by foundations, two methodologies were considered appropriate and thus implemented:

⚡ an online survey was created and sent out to foundations in Switzerland and the Principality of Liechtenstein whose contact details could be determined and fit the selection criteria;

⚡ in-person interviews took place with representatives of foundations, bilaterally or as part of a focus group discussion.

In total, 25 representatives of foundations contributed actively, commented, and provided data. The herewith presented conclusions do not necessarily reflect their views but were enriched and guided by these inputs. Desk research and a range of exchanges with selected experts and actors of the Orange Economy in the region and internationally completed the findings; parts of these conversations can be found in the text. The inclusion of an international view was considered essential as many of these foundations fund projects outside of Switzerland or the Principality of Liechtenstein and have a major influence in shaping local contexts of the Orange Economy.

Furthermore, a few outstanding projects are presented to show how the Orange Economy is supported by foundations in Switzerland and the Principality of Liechtenstein. The selection is random; more examples could be mentioned. Each

of the presented projects, however, illustrates one or more recommendations of this study and has therefore been highlighted.

Let us close this chapter with the remark that the gathering of information was an interesting exercise in and of itself. Not every foundation considered relevant characterizes its funding priorities and practices in the same way; some of them could not be contacted while others did not feel obliged to reply in this context. Insofar, the final selection of interviewees and the statements received were ultimately defined by accessibility to information and readiness to share those. This may make the formulation of findings, conclusions, and recommendations even more daring, but it reflects very much the general perception of the Orange Economy among private foundations, and the challenges in addressing it. And, above all, it shows the immense efforts Creatives must undertake to access the world of foundations, be accepted as an eligible grantee, and get the support they need.



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**ANOTHER VOICE**  
...with

**Anupama Sekhar**  
Member, Panel of Experts, International Fund for Cultural Diversity, UNESCO  
Chennai, India / Dubai, UAE

**You are one of the co-authors of UNESCO's latest global report about culture<sup>1</sup> – what major changes is the sector undergoing?**

A major challenge is the division within the sector: on one hand, you have the traditional non-profit organisations, on the other hand a growing number of cultural and creative enterprises that keep their eye on profit-making. These are two completely different approaches that need different strategies of support. Foundations do often not understand the differences and apply the same regulations and processes although this does not work. We do also see a lack of communication within the sector. The two sides do not talk to each other. We

need more opportunities for interaction and communication. Foundations could take on this role; instead of only being a funding body, they could be a catalyst which brings the sector together.

**Let us focus on the two aspects you mentioned: knowledge creation and the controversy between non-profit-organizations and profit-making enterprises. Speaking of the latter, can the sector be sustainable and independent without encouragement to generate decent income?**

That's an ongoing debate. Culture should be considered as a public good, financed by governments. However, we see that being fully financed by public funds is not realistic. We need therefore to educate the audience to understand that they must pay for arts and culture as they do for other services. It is, however, equally important to acknowledge arts and culture as a public good in the sense of everyone having the right to express themselves through and to access arts and cul-

ture. Such a step will give the sector more appreciation and combat its current undervaluation.

**Lack of data, information, knowhow about the sector, how it functions, how it shall be defined is probably also one reason why it is so difficult to address the sector's needs?**

Absolutely. I see here actually a very important role for foundations. Enabling transversal, inter-sectoral exchange, communication among diverse stakeholders, across sectors and within the sector itself, provide funds and train local actors to collect data and build-up intelligence.

**You address another weakness in the sector: Funds for activities and specialists that are not linked to excellency, artists, or curators.**

Correct. The support for artists and curators is well understood and gets the maximum spotlight. At the same time, we see very little support that caters to the needs of technicians, arts managers, etc. There is a clear hierarchy within the sector that is being reflected in funding priorities of foundations. Change is urgently needed in this regard.

**What can Creatives do to confront these gaps and change the way foundations work?**

Regular exchange! We are lacking direct communication. It is not sufficient to do a survey from time to time or get inputs for a strategy development every three to four years. We should have more and regular possibilities for conversations between grant-making foundations and potential grantees. I remember an event in Malaysia where I was involved in organising a get-together between charitable foundations in the country and Creatives. Everyone could come, ask questions, and engage in an open conversation without the fear of being discriminated in future grant-making. It was an eye-opener for both sides! Creatives have the responsibility to speak to power, but they are not used to doing it.

**Please elaborate.**

The cultural and creative sector is particularly

sensitive when it comes to biases. History shows, high culture has long been linked to patrons. Despite the democratization of the sector, power dynamics between funders and creatives are still evident. Rich foundations in the Global North define funding strategies, impose processes and regulations, and make the decisions regarding who gets which fund and who doesn't. In certain countries in the Global South, due to lack of public support and local philanthropic culture as well as the inability of audiences to pay for ticketed arts events, funds by private foundations are so relevant that the situation on the ground changes with a foundation's mission. Often, a new CEO comes along every three to four years and changes the funding priorities and modalities. The local actors have no say in it but are hugely impacted by these decisions.

**Any practical ideas on how to tackle this controversy?**

I remember an event where an independent ethics adviser was present, observing what we did and then reflecting on it at the end of the conference. That was a great way to confront us with unconscious biases and help us to adjust our way of thinking and our strategies. This could be a model for grant-making foundations: having ethical advisers in their teams. Another way would certainly be more exchange and communication. I am repeating myself, but I am convinced it is essential: there must be more safe spaces for exchange between different stakeholders – actors, private foundations, governments, private sector.

<sup>1</sup> Unesco: Re | Shaping Policies for Creativity, 2022

# TAKE A CLOSER LOOK



## Music for Social Change

Iberacademy provides academic music education and career opportunities for the sector of Music for Social Change along three complementary lines of action: providing academic music education to particularly talented young people, teaching students international standards in music through master classes and guest performances, and developing concepts for the creation of new professional opportunities where graduates have the chance to make a living based on their skills and education while contributing to the development of socially disadvantaged young people through music. <https://iberacademy.org>

- #competencebuilding
- #specialists
- #ecosystems
- #businessknowhow
- #networking
- #careerguidance

## Smart Agri-Cultures for Sustainable Futures

The initiative brings together creators, architects, entrepreneurs, scientists, technologists, artists, and academics who are interested in the role of technology and art through the lens of initiatives and policies that aim to bridge agriculture with economic and social well-being. The conference facilitates interdisciplinary and cross-sectorial networking and collaboration and encompasses creative problem-solving by unfolding different positions in the digital transformation of agriculture.

<https://www.onassis.org/open-calls/open-call-smart-agri-cultures-for-sustainable-futures-forum>

- #transdisciplinary
- #cross-sectorial
- #knowledgecreation
- #supportworkers
- #specialists
- #embeddedcreatives
- #ecosystems
- #networking

## RESO - Dance Network Switzerland

RESO promotes the exchange and cooperation between programmers, presenters and dance professionals throughout Switzerland. It develops and implements measures and events to improve the quality and dissemination of dance; it tackles topics such as the impact of new technologies on dance, audience development, innovative models for collaboration, or gives guidance how to establish its own dance compagnie. Additionally, background information and studies about the sector as well as useful work tools and materials are being shared. <https://www.reso.ch>

- #cross-sectorial
- #knowledgecreation
- #competencebuilding
- #supportworkers
- #specialists
- #ecosystems
- #businessknowhow
- #networking
- #careerguidance



Mike van Graan  
Independent Consultant at Article 27 Arts and Culture Consultants, former UNESCO 2005 Convention Technical Facility Expert  
Cape Town, South Africa

**The philanthropy sector as well as the Orange Economy underwent major developments during the past years. How's the dynamic?**

While 'the arts sector' (a term I prefer to the Orange/Creative/Cultural Economy) experiments with, genuflects to, asserts 'the market' and the viability of the arts within the market (and therefore to be taken more seriously for investment purposes), philanthropy generally – even though it may express itself differently in different conditions – tends to support 'the public good' i.e. that which is considered to be in the broader public's interests, and which may not be supported by, nor survive within 'the market'.

Crudely put, an Orange Economy approach is at

best about sustainability of the arts by appropriating market-based principles and strategies (but is inherently geared towards profit-making/wealth generation), while philanthropy tends to support the non-profit sector, and tends – historically – to shy away from projects/activities that have to do with shareholder value in financial terms. At best/worst, philanthropy may support social cultural entrepreneurship, i.e. the non-profit appropriation of cultural/artistic means using business principles to realise a socially-good end (with any financial profits ploughed back into the social dimensions of the project).

**Why is the Orange Economy so difficult to address?**

Perhaps it is because the starting point is 'the economy' which requires definitions, interpretations and terminology that are informed by, and oriented towards market-driven activities in which the arts feature as 'core components'? This is the

reason for my preference for 'the arts sector' as this could/would include the non-profit and for-profit activities as well as the 'mixed economy' activities under this umbrella.

**Which specific needs does the Orange Economy have when it comes to support?**

In my 'Global South' experience, the primary needs within the creative industries on the 'supply side' (creation, production and distribution of creative goods) are access to capital, basic business acumen/entrepreneurship skills and experience, marketing skills. On the 'demand side', there is simply a lack of disposable income among most of the population to sustain creative industries. Hence the proliferation of piracy – it is not that there is not a market, but the market wants to access goods at more affordable prices, e.g. the products of Nollywood cinema. The emphasis on creative industries in African contexts where most people make their living in the informal sector, where there are few countries (outside of North Africa, and Nigeria and South Africa to some extent) to sustain creative industries, is acontextual. But even in these cases, if the primary way of supporting the arts is through the market then it will remain elitist, excluding the majority from their fundamental right to 'participate in the cultural life of the community and to enjoy the arts.'

**Thinking of today's requirements, are current grant-making practices sufficiently addressing the needs of the Orange Economy?**

'Today's requirements' within the Global South, and Africa in particular, are articulated through the Sustainable Development Goals (SDGs). Some influential institutions have promoted/are promoting the idea that economic (GDP) growth will help to realise the SDGs in many countries, and that therefore, the creative economy needs to be supported so that they can contribute to GDP growth and thus contribute to human and social development and the realization of the SDGs. The problem is that in Africa, economic growth has not neces-

sarily been a problem. Some of the countries with the highest GDP growth have not had their social/human development indicators move substantially at all with many remaining in the bottom categories of the Human Development Index. Both the arts/cultural sector and philanthropy need to better understand the relationship of culture (in its broad and narrow senses) to sustainable development.

**In view of growing wealth inequalities, where do you see the role of foundations from the Global North when it comes to their work in the Global South?**

The role of Global North foundations needs to take account of Global South conditions and actors rather than have their roles determined primarily by Global North conditions, interests, changing circumstances and box-ticking formulae. There needs to be a fundamental shift in orientation, perspective and leadership, lest foundations – even in the belief that they are doing good – actually reinforce and perpetuate wealth inequality, and with that, growing tensions in the Global South and between the Global South and Global North.



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## 2. A golden area - private grant-making foundations on the rise

For decades, foundations have been the backbone of arts and culture. Without their support, fewer art and cultural institutions would exist, many works of art would not have been created, nor would as many people have had the opportunity to express themselves through the arts or to access and enjoy it. Foundations have done an exemplary job in contributing to the evolvment and flourishing of arts and culture.

### Data about foundations in CH & FL

Switzerland and the Principality of Liechtenstein are internationally at the forefront when it comes to foundations per capita. "With over 13 000 charitable foundations and total assets of almost CHF 100 billion, Switzerland is one of the world's most important centres of philanthropy. The country has six times more foundations per capita than the US or Germany." (Source: Foundations – a good deal for society. An empirical study of the economic costs and benefits of charitable grant-making foundations in Switzerland. PWC, SwissFoundations, 2019)

According to the latest data, 337 new foundations were established in 2022 (365 in 2021), resulting in a total of 13'790 registered foundations in Switzerland in 2022, up from 13'667 in 2021. (Source: Der Schweizer Stiftungsreport 2022 & 2023 / CEPS Datenbank)

The Principality of Liechtenstein counts 1759 registered foundations in 2022, with 65 newly established foundations. (Source <https://www.stifa.li/zahlen-fakten/>)

A downturn is not in sight. New foundations are constantly created, philanthropy is trendy among individuals and corporates, and a strong interest in arts and culture is widely recognized: more than a fifth of all Swiss foundations focus on culture and leisure, making this topic one of the most funded areas of all those listed in the Schweizer Stiftungsreport.<sup>13</sup>

However, despite the fact that support for arts and culture is still considered a priority of many foundations, the overall interest in the topic seems to be slowly diminishing. Of newly created foundations, a slight decrease in commitment to the topic can be noticed. Der Schweizer Stiftungsreport 2022 states that during the last 10 years less than 20% of the newly established foundations made arts and culture their focus, in comparison with 22.4% when looking at all foundations. While the diversity of areas receiving support from foundations is growing, there is a shift in priorities towards social services, education, research, health, and environment to the detriment of arts and culture.<sup>14</sup>

<sup>13</sup> Der Schweizer Stiftungsreport 2022 / CEPS Datenbank, p. 10

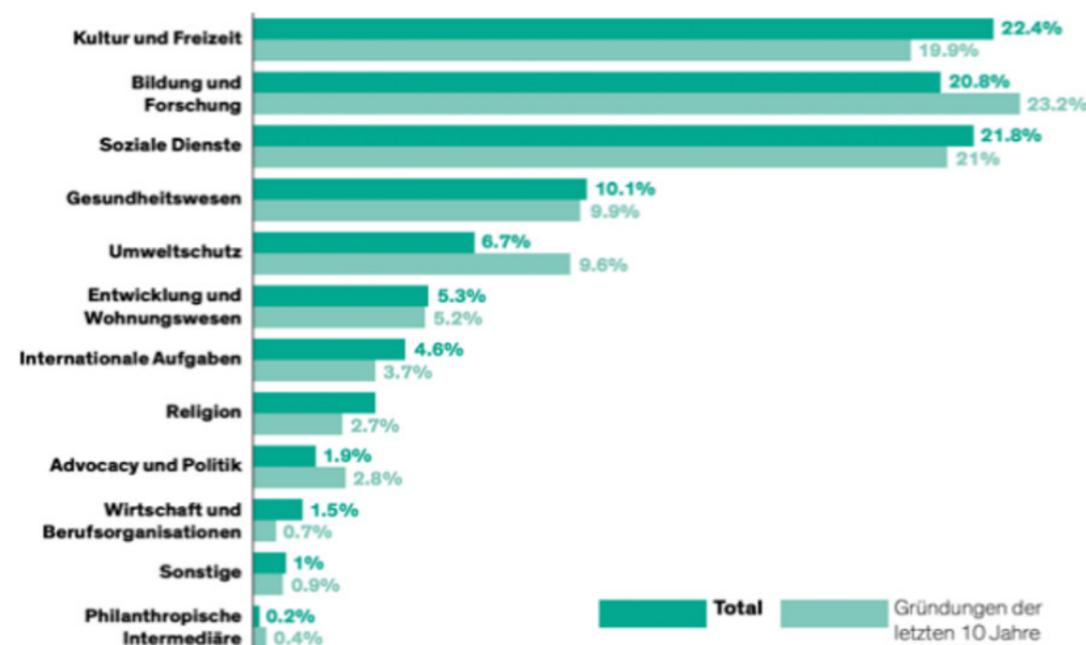
<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> <https://www.vlgst.li>

Figure 3 and 4: The figures show the main areas of support of foundations in Switzerland (figure 3<sup>15</sup>) and the Principality of Liechtenstein (figure 4<sup>16</sup>). Not only do they show the preferred purposes of foundations, but also how categories are defined.

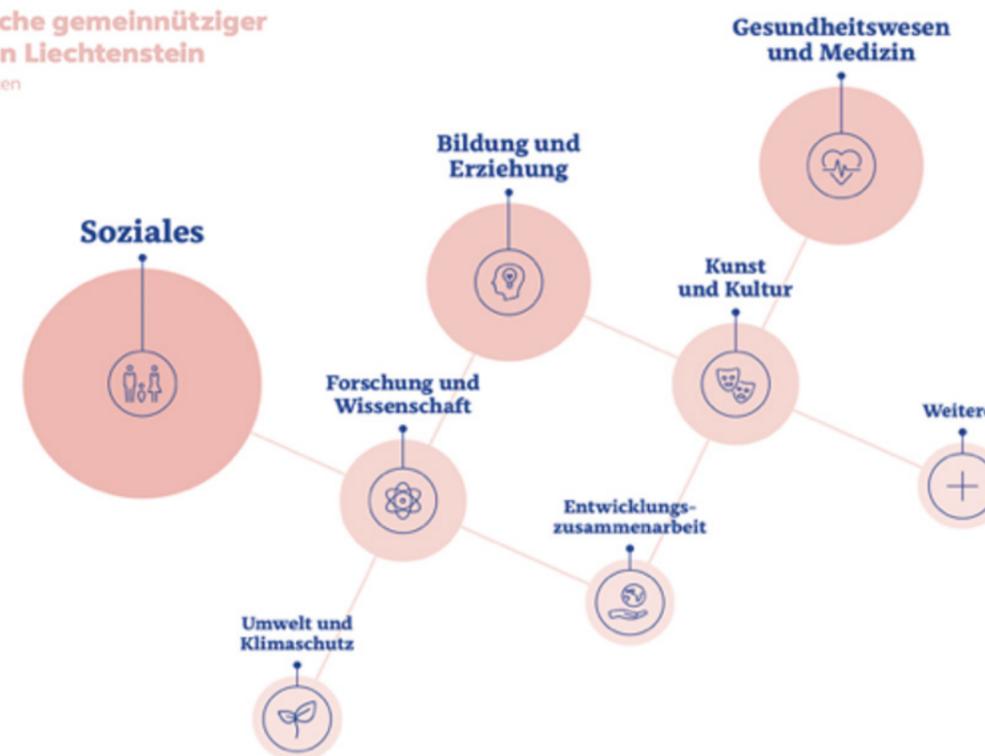
Stiftungszwecke 2022



Quelle: Der Schweizer Stiftungsreport 2022/CEPS Datenbank

Förderbereiche gemeinnütziger Stiftungen in Liechtenstein

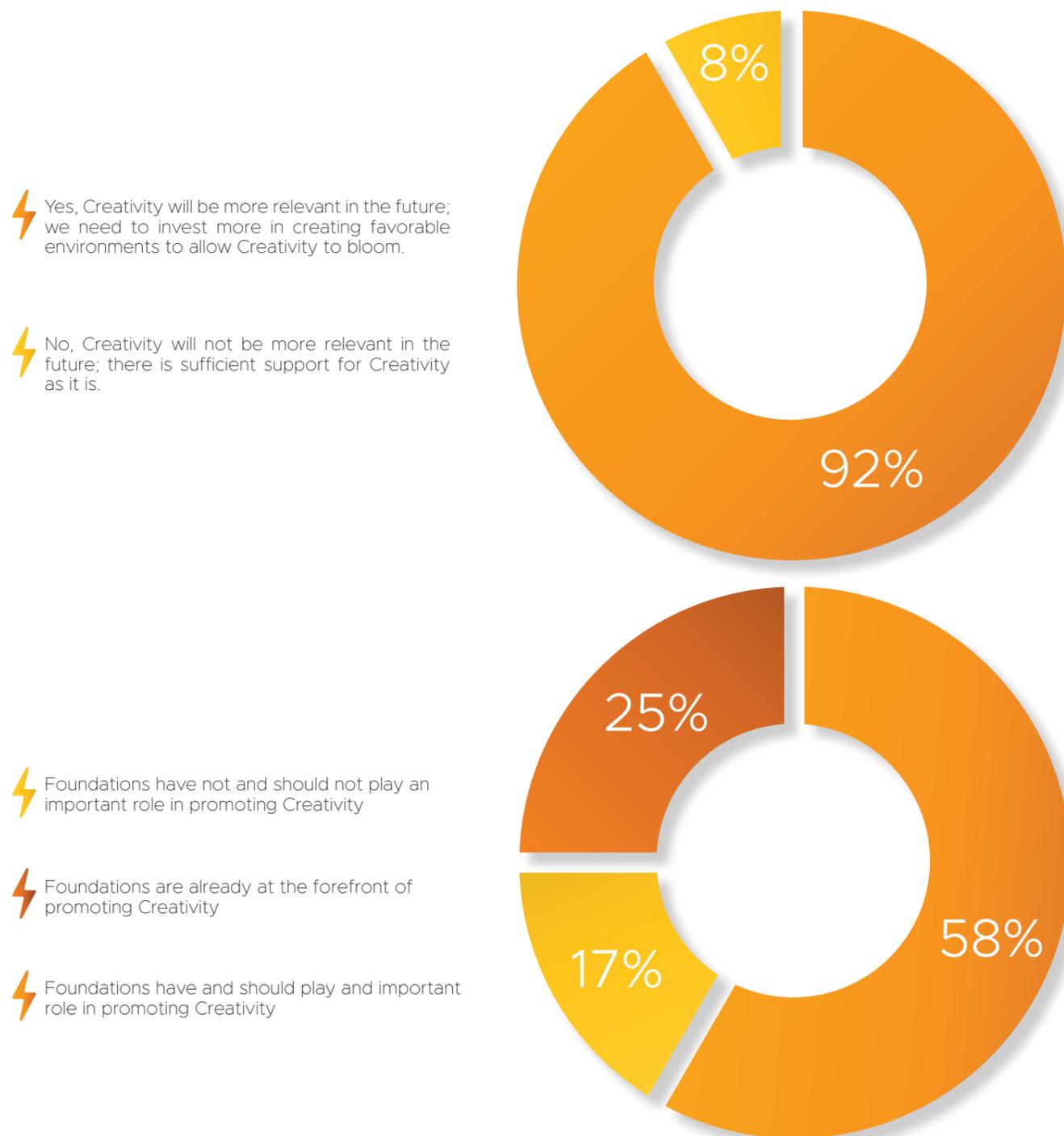
Nach Schwerpunkten



This is, also, very much in line with the answers provided by the foundations that took part in the questionnaire for this study when asked about the relevance of Creativity in the future, and if foundations should engage more in this area. The majority believes that Creativity will be more important,

showing a strong interest in the topic; at the same time, while agreeing foundations should play an important role in promoting and fostering Creativity, 17 % do not think more investments are needed, and 25% are convinced foundations are already at the forefront of promoting Creativity.

Figure 5 and 6: Survey replies related to the relevance of Creativity for foundations



This assessment should, however, be read with caution as its informative value can be questioned. It does not reflect the reality in its entirety. Data and information are difficult to gather or assess and, hence, fail to present accurately the investment of private foundations in the sector. Why?

It comes back to definitions - not only related to the sector itself but also when trying to categorize foundations according to their mission. Despite minor differences depending on the research institute<sup>17</sup>, the current system had its origin during the 1980s and early 1990s with the aim to reflect topics, impact, and target groups under one category.<sup>18</sup> As such, arts, culture, leisure, and sports are usually combined under one category which is sometimes further sub-divided into arts and culture in general - visual arts, photography - music - film - dance, theater, performance - literature - architecture - heritage protection - leisure - sports - others.<sup>19</sup> The foundation sector of Liechtenstein speaks very generally of arts and culture.<sup>20</sup> Based on this data alone, it cannot be filtered out if other industries of creativity commonly assigned to the Orange Economy - product or graphic design, fashion, crafts or software & gaming design to name a few - fall under this category. Thus, the available data does not provide sufficient information to find all activities supported by foundations that contribute to the Orange Economy.

The results of the survey and interviews conducted as part of this research show the discrepancy clearly. Hardly any of the foundations that were approached in the framework of this study refer to the Orange Economy as such (or any other related expression) even though support exists in various ways. Foundations with a focus on arts and culture have a clear preference for a few standard sub-sectors (such as performing arts, music, film, visual arts). Other sub-sectors (e.g., crafts, media, digitization, or design) are also supported; however, more so by foundations aiming for economic and/or international development and are rarely recognized as being part of and a contributor to the cultural and creative sector. Finally, certain sub-sectors and occupations within the sector (e.g., translation, technical services, marketing) are taken for granted and seldom considered support-worthy despite their relevance for the sector, and very much also so for other sectors of the global economy.

<sup>17</sup> See also the categories according to CEPS (Der Schweizer Stiftungsreport 2022 / CEPS Datenbank) or to the VMI (Remo Aeschbacher & Markus Gmür: Der schweizerische Stiftungssektor, Strategische Positionierungen in der Philanthropie. VMI-Forschungsreihe – Band 8. Verbandsmanagement Institut, Universität Freiburg, 2016)

<sup>18</sup> Remo Aeschbacher & Markus Gmür: Der schweizerische Stiftungssektor, Strategische Positionierungen in der Philanthropie. VMI-Forschungsreihe – Band 8. Verbandsmanagement Institut, Universität Freiburg, 2016, p. 14

<sup>19</sup> Ibid.

<sup>20</sup> <https://www.vlgst.li>

## Classifying creativity

To visualize the dilemma, a simple overview of markets, industries and occupations that are commonly considered part of the Orange Economy has been drawn (see figure 7); the distinction between the sub-sectors is in line with common definitions of the sector as well as with activities often included in projects funded by foundations – not only by foundations focusing on arts and culture but by foundations in general. Again, distinctions between and inclusion of certain sub-sectors may vary, depending on the interpretation of the cultural and creative sector; the overview presents a simplified generalization of foundations' work, as well. It does, however, show general tendencies and preferences and, hence, can serve as a basis for further reflection and discussion.

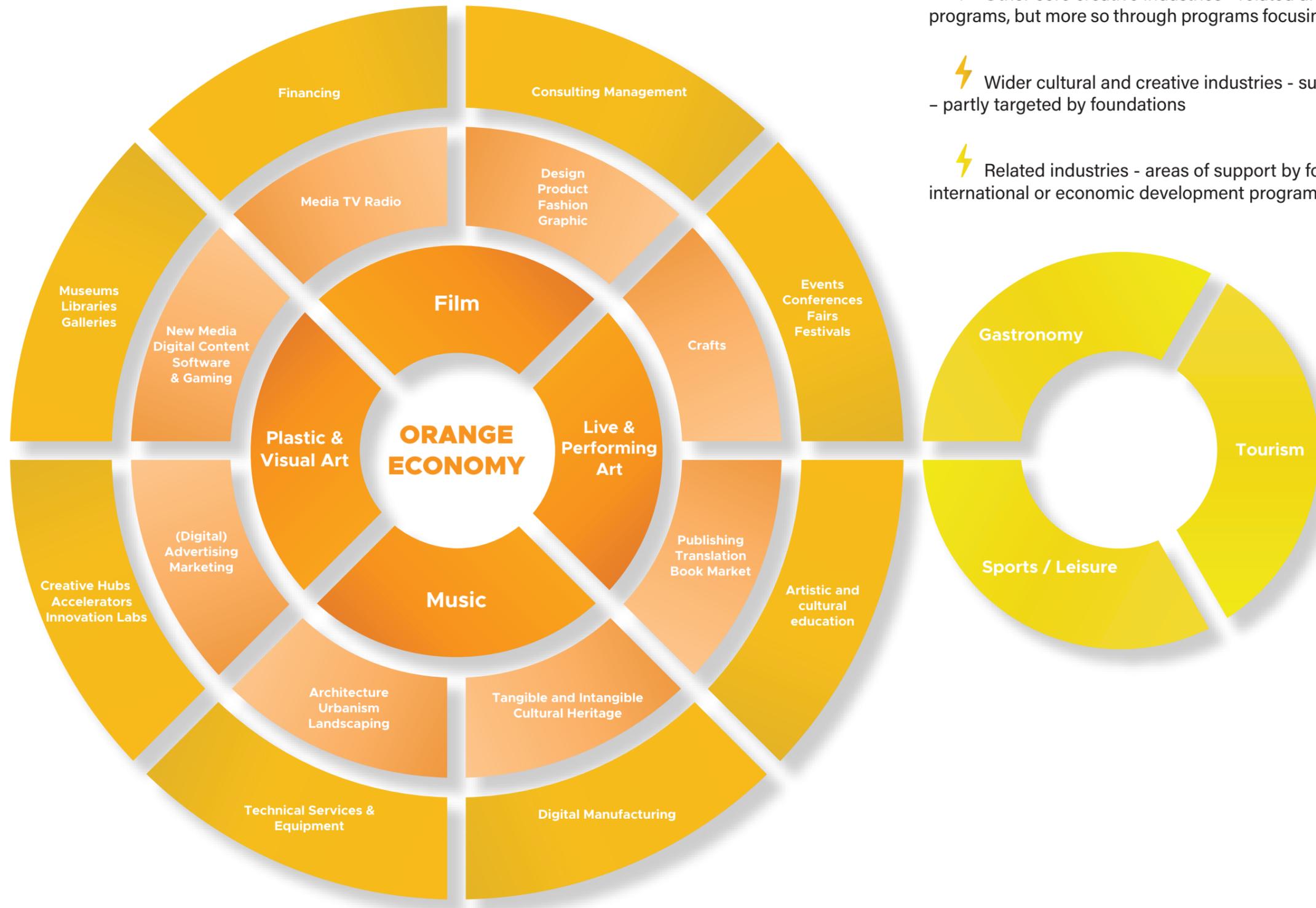
What becomes obvious is the fact that many sub-sectors of the Orange Economy are part of grant-making, but they are rarely acknowledged in that way and accordingly contextualized. Additionally, a limited perception of arts and culture on so-called core cultural expressions is difficult to understand. For example: Why are highly commercial industries like music and film often supported while fashion or product design, equally commercial, have more challenges in finding suitable funds? Why do events or creative hubs get funds but much less so activities or trainings related to management, financing or support work? The selective choice of what shall be funded is a privilege that every foundation has; more innovative and contextualized strategies would, however, be welcome.

Reasons for such a hesitant approach by foundations towards change are manifold. The inconsistency in defining the Orange Economy and the lack of appropriate data and information are huge challenges for foundations. Another challenge can be seen in contradictory concepts - with foundations rather change-resistant by nature on the one hand, and a creative and cultural sector under transformation and in constant motion on the other; a debate about arts and culture viewed as a public good, inconsistent with market demands, supported and preferred by foundations that shy

away from the sector's economic potential and correlations, and a sector that needs to incorporate economic principles and strategies to be sustainable. Finally, two aspects were additionally mentioned by the persons interviewed for this study: weak lobby work by people working in and for the Orange Economy to stand up and request change, as well as rigid patterns of charity and partnership that exist and are strong and powerful.

Classifying foundations' objectives is difficult in general and very much so in relation to the Orange Economy. Creatives, on the other hand, may have their own interpretation of their work and are challenged in their search for funds. Consequently, the quality in partnership between foundations and Creatives is at risk, with each actor formulating their own ecosystem - a rather rigid one, in line with standard concepts, by foundations, and another, much more fluid version, by Creatives, that questions and outdates current funding strategies and concepts. The lack of recognition and acknowledgment of the Orange Economy by foundations is thus not helpful for the sector's development. It does not allow a proper assessment of the foundations' impact on the Orange Economy; more importantly, however, it misses out on empowering the whole sector, overlooking the sector's potential, and risking being passed over by reality. A reality not only impacted by the aftermath of the covid pandemic, but also very much evoked and influenced by several other factors reflecting global trends and movements in society and economy to which the Orange Economy seems to respond particularly strongly.

Figure 7: A simple overview of markets, industries and occupations that are commonly considered part of the Orange Economy and relevant for foundations' work



- ⚡ Core cultural expressions - preferred areas of support – often part of an arts & culture strategy
- ⚡ Other core creative industries - related areas of support, partly as part of arts & culture programs, but more so through programs focusing on international and/or economic development
- ⚡ Wider cultural and creative industries - support fields of action within the Orange Economy – partly targeted by foundations
- ⚡ Related industries - areas of support by foundations as part of their arts & culture, international or economic development program

## 3. The Orange Economy - an underrated force

The concept of the creative and cultural sector is under constant scrutiny. Major changes are rapidly and continually affecting how we create, produce, distribute, and consume artistic and cultural goods or services. This raises new questions, disrupts conventional approaches to deal with the creative and cultural world and has implications for how we engage with Creatives. And, it creates confusion and a new complexity to deal with and address the challenges and opportunities of the sector.

The perception and idea of arts and culture have evolved immensely during the last decades, reflecting global trends such as an ongoing democratization and economization of creative and cultural goods and services, the impact of advanced technologies and digitization, a constant overlap of markets, sectors and industries, its increasing relevance for the global economy and addressing social needs, and finally, a change in generational behavior. Despite a fallback caused by the covid pandemic, the sector has thus developed into an economic force and is widely considered essential for human and social development.

“Culture and creativity account for 3.1% of global Gross Domestic Product and 6.2% of all employment. Exports of cultural goods and services doubled in value from 2005 to reach USD\$ 389.1 billion in 2019”, says UNESCO’s latest „Re Shaping Policies for Creativity“-report of 2022.<sup>21</sup>

Deloitte predicts in its Creative Economy-report of 2021 a bright future: “The creative economy is likely to be a key driver of economic growth over the long term..... All this means we can expect the role of the creative economy in overall economic performance to rise. This means the success

<sup>21</sup> UNESCO: Re Shaping Policies for Creativity. Addressing culture as a global public good. Unesco, 2022, p. 3

of an interconnected creative ecosystem will be increasingly important to overall prosperity.”<sup>22</sup>

“The cultural and creative economy is now a European heavyweight... The contribution of the cultural and creative industries to the European economy is greater than that of other sectors, which are generally considered to be landmarks of the EU economy”, describes „Rebuilding Europe - the cultural and creative economy before and after the COVID-19 crisis“ the situation in 2019.<sup>23</sup>

„Cultural and creative employment is not a niche issue – it accounts for up to 1 in 20 jobs in some countries, and up to 1 in 10 in some regions and cities. Cultural and creative professionals can be found in almost all sectors of the economy and help to drive innovation more generally. ... While COVID-19 put a dent in longer-term growth in cultural and creative employment, its importance is likely to continue to grow in the future“, summarizes „The Culture Fix“-report by the OECD.<sup>24</sup>

Despite the acknowledgments of the sector’s many benefits, support and investment in the sector remain, however, insufficient and slow considering its unique potential and vast impact on societies. “... the contribution of the creative economy to sustainable development appears insufficiently acknowledged .... An ambitious, purposeful commitment is therefore needed to support the recovery of the sector and facilitate its contribution to a more sustainable future”, writes UNESCO

<sup>22</sup> Deloitte: The Future of the Creative Economy. Deloitte LLP. 2021, p. 5 & p. 23

<sup>23</sup> GESAC: Rebuilding Europe. The cultural and creative economy before and after the Covid-19 crisis. EY Building a better working world. EYGM Limited, 2021, p. 13

<sup>24</sup> OECD: The Culture Fix: Creative People, Places and Industries, Local Economic and Employment Development. OECD Publishing, 2022, p. 105

in a news-article on its website in 2021<sup>25</sup>, introducing the International Year of the Creative Economy for Sustainable Development. In the middle of the pandemic, a sector heavily impacted was promoted. We may question its effect. „Besides being one of the youngest and fastest growing economic sectors in the world, new and ongoing challenges also make the creative economy one of the most vulnerable sectors that is often overlooked by public and private investment“, says the UNESCO-report „Re Shaping Policies for Creativity“ again in 2022.<sup>26</sup>

With public sectors focusing preferably on policy frameworks and private investors on impact investment, philanthropy funding has yet to be clarified. Its necessity, however, is not to be questioned. Private grant-making foundations - independent, impartial, disinterested, and financially well-off – are key partners, the perfect bodies to fuel the discourse and try out new approaches to reinforce and empower the Orange Economy.

<sup>25</sup> UNESCO: Cutting Edge, The creative economy; moving in from the sidelines. 28 January 2021

<sup>26</sup> UNESCO: Re Shaping Policies for Creativity. Addressing culture as a global public good. Unesco, 2022, p. 3



@Elroy Salam

## ANOTHER VOICE ...with

Ama Ofeibea Tetteh  
Creative Consultant and founder of Chapter54  
Accra, Ghana

**The philanthropy sector as well as the Orange Economy underwent major developments during the past years. Where are overlaps and interlinkages, gaps and challenges?**

Traditionally, the philanthropic sector has been a keen supporter of the arts in more traditional ways as it pertains to arts and culture, especially around heritage. Many actors from the creative and cultural industries have come to rely on such relationships; however, in some contexts we are seeing new dynamics emerge. In a bid to create more authentic narratives and even use their art for activism, cultural stakeholders are making moves to have more autonomy over their work and message

which also trickles down to who they partner with for support. There is a greater appetite for 'due diligence' to ensure that financial support comes from donors or institutions that share similar beliefs, perspectives and principles.

**In which direction is the support from private foundations going when it comes to the Orange Economy? Where do foundations eventually miss out?**

I think foundations can miss out when interactions with the Orange Economy are less nuanced and more surface level. As with many intersections of culture, it is important that partnership is insight-driven and factor in cultural contexts and longevity, as opposed to being centred on singular events or transactions. These well considered partnerships enable arts and culture to flourish in a more sustainable manner.

**What should actors of the Orange Economy do to enforce the exchange with foundations?**

This is a question of value. Firstly, the recognition of what the Orange Economy is and how it intersects different segments of society. Universally, there is a need to communicate this value far better to develop more meaningful exchanges and partnerships with foundations and philanthropic organisations. It is in this space that deep synergies can be cemented and transactional interactions around funding support (explicitly) may be reduced and refined.

**Thinking of today's requirements, are current grant-making practices sufficiently addressing the needs of the Orange Economy?**

Current grant-making practices can often be inhibitive and exclusive. Within the creative and cultural economy, there are factors such as language literacy, business literacy, social networks, physical and mental disability which naturally limit the pool of just who has access to grant funding and certain networks. With a reduced access, there is reduced access to contextual knowledge and ideas. The circularity of the knowledge in the Orange Economy is certainly affected when there is not full sight or comprehension of the social, economic, and environmental needs.

**What about bias awareness? How does it impact grant-making for the Orange Economy?**

As much as we are all complicit in unconscious bias, this becomes more problematic when it informs the design of structures and processes such as grant-making for the creative and cultural sector. Different measures can be taken to reduce the negative impact of bias, including opening up the pool of expertise to people from wider ranging backgrounds. Also, being intentional about curating knowledge from alternative practices and contexts can offer surprising new perspectives as well as the comfort of commonality.

**Is the Orange Economy a sector particularly beneficial to promote equity and inclusion?**

Equity and inclusion are centered on the stories we share and experience about ourselves and others. For me, the Orange Economy presents itself as the perfect vehicle through which to understand and develop new narratives in respectful and equitable ways. Working with arts and culture as well as through it offers an accessible meeting point for a range of voices to both express themselves and develop bonds which are fueled by curiosity and mutuality.

## TAKE A CLOSER LOOK

### REFLEKT

REFLEKT is a non-profit and independent research team that highlights grievances relevant for Switzerland and focuses on research topics that are too time-consuming or too complex for traditional editorial offices. It takes up socially relevant topics independently of daily events, conducts research, prepares the findings in an attractive way, sells it to established media and publishes it via various channels, and makes high quality information accessible to a huge audience.

<https://reflekt.ch>

#knowledgecreation  
#supportworkers  
#specialists  
#ecosystems  
#careerguidance

© Florian Spring, Reflekt

### Work or project grants for architecture, design arts and crafts

The project targets individuals and supports career development and market integration of designers. Professionals have the option to receive financial grants to develop creative projects such as the development of a prototype for a design object or the presentation of design drafts to a public exhibition.

<https://ikea-stiftung.ch/en/services/>

#competencebuilding  
#specialists  
#ecosystems  
#careerguidance

© Roman Weyeneth, Basel

### The Responsible Technology Youth Power Fund

This initiative focuses entirely on young people as grantees, among them individuals with not much expertise but a great idea. It invites youth and intergenerationally-led organizations to present ideas that shall shape the future of the responsible technology movement. With its strong focus on young people and broad thematic approach, the initiative tackles cultural, social, and infrastructural barriers that often prevent youth-led organizations and intergenerational partnerships from accessing funding and promotes cross-sectorial and interdisciplinary approaches.

<https://www.rtyouthpower.org>

#multidisciplinary  
#supportworkers  
#specialists  
#embeddedcreatives  
#ecosystems  
#cross-sectorial

### Binding First Dance

Graduates from Swiss dance schools are supported during their transition from professional dance training to the stage, i.e. generating income through dance. In collaboration with established dance companies from the independent scene and with municipal ensembles in Switzerland, the project provides young, unemployed dance graduates the opportunity to work with them as a paid full member of the ensemble for a production or a season. Additionally, the project promotes an exchange between schools and employers to help increase the proportion of graduates who find employment immediately after completing their training.

<https://www.binding-stiftung.ch/projekte/binding-first-dance/>

#competencebuilding  
#specialists  
#ecosystems  
#networking  
#careerguidance

© Ingo Höhn, Luzerner Theater

**ANOTHER VOICE**  
...with

**Dr. Akati Khasiani**  
Programme Manager ACP EU Culture Programme  
Eastern Africa / HEVA FUND  
Kenia, Nairobi

**The Orange Economy is one of the fastest growing sectors but at the same time often undervalued. Where do you see potential for foundations in investing and supporting the Orange Economy?**

The Orange Economy is well positioned to take up today's socio-cultural movements that shy away from institutionalized, formalized frameworks. It is a booming sector and led by young people who use the loose, flexible space of the Orange Economy to express themselves, create, make income, set their own targets, and make their own decisions. Additionally, the Orange Economy is attractive for many people as it easily and manifoldly overlaps with others sectors and industries, creating a variety of job opportunities in other sectors, as well. Finally, I would like to mention another asset of the Orange Economy: it builds bridges through intergenerational exchange and work, with younger practitioners learning skills and techniques that were at risk of loss, reviving the contribution of elder practitioners to the craft and community, and bringing innovative methods of sharing cultural work to new and wider audiences. I am thinking for example of a project where a younger musician worked with older musicians from the Kenyan Giriama community, recording their music in digital formats or utilizing virtual reality to share folk tales and artefacts at risk of loss.

**Fulfilling two functions at the HEVA FUND – being a grantee as well as a donor – how do you experience grant-making when it comes to the Orange Economy?**

Grant-making for the Orange Economy is still influenced by an approach and understanding of conventional development focused philanthropy. Known grant-making modalities have just been taken up and imposed on the Orange Economy.



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This does however not work. They don't speak the language of the Creatives. The diversity of the Orange Economy collapses when squeezed into the traditional understanding of charity, and it diminishes the role of the individual and their autonomy. The biggest challenges are increasing bureaucracy, difficulties in accessing finances, different understanding of a project and expectations of sustainability. Current grant-making seems to go backwards, expecting grantees to complete highly bureaucratic forms and to devote significant resources in burdensome administrative or financial procedures.

**For example?**

A creative project does not necessarily have a start or an end nor does it fit neatly into a project management system. Sustainability is differently understood. A structure, a team or activities once funded do not necessarily have to continue in the same way after the grant ends; on the contrary,

change of collaborators, audience, products, or of focus might be deliberately looked for. Creative practitioners work more fluidly and have changing interactions.

Project support is often limited to short-term funding of 6 months to 2 years, with restricted core support or limited resources for organizational development. Many donors do not allow the grantees to generate income and make profit; and may avoid repeat granting or follow-on financing in the name of increasing reach. How then are practitioners to build sustainable structures, or grow their organisations? Other require bank accounts for money transfers; while most countries in the Eastern Africa region have evolved alternative structures for storing and transferring funds, in particular mobile wallets, that require only a registered sim card. These systems obviate the need for checks, invoices, credit cards or bank charges. Yet many funders do not recognise these innovations.

**A lack of common understanding?**

Absolutely, definition is an issue. Even UNESCO definitions about arts and culture are insufficient when it comes to work modalities of Creatives. Typical forms of creative and cultural expressions such as dance or film come immediately to people's mind when thinking of the Orange Economy. There is however so much more, the sector has so many facets. Let me share an example: Traditional herbs shall be preserved. The way it shall be done does not fit agricultural purposes; on the other hand, as a creative good, it is not accepted, although the conservation of traditional herbs has a lot to do with language, tradition, ritual spaces, intergenerational knowledge transfer, education, etc. So, where does it fit? How do you measure its impact?

**Data and knowledge to better understand the Orange Economy are still modest. How does this affect the grantees?**

Privacy and visibility are issues. Donors want visibility and data, require lots of communication and appreciate flashy promotion. This can create tension not just regarding the grantee but very much so in regard to ultimate target groups; not every

individual is ready to share private information with donors for data collection and impact measurement.

**Hence, what could Creatives do to strengthen the exchange with foundations?**

For better communication with the public or private sector or with foundations, we emphasize persistence and the power of collective action: get together, form or join unions, make noise, lobby collectively.

## 4. The Orange Economy - a sector being re-invented

Although the Orange Economy is constantly evolving, a few overarching trends impacting its developments stand out; they might have been enhanced or weakened by the covid pandemic but were already present before and continue to be influential. The focus hereby is particularly on factors that foundations, directly or indirectly interacting with the Orange Economy, are currently experiencing or will certainly face in the very near future.

### ⚡ The cultural and creative sector will be one of the most valuable assets of global economy

The immense range of diverse occupations and economic opportunities the Orange Economy is offering will be increasingly recognized. With natural resources becoming scarce, virtuality taking over and a growing need for specialization and collaboration, experimentation, content and communication are key.

### ⚡ The Orange Economy capitalizes on small to medium-sized enterprises

The sector features predominately micro-, small- or medium-sized enterprises, that represent most businesses worldwide<sup>27</sup> and are in general more agile and crisis-responsive than big cooperates. With the support of small, local businesses and time-definite initiatives, the concentration of power and markets in the hands of a few dominating, globally operating corporates can be challenged and opposed, as well.

<sup>27</sup> OECD: The Culture Fix: Creative People, Places and Industries, Local Economic and Employment Development. OECD Publishing, 2022, p. 14

### ⚡ The Orange Economy reflects future workplace and workforce models

The Orange Economy mirrors significantly current transformations at the workplace and in the workforce, offering people non-standard forms of employment and an approach to work that is in line with today's expectations: high level of flexibility, greater autonomy, small hurdles to start working, and greater freedom to choose the type of work or projects, clients and collaborators. Part-timers, free-lancers, or at home workers are hugely benefitting from the manifold spectrum of jobs and working modalities of the Orange Economy. So do women – in many countries, the Orange Economy seems to be particularly attractive for women<sup>28</sup>, although gender equality remains an issue across the sector.<sup>29</sup>

<sup>28</sup> E.g.:

- OECD: The Culture Fix: Creative People, Places and Industries, Local Economic and Employment Development. OECD Publishing, 2022, p. 16
- UNESCO: Re Shaping Policies for Creativity. Addressing culture as a global public good. UNESCO, 2022, p. 55

<sup>29</sup> E.g.:

- UNESCO: Re Shaping Policies for Creativity. Addressing culture as a global public good. UNESCO, 2022, p. 241ff:
- "The Swiss creative economy employment is still male-dominated: at 34%, the share of women in the creative economy in 2021 was lower than in the total workforce (47%). There are differences in the female-male distribution depending on the sub-sector. In 2021, the sub-sector Museums, galleries and libraries had the largest proportion of women (64%), while the IT, software and computer services had the smallest (19%)." <https://creativeeconomies.com/creative-economy-employment-switzerland-2022/>
- ILO: The Future of Work in the Arts and Entertainment Sector. Report for the Technical Meeting on the Future of Work in the Arts and Entertainment sector. International Labour Organisation, 2023

### ⚡ People leading the paradigm shift are young, diverse and scattered

Demographics are shifting. There is a new generation that looks differently at society and life and is hugely influential in the way how Creativity is being lived and perceived. Hardly any other sector is dominated that much by young people<sup>30</sup> – as consumers, providers, drivers, innovators equally. These young people do not come from a center but act multidimensionally, using manifold ways of communication and interaction. They oppose restrictive classifications or set boundaries and move between sectors, industries, disciplines, between standardized roles, functions, and identities with admirable ease.

### ⚡ The digital world creates opportunities and many challenges

The covid pandemic has put additional focus on digitization on a global level, with many foundations digitalizing their grant-making processes to increase efficiency and effectiveness, revising their strategies to strengthen digital knowledge amongst societies and making digital skills development a priority. There is, however, still not much knowledge available on how growing digitization might affect the sector: How will markets and audiences change? Which role will Artificial Intelligence play? Will there be virtual grantees and donors tomorrow? How to respond to global decline in internet freedom<sup>31</sup> and copyright issues? Will an eternal information memory make us fearful and silent? And an endless space of virtual voices

<sup>30</sup> UNCTAD: Creative Economy Outlook 2022. UNCTAD, 2022, p. 2

<sup>31</sup> E.g.: Adrian Shahbaz & Allie Funk: Freedom on the Net 2021. The Global Drive to Control Big Tech. Freedom House, 2021

meaningless? There's no doubt: we depend on communication, interaction, and connectivity. As such, competence to deal technically, intellectually, mentally, and legally with a virtual world that will never be an equal partner must be addressed while support for the physical world must remain a priority.

### ⚡ Ecosystems connect without compromise

The creation, development and dissemination of products or services has become complex, requiring different expertise and collaborators from various sectors, disciplines and territories. As such, the sector is building its own ecosystems that integrate a vast variety of actors and make divisions between producers and consumers disappear. Territorial boundaries lose importance, while mobility – physical, virtual, intellectual – matters. Creatives form teams and alliances across the globe in a very pragmatic way whenever needed and for as long as necessary. Networking, cross-sectorial and transdisciplinary collaborations are core. In the words of Karraskan, a network bringing together agents, spaces and programs related to creation, culture, and applied creativity, based in the Basque Country: "There is an ever-increasing array of agents, in terms of purposes, organizational models and financing systems. Objectives, strategies, and projects are often shared, from different typologies."<sup>32</sup>

<sup>32</sup> Riccardo Antòn Troyas, Roberto Gómez de la Iglesia: Kultursistema. Karraskan - <https://www.karraskan.org/en/>

## Kultursistema - an ecosystem to consider

*Kultursistema by Karraskan represents an exemplary model of an ecosystem that "promotes the richest, most up-to-date contact possible with the cultural and creative ecosystems, including new agents and practices, or those that emerge from the intersection between pre-existing typologies, which do not fit well in conventional frameworks of analysis. An approach which, in addition, highlights the dynamic and ever-changing nature of the cultural and creative sectors, both as the fruit of the multiplicity of relationships with other disciplines and areas of activity per se, and from the influence of technological changes, institutional frameworks of reference and social values."*

*Kultursistema proposes a classification of people or groups with different objectives, with different legal statuses, organizational models, dimensions and types of activity. It classifies agents into three areas of activity which, while one is emphasized, can sometimes overlap or intersect:*

- Structural area  
*Spaces and platforms (physical and virtual) used for creation, production, exhibition, distribution, conservation and marketing.*
- Momentum area  
*Agents for regulation, development and promotion in the cultural and creative sectors.*
- Creative area  
*Agents of direct action in any subsector or on any link in the cultural or creative value chain.*

*Furthermore, these agents may belong to the public sector, to the private commercial sector, to the social sector or to an emerging fourth sector, composed of hybrid organisations that arise at the intersection and in the space between traditional sectors.*<sup>33</sup>

<sup>33</sup> Ibid., p. 1 & 5

## ⚡ Creatives speak entrepreneurship, business, and management

New forms of business models emerge, combinations of not-for-profit and commercial. Creatives are embracing their entrepreneurial skills and show increasingly interest and ambition in developing competences in entrepreneurship, management, sales and marketing or finances. Not everyone working in the Orange Economy is yet familiar and feels comfortable with the new business and entrepreneurship requirements and modalities of its ecosystem. Business support, legal advice, or access to finances are of equal importance for strengthening the sector.<sup>34</sup>

## ⚡ A limitless society is losing direction

Audiences and consumers are growing and changing; they have become global, more confident, and diverse. Standard values and norms are being questioned; biases, stereotypes, and cultural inaccuracies pointed out; grievances and inequalities in politics, economy, environment, or society rightly so addressed. Creatives are part of these movements, but they are increasingly also becoming targets of defamation, censorship, oppression, or boycott. The work of Creatives has always been commented; a critical discourse is a must. The difference

<sup>34</sup> E.g.:

- Yaraqa: Catapult.body the micro-forum. Shifting perspectives, (re)investigating sustainability of dance & movement. British Council, 2022 – <https://www.yaraqa.com>. The participants expressed among their most urgent needs for skills training: marketing & communication, business development, project management & production. As for industries and topics to learn more about, they highlighted: Breaking out into new markets (local, regional, international), portfolio building & pitching, organizational development in times of crisis.
- Another example is a mapping of the dance ecosystem in Jordan and Tunisia by Studio 8 and Danseurs Citoyens Sud, Jordan and Tunisia 2022: Capacity-building needs were mostly mentioned in relation to business and commercial skills, organizational development, basic training for young emerging Creatives. <https://studio8jo.com>

nowadays? The attacks are massive, anonymous, hard to control.<sup>35</sup> Fake news change the narratives. Virtuality allows to hide and control. The Orange Economy flourishes with variety and diversity; it shrinks when limitations on freedom of cultural and creative expression, public shaming, and culture cancelling are taking over.<sup>36</sup>

<sup>35</sup> E.g.: Culture of Scandals Conference. Organized by the Arab Fund for Arts and Culture – AFAC, in collaboration with the ICI Berlin and in partnership with EUME/Forum Transregionale Studien. January 2023 <https://www.ici-berlin.org/events/cultures-of-scandal/>

<sup>36</sup> E.g: IFACCA, 9th World Summit on Arts and Culture about „Safeguarding Artistic Freedcom“, May 2023

## 5. Ways forward - grant-making for the Orange Economy

The growth in new foundations goes hand in hand with a professional transformation in the sector. Philanthropy is not seen as a sideline engagement anymore, a passion project of the wealthy few, but a serious undertaking, with foundations increasingly turning into professionally managed institutions.<sup>37</sup> They are hereby responding to calls for better management, more transparency, improved staff competences, and stronger social responsibility to reinforce their legitimacy, reputation, and impact. A “rationalization of charity”<sup>38</sup> is being observed with foundations adopting tools, methodologies, and processes (formerly) used in economy, politics and even the military; professionals with a background in economics, law or finance are engaged to manage the funds and guide the grant-making processes. The professionalization, however, does not automatically reflect the interests, needs, competences nor capacities of the grantees in the field.

Grant-making defines the relationship between donors and grantees. Making it impactful and fair is an ambitious aim and in itself a huge challenge exposed to permanent change and precarious power dynamics. It starts with accessibility and eligibility, new forms of partnerships, and realities that might be difficult for foundations to deal with. And it expands to communication and reporting: log frames, theory of change, return on investment, cost-benefit-analysis, performance measurement, or risk management - only a few tools, topics and terminologies of today’s discourse when dealing with a grant-making foundation. The amount of resources grantees have to invest in scanning for potential grants, getting in contact with foundations, building relationships, developing suitable

<sup>37</sup> E.g.: Thomas Sprecher, Philippe Egger, Georg von Schnurbein: Swiss Foundation, Code. Principles and Recommendation for the Establishment and Management of Grant-Making Foundations. Swiss Foundation, 2021

<sup>38</sup> Hwang, H. & Powell, W.W.: The rationalization of charity: the influences of professionalism in the Nonprofit Sector. Administrative Science Quarterly 54, 2009

projects, applying for funds and manage donors’ requirements has substantially increased. Donor relationship management has become tremendously demanding. Limited in resources, many actors in the Orange Economy are strongly affected as they are barely equipped to respond to foundations’ requirements.

Established usually for eternity and bound by their deed, foundations are, despite managerial and organizational professionalization, often not fit enough to react comprehensively to today’s pace nor likely to adapt quickly to the challenges and opportunities the cultural and creative sector is and will be facing even more so in the future. Our times do little to mitigate this development. On the contrary, putting extra and manifold burden on grantees, the crisis situations we are facing globally and in multiple ways do little to inspire foundations to explore new grounds.

### Exploring a different approach

The Orange Economy is in motion with Creatives re-defining and changing systems and dynamics. Foundations with their long-lasting connection to and successful track record with the sector would be the perfect match to engage and support Creatives on their journey. Looking at the developments that influence the Orange Economy, and at the opportunities that a partnership with a foundation could spark, what are the strategies to launch a new quality of partnership?

#### Acknowledge the importance of the Orange Economy

Foundations should recognize the sector’s immense contribution to sustainable development and acknowledge their existing contribution to the sector as such. Only by understanding and working with the whole ecosystem can overall sustainability and impact of the sector and its sub-sectors be strengthened.

#### Promote participation of young people

A stronger involvement of young people in the day-to-day business and decision-making processes of a foundation is key. This can be done by engaging more young people in the management and board of foundations or by fostering spaces that bring young people and representatives of foundations regularly together to work in alliances.

#### Enable inclusion and networking across sectors and disciplines

Foundations are urged to build up more interest in the Orange Economy and to actively encourage counterparts and partners not usually interacting with Creatives to look for exchange and work with experts from the Orange Economy. Innovation arises when existing knowledge is probed and enhanced by other perspectives, and people can network across sectors, disciplines and cultures, work in clusters, explore new territories, and find different audiences and markets.

#### Simplify accessibility and communication for grantees

The search for and management of grants must be simplified and appropriately supported. Pertinent information must be easily available; expectations and requirements for development and implementation of a project should be in proportion to the fund concerned, project duration and project goal, as well as capacity and competence of a grantee.

#### Broaden eligibility for grants

The Orange Economy encompasses many different business models besides the conventional non-profit-organization. Social enterprises, collectives, time-bound alliances, initiatives with loose, short-term management structures, or other business models evolving in the sector are the grantees of the future. With this comes the need for a stronger support for emerging Creatives and selection criteria that are neither

determined by uniformed categorizations and/or standardizations nor by territorial boundaries.

#### Look out for different finance models

The new types of business relations and the diversity of the sector’s ecosystems need innovative financing that goes beyond conventional grant funding. More focus should be given to start-up funding for actors where public funding is limited or restricted; non-allocated, flexible lump sums to strengthen grantees’ ownership and entrepreneurial ambition; multi-year core funding to allow grantees to shift from project focus to organizational sustainability; space to test and innovate various models to access finance and generate income; offering matching grants or considering digital currencies as viable finance models.<sup>39</sup>

#### Invest in knowledge

The sector’s ecosystem, especially in developing countries, is minimally researched and analyzed. Research is expensive and time-consuming. Nevertheless, there is a huge need for data and knowledge to analyze and better understand the sector, its size, structure, growth potential, and characteristics. There is also an urgent need to learn how the Orange Economy affects local developments, social inclusion, environment and employment, how local ecosystems function, what the gaps and opportunities are, what culturally appropriate finance models could be, and how stronger digitization impacts the work, relations or audiences. Better information about the sector will also strengthen Creatives’ capacity to lobby and formulate their needs and requirements.

<sup>39</sup> E.g.:

- <https://www.fundingforrealchange.com>
- Op-Ed by Ted Russell, Kenneth Rainin Foundation: „Philanthropy in almost every sector is moving toward unrestricted funding - except in the arts. Why is it so hard to trust artists?“ [www.artnet.com](http://www.artnet.com), 27 April 2023

**⚡ Invest in competence building**

While promotion of excellence is attractive, capacity building or organizational development for partners, as well as skills development and professional training for embedded creatives or support workers are less visible and often neglected. Investing in the competence of the grantees as well as in skills development of people across the whole ecosystem strengthens sustainability and independence and fosters participation, inclusion, and diversity.

**⚡ Fair remuneration fosters wellbeing**

Instead of making Creatives hop from innovation to innovation, from project to project, from product to product, remunerate them fairly by paying decent fees and salaries for all steps along the value chain. This will allow Creatives to rest and reflect, to gather and exchange, to learn and collect when needed. Safe spaces and short- or longer-term time-outs for teams and individuals to rethink an organisation's mission or strategy, to shadow another enterprise, to lobby or to form alliances are in high demand.<sup>40</sup>

**⚡ Rethink the partnership model**

Facing a time of transformation of values and norms, foundations would do well to reflect on their role as gatekeepers. Not just the sector but also the concept of private foundations' charity calls for serious reflection. Partnerships want to be nourished. Actively and openly addressing power dynamics, biases, stereotypes, prejudices and inequalities in the relationship gives Creatives a clear signal to evolve from grantee to partner and decision-maker.

Figure 8: Major trends and recommended actions to renew the dynamics between donors and grantees in the Orange Economy



<sup>40</sup> E.g.: <https://givebutter.com/blog/nonprofit-burnout-statistics>

## Outlook

What would happen if a platform were created where private foundations would have to pitch their grants to Creatives? Where foundations would have to qualify to invest in the grantee instead of grantees having to prove their worth to the donors? A space where grantees would choose the foundation they would like to partner with based on the available grant amount and, even more so, on incentives the foundation would be ready to provide. Flexible grants, core costs covered? Capacity building and organizational development, networking opportunities and introduction to other donors, clients, investors? Safe space and backup during crises? Investments in research and study trips? Long-term support and business knowhow?

What would such an experiment look like? Every grant is worth only so much as the competence and motivation of the grantee. Why not flip the paradigm? Why not provide a new space for the Orange Economy where Creatives take the lead and foundations serve?

## Thanks

Hoping the observations and reflections in this study invite for further exchange and research, I would like to express my sincerest thanks to all those who engaged in the conversation - representatives of foundations, Creatives, experts, donors, grantees, highly appreciating their thoughts as a rich source of inspiration.

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