



# Doing culture, doing business: A new entrepreneurial spirit in the Argentine creative industries

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## Abstract

This article seeks to understand the main characteristics of a new kind of agents and the role they played in the transformation of creative industries and how they assume an entrepreneurial status, focusing on the most dynamic spaces of Buenos Aires cultural production fields. It starts by identifying some structural features of the Argentine's middle class and the latest transformations experienced by this sector, focusing on the impact of the economic crisis of 2001–2. It then analyses in depth the professional paths of some producers who started their businesses within that economic and social context and achieved high levels of recognition. These producers represent a new and unique type of entrepreneur.

## Keywords

creative industries, crisis context, cultural field, entrepreneurs, middle class, symbolic value

In December 2001 Argentina was immersed in one of the deepest economic and institutional crisis of its history. The crisis was the culmination of a process of decline of the economy and, particularly, of local manufacturing industry.<sup>1</sup> However, even in that context, cultural production and culture-related products and services were among the most active and thriving productive sectors. What is more, these industries showed an impressive growth path right after 2001: between 2003 and 2008 alone, the creative industries experienced 68% growth in real terms, a growth rate higher than that of the economy of Buenos Aires as a whole during the same period (OIC, 2010: 11).

The creative industries that led this process were relatively new in the country. They developed during the 1990s at a time when traditional industries – such as textiles,

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machinery and electronics – had severe difficulties adapting to the new conditions. For creative industries, two factors were decisive: the turn to stressing the symbolic value of their products and the emergence of a new type of agent, the creative entrepreneur. In fact, the in-rush of creative entrepreneurs brought a particular dynamism to the field.

These entrepreneurs are interesting for two reasons. First, they were a key factor in developing the cultural industries and giving them their relevance. At the same time, the type of innovative strategies developed by them distinguished them from traditional entrepreneurs as encountered in most classical economics literature: their investments were oriented to the creation of symbolic recognition rather than material gains and they were made in a context of extreme uncertainty about the present and the future.

We aim to describe the main features of these creative entrepreneurs to contribute to the comprehension of their impact on Argentinian creative industries. Seeking to provide a reading that should pave the way for further insights, we take Buenos Aires city, a dynamic global pole of design and cultural industries development, as its point of reference. We will focus on the most dynamic spaces of Buenos Aires' cultural production fields, particularly on the paths of those entrepreneurs who currently boast high levels of recognition within the universe of creative industries at large.

Cultural and symbolic production spaces tend to celebrate the image of 'artists', 'creators' and 'creative people', and, subsequently, the ideas of success and product recognition within this sector have been ascribed to particular individuals. However, both the actions and their consequences should be analysed in the context of broader social processes that exceed the individual scale. Cultural entrepreneurs make up a very heterogeneous group, each one being very different from the rest in terms of activities, products, career paths and strategies adopted to gain positions on the ground. Despite these differences, all these entrepreneurs share some common features that allow us to take them as a single subject of study. As will be shown, they all belong to the wide and diverse universe of the urban middle classes, and their successful careers are ascribed to an 'entrepreneurial spirit' that exceeds their professional background. Finally, in the spaces of production, flow and consumption of cultural goods, both the local and global scales are intertwined, shaping the expectations of certain middle-class sectors and making sense of their behaviour.

The conclusions presented in this article are the result of a research work conducted in 2009–2011. The main objective was to understand the changes that occurred among the creative industries in Buenos Aires after the crisis of 2001–2. Focusing on six different areas of production – publishing industry, record industry, film industry, fashion design, and advertising and marketing – the research sought to create a map of new producers in each of these areas that had had their boom right after the crisis and showed significant differences from 'traditional' pre-existing producers. It was here that the figure of a professional entrepreneur emerged as central, and we were able to trace the profile of a new agent in the creative industries.<sup>2</sup> We looked at statistical data within each area and conducted around 60 in-depth interviews. We also made ethnographic observations of major events in each area, and of producers' ateliers and offices, in order to get a better understanding of the dynamics of production, the main actors and their trajectories, institutions, strategies of legitimization, and logics and strategies in the circulation of products.

In the following section we identify the characteristics that make the type of entrepreneur we analyse in this paper unique, connecting them with the critical context of extreme uncertainty in which they made their decisions. Next, we describe the main features of the creative entrepreneurs, stressing what they all have in common: middle-class background, high valuation of formal education and the development of an *entrepreneurial spirit*. Finally, we show what distinguishes these entrepreneurs from others, suggesting some general learning on how strategies are constructed under high levels of uncertainty in the Global South.

## **The new creative entrepreneurs: innovating during a time of crisis**

Although the notions of ‘entrepreneurship’ and ‘entrepreneurs’ occupy a relevant place in the economics literature, their theoretical foundations are still at a pre-paradigmatic stage. The main references are linked to the work of Schumpeter (2005 [1939]), who theorized more broadly on this specific issue. For him, the capacity to transform innovations from theoretical inventions into practical goods is the key for economic growth. This, in turn, implies high economic risks that entrepreneurs should be willing to take. To this extent, entrepreneurship is essentially a creative activity as long as an entrepreneur is an innovator; entrepreneurs are business leaders and not merely capital owners (Manimala, 1999).

Other classical developments opened new debates about the concept of entrepreneur. If Schumpeter stressed the entrepreneurs’ capacity for innovation, for Knight (1921) and Drucker (1970) entrepreneurship is about taking risk. For them, the behaviour of entrepreneurs reflects the kind of person willing to put their career and financial security on the line and take a risk in the name of an idea.

Other scholars followed Weber’s work ethic thesis and developed a cultural view. McClelland (1987) argues that socialization factors determine the need for achievement that eventually generates an entrepreneurial propensity. The potential for and the frequency of entrepreneurship has been shown to be associated to a greater or lesser extent with the occurrence of certain culture specific variables (Thomas and Mueller, 2002).

The creative entrepreneurs analysed in this article share some features with the entrepreneurs described by economics theories, but there are also significant differences. In line with these theories, they do indeed make innovations, creating new products and generating new markets. However, the economic risk they incur in doing this is reduced as the investments are made fundamentally in symbolic capital. Regarding the risk issue, while for traditional entrepreneurs uncertainty arises from ignorance of the market (because they are creating it), in Argentina uncertainty is derived from the context of crisis in which these creative entrepreneurs made their innovations and not only from the absence of prior information about the market. In fact, they made their decisions in a context in which most economic projections predicted a long-run crisis. Under these circumstances, there was no chance of transforming uncertainty into risk (meaning, any chance of calculating the risk) as all norms and regulations were disputed.

### *The Argentine crisis and the growth of cultural industries*

During the 1990s, in a context marked by the implementation of a number of structural adjustment policies, Argentine industry was profoundly affected by a accentuation of the tendency to 'de-industrialization' initiated during the mid 1970s. Between 1974 and 1995 the contribution of industry to the total GNP fell from 30% to 16.5% (Aspiazu et al., 2001).

Extreme self-regulation and self-expectations on the part of individuals went hand in hand with worsening life conditions as a result of the serious setbacks of manufacturing industry. In 1975, manufacturing industry accounted for 35% of urban jobs, by 2001 the figure had fallen to 16% (MECON, 2001).<sup>3</sup> Therefore, when it comes to analysing the successful careers of the cultural entrepreneurs within the Argentine social framework, it is necessary to bear in mind the adverse social and economic conditions they have come up against (Miguel, 2010).

Even in this context, the creative industries showed a very positive performance. Between 2003 and 2008, these activities constituted 8.2% of the value added of the city of Buenos Aires, with an annual growth of 14%. Employment in the sector also increased during those years, with the creation of more than 60,000 new jobs. By 2009, creative industries represented almost 10% of the total employment in the city. The growth was simultaneously registered in the presence of creative goods and services in international commerce, with exports increasing five-fold between 2002 and 2009, from US\$437 million to more than US\$2300 million (OIC, 2010: 10–12).

Since the increase in these activities, efforts have been made to account for the convergence of practical and conceptual arts (individual productions) and cultural industries (larger and commercial-scale productions), in a context of expansion of new information and communication technologies (ICTs) that boosted the circulation of symbolic goods (Caves, 2002; Hartley, 2005). These processes raised new questions as to the impact this global circulation of symbolic products, in the guise of global brands, would eventually have on the local sector (Lash and Lury, 2007). Also, there arose new questions about individuals who were starting their own businesses within the sector: What were their forms of production like? How was the job market organized? How did local policies affect creative production? How did these entrepreneurs relate to the city they lived in?

The expansion of the Argentine creative industries coincided with a series of global transformations that redefined the position of the Global South and impacted on the early development of these industries. These transformations influenced their modes of production and the introduction of new technologies and the spread of standardized organizational modes (Castells, 2004) contributed to successful local entrepreneurial careers expanding on an international level. Access to digital technology made it possible for small companies with little original capital to go global. Also, developments in communications allowed new projects to be planned at a transnational scale right from scratch, and to be assessed according to their potential to become part of complex global networks (Rubinich and Miguel, 2011).

As far as demand is concerned, isomorphic processes (DiMaggio and Powell, 1991) have gradually shaped consumers so that they share similar tastes and are willing to pay for the same goods and services. These transformations allowed cultural industries to

gain access to global production circuits and to specialized market niches of consumers with ever-growing levels of expertise and sophistication.

These changes took place in the midst of an ideological context defined by Sennett (2006: 83–130) as ‘the culture of the new capitalism’. One of the more conspicuous features of this new culture can be seen in the education and in the professional training fields: the ever-growing number of university students has resulted in large numbers of young adults who are educated but nonetheless unemployed, leading them to seek individual development displaying high levels of self-discipline. This represents a specific kind of meritocracy in which ‘talents’ and potential capacities are constantly being assessed and in which comparisons between individuals become an extremely personal issue (see also Boltanski and Chiapello, 2005).

Many of the entrepreneurs that are subject of this article started their careers in an insecure context, moving from one project to another; having a job during the day to pay bills and then starting their ‘own job’. This strategy helped them to reduce the risk while they were building their names and their own brands. Far from the romantic idea of the cultural producer, there are strong traces of the neoliberal subject, marked by the idea of self-discipline that makes assume them full responsibility for individual success or failure.

## **Innovators or survivors? In search of the creative entrepreneur**

Observing the paths of those agents counted among the ‘successful’ entrepreneurs of the creative industries (whether symbolic or economic) helps us to better understand one key aspect all of them share: the recognition of an ‘entrepreneurial spirit’. For these agents, their ‘success’ meant the persistence over time of their enterprises, the reputation and legitimation gained from peers and institutions (in the form of prizes, funding and contests), as well as a broader social recognition through their presence in specialized media and in places and specific neighbourhoods in the city, in order to think about collective networks of creative production (Scott, 2006).

In this section we take the Buenos Aires’ clothing design industry, publishing houses, record labels, film industry, and advertising agencies and market research companies as paradigmatic case studies of the creative industries. We then identify a set of ‘paths towards success’ as well as the features that explain those paths. The six areas of production show some common patterns as well as some key contrasting points, allowing us to trace a wider conception of the entrepreneurial spirit present in the creative industries.

Even though there is a common social background and similarities in the way entrepreneurs developed their careers, there is not a single path. Relying on the fieldwork done on the Argentina’s creative industries, at least two typical paths were identified. On the one hand, there are those who are closer to the classic notion of entrepreneur: they managed to enhance the development of their enterprises and make a living out of them. On the other hand, there is a set of entrepreneurs who begin their enterprise as a hobby or something they do in parallel with other professional activities and keep it this way. For them, their enterprises are considered a means of expressing themselves in public but they continue to make a living from other occupations.

### *Cultural entrepreneurs and middle-class belonging*

The first common feature that comes to light is the fact that most entrepreneurs were born and raised in middle-class urban neighbourhoods. These individuals also share similar family backgrounds, with fresh recollections of immigrants climbing the social ladder, of careers being affected by economic crisis (1989 and 2001), and of struggling during long periods of economic recession (1982–1989 / 1998–2002). All these experiences have taught them to be flexible and to adapt to changes.

The performance of cultural producers might be considered in a context of the continual deterioration of their economic and social conditions. These processes in fact posed a hard test for the Argentine middle classes. Not only were their social position, their incomes and their access to consumption at stake, but also their confidence in their own capacity to climb the social ladder, which put into question the historical myth of upward social mobility. The effects were clearly economic, but also had symbolic and identity consequences. The middle class itself as a category was redefined affecting a complex web of representations and symbols of belonging.

The impact of these changes can only be understood in the light of the predominant role played by the middle classes in Argentina's society: in 1936 the middle classes accounted for 46% of Buenos Aires population, reaching 48% in 1947 (Germani 2010 [1955]: 92–143). The upward trend of these sectors reached a turning point in 1975, when there emerged a process of wealth concentration among the upper classes. These trends became more pronounced during the 1990s. In 1974, upper middle classes accounted for 38% of the total population and mid-middle classes accounted for 40%, whereas in 2004 the upper middle classes accounted only for 10% of the population and mid-middle classes accounted for 19% (Adamovsky, 2009: 424–5).

A new chapter in this path of deterioration was opened in the 1990s, when the middle classes were severely affected by neoliberal policies. School and health privatization had a strong impact on the families' budgets. Unemployment and worsening of work conditions brought more uncertainty regarding the future. However, these negative effects were not acknowledged until the 2001 crisis had already broken out. Two factors account for this. On the one hand, the economic stabilization after the hyperinflation of 1989, as well as the increase in consumer credit in the early 1990s made for a consumption boom that was perceived as a sign of prosperity. Thanks to the currency policy of '1 peso equal to 1 dollar', Argentina's middle classes were able to buy imported goods and to travel abroad. On the other hand, the economic reforms did not affect all of the middle classes; a rather small but nonetheless symbolically significant portion of their members were among the 'winners' of that decade.<sup>4</sup>

Subsequently, consumption became a differentiating element, signalling the distinction between the soaring sectors of the middle classes and those others who were gradually being marginalized. For those on the rise, access to certain consumer products not only helped them establish distinctions with regard to the less privileged but also granted them access to global trends and products. Shopping malls, sophisticated and 'ethnic' food, international shows, exclusive parties, brand-name clothes, hi-tech cell phones, holidays abroad became icons of the 1990s decade.

The crisis of 2001 meant the fall of massive portions of the middle classes into the ranks of the 'new poor'.<sup>5</sup> At the same time, ostentation and waste ceased to be well regarded, and subsequently some circuits of consumption had to be changed. It is in the

light of this tension that we need to analyse the careers of the creative entrepreneurs, since they are members of those ‘expert’ consumers who started to produce symbolic distinction products for the local market while they themselves were creating those new markets.<sup>6</sup>

### *Education as a must: the professionalization of creativity*

Despite these profound transformations, there were some portions of the middle classes that did manage to resist, and some others that have even consolidated their positions. University studies continued to be held in high respect by them as a means of self-improvement and a class attribute. This is highly significant due to the fact that, from their very beginning as a stratum of society, the middle classes have always regarded culture (university titles in particular) as being part of their identity. Middle-class biographies have their roots in vivid recollections of immigrants climbing the social ladder by means of education.

During the 1990s, the education system was on the wane, particularly in primary and secondary schools. With regard to the universities, education quality did suffer, but nonetheless there developed a specialization process aimed at bestowing new credentials and new degrees in new ever-growing specific fields. Education continued to be a tool for young students to self-improve and to climb the social ladder (Miguel, 2010). This assertion is supported by the number of university applications submitted during the years 2001–2, the worst period of the crisis. In a context of economic recession and institutional discredit, the number of applications submitted to the Universidad de Buenos Aires (Argentina’s most important university attended by 300,000 students) stayed the same, and there were some ‘creative’ degrees, such as fashion design, which received even more applications than ever before.

Despite the education crisis, almost all these entrepreneurs put great value on education. They still consider professional training and public university as the best way to climb the social ladder (Adamovsky, 2009). Generally speaking, they come from families in which at least one parent had graduated from university and that supported their decision to bet on studying for a degree, although they might have preferred their children to study for more traditional degrees.

The strong professional training of many of these individuals, which has been the key to their success, proves the existence of an ever-growing professionalizing process within the creative fields (McRobbie, 1998; Power and Scott, 2004). Their access to cultural industries, where creative and imaginative skills are highly regarded, was gradually supported and legitimated by university degrees, although final recognition continued to be more dependent on subjective assessments of ‘talents’.

In this regard, professional development was not limited to obtaining university degrees but more of a constant heterogeneous process carried out in different training circumstances. In the case of *clothing design*, the university degree is not only a space for professional training but also a space to make acquaintances and to develop the skills needed to face challenges and obstacles that exceed the curricula. The first graduates regarded themselves as members of a thriving group – first as students, then as designers/businessmen – in a relentless quest for self-improvement. The fact of having attended the

same institution (mostly the University of Buenos Aires) allowed them to start collective projects to show their designs. Then, as entrepreneurs, they started their labels with a retrospective view, where the main objective was working in design rather than becoming entrepreneurs (Miguel, 2010). From 2000 to 2005 more than 150 stores were opened and small-firm labels were created in the city of Buenos Aires, concentrated in the neighbourhood of Palermo which became an icon of design and fashion.

This is also true for *film production*, where the fact of having attended certain educational institutions had a strong influence on graduates' access to the job market. There were many directors who profited from these institutions to become acquainted with certain cinema production companies and international circuits that allowed them to start their professional careers. Some of them eventually moved on to run their own projects. So, between 2000 and 2010, 279 film production companies (most of them of small size) were opened in Buenos Aires. Professionalization was also a key for the development of entrepreneurial initiatives. For instance, after making his first films independently, in 2002, supported by the National Council for Cinematographic Arts and by the private University of Cinema, Pablo Trapero started his own production company, Matanza cine, and began to produce films, short movies and telefilms. Likewise, in 1995 Daniel Burman created BDCine, a small production firm that also produces young directors (see Azar and Masera Lew in Rubinich and Miguel, 2011).

In these cases, it is not just 'experience' that matters but also being able to legitimate that experience by means of university degrees and certificates. In fact, these careers usually show: (a) successful results in prizes and contests; (b) postgraduate studies abroad or internships and jobs in local companies as the final step of their training; (c) joint projects and businesses run collectively by producers and intermediaries in order to bring their products and symbolic concepts to wider audiences.

A different pattern can be traced in other areas such as publishing and the record industry. In these cases, even if the entrepreneurs have a college degree, the whole activity has an artisanal way of production, and very few of the entrepreneurs make a living from their cultural activity. Rather, they complement their incomes with other jobs and their activities on the creative enterprises are seen as an investment, stressing the importance of keeping certain independence from the mainstream industry.

In the case of *publishing industry*, from an average of 50 million copies produced between 1994 and 1998, production increased after 2001 crisis reaching more than 97 million copies in 2008. During this period a new category of 'micro-publishers' started to grow. In a market that had been controlled by a few publishers, they represent a drastic change for the industry. Publishers with revenues below US\$250,000 today represent 65% of the market share, while those whose revenues are less than US\$25,000 represent 45% of the total (Vanoli and Saferstein in Rubinich and Miguel, 2011). A small group among these entrepreneurs introduced the idea of 'bibliodiversity', meaning not only a diversification of the variety from the supply side but also looking for a type of edition 'carefully designed, independent, respectful with the intellectual content and the style and with stress on the value of the literary culture' (EDINAR, 2010).

*Record labels* are still less institutionalized and the logic of independence emerges from the motivations of producers to initiate their activities. 'Experimentation' and the 'quest' for new sounds, as opposed to the 'comfort' of genres, as well as the close contact



with artists in the absence of bureaucratic structures, are the hallmarks that distinguish them from the big companies. With the creation of more than 50 firms between 1998 and 2009, the 'independent record labels' developed their autonomy and rules of production, and by 2004 had consolidated a specific culture of production capable of legitimating new artists and of internationalizing their production (Negus, 1996).

Interestingly, their success, in the context of the global recession of the record industry, was based on the investment in the symbolic value of their records and their particular connection with (and recognition of the potential of) the artists. There is an imperative to 'create a scene' for those new upcoming artists, so the record label entrepreneurs also are related to the management of musical events, festivals and venues, as well as creating magazines or blogs for diffusion of their products. Many labels, such as Oui Oui Records, have the aim of creating a new space for artistic expression, by breaking with the conditions defined for the market by the big companies, and reconciling art with industry, introducing a new concept with regard to the meaning of the 'business' (see Vecino in Rubinich and Miguel, 2011).

Among the six areas of production analysed, two patterns were identified. In the case of those who see their enterprises as a means of making a living, professionalization is key. On the other hand, among those who developed their enterprises in parallel with other activities, titles are less important. For both of groups, however, symbolic investments are central to their strategies and access to higher education works as a way of legitimizing them.

### *The entrepreneurial spirit*

The transformations suffered by the middle classes might be taken, then, as the starting point in the analysis of the entrepreneurial spirit that, throughout the last decade, has paved the way for many successful paths within the creative industries. The pioneers were part of the middle classes who, despite being hit by the crisis, still regarded education, degrees and certificates as the best way to improve their life conditions. Their paths have been marked by a local differentiating process that has had two different effects on them: it inspired them with a feeling of being on the edge of falling into the ranks of the 'new poor', and it inspired them with a sense of belonging to a new group of refined and global consumers.

Most fashion designers considered here, for example, set up their own companies, in many cases as a response to the impossibility of getting a job. Their first steps were marked by low investments and strong personal efforts. Their struggles to gain their own spaces and their quest for self-improvement are totally independent and not in the least businesslike. Becoming businessmen was not an end in itself but their only way to put into practice what they had learnt at school and to practise their professions (McRobbie, 1998).

This phenomenon can also be found in other creative industries in different degrees, depending on their level of economic and symbolic development (Du Gay, 2002). Small record companies, for instance, are significant examples of emerging companies run by people with different education backgrounds who do not expect this activity to be their main source of income. Such are the cases of Alberto and Jorge, owners of small record

labels. Having attended System Analysis courses at the Universidad Tecnológica Nacional, Alberto gradually developed his own company while working for an oil company. Dropping out of Literature courses, Jorge developed his own record label in the spare time left after his work in a non-governmental organization. Similar are the cases of small publishers who, having attended Literature courses at the university, have resorted to teaching, journalism and creative writing workshops to support their business projects.

Completely different is the case of *advertising*, where the volume of business is higher within a more complex organizational universe (Nixon, 2003). Even though, in the case of Buenos Aires, there is a growing range of small agencies called *boutiques*, which have eventually become a kind of particular market niche, where the entrepreneurs develop their business strategies based on a fluent contact with clients and exploiting the idea of an agency 'run by its owners'. Even if they may be associated with international corporations, the idea of individual entrepreneurs running small agencies is pictured as 'more creative' by default (see Miguel and Galimberti in Rubinich and Miguel, 2011).

Of course this group of entrepreneurs is not homogeneous, but apart from a few exceptions and the expected particularities of each unique and individual career, all these features can be traced in the so-called 'entrepreneurial spirit' associated with the prevailing ideologies and discourses of the 1990s, which praised certain values, such as independence, entrepreneurial skills and efficiency. This spirit would eventually prove essential to producers when they decided to bet on their own projects despite the adverse economic context.

The heritage of the 1990s can be easily spotted in these paths. Although some of these entrepreneurs have grouped themselves in institutions, most have run their independent businesses on their own. Success and failure were experienced as personal processes that were part of a broader social phenomenon. In some of the paths we have analysed, success emphasized this individualistic feeling. Recognition has allowed the entrepreneurs to stand out among the receding middle classes and among their peers and competitors.

As far as the 'entrepreneurial spirit' is concerned, an essential element in the careers of Argentine cultural entrepreneurs has been their capacity to identify and grasp opportunities. This skill, which has allowed them to spot the market niches emerging in the aftermath of global and local transformations throughout the 1990s, and the local crisis of 2001–2, has itself been one of the consequences of this adverse context. Given the impossibility of obtaining traditional jobs, these middle-class agents were forced to find themselves new alternatives for self- and professional improvement.

It is in the light of this adverse social context that the entrepreneur's bet on 'risky' paths makes sense. In a context of extreme uncertainty, no option appeared safer than any other. Therefore, people started to consider alternative career paths, driven by their own desires and not by the prospects of getting a job. This has been the case for many entrepreneurs from the middle classes, which historically have been reluctant to assume risks. In most of these cases, the individual project was developed together with some other more traditional job that provided a 'safe source of income'.

While opportunity-spotting and the willingness to assume risks are common features shared by these creative entrepreneurs and by the typical classic businessmen (Schumpeter, 2005 [1939]), it is the nature of the capital of the former that makes their

case unique. Indeed, the careers of creative entrepreneurs were marked by the reduced amount of capital invested. Their investments were more significant in symbolic terms than in financial ones. However, while creativeness, imagination and inventiveness are highly regarded attributes within these universes of production, spontaneous creativeness often clashed with professionalizing processes. In fact, individual distinction based on charisma, sensitiveness, talent and gift still prevails in all these careers. What the professional training introduced was structured ways of doing things, which standardized and legitimated the forms of production. This professionalizing process helped producers to dialogue and exchange experiences with other colleagues from distant places, and at the same time it adds to their belief in education. It also conferred them a feeling of 'security', as they continued to regard university degrees as more reliable credentials than mere 'talent'.

### **Creative entrepreneurs: a different type of entrepreneurship?**

The transformations introduced in the 1990s negatively affected businessmen from almost every private sector.<sup>7</sup> As it has been noted, just a few businesses with specific characteristics were numbered among the 'winners' of that decade: (a) those that benefited from natural comparative advantages and state protectionism (Etchemendy, 2001); (b) multinational corporations; and (c) local companies that were able to make innovations and/or to absorb the spillover effect from foreign subsidiaries (Chudnovsky et al., 2004).

Middle-class creative entrepreneurs with investments in creative industries account for a fourth case, namely non-traditional industries related to cultural and creative products with high symbolic added value. In this particular case, their success lies in having adopted creativity as a way of adding value, and in having introduced innovations that lent new significance to existing products.

It is creativeness used as a strategy that explains the path followed by a set of entrepreneurs who benefited from not having any traditional mental or organizational burdens in order to gain the high ground in their fields (Beltrán, 2009). Compared to what has been the case in traditional companies, the decision-making process among the entrepreneurs was far less institutionalized, leading to more flexible and adaptive capacities. In a context in which urgent solutions were needed to cope with adverse situations, the decisions taken by these entrepreneurs were strongly influenced by their own past experiences, their insights into the country's situation, as well as by different interpretive frames.

Therefore, the strategies they followed cannot be understood only in the light of their lack of organizational rigidity. We need also to pay attention to the fact their members belonged to middle classes on the wane, with almost no previous experience in the world of business. This 'entrepreneurial spirit', developed in their practices, represents the individual responses of a group of agents which, under the influence of a *locus* marked by a critical context, took the form of a collective response: actions taken by a social class on the wane, based on some class values and beliefs as the main way to climb the social ladder – that is, through education and professionalization.

## **Final remarks**

When it comes to analysing cultural consumption, most authors have considered it necessary to focus on the middle classes as the best way to approach the issue. Throughout the last century, these social segments have gradually become key players in setting the trends of cultural consumption. To them, having access to certain products has always been a way to display their belonging to the middle classes and to show signs of distinction, especially in times of general economic prosperity.

In this piece of research, the focus has been displaced in order to analyse both cultural industries and social classes from the supply point of view. In doing this, we sought to work out the logic behind the transformations experienced by these industries from 1990 up to the present, partly as a result of the innovative, creative and dynamic actions taken by a group of young entrepreneurs. The middle classes, therefore, are not approached as passive consumers of cultural products but as members of a social sector that have actively taken part in these transformations, following their own social codes. It is in connection with these processes that we have set out to analyse the strategies developed by those agents assuming the role of entrepreneurs within the field of the cultural industries.

In a very short time, these emerging entrepreneurs have managed to create their own institutions and their own formal and informal networks, transcending their own limits and obtaining recognition and legitimacy. It is a process in which creative producers have come up against many a hurdle in their quest for success, eventually making it against all odds.

According to rational choice theory, actors objectively assess their actions from scratch when they have to face new situations. However, when looking at the actions carried out by these entrepreneurs during the 1990s, the theory did not suffice to account for their rationale. Far from being properly assessed, their actions were mostly driven by a feeling of belonging to the middle classes and by their previous experiences. These previous experiences would eventually shape the strategies and tactics of the entrepreneurs (Swidler, 1986), organizing them according to a relational logic (Bourdieu, 1990). Class and field experiences have provided them not only with 'business' knowledge but also with prospects to develop the new strategies that bring about a wholly new situation (Macy, 1989).

The influence of previous experiences on these careers is essential when it comes to understanding certain actions that, far from being the result of rational assessments of costs and benefits, appear to be mere irrational responses. However, this apparent irrationality is not the result of a sudden fit of individual rebelliousness but a thoughtful strategy based on values and resources accumulated by the middle classes throughout their history. These values and visions have shaped the choices of these entrepreneurs, not only by defining what were the suitable options to choose from but also by setting the criteria that should govern their future choices (Vaughan, 1996). It is to this extent that the notion of class has an explanatory value, because it worked as frame of reference for the definition of individuals' options.

The actions of these entrepreneurs were also highly influenced by certain processes and feelings that can be regarded as the 1990s heritage, namely independence from government and mistrust of its institutions, extreme individualism,

self-responsibility and globalism. The entrepreneurs had actually borne in mind all these inherited feelings and processes when they were planning their access to the job market during the crisis of the late 1990s. Moreover, coming from middle classes, they have always regarded education as the best way to climb the social ladder. According to Snow (2004), action frames are sets of articulated and elaborated beliefs that make sense of a group activity. Creative entrepreneurs' decisions, then, were framed by their past experiences and social belonging. The frames focus attention by specifying what is 'in' and what is 'out'; they articulate the elements of the scene, stressing one possible meaning over others; and they transform the way elements are seen or understood.

Later on, in 2003, when there appeared the first signs of economic recovery, these processes eventually became the basis for production and circulation of cultural products. The consumption recovery fuelled the expansion of these entrepreneurs both in local and international markets. Within this new context, previous experience and learning became highly appreciated assets in the market: Argentine creative entrepreneurs were now able to present themselves as experts in handling situations of extreme uncertainty.

By carrying out innovative actions, these entrepreneurs have emphasized the importance of symbolic content as the main added value of their products. This allowed them not only to turn knowledge into resources, but also to start business projects with very low initial capital. Their main investment was symbolic, and this obliged them to build strong contacts and networks of acquaintances in order to collectively set the trends and legitimate (in the media) the work of all the members of the network. The type of networks created during the early stages of the process was key for the positioning of the creative entrepreneurs. There are two types of networks: the tight, small networks built among producers and the loose, weak ties constructed with other actors (such as institutions and media) that gave the smaller network support (Granovetter, 1983; Howell, 1997). Despite having very low production costs (financially speaking, because their social and symbolic costs were very significant), intangible assets granted the entrepreneurs a lot of symbolic capital that eventually could be turned into economic capital (Bourdieu, 1984).

In a context in which extreme uncertainty was par for the course, these entrepreneurs set partially aside financial criteria and developed a new kind of entrepreneurial strategy which responded to subjective criteria and which was aimed at producing those things that, despite the context of general upheaval, still boasted legitimacy and prestige. These educated middle-class young adults still cherished all those areas related to culture and aesthetic and creative expressions. Subsequently, they account for a new different kind of entrepreneur, who is used to taking decisions on symbolic grounds and in contexts of extreme uncertainty. If, as Weber stated, classical business behaviour could be defined by rational assessment leading to predictable actions, the behaviour of this type of entrepreneur does not match that definition at all.

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## Notes

- 1 The Convertibility Program established a fixed exchange rate of 1 peso per US dollar, affecting industrial competitiveness and resulting in economic recession. In January 2002 the exchange policy came to an end: the peso was devalued in the context of a severe economic, social and political crisis.
- 2 The methodology was decided upon, and the situation analysis of the six areas of production was carried out, by nine researchers from the School of Social Sciences at the University of Buenos Aires working in close cooperation. The research team included specialists in each area, and was made up of: Paula Miguel, Hernán Vanoli, Ezequiel Saferstein, Martín Azar, Martina Masera Lew, Diego Vecino, Matías Galimberti, Pedro Orden and Walter González.
- 3 This meant the loss of more than 2 million jobs (in a country with a population of 40 million people) during the 1990s and a downturn in real wages of 27% compared to those of the 1976–80 period (Damill, 2005).
- 4 This differentiating process produced, on the one hand, the ‘new poor’, who, despite having certain levels of education and middle-class backgrounds, had been severely hit by soaring unemployment and work instability (Minujin and Kessler, 1995). On the other hand, there were members of the same middle classes who had ‘won’ and could display this in particular aspects of their lifestyle (Svampa, 2001; Wortman, 2003).
- 5 In 2002 poverty assessed on the basis of incomes was in the region of 50%.
- 6 According to the notion of ‘critical moment’ developed by Bourdieu (1988), a crisis is a turning point that causes an effect of ‘provisory indecisiveness of [the] possible’, meaning that all predictions are left in suspense while time virtually stops and there is the feeling that ‘anything is possible’, ‘anything might happen’.
- 7 During the 1990s more than 16,000 companies officially went into liquidation, 50% more than those registered during the previous decade (MECON, 2001).

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