

The major change was to shift from selling tickets for entrance to the park (the Star Parade, International Carnival Parade, and Children's Carnival all gather in the central park of Aalborg around three stages, accessible to those that have purchased the Aalborg Karneval loyalty bracelet, where the final carnival event takes place) and to begin selling loyalty bracelets for 6 months of the year before the Karneval. Initially, loans bridged the deficit gap and close partners were asked to pay upfront. Long-term collaborations (3-5-year contracts) were established to secure key partners and to reduce the time spent on annual negotiations.

The carnival has continued to achieve the organic growth of participants and repeat attenders and a recent study revealed that Aalborg Karneval has developed a recognised brand nationally. Importantly, loyalty bracelet sales have increased year on year and are set to break records again in 2018, despite annual price increases.

Improved cash flow has enabled better forward planning and by continually refining the planning and execution process, Aalborg Karneval has been able to reallocate resources to test new approaches and keep innovating.

The vision for 2022 is to become 100% self-sufficient, generating €3 million in revenue, reaching an audience of 100,000 and increasing the percentage of audience members that purchase loyalty bracelets and enter the park from 55% to 65% of attendees. 40% of the new growth is set to come from producing other events of 10,000 or more, as well as delivering consultancy services to other large events (in 2017 the breakdown of revenue income was: sales of loyalty bracelet 60%, bars and stalls 20%, sponsorships 10%, public funding 5%).

Tomsen invites cultural leaders to “continually question how they might create cultural value and grow revenues, by interrogating which aspects of your project have the potential to generate income and which do not. In this case, the Children's Carnival and International Parade can never be profitable and so must be cross-subsidised through other revenue-generating activities. The loyalty bracelet embodies the spirit of carnival - friendship, harmony and love (Tomsen highlights the importance of telling their supporters how much they love them to reward loyalty and grow support). The process of innovation takes time and requires investment, so they had to agree to use their own reserves to drive this forward but, although your vision may be big, start with several small ideas. What people say in surveys is what they do in real life: experiment with small pilots and learn by doing. Moving from gut feeling to evidence is a huge cultural shift, but an essential one. Understand the value that your organisation creates and what motivates your audiences, customers and stakeholders. Once we had the data we could begin taking calculated and intelligent decisions”

ZENTRALWERK (Dresden)

“Funding is attracted (the punk way), not raised”

IT MAY BE HARD TO COMPREHEND HOW A GROUP OF PUNKS IN CONSERVATIVE AND TRADITIONAL DRESDEN IN THE EARLY DAYS OF THIS CENTURY COULD CONCEIVE AND SUCCESSFULLY IMPLEMENT A DARING PLAN TO TAKE CONTROL OF A LARGE FACTORY COMPLEX AND TURN IT INTO THEIR LIVING AND WORKING SPACE AT A COST OF €6 MILLION AND COUNTING. BUT THEY DID JUST THIS, PROVING THAT THE STRENGTH OF AN IDEA, MATCHED WITH DETERMINED AND VISIONARY PEOPLE, CAN ACHIEVE THE SEEMINGLY IMPOSSIBLE.

Zentralwerk can be found in a complex of old factory buildings to the north of Dresden's city centre, at Riesaer Strasse. The factory dates back to the 1920s, when it produced sewing machines and typewriters under the name Clemens Müller. During the national-socialist era in 1939, the Zeiss Ikon company acquired the facility and added more buildings, including a ballroom for worker's entertainment and social events. During the Second World War, the factory was taken over to produce weaponry. This, of course, is a dark history, including forced labour from the Flossenbürg, Auschwitz and Ravensbück camps. At this time, more structures were added, including an extensive system of underground tunnels and rooms (1,000 square meters), as well as a field hospital. In the February 1945 Allied bombing of Dresden, which all but flattened the city, the Zeiss Ikon factory was one of the few buildings to escape and, as a result, the ballroom became one of the most important public spaces in Dresden for years after the war. This made the hall a recognisable social heart of the city, a profile that has remained in the public consciousness to the present day. During the GDR years, the factory became an important printing works and the entire range of socialist printed material was produced here for East Germany and also, in part, for other countries. The site was abandoned in 1996 until Zentralwerk found it and determined it would be their new home.

Zentralwerk dates from 2005 and is, first and foremost, a values-inspired concept that promotes an alternative way of living and working - alternative that is, to the speculative, competition-based, profit-driven model that dominates society today. This philosophical approach was formulated in the earlier lives of the core group - artists, musicians, performers, architects, technicians and human scientists on the Dresden nonconformist scene - where they met and began to plan for a project that could encapsulate their dreams and ideas. This all came together when they found the old Müller factory space in early 2012 and a process was initiated to secure, develop and inhabit the former industrial site.

Starting out with no capital, what attracted partners and investors to the project was Zentralwerk's

strong vision. The point here is that funding is attracted, not raised. The key to Zentralwerk's success was not their expertise (they were not property developers), their profitability (they had no money) or their potential for investment (no one was going to get rich). What they did have was a set of beliefs so strong that they attracted a range of supporters who were inspired and captivated by this determined group of young people.

Finally, it must also be noted that Zentralwerk is not only an interesting and unusual project that is realising a vision for its members, but it is also a very important and inspirational project within the context of Dresden and the region of Saxony. Zentralwerk represents more than just a cultural space. It is a dynamic and working concept that offers alternatives to conservative trends and predatory market attacks on civic and communal life. This is why it is important and will become even more significant, as its profile develops. Sustainability is crucial, not only for its members but also for Dresden, the region and further afield. In this regard, its independence was and is central to its vision and how Zentralwerk has managed to secure and fund its long-term future makes it uniquely situated to represent self-determined and self-sustaining thinking.

INTERVIEW:

Elisabeth Wulff-Werthner (EW) - board member of the association, project manager and member of the cooperative - by Sandy Fitzgerald (SF).

SF: Cutting to the chase, how did a punk collective raise €6 million and more to acquire and develop a very large piece of real estate?

EW: Very good question. First of all, we raised this over three and a half years, starting in the middle of 2011. We began with the idea that we would have to raise €1 million and then it gradually went to over €6 million. Our first big breakthrough was finding the Stiftung Trias foundation, who bought the ground and leased it back to us for 99 years. Then the legal structure was very important because we are both a cooperative and an association. The cooperative members invested another €600,000 all together and by doing this, we were able to get other matching funding. Of course, there were funny coincidences, like when the mayor of Dresden jumped in and offered a city development grant, which turned out to be the first of its kind and part of a pilot scheme, amounting to €1.35 million. Once all this was in place, we got a bank loan of €2.6 million. And then we found a €1 million ecological grant for some of the refurbishment. Then we got private loans of €200,000 each from two private supporters and a Swiss foundation came in with €300,000. And then the bank that gave us the loan also put in another €200,000 from its trust fund.

SF: Wow, not bad for a bunch of punks.

EW: Well we had existed before this in another part of the city for six and a half years as underground artists, doing experimental performances and music. But we were about to be thrown out of the building we had so we decided we wanted to fight for what we believed in and it didn't cross our minds to ask for help because this is a very conservative region. But once the Trias foundation came

on board and we had the land secured, then we felt confident. We formed the co-op and each member invested (borrowed, drew on savings etc) between €3,000 and up to €80,000 in shares, which was a big commitment. Then the authorities obviously liked our initiative because the mayor came to us and that development grant from the city was a big step.

SF: Now that you have secured the site and have 22 apartments occupied by co-op members and a further 70 tenants in the studios you converted (artists, designers, campaigners etc) and you are refurbishing the amazing and historic ballroom to be used as a venue, what is your vision for the future?

EW: To create an arts centre that is affordable and accessible. A place that is independent and fair. We want to look at the long term, say 30 years, when we are rid of all the loans and then we can be really independent and have money to reinvest in ourselves and in other like-minded people. The impact of all this is different for everyone, but this is a place for experimenting with art forms and the possibility, as a human being, to have your own life in your own hands. To be self-independent.

SF: Tell me a bit more about the foundation Stiftung Trias because it sounds really interesting. As I understand it, their mission is to safeguard land from speculation?

EW: Actually, they took their inspiration from the Edith Maryon Foundation. The basic idea is to get land out of speculation, as part of an ecological approach to living together. They buy the ground and then give the buildings on top to compatible organisations. Their starting point is not cultural but social. They only operate in Germany, at the moment. Once they buy the land then they raise money on these assets. We have to pay a rent of €38,000 each year, so it's not that cheap but we feel our money is going back into projects that we agree with. Plus, they helped us with all the legal stuff and how to form a co-op etc. And they also helped with the private loans I spoke of and these loans are at a very low interest rate. We feel that they have our back. Also, to mention that there is now a network of such projects in Germany called IMMOVIELIEN, connecting and supporting communes, relevant foundations etc., all with the aim of real estate going back into the hands of the many and not the few.

SF: Everyone is dealing with the shift to the right at the moment – nationalism and extremism. In Dresden and Saxony this is particularly relevant. Does this affect Zentralwerk and are you conscious of your role on the other side – internationalism, freedom of expression, diversity etc?

EW: It affects us and we realise we need to speed up and strengthen our capacity. At the moment there is a possibility the region will be dominated by the extreme right but not the city, although no one really knows. However, this topic of becoming independent financially should be stressed because if there is a change of government, funding for our sort of project will be removed. We feel Zentralwerk is important as a symbol of an alternative. In this light, we are always thinking about programming more in the direction of diversity. We have tenants in the house who are very active in this area, running multi-cultural events and manifestations etc.

SF: With regard to organisational structure, you are also unusual in that the umbrella organisation is a cooperative, which is a for-profit, but then you have an association, which is not-for-profit. How does this work? How are decisions made?

EW: With our concept of Zentralwerk it was very hard to be a not-for-profit cooperative (*under German law*). So, we have the association as the not-for-profit arm. It does make it more complicated. There is a separation. The association is made up entirely of artists and there are also artists in the co-op but not only. The association is the historic entity and predates the co-op. It is the one that holds the punk spirit. New structures are definitely needed to make the two entities work better together and make things clearer and we are working on this at the moment.

SF: You have no paid staff, so how do you divide the work and who does what?

EW: We don't have a system. People volunteer for tasks depending on their expertise. For example, we have architects and builders who have developed the buildings. Volunteers are drawn from the co-op and association and it is their choice to become involved. If there is a task and no one steps up, then relevant people are asked if they will do it. To some extent it is anarchic but people somehow find their place.

SF: On the general development of the organisation, you have just decided to describe yourselves as a 'learning organisation'. Why? And what will this mean in reality?

EW: We found out about this through working with Olivearte (*Zentralwerk contracted in cultural consultancy firm Olivearte to help with developing a strategic plan*) and it made sense. This is actually what we are doing but we didn't name it. If you take on an initiative like this you learn a lot. Now we are becoming experts. But now we are going to formally build this into the structure for everyone to benefit.

SF: Who controls the finances? Do you have budgets, for instance? And how do you make financial decisions?

EW: In Zentralwerk each legal entity has its own budget, so we have one for the cooperative and one for the association. There is a working group of 6 to 7 people and they define where the money should be invested or where money is needed. The yearly budget goes to a general cooperative meeting for discussion and decisions. In the association, I control the finances, which is really based on the grants we get, the rents we charge for the spaces and the memberships. I am also the fundraiser. The board members of the association decide on the money but it is discussed by everyone in the association. Overall in the centre we have a 3-member group to oversee all the finances. The budgets of the co-op and the association are not interlinked but there is a move now to link these.

SF: The public programme is about to become more important with the opening

of the venue in 2019, with a plan to develop the large hall as a multi-purpose space (capacity about 600), the second space in size as a 'black box'-type venue and the smaller space as a gallery. This, I understand, will not be a venue in the traditional sense but will be a 'production centre'. What does this mean?

EW: Our vision is that we will have a number of cooperative partners who will prepare and produce shows. Remember that our original mission is all about working, living and art production by the members. But now we are opening this out to people from outside the centre, so this idea of a production centre will also apply to artists in general. And internationally, as well, because we can use the artist in residence apartment.

SF: You are attracting a lot of attention right now because you are seen as successful. On the one hand, other independent initiatives in the city are looking to you for support and leadership and on the other hand, the city and regional authorities want to showcase you as their alternative and trendy creatives. Furthermore, there is the extreme right who try to influence cultural policy more and more. How do you deal with all of this?

EW: The strategy right now is to be part of the wider discussions. To try to be more and more transparent in how we work and what we do. To be clear in how we communicate with the outside. We have already reached this high level of independence but we don't have the resources to be part of everything. We are trying not to get involved in single-issue problems but to look at the larger question of resources and policy. It is about trying to motivate dialogue to solve these issues. We are not activists in the traditional sense. We are artists who have created our own possibilities.