Spillover Effect
of Cultural & Creative Industries
–
How big is its value added?

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The age of crossover?

input is...

output is...

The Circular Economy

Source
World Economic Forum

output is...

input is...
The role of cultural creative crossover

While crossovers are not new in economy, tech and urbanism, crossovers are new to the cultural creative sectors.

Without cultural creative crossovers, the current transformations in economy and society – driven by the digital revolution – will fail to lead to a liveable society.
Crossovers #1

Rebuild by Design

Aim:
international design competition for innovative plans to protect New York

Rebuild by Design: six plans from architects and engineers chosen from a pool of 148 proposals. a network of levees, a waterfront greenway and a new power plant to protect the Hunts Point food market, and the planting of oyster beds and reefs.
Crossover #2

The Atlantic 1832
The Artist Samuel Morse

1836
The First Morse Translator
Crossover #3

Heartbeat 2014
Isreal and Palestinian Youth Musicians for Peace
A European research alliance

- Arts Council Norway
- Arts Council Malta
- British Council
- Dr. Annick Schramme (Antwerp Management School, Belgium)
- Edna dos Santos-Duiisenberg
- Elizabete Tomaz/INTELI – Intelligence in Innovation, Innovation Centre
- Jonathan Vickery (University of Warwick)
- Kaisa Schmidt-Thomé (Aalto University)
- Lyudmila Petrova (Erasmus University)
- Michael Söndermann
- Multiplicities
- University of Duesto
Why spillovers?
What is a spillover effect?

The process by which activity in the arts, culture and creative industries has a subsequent broader impact on places, society or the economy through the overflow of concepts, ideas, skills, knowledge and different types of capital.

- varying time-frames
- intentional or unintentional, planned or unplanned, direct or indirect
- negative as well as positive, linear and non-linear

in the categories: Knowledge, Network, Industry
• Over **100 items** consisting of a mixture of academic studies, evaluations, literature reviews, case studies, abstracts of proposed studies and reports by government committees and government departments.

• A systematic review of additional literature

The evidence library
1. Stimulating creativity and encouraging potential
2. Increasing visibility, tolerance and cultural exchange between communities
3. Changing attitudes in participation and openness toward the arts
4. New forms of organisation
5. Knowledge exchange and culture-led innovation
6. Strengthening cross-border and cross-sector collaborations
7. Increase in employability and skills development in society
   e.g. “Creative professionals such as designers, advertisers, software developers, but also professionals in film and television industries may be employed outside the creative industries, bringing with them new techniques, ideas and ways of working. Or, they may start spin-off companies in a different sector.” Tallinn University Estonian Institute for Futures Studies 2011
1. Improved business culture and entrepreneurship
2. Changes to the property market
3. Encouraging private and foreign investment
4. Impacts on productivity, profitability and competitiveness
5. Innovation and digital technology

e.g. “Creative industries highlight not just the economic value of creativity and origination, for example entrepreneurial artistry and vice versa, but also the significant economic value created from the re-use of ideas in general and copyrighted material in particular” ESSnet-Culture 2012
1. Social cohesion and community development and integration
2. Health and wellbeing
3. Ecosystem and creative milieu, city branding and place making
4. Economic impact from clusters and regions
5. Urban development, regeneration and infrastructure

E.g. “Creative entrepreneurs – often in their start-up phase – are looking for low-cost working spaces. Perhaps these cultural entrepreneurs do not make much money. Yet they create interesting activities, organize events, exhibitions, they attract people to an area, build social networks, exchange new and innovative ideas. And they do not mind adopting ‘bohemian lifestyles’. They treasure places that are ‘different’, with a specific cultural identity”. CURE 2014
1. Majority of projects do not set out to directly capture spillovers
2. Reluctance to engage with other, non-economic impact
3. Limited credible causal impact
4. Difficult to develop a fresh narrative out of existing approaches
1. Understand Spillover Effects as Hidden Innovations

   - NESTA Research
   - A Value Added in the Hundred Millions
Understand Know-How Transfer as Creative Workers outside the Creative Industries

Value added great than Value?

<table>
<thead>
<tr>
<th></th>
<th>Creative industries</th>
<th>Non-creative industries</th>
<th>All industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creatively-occupied jobs</td>
<td>Specialists 794,000</td>
<td>Embedded 1,138,400</td>
<td>Creatively-occupied jobs 1,932,400</td>
</tr>
<tr>
<td>Other jobs</td>
<td>Support 563,300</td>
<td>Non-creative 26,178,900</td>
<td>Non creatively-occupied jobs 26,742,200</td>
</tr>
<tr>
<td>All occupations</td>
<td>Working in the creative industries 1,357,300</td>
<td>Working outside the creative industries 27,317,300</td>
<td>Total workforce 28,674,600</td>
</tr>
</tbody>
</table>


A Quantitative Approach #2
Understand Spillover Effects as Communication

“raise visibility and strengthen networks: An unconnected, ‘un–self–aware’ mass of creative businesses will not benefit from knowledge spillovers or from lower transaction costs. Policymakers can help remedy this situation by supporting local business networks, and bridging the gap between communities and groups with complementary resources and capabilities

A Manifesto for the Creative Economy, 2013, page 61
Join the debate from 11th June 2015

http://ccspillovers.wikispaces.com/
What comes first?

- Production crossovers
- Knowledge crossovers
- Network crossovers
All, but distinct?
All, but overlapping

production crossovers

network crossovers

knowledge crossovers
Sectorial Policies

The Atlantic-Experience of Morse

– cross-skills
– joint innovation schemes / joint laboratories
– open ended research / the yet uninvented

Policy Tools: The 1% Rule

– unite with general action (& and proof effectiveness):
  Junckers Investment Fund: „Not just another bridge !“
– unite with specific sector actions in booming markets:
  decentralization of mobility & energy & agriculture
Ecology Policies

The Rebuilt-Experience of Sandy
  - civic participation
  - open innovation
  - the next big thread

Policy Tools: Tax Incentives for
  - auction of crossover vouchers in industries
  - custom-free crossover labs
  - crossover skill education
Third Sector Policies

C40

World Cities Culture Forum

Network for Innovations in Culture & Creativity: N.I.C.E. Award and Exhibition
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