



From the Creative Industry to the Creative Economies

Excerpt from the Creative Industry Report
Switzerland 2016

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Introduction: Multiple Perspectives on the Relationship between Culture, Eco- nomics, and Technology

Entitled “Kreativwirtschaftsbericht Schweiz 2016. Von der Kreativwirtschaft zu den Creative Economies” (The Swiss Creative Industry Report 2016: From the Creative Industry to the Creative Economies), this report continues a series of publications on Switzerland’s creative industry.¹ Based on official, i.e., public statistics, it formulates statements on enterprises, the number of employees, turnover, and gross added value. These findings provide a basis for a nation-wide perspective on the dynamics of the creative industry. On the other hand, “From the Creative Industry to the Creative Economies” indicates a new understanding of the issue. This “reframing” seeks to open up new possibilities for action and new entrepreneurial perspectives for practice while it also provides important impulses for debating these issues in Switzerland.

The term “creative economies” enables one to challenge firmly established notions, to expand the well-rehearsed range of sectors of the creative industry, and to consider the manifold practices and processes of the involved actors both more explicitly and more accurately. “Creative economies” stands for a new understanding of the previous “creative industry.” It extends the spectrum of relevant sectors, more exactly describes the practices of the involved actors, and raises even greater awareness of the significance of interactive processes than before. Following a panel at the 2014 Venice Architecture Biennale, the authors of this report, Christoph Weckerle and Simon Grand, launched a venture called “CreativeEconomies” together with fellow curator Gerd Folkers: this “not-for-profit” undertaking provides public platforms, laboratories, and spaces for reflection to facilitate a globally oriented and a locally constantly refocused debate. This perspective on this new field of research, action, and discussion also forges new relations between Zurich University of the Arts ZHdK (Department of Cultural Analysis), the University of St Gallen HSG (RISE Management Innovation Lab), and the Federal Institute of Technology ETH (Critical Thinking Initiative).

Following preliminary work pursued since 2014, this report is the venture’s first publication to focus specifically on the Swiss context.

1 See, for instance: Weckerle, Christoph/Söndermann, Michael: Kultur.Wirtschaft.Schweiz. Das Umsatz- und Beschäftigungspotential des kulturellen Sektors: Erster Kulturwirtschaftsbericht Schweiz. HGKZ, Zürich 2003. Weckerle, Christoph/Gerig, Manfred/Söndermann, Michael: Kreativwirtschaft Schweiz, Daten – Modelle – Szene. Birkhäuser, Basel 2008. Weckerle, Christoph/Theiler, Hubert: Dritter Kreativwirtschaftsbericht Zürich. Zürcher Hochschule der Künste 2010. See also www.creativeeconomies.com

There are various reasons for the suggested expansion of the approach to the creative industry established in Switzerland in recent years.

One key focus is the globalisation of the field. The creative industry is a global phenomenon, for which diverse models, approaches, and definitions have emerged depending on geographical region. An approach resting primarily on the distinction between the selected economic sectors inevitably leads to barely fruitful discussions and to the finding that this issue is understood, and negotiated, differently in this Asian city than in that part of Europe. Obviously, such a discussion is unable to consider the highly promising transnational dimensions of the creative industry. Not only is this dimension evident in the student studios at Zurich University of the Arts but also in enterprises with branches and subsidiaries in various parts of the world.

The conceptual expansion proposed here grew in particular from the authors' discussions with experts and practitioners from different continents. These include Desmond Hui, who has shaped discussions in Asia for many years and whose report on the creative industries in Hong Kong has raised awareness of the issue in China; Frédéric Martel, whose in-depth studies on the global dimension of the culture and media industry have shed new light on cultural mainstreaming in various countries and address the challenges facing Europe; Andy Pratt, whose studies on the creative industries in urban contexts have repeatedly made highly relevant contributions to a global debate on the issue; and Raj Isar, who produced the "Creative Economy Report 2013" for UNESCO.

At the same time, the authors are themselves actively involved in numerous contexts of research, project work, and discussion through engaging with enterprises driving innovation in various industries (software, ICT, pharmaceuticals, engineering, financial services), with universities and entrepreneurial research organisations, with actors, organisations, networks, and collectives in fashion and art.² These contexts and discussions reveal that the term "creative" does not alone distinguish the creative industry. According to our interviewees, creative solutions are also achieved beyond this complex system of sectors—even if these solutions are sometimes referred to differently—whether in pharmaceutical laboratories, in a bank's new innovation platforms, in open source software development projects, in hacker competitions, or in the development of "smart" applications for Industry 4.0 uses. What still needs to be better understood is how culture, economics, and technology interact within these constellations and influence each other.

Against this background, we suggest that sustainable, future-oriented discussions on the creative industry be conducted in the context of various fields of tension. Not only the question whether a sector is creative or not can hardly be answered, but other parameters also remain increasingly blurred on closer scrutiny: the question whether an idea is intended "for-profit" or not can often barely be answered in positive or negative terms, just as little as whether such ideas are situated in the public or private sector, or whether a potential business area is located within or beyond the arts and culture, or whether the corresponding business model has formal or informal character. Within these dimensions at least, it is neither one nor the other, but mostly this at times, and that at others, or even both at the same time. Thus, such force fields³ represent not so much mutually exclusive and extreme poles than the starting points for manifold new reflections, fields of action, and strategies, which develop beyond sector-specific definitions of the creative industry.

So instead of claiming new boundaries for the creative industry or unilaterally determining the notion of creativity, it therefore seems more feasible to describe specific constellations that can be discussed exemplarily based on the creative industry and that also represent other sectors. This approach opens up a more differentiated perspective, which considers established creative economy sectors from a new angle on the one hand, and extends the focus to other (economic) sectors on the other. This shifts the question of who or which sector is creative to an inclusive approach, which considers the various actors as part of a heterogeneous, distributed, constantly re-forming value-creation process. Thus, value creation is redefined and considered beyond economic relevance.⁴

The Continuing Boom of the Creativity Industry

The global and European levels, and that of individual countries, regions, or cities, confirm the ongoing relevance of the discussion on the creative industry. The comprehensive study on CISAC—the International

2 See, for instance, Simon Grand: *Routines, Strategies and Management: Engaging for Recurrent Creation "At the Edge."* Edward Elgar, Cheltenham, 2016.

3 Other force fields are discussed in Part 3.

4 See also the discussion in: Rüeegg-Stürm, Johannes & Grand, Simon: *Das St. Galler Management-Modell. Haupt, Bern 2015.*

Confederation of Societies of Authors and Composer—was recently published at “Cultural Times: the First Global Map of Cultural and Creative Industries.”⁵ CISAC represents four million artists in the fields of music, audiovisual arts, drama, literature, and visual art. The message of the study, prepared by Ernst & Young (EY), and including a preface by the UNESCO Director-General, is impressive: the creative industry generates global revenues totalling \$ 2250 billion and accounts for 29.5 million workplaces; this corresponds to 1% of the world’s active population. Importantly, the study highlights the prevalence of small-scale structures in the creative industry, which favour innovative business models and represent a significant share of self-employment. According to the study, creative industry workers are more than three times likely to be self-employed than those in the overall economy. Further, the study confirms that the percentage of women in the creative industry is higher than in traditional industry. Besides hard facts and figures, the study also points out soft factors: essentially, careers in the creative industry are open to people from highly diverse age groups and social backgrounds. Also, creative activities make a substantial contribution to youth employment.

As a long-established complex system of sectors, the creative industry plays a strategic role from a European perspective. The starting point is the “Europe 2020” strategy⁶ for generating smart, sustainable, and inclusive growth. This means: “smart”—through more effective investments in education, research, and innovation; “sustainable”—through a determined orientation toward a low-carbon economy; “inclusive”—through prioritising the creation of employment and the fight against poverty.” The implementation of this strategy rests on five objectives in employment, innovation, education, the fight against poverty, and climate/energy.

Accounting for 3% of the Gross Domestic Product and employment in the European Union, the creative industry is meant to play a significant role. The European Commission is convinced that specific measures are necessary to optimally unleash the potential of the creative industry. For the period 2015–2018,⁷ these measures are:

- The development of specific funding systems: these include the examination of established instruments like loans and shares, as well as the development of alternative funding scenarios like public-private partnerships, crowdfunding, mentoring programmes, patronage, or entrepreneurship.
- Placing greater emphasis on entrepreneurial and innovation potentials by highlighting the effects on other sectors and by adopting a trenchant focus on innovative business models.

- Developing cultural tourism, in order to open up Europe’s richly diverse material and immaterial cultural heritage.

The various international strands of discussion and action concerning the complex known as the cultural and creative industries can be described on the level of individual countries, regions, or cities.⁸ Relevant key words include structural change, branding, or creative-x. The core arguments listed from a European and global perspective largely coincide with the above statements.

A brief look at the titles of the most recent Swiss reports shows that here, too, the field is dynamic and complex: while the first Swiss “Cultural Industry Report” (2003) still included a narrow definition—design was treated as a test case, which never really fit sub-markets like the music industry or the literature market—afterwards terms such as “cultural and creative industry” and later “creative industry” were used. Globalisation and digitisation influence the points of reference and extend the promotion of art and culture to the important aspect of economic and innovation performance. In parallel, the attributions used to designate creative economy actors—artists, cultural workers, creative professionals—oscillate between dynamic and precarious.

Aim, Structure, and Contents of this Report

As observed, many important arguments exist for continuing the discussion about the creative industry in Switzerland on the one hand, and for expanding that discussion along the lines outlined above.

The aim, structure, and contents of this report differ from previous reports in various ways: the present report considers itself less as part of a series of definitive remarks on the creative industry than as a

5 Cultural Times, the first global map of cultural and creative industries, CISAC, 2015. CISAC has over 230 member associations in 120 countries.

6 See European Commission: http://ec.europa.eu/europe2020/index_de.htm (last accessed 12.4.2016).

7 See the conclusions drawn by the European Council and the representatives of its member states on the Work Plan for Culture (2015–2018) [2014/C 463/02].

8 A vast number of reports on the creative economy has meanwhile been published. In its “Creative Economy Report 2013,” UNESCO mentions those policy areas now formulating their strategies in relation to this complex: economic development and regional growth, urban and national planning, trade and industry, education, technology and communication, art and culture, tourism, and social welfare.

description of the current state of affairs. It adopts various forms of presentation and is divided into several parts, each with a different emphasis. This report aims to stimulate discussion, to enable different actors to forge their own approaches, while at the same time it strives to remain open to further debates in the field. Accordingly, further details and in-depth materials will be made available at www.creativeeconomies.com and continuously expanded. The website includes links to other formats and opportunities for debate and exchange.

Part 1 continues the discussion established in Switzerland by following the tradition of earlier reports on the creative industry. It combines this discussion with statistical material including voices from the sector and with visual materials. In particular the latter are new for Switzerland and link the national discussion to the current state of the international debate. Consequently, numerical tables, which are often interpreted too directly, are reduced in favour of more broadly conceived mappings.

Part 2 develops the notion of the creative economy for the first time in Switzerland and provides robust statistical data. This reveals the radiance of the creative industries beyond their own confines. In collaboration with renowned agencies in Great Britain, Swiss sector and occupational statistics are crossed for the first time.⁹ This extends the macro-perspective, which employs the already introduced sector approach, to the processes and practices adopted by so-called creative actors on the micro-level. This combined approach shows that such actors are active outside the creative industry. Moreover, this finding enables one to reinterpret and renegotiate key concepts of the creative industry—for instance, value creation—and to deduce consequences for practice.

Based on the statistically supported statements of Parts 1 and 2, Part 3 presents scenarios and models that have emerged from intensive global debate and that are now made relevant for the continuing discussion of these findings in Switzerland. Compared to Parts 1 and 2, Part 3 deliberately looks to the future. It aims to open up strategic perspectives and entrepreneurial possibilities as well as formulate relevant questions for diverse actors in education, politics, or research and in particular for creative industry actors.

“CreativeEconomies” (www.creativeeconomies.com) will be developing formats suited to intensifying dialogue and to building knowledge about issues and questions also concerning Switzerland’s creative economies. This report analyses and pursues developments at the interface between culture, economics, and technology. The corresponding discussion will be documented continuously at www.creativeeconomies.com.

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Part 3: Creative Economies —

A Plea for Rethinking Value Creation Amid
the Force Field between Culture, Economics,
and Technology

This final chapter introduces the new perspective enabled by the concept of the creative economies. It proceeds in three steps. First, it explains why a new approach must consider the established lack of definition characterising discussions within and beyond the creative economies and renders these fruitful for the interface between culture, economics, and technology. The interaction between the macro- and micro-perspectives is key to this expanded discussion. Second, the potential of the creative-economies perspective is explained with the help of a model that discusses value creation in the context of the relevant force fields. Third, the key role of curating practices is discussed.

Step 1: Creative Industry and Creative Economy:
Two Different Perspectives on the Interface
between Culture and Economics

Entitled “Kreativwirtschaftsbericht Schweiz 2016. Von der Kreativwirtschaft zu den Creative Economies” (The Creative Industry Report Switzerland 2016: From the Creative Industry to the Creative Economies), Part 1 of this report focused on the creative industry in terms of defined sub-markets. Part 2 discusses the creative industry no longer merely as a complex of sectors, but, based on occupational statistics, introduces an actor-centered perspective. Whereas Part 1 draws on experiences of the past ten years, and whereas its methodological approach may be considered firmly established, Part 2 has emerged over the past two years, especially from our discussions with Nesta and DCMS; it presents an approach that is new in Switzerland and thus still in a trial phase.

Whereas Part 1 describes matters as they are, Part 2 concentrates on how the state of affairs might also be described and interpreted. It focuses analysis more precisely on key issues such as value creation or modes of cooperation, creative processes, and the practices and processes adopted by the involved actors. This alternative focus reveals new possibilities for action and new developmental perspectives for the most diverse creative industry actors and beyond—entrepreneurs and politicians, researchers and cultural managers, curators and artists, and their involvement in scientific, entrepreneurial, cultural, and political projects, initiatives, organisations, networks, and institutions.

The complex statistical analysis on the creative economy¹ presented in Part 2 can be reduced to the following statement: considering the creative industry solely in terms of sub-markets only does partial justice to the dynamics of the field. The edges between the sub-markets, i.e., the creative industry and other sectors of the economy seem increasingly blurred: almost the same number of persons who are active as so-called

creatives (or creative professionals) within the traditionally defined creative industry are also active outside this complex. This preliminary finding requires in-depth analysis and will presumably lead to important reinterpretations, which will also be relevant for the future debate on the creative industry in Switzerland.

General and Specific Causes of the Lack of Definition in the Creative Industry and the Creative Economy

What are the reasons for this lack of definition? Over the past few years, we have explored this question and its consequences in great detail. On the one hand, we have focused on the creative industry and its global dynamics, i.e., integration and transformation; on the other, we have considered the creative industry beyond the traditional focus.

The Lack of Definition and the Dynamics of Development within the Cultural Sector

What becomes apparent on the one hand is that similar phenomena are repeatedly regarded as characteristic of these dynamics and transformation. Exemplary in this respect are the phenomena enumerated in the Cultural Message of the Federal Council² for the attention of Swiss Parliament. Similar assertions can be found in the strategy papers of various governments.³ These phenomena are characterised by questions and effects driven by at least three crucial mega-trends:

- Globalisation: varying concepts of “mainstream” in different regions of the world, illustrated by the prevalence of Disney films, games, television series, etc., relativise the European “exception culturelle.” At the same time, as a context for the reflected debate on developments in the aspiring Asian markets, traditional European markets are challenged and remain relevant for the in-depth reflection on these developments. Conversely, Europe’s own cultural traditions are influenced massively by dominant contents from the USA and by innovations from Asia: competition based on “soft power” is steadily gaining ground. At the same time, legal and technical, logistical and organisational aspects of the production, performance, and dissemination of art and culture are becoming increasingly important.
- Digitisation: new ways of creating, producing, disseminating, and opening up art and culture imply quality issues, as exemplified by open source and social media, or by the emergence of new kinds of digital movements and self-organised

knowledge communities. This challenges existing constellations: what does professional mean in this context if access to creation and production possibilities are continuously simplified and democratised? Which (new/old) contents must art and cultural production react to? Which shifts at the interface between production and consumption become relevant? In this respect, digitisation has implications for content, for its integration, for its grounding in established and new bodies of knowledge, but also for its staging in the media, communication, and critical reflection (“smart curation”).

- Particularisation: classical “guiding cultures,” which span several social strata, tend to be losing importance, i.e., are being challenged by new cultural offerings. New audience structures are emerging along community lines, are forming on new platforms, and are changing very rapidly. The formation of artistic identity and its meaning for smaller or larger social groups depends on economic conditions: times of crises can strengthen the need for stable cultural values while at the same time they weaken the safeguarding of existing institutions; economic booms favour the particularisation of scenes; authorship spreads and reorganises itself; new business models, forms of organisation, and value-creation constellations open up new fields of action and future opportunities.

Lacking Definition and the Dynamics of Development in Other Sectors

From a cultural perspective, globalisation, digitisation, and particularisation thus open up new and different mechanisms of cooperation and exchange. These mechanisms fundamentally change the conventional structures and processes of creation, production, performance, and dissemination whilst they open up new spaces of opportunity. It is hardly surprising that closer scrutiny reveals that other sectors have similar effects. The examples of two important sectors in

1 Here and below, the term “creative economy” refers to the approach developed by Nesta and DCMS (see Part 2). However, no particular attention is paid to the interesting ideas presented by John Howkins (Creative Economy, 2002), who even captured the Creative Economy in the formula $CE = C \times T$ (Creative Economy = Content \times Transaction).

2 Botschaft zur Förderung der Kultur in den Jahren 2016–2020 (Kulturbotschaft), dated 28 November 2014.

3 See, for instance, Département des Etudes de la Prospective et des Statistiques (DEPS): Culture & Médias 2030 – Prospective et politiques culturelles. La Documentation française, Paris 2011.

Switzerland suggest certain analogies, which cannot be examined in detail, however:

- In the pharmaceutical industry, while blockbuster products have long played a crucial role for large companies and their models of success, new scientific findings and technological possibilities within biological research are bringing forth many ventures and entrepreneurial opportunities: as a result, processes of innovation, development, and value-creation have become strongly differentiated in the sector, leading to diverse models of innovation, business, and organisation. These dynamics are intensified even further both by the great importance of information available in digital form and by the possibilities of computer simulations and computer-based analytical processes like big data or cognitive computing. At the same time, personalised medicine and the transformation of the health sector are changing the awareness of the different forms of illnesses—with consequences for treatment methods, invoicing models, and performance assessment.
- Analogous patterns can be detected amid the current transformation of the financial services industry: while business is now global in many sectors, there is an increasing awareness of strong regional differences, for instance, as regards customer expectations and business relations, and as intensified by rules and regulations shaped by international and national standards. The digitisation of business models, but also the standardisations and automatisations aspired to by digital platforms, are changing value-creation structures in the sector. Moreover, dynamics are emerging in connection with FinTech and the entrance of technology enterprises into the sector—together with claims of its fundamental “disruption” worldwide. This reveals just how complex and heterogeneous the accompanying developments are: (Ultra) High Net Worth Individuals need to be addressed differently than retail customers; generational differences in the use of digital media are becoming more important; the boundaries of the banking sector and the competencies it requires—for instance, in the interplay between “banking” and “gaming”—are shifting.

Specific Developments at the Interface between Culture and Economics

Other reasons for the increasingly permeable boundaries between culture and economics, which make an in-depth debate on the creative economy perspective even more important, are more specific. Over recent

decades, a multi-layered rapprochement between these two fields has occurred. While patronage and subsequently sponsoring—with its *do ut des rationale* (“I give so you may give”), i.e., image transfer versus financial support—were long the sole points of reference, arts management has established itself since the 1980s. This attempts to transfer management approaches from business onto the cultural sector. Transfer aims to professionalise the cultural sector and to legitimise the efficient and effective promotion of culture. In the late 1990s, a cultural industry slowly began to establish itself in Switzerland.⁴ The cultural industry postulates an internal segmentation of the cultural sector and analyses the sector in terms of various economic indicators, including turnover or the number of employees.

This narrative can also be reversed, at the latest since the rise of the creative industry in the mid-noughties, i.e., since the growing interest of trade and industry in the cultural sector. Based on approaches like design thinking or co-working, and also on concepts like “hidden” or “soft” innovation, there is an increasing interest in knowing how exactly the cultural sector works in practical and processual terms. The concept of innovation is conceived in broader terms and surpasses economic, commercial, and technology-based approaches; business models can also be successful even if they are not focused entirely on economic impact, but if they are aesthetically appealing and create meaning, and enable identification with communities or social objectives.

In this respect, there is increasing talk of the culturalisation and aestheticisation⁵ of the economy: “While modernity had ubiquitously disseminated rationalisation from the eighteenth to the mid-twentieth centuries, this has since been increasingly eclipsed by culturalisation [...].”⁶ Andreas Reckwitz has described how modernity deploys the mechanisms of purpose-driven rationality as a rationalisation process aimed at optimising economics, the state, or science within society. Central to the rationalisation complex, according to Reckwitz, is how subjects and things are schematised and standardised: as uniform series, they are meant to correspond to universal patterns. Society

⁴ The development suggested here refers to Switzerland. Its time-line and forms would need to be distinguished from other Continental European countries, and among these especially from Great Britain.

⁵ See Lipovetsky, Gilles/Serroy, Jean: *L'esthétisation du monde. Vivre à l'âge du capitalisme artiste*. Gallimard, Paris 2013. See also Reckwitz, Andreas: *Die Transformation der Sichtbarkeitsordnungen*. In: *Soziopolis* am 28.09.2015. Vgl. URL: <http://www.sozipolis.de/beobachten/kultur/artikel/die-transformation-der-sichtbarkeits-ordnungen> (last accessed 12.4.2016).

⁶ Reckwitz, Andreas: *Die Transformation der Sichtbarkeitsordnungen*.

no longer revolves around uniform objects, nor ones produced in identical fashion and then objectified, nor interaction between uniform subjects, but instead around “[...] the production and reception of affectively charged signs, narratives, images, and performances, as well as interactions with singular subjects.”⁷

Step 2: New Insights through Combining Different Perspectives

Against this background, the question that arises for the debate on the creative industry in Switzerland is whether this indicates a paradigm shift, and which perspectives, models, and questions are especially crucial for such a shift. Should existing analysis, which considers established sub-markets like the design industry or the music business, be replaced with a creative economy approach that introduces the concept of “creative occupation” and focuses on the whole economy? It is very tempting to answer this question prematurely in the affirmative.

The authors of this report believe that several reasons speak against this change of focus. Among others, the creative economy approach rests on a similar reduction of complexity as the creative industry: while the latter principle divides the economy into creative and non-creative sectors, and thus rules out the creative industry, the former assumes that activities, i.e., occupations, can be divided into creative and non-creative ones. The creative economy is said to exist wherever evidence of creative occupations is found. Both cases are based on the somewhat rough scheme of official statistics.

This (deliberately) strongly simplified account of both approaches intends to highlight that the solution lies not in replacing one reduction of complexity with another. No approach—not even a third or fourth one, which would stand alongside the creative industry and the creative economy—would be able to comprehensively represent the interface, i.e., the exchanges between culture and economics. Instead, and based on various starting points, multiple perspectives and approaches need to be combined, just as new approaches need to be derived from such combinations.

The Interplay between the Macro- and Micro-Perspectives

The challenges for, but also the potentials of, an expanded and deepened discussion are manifold: it is matter of understanding global practices and discourses, which are also linked to local specifics, or of focusing on organisations “in the making,” where

creation, research, development, production, representation, and communication are permanently interacting. Sector or occupational logics only play a subordinate role. It is safe to say that we are still a long way from understanding the eco-system of the creative industry and its multiple interactions with other economic, cultural, and scientific developments. This contributes significantly to the fact that this eco-system undergoes constant transformation and development: accordingly, the questions, descriptions, and interpretations must keep pace with these dynamics of development.

While aspects of a macro-perspective along the lines of a sector rationale have been widely studied and established in the relevant discourses, issues tending to be explored from a micro-perspective are not yet adequately understood. It will be intriguing to “go out into the field” and to interpret the phenomena observed in case studies and in discussions with a highly diverse range of actors, as well as to explore these phenomena as facets of a much larger picture. For micro-perspectives plainly reveal that “the world” as such does not exist. The more diverse the observed actors, the more diverse their perspectives on the world. This, in turn, shapes the specific fields of action, perspectives for development, and potentials for innovation and value creation. How we see the world now, and also how complex, dynamic, and future-oriented its representation and interpretation are, significantly influences what our specific world will be like in future.

Toward a Better Understanding of the Creative Industry Eco-System: the Creative Economy Perspective

Orienting oneself toward a more comprehensive understanding of the creative economy, based on the distinction between micro- and macro-perspectives, on the one reveals that many creative economy actors active in other economic sectors must possess competencies sought after in those fields. These insights are not new, and a considerable number of studies have explored these issues. Central in this report are so-called “spillovers,” which rest on the assumption that complementary effects exist between the creative industry and other sectors. Depending on their level of distinction, these spillovers are divided into “product-,”

7 Ibid. See also Verganti, Roberto: *Design-Driven Innovation: Changing the Rules of Competition by Radically Innovating what Things mean*. Harvard Business Press, Boston, MA 2009.

“network-,” or “knowledge-spillovers.”⁸ Presumably, the processes of creation, production, and distribution in the creative industry are just as interesting for other sectors as its concept of innovation.

The relevant discussions also reveal that the creative industry is often reduced to being an “input provider” for other sectors. As a rule, the corresponding lines of argument are developed from an external perspective, and are seldom well received by actors within the creative industry despite their potential viability. This adverse reaction might have to do with the fact that such approaches coincide, either implicitly or explicitly, with an instrumentalisation that often misses the point from the perspective of the involved actors (e.g., individuals, teams, organisations, or networks). For only those who take seriously the critical-subversive-innovative potential of the corresponding strategies and models of the creative economy will also be explore these. From this perspective, the debate on the creative industry will hardly advance without a finely nuanced discussion on how creativity ought to be understood: that is, how in this sector innovation, subversion, criticism, the development of alternative possibilities, hacking, or other dimensions interact, and how such interactions are relevant for economics, culture, science, and society.⁹ Nor can these dimensions and perspectives be captured either by a broader perspective on sectors and actors in terms of the creative economy. From a micro-perspective, the statistical analysis in Part 2 suggests in parallel that the creative industry is closely entwined with other economic, cultural, and scientific fields, and that a greater whole exists, which has so far not yet been adequately understood and that probably also resists conclusive understanding. Again, this concerns topics and issues that have already been discussed.¹⁰ The models of macro-economic impact analysis reveal interesting connections with a host of other sectors. Corresponding secondary effects provide important arguments for political argumentation, for instance, in view of arts and culture funding. Here, too, it is evident that so far culture and economics have been perceived as two distinct systems, which benefit from each other but whose interconnections would need to be analysed further in terms of the findings of Part 2.

The Significance of the Creative Economies Discussion

At a series of panels and workshops held in Venice, Hong Kong, Zurich, and London,¹¹ Christoph Weckerle and Simon Grand—in Venice jointly with Gert Folkers—and renowned international experts discussed how the eco-system of the creative industry might be represented,

interpreted, and analysed differently, to catch a glimpse of a field that is actually far more variegated and heterogeneous, and to see the patterns, dynamics, and possibilities such a perspective also brings into view. At the panels and workshops, the traditional setting of this complex system of sectors, which has strong cultural ties, was consciously extended to the fields of science, technology, and economics, in order to discuss the practice of the involved actors in the context of case studies. Moreover, the choice of participants, who came from different continents, also reflected the global dimension of the creative economies. This perspective also informs “CreativeEconomies,” a venture that has taken shape in the last three years.¹²

The most important insight to emerge from these debates was that a sustainable approach consists in defining the eco-system in terms of both the creative industry (see Part 1) and the creative economy (see Part 2). Or vice versa: each approach that starts from whichever definition of creativity sooner or later becomes entangled in the creative versus non-creative dichotomy and is forced to define system boundaries through subjective postulates, which must be questioned and often become the subject of critical debate among the involved actors.

It is crucial, therefore, to develop an approach that does not presuppose creativity as a given, but subjects this concept to ongoing debate and describes, interprets, and considers it from diverse perspectives. At the same time, the diversity of possible “economies” must be addressed: it is neither self-evident how trade and industry work nor which entrepreneurial models are successful, desirable, or sustainable; instead, the creative industry, science, and other areas of society

8 See, for instance, Chapain, Caroline/Cooke, Phil/De Propriis, Lisa/MacNeill, Stewart/Mateos-Garcia, Juan: *Creative Clusters and Innovation*. Nesta, London 2010. See also Arndt, Olaf/Freitag, Kathleen/Knetsch, Florian/Sakowski, Fabian/Nimmrichter, Rada/Kramer, Jan-Philipp: *Kultur- und Kreativwirtschaft in der gesamtwirtschaftlichen Wertschöpfungskette. Prognosis*, Fraunhofer ISI, Berlin 2012.

9 See, among others, Boltanski, Luc/Chiapello, Eve: *Le nouveau esprit du capitalisme*. Gallimard, Paris 1999; Spinosa, Charles/Flores, Fernando/Dreyfus, Hubert L.: *Disclosing New Worlds: Entrepreneurship, Democratic Action, and the Cultivation of Solidarity*. MIT Press, Cambridge, MA 2001; Düllo, Thomas/Liebl, Franz: *Cultural Hacking: Kunst des Strategischen Handelns*. Springer Verlag, Wien 2005; Grand, Simon: *What if? Strategy Design for Enacting Enterprise Performance*. In: Brenner, Walter/Übernicker, Falk (Eds.): *Design Thinking for Innovation*. Springer, Heidelberg / New York 2016.

10 Concerning Switzerland, see, for instance: Page, Roman in: Statistisches Amt des Kantons Zürich: *Kanton Zürich in Zahlen. Zürich 2015 oder Julius Bär Foundation: Kultur als Wirtschaftsfaktor*. Zürich 2015.

11 See www.creativeeconomies.com

12 See also the introduction to this report and www.creativeeconomies.com.

are seeking alternative models, strategies, and perspectives to critically reflect on, to rethink, and to shape the economic in alternative terms.¹³

A Model of Value Creation in the Creative Economies as a Starting Point

Based on the insights from these discussions, we have devised the following model of the creative economies, which no longer rests on the distinction between creative and non-creative elements. The model has been further developed in cooperation with Gert Folkers, in particular as regards its relevance for describing and interpreting the dynamics within the economic system. The term “creative economies” has been used in the plural to indicate the openness of the system and to highlight that, depending on context and perspective, creative economies can have very different structures and possess their own and highly diverse notions of creativity and economics. The core elements on this model are presented below.

Fig. 9
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Creative economies are determined by the interaction between a “core” area, in which original creation occurs, and an “extended sphere,” which consists of other creative and innovative actors and a multitude of others organisations in the “collocated sphere”:

- A given element of the “creative core” is a concept of creativity that is closely related to artistic creation and the creative industry, i.e., the creative economies. At the same time, the various panel discussions (see above) indicated that this ascription is too narrow. Other fields and activities would also need to be located in the “core”: depending on context, experiments, improvisations, hacking existing systems, critical debates, etc. may all give rise to creative assertions and processes. Here, ascriptions are not made in terms of affiliations with selected disciplines, but are instead defined by specific attitudes, practices, and processes, and ultimately also by how they actually take effect in culture, economics, and science. Central in this respect is the fact that the respective actors and organisations are active in uncertain constellations and are concerned with developing alternative scenarios, i.e., scenarios that cannot be derived linearly from the status quo. The confrontation with alternative models and new possibilities takes place, and may become effective, in scientific laboratories just as it does in design agencies, technology ventures, the independent theatre scene, entrepreneurial initiatives of large

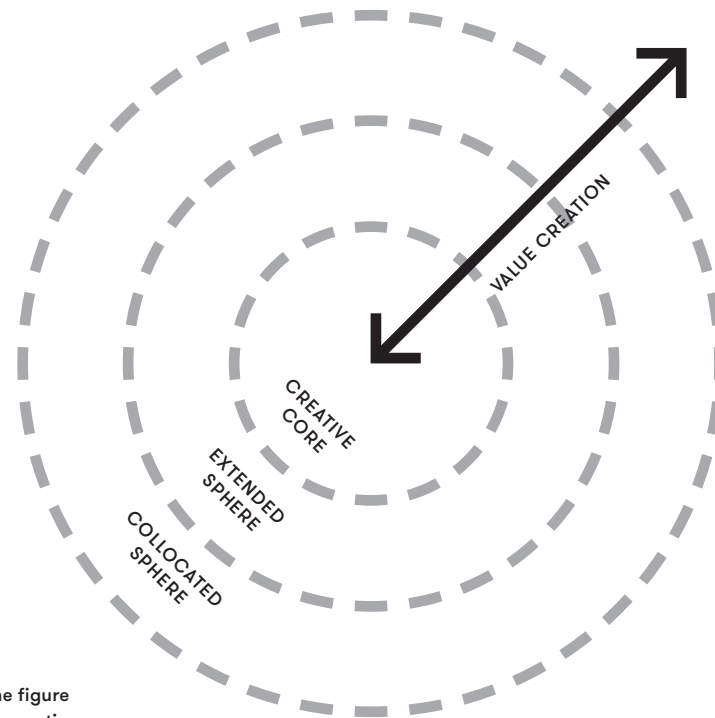
major enterprises, new models of journalistic reporting, and art exhibitions.

- In the “collocated sphere,” organisations and sectors are active that while not directly linked to the “creative core” nevertheless ensure the necessary conditions—whether technological, infrastructural, financial, or other—essential for the effective dissemination, implementation, or assertion of new ideas, designs, or claims. Thus, they establish important prerequisites for the realisation of new approaches and alternative possibilities. In particular the panels held in Hong Kong impressively revealed how actors from the “collocated sphere”—real estate companies, insurance brokers, and also actors defining legal frameworks—impact on the “core” area. What also becomes plainly evident is just how creative these actors are, because they either significantly expand or restrict the spaces of opportunity.
- Between these two spheres, according to the model, there exists a broad palette of initiatives and organisations, which see themselves neither in the “core” nor in the “collocated sphere,” but consciously act inbetween. Depending on context, these initiatives and organisations belong to one or the other sphere and establish, in the “extended sphere,” important, independent, and partially extraordinarily creative exchanges between the “core” and the “collocated sphere.” They do so through multiple transfers and translations. The allocation of specific actors, initiatives, and practices to the individual spheres is not simply given, but results from processes of attribution, and also from the attitudes, ambitions, and strategies of the involved actors: a game design studio, for instance, may function as a “creative core” in collaboration with an entertainment enterprise, as an “extended sphere” in an art project, or as a “collocated sphere” in a research partnership with a scientific laboratory.

Value Creation in Dynamic Systems

Defining and constantly reinterpreting these three spheres in terms of specific constellations, and understanding their interactions, is demanding, partially controversial, and most certainly dynamic. At the same

13 See, for instance, the discussion on so-called “critical companies” in the field of art: Toma, Yann/Barrientos, Roë Marie: *Les entreprises critiques / Critical companies*. CERAP Editions, Paris (2008). Oder Buurman, Gerhard M./Trueby, Stephan (Eds.): *Geldkulturen*. Wilhelm Fink, München 2014.



The Creative Economies Model. The figure illustrates the three spheres of the creative economies — “creative core,” “extended sphere,” and “collocated sphere” — and defines value creation as a transversal process

time, we maintain that precisely these changing references, these permanent reattributions regarding the “creative core,” and accordingly their recombination in terms of the entire model, characterise the core of the creative economies. This claim has consequences for the way in which the interaction between actors within this greater whole needs to be seen.

Reaching from communication to transfer, from intensification and acceleration to reinterpretation, to the point of controversies and ruptures, these dynamics can assume many different forms. They are an important basis for understanding the multiple dimensions of value creation in the creative economies. These dimensions run transversally to the three spheres—“creative core,” “extended,” “collocated”—and interconnect highly diverse actors by permanently recombining aspects of creation, development, realisation, production, dissemination, positioning, knowledge generation, communication, or archiving. In “Reality is Broken,”¹⁴ Jane McGonigal describes how the World Bank employs the strategies of “massive online games” in developing possible solutions for the electrification of certain regions. Applied to the model, this means a value-creation dynamics that proceed from game design (“core”) through development cooperation (“extended”) to World Bank funding (“collocated”). Many similar hybrid constellations could be described: for instance,

between art and design, computer science and architecture, robotics and dance, banking and gaming, and other combinations. Established actors must permanently ask themselves how, i.e., where they can make a difference, and where they can or should make an impact.

Our exchanges with involved actors, as well as various case studies, reveal that these deliberations as a rule take place in specific fields of tension.¹⁵ Depending on one’s perspective, these fields consist of poles that mutually exclude one another or that provide actors with a terrain on which they can develop the hybrid settings mentioned above. Such fields can be discussed on various levels and in different forms. Paramount to the creative economies is the pair of concepts “singularity – mainstream,” which serves to negotiate to what degree a particular actor, and his or her design or initiative, tries to be unique and unmistakable, and where it will be (more) relevant for that actor to make a (broad) impact, to reach a (larger) audience, and to link up with established conventions. Closely associated therewith is the “global – local” force field, which addresses the challenges facing organisations wanting to position themselves globally while needing to consider how their concrete activities can be anchored locally. Whereas, for instance, the “hardware – software” force field describes the

relationship between frameworks, i.e., infrastructures and actors generating contents under those conditions, the “public – private” force field raises to the fore the question where the state should play a central role, and where such tasks ought to fall to other initiatives.

Consequences of the “Core – Extended – Collocated” Model

The rich discussions of the model at the various panels led to the following desiderata:

- Since macro- and micro-perspectives on the creative economies produce various points of view, analysis must always integrate both approaches. Analogously to the described force fields, these approaches must be closely related, because actors in the creative economies constantly move between the “core,” “extended,” and “collocated” spheres. Only such an inclusive perspective will help to see the eco-system in adequate terms and to consider it as a laboratory for alternative models in culture, economics, and science. This approach allows one to recognise models that no longer separate “content” from “context,” but instead postulate that creating something new always means creating the necessary organisational conditions. Or as Rei Kawakubo observes: “My work takes place where creating a new collection and further developing my company come together; neither exists without the other.”¹⁶
- If these constellations bring forth exciting and new forms of value creation, which interrelate the “core,” “extended,” and “collocated” spheres in ever new ways, this calls for an in-depth discussion of the assessment of such values and the necessary mechanisms. In a world shaped by creativity *dispositifs*, the division into creative versus non-creative no longer suffices, because everyone either wants or needs to be creative. Instead, key questions in this respect include which role will the human factor play in quality assessment, especially since it is being replaced by intelligent algorithms, and what will emerge from the combination of the new forms, for instance, “smart curating.”¹⁷
- If the model of the creative economies, as a new and inclusive approach, is taking the place of the transfer rationale of the creative industry, i.e., the creative economy, this means that the sphere between the “creative core” and the “extended sphere” functions more than as a relay. An increasing number of actors will be qualified to replace transfer with translation. One particular challenge in this respect will be that translation processes will occur not only between various disciplines and

economies, but also between different cultures and traditions in the East and West, North and South.

- If one consequence of the comprehensive concept outlined here is that politics, economics, and science no longer stand outside but are instead integrated into the dynamic and complex value-creation constellations of the creative economies, new and different forms of governance will be needed.

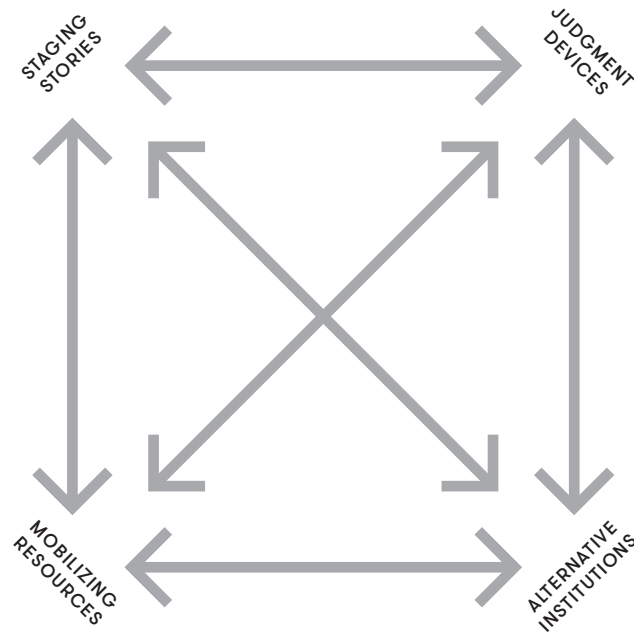
Step 3: Curating instead of Management and Governance

While the first phase of our global discussion on the eco-system of the creative economy was oriented toward the question how to move successfully amid such force fields, i.e., how to steer, shape, and enable processes within the constantly changing, often temporary constellations of the creative economies.

At the various panels, designers, curators, architects, urban planners, and entrepreneurs agreed that traditional approaches to governance and management reach their limits in the creative economies. This prompted us to develop a second model, which we have discussed in detail with Andy Pratt, a global expert on the creative economies. Pratt is confident that transferring curating—as a practice from the narrow art context—onto the creative economies can be promising if the concept is sufficiently explained. On the one hand, “curating” is an often-heard and overused concept that is invading all areas of consumer society (barely anything today is not curated); on the other, “curating” has established itself in art and culture as a distinct and proven approach to successfully dealing with uncertainty: “[...] the task of curating is to make junctions, to allow different approaches to touch. You might describe it as [...] form of map-making that opens new routes.”¹⁸

In the following model, instead of meaning to organising an exhibition, curating refers to processes and actors active in the most diverse cultural, social, economic, or scientific fields—as a rule under different

- 14 McGonigal, Jane: *Reality is Broken: Why Games Make Us Better and How They Can Change the World*. Vintage, New York 2011.
- 15 See the introduction to this report or, for instance, Grand, Simon/Weckerle, Christoph, *Die Zukunft der Kultur- und Kreativwirtschaft wird von ihren Akteuren entworfen*. In: Hedinger, Johannes M./Meyer, Torsten (Eds.): *What's next, Kunst nach der Krise*. Kadmos, Berlin 2013.
- 16 See Grand, Simon: *Routines, Strategies and Management: Engaging for Recurrent Creation “at the edge.”* Edgar Elgar, Cheltenham 2016.
- 17 See Martel, Frédéric at www.creativeeconomies.ch
- 18 Obrist, Hans Ulrich: *Ways of Curating*. Penquin, UK 2014.



The model shows the four dimensions of curating and highlights their independent and iterative character.

designations, such as director, producer, broker, or entrepreneur.

Fig. 10

Against the background of our debate on the creative economies, the element linking the various strands is that curators establish conditions under which the complex exchange processes described above—from “core” through “extended” to “collocated”—may successfully take place. Hence, curators also invent and run organisations, infrastructures, or platforms designed to further develop their own activities. Here, various patterns employed in developing such curatorial strategies come into view:

- Organisational and strategy development in the creative economies has a lot to do with developing narratives. In a conscious extension of “story-telling,” we speak of “staging stories,” i.e., processes of coordinating, integrating, staging, or inter-relating, not through the ordering principles of management and governance, but by curators producing drafts and spaces of opportunity, and making these visible and negotiable, and thus describing the world as it could be and not as it is or should be.¹⁹

- Such projections can only be assessed with new and different evaluation mechanisms. For they must be able to draw a comprehensible distinction between what is and what could be. Such mechanisms are related to existing approaches such as rankings, assessments, or algorithms while at the same time they face the challenge of devising new methods, i.e., developing existing ones, to see key dimensions—value or value creation—in a new way. We subsume the multitude of different evaluation instruments under the term “judgment devices.”²⁰
- So that new approaches and understandings can actually be implemented, and so that new evaluation mechanisms can be applied, resources need to be mobilised. On the one hand, these are financial. Just as important, however, are alternative currencies such as expertise, trust, attention, complicitness, or technology sharing. Mobilis-

19 On this distinction, see Grand, Simon/Jonas, Wolfgang: Mapping Design Research. Positions and Perspectives. Birkhäuser, Basel 2012.

20 On these devices, see in particular Karpik, Lucien: Valuing the unique: The economics of singularities. Princeton University Press, Princeton 2010.

ing the resources relevant for implementation contributes decisively to which “stories” and evaluations establish and assert themselves, and which remain peripheral or disappear.

- The question to which degree the development of new narratives, the designing of new evaluation mechanisms and instruments, and the mobilisation of relevant resources can occur in a sustainable manner within the existing structures remains open. The supposition that these structures—universities, museums, Internet platforms, or agencies—are not really suited to conventional formats remains virulent. Developing alternative structures, i.e., deriving such structures from existing organisational forms, is a fourth key element in describing curatorial practices in a broader sense.

Christoph Weckerle, Simon Grand

Outlook:

“CreativeEconomies” as a Curated Platform
for Future Debates

The various approaches described in this report raise a host of questions and points for discussion, which cannot be resolved conclusively here.

We already referred to “CreativeEconomies” in our introduction. This venture—operated jointly by the Department of Cultural Analysis at Zurich University of the Arts ZHdK, the RISE Management Innovation Lab at the University of St Gallen HSG, and the “Critical Thinking” Initiative at the Federal Institute of Technology ETHZ—has been established to further shapen, critically assess, and controversially discuss the ideas outlined and postulated here. “CreativeEconomies” is run on a “not-for-profit” basis. As a rule, its findings and insights are readily accessible. Any revenue will be reinvested in research projects.

This report is at the same time the outcome of the work undertaken by “CreativeEconomies” and a proposal for renegotiating the existing perspectives on the interfaces, interactions, and interrelations between culture, economics, and technology, and those on the intersections, interstices, and controversies occurring at boundaries between these fields. Thus, this perspective defines a programme to be pursued by “CreativeEconomies” in the near future:

- The series of (expert) panels will be continued. After Venice, Hong Kong, and London, Zurich is envisaged as the next venue. Important factors for the choice of venue are the relation between the various global debates, local specifics, and institutional frameworks (e.g., Architecture Biennale, Art Basel in Hong Kong, Connecting Spaces Hong Kong – Zurich, etc.). Topics for the next panel include different notions and processes of value creation in the creative economies.
- Strategy workshops will make the knowledge and insights gained by the venture accessible to individual organisations in the fields of culture, economics, and technology. Past and present workshop topics include the consequences of digitisation for artistic and cultural practice (including “smart curating”) and, associated therewith, the significance of interventions in space (“spatial hacking”) and the future of criticism (“future criticism”).
- Based on the present report, specific analyses of the creative economies will be developed together with corresponding implementation scenarios for individual cities and regions, organisations and institutions.
- Educational projects and publishing ventures will complement the programme. Among others, these will deal with the models or design and evaluation processes within the creative economies (“judgment devices”) presented in this report, not only in our own formats and programme, but also within those of third parties.

- Central to the successful implementation of the envisaged programme are appropriate settings. To be developed and tested, they include the “Science and Engineering Design Lab” at the ETH’s Critical Thinking Initiative.
- Consequences for research and teaching initiatives at higher education institutions and universities in Switzerland and across the world will be drawn from the activities mentioned here.

“CreativeEconomies” and its co-curators Christoph Weckerle, Simon Grand, and Gert Folkers will work closely with other co-curators, who will devise and implement the individual reports, panels, workshops, and publications on their own initiative as far as possible and with a view to raising their own questions. The emerging process will be documented at www.creativeeconomies.com

Christoph Weckerle, Simon Grand

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