Manuscript version: Working paper (or pre-print)
The version presented here is a Working Paper (or ‘pre-print’) that may be later published elsewhere.

Persistent WRAP URL:
http://wrap.warwick.ac.uk/118887

How to cite:
Please refer to the repository item page, detailed above, for the most recent bibliographic citation information. If a published version is known of, the repository item page linked to above, will contain details on accessing it.

Copyright and reuse:
The Warwick Research Archive Portal (WRAP) makes this work by researchers of the University of Warwick available open access under the following conditions.

Copyright © and all moral rights to the version of the paper presented here belong to the individual author(s) and/or other copyright owners. To the extent reasonable and practicable the material made available in WRAP has been checked for eligibility before being made available.

Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge. Provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way.

Publisher’s statement:
Please refer to the repository item page, publisher’s statement section, for further information.

For more information, please contact the WRAP Team at: wrap@warwick.ac.uk.
Event: ‘Culture and Business Models in Challenging Times’, the final conference of the Creative Lenses Project (Creative Europe funded), 24-25 April 2019, Pannuhalli hall, Cable Factory, Tallberginkatu 1, 00180 Helsinki, Finland.

Author: Jonathan Vickery
Respondent Paper: panel on Cultural Value
Title: ‘The Spillover Framework: the identification and behaviour of Cultural Value’

I speak as a Research Partner of the European Partnership on Cultural and Creative Spillovers project, which ran from 2015-2019, and was funded by Arts Council England (ACE), Arts Council of Ireland, european centre for creative economy (ecce), European Cultural Foundation, European Creative Business Network (ECBN) and Creative England (supported by Arts Council Malta, Arts Council Norway, and the British Council). I will address the theme of this panel using Spillover research (as conducted within this project framework) as a basis for my insights and proposals for further research into cultural value.

(i): Introduction: the Spillover framework

The project aims were as follows (and I repeat them, as the aims might be useful for formulating specific approaches to value – many of which we do not have time to explore here):

1: To construct new integrated and holistic methodologies and models of research for evaluation, specifically useful for strategic public bodies and policy makers (i.e. reliable criteria of measurement).

2: To investigate the range of frameworks in which value is conceptualised and analysed — public value, public investment, SROI, and value chains specifically.

3: To advocate for the increasing uses of arts, culture and creative industries in public policies (from education to urban or place-based development and local economy, and to international development aid).

4: To generate new research interests in the role of spillover in catalyst activity, ecosystem evolution, creative synergy within agglomeration or clustering, and the urban cultural dynamics of place-making.

*These were extended as the project continued, to imply other aims, my articulation of which is here:*

5: To assist the development of strategy for agencies of cultural production (arts and cultural organisations) within new ecologies of knowledge and organisational life — within interdisciplinary models of collaboration, knowledge exchange mechanisms, research partnerships and coordinated policy-producer or inter-institutional dialogue.

6: To provide a framework within which creative producers (artists, cultural organisations,
consultants, institutions) can begin to codify their range of non-core competencies (the skills and knowledge supplementary or ancillary to their central creative expertise), materialise these skills and knowledge (as document, as service or product), and so re-define them as strategic assets in spillover capability [spillover becomes a strategic aim, not a by-product or usual "externality"].

These aims were so conceptualised by the funders and partners of the project and, by consensus, were elaborated on iteratively throughout the project. (See McNeilly, Hanemann, and Vickery, 2016; McNeilly, 2018; Vickery, 2015; Vickery, 2016). As you may already be familiar, the UNCTAD Creative Economy Report 2010 features a categorisation of spillovers as follows: Knowledge spillovers, Product spillovers, Network spillovers, Training spillovers, and Artistic spillovers (UNCTAD 2010: 3). This categorisation is all too often not directly applicable within the creative and cultural spheres; and moreover, it defines spillover wholly in terms of innovation, tending to linear causality and with an affirmative or otherwise overwhelmingly positive contribution to existing interests and norms — whereas, as we might be aware, spillover can entail conflict, confusion, compromise and negative impacts (e.g. social stratification, place based gentrification, and so on).

For the purposes of our own project categorisation, three central categories emerged from an extended literature review conducted in 2015: these were Knowledge spillovers, Industry spillovers, and Network spillovers (Fleming and Erskine, 2015: 13; McNeilly 2018: 67-71). These categories involve the activities, actors and agencies of spillover in all their potential mobility (intellectual and discourse, organisation and production, and social relations — and are of course broad so as to include new recognised strategic phenomenon like tacit knowledge, brand image, or professional reputational capital).

The project Evidence Library was a milestone output, composed by commissioned partners (Tom Fleming Creative Consultancy) and remains the most exhaustive international bibliography available on the subject of spillover (Fleming and Erskine, 2015: 19-23). It involves a mixed-methods approach, including reports, studies, literature reviews, evaluations, as well as peer reviewed academic journal articles. The most salient features of the Library are instructive and are as follows:

**Knowledge spillovers (56 items):**
Increase in employability and skills development in society — 14 texts.
Facilitating knowledge exchange and culture-led innovation — 11 texts.
Stimulating creativity and encouraging potential — 9 texts.
Industry spillovers (38 items):
Boosting innovation and digital technology — 13 texts.
Improved business culture and boosting entrepreneurship — 12 texts.

Network spillovers (87 items):
Boosting economic impact from clusters and regions — 30 texts.
Building social cohesion, community development and integration — 20 texts.
Creating an attractive ecosystem and creative milieu, city-branding and place-making — 16 texts.

This offers a subject-overview of the areas of applicability of spillover analysis — Spillover as a concept is not comprehensive of all the value pertaining to creative or cultural activity, rather, it indicates the bearing of the following (See McNeilly 2018: 50-53):
1: Either the activities, actors or agencies that define an identifiable motion or impact within a sphere designated as cultural or creative.
2: The inside and outside of the activity, actor or agency — the organisation, the cultural realm, the established constituency, and so on. It hence prevents other models of economic measurement or investment from (i) denying or ignoring the historical autonomy of the arts and culture; (ii) denying or ignoring the unique forms of production (agency, capital, aesthetic knowledge) involved in creative industries.
3: Demand an articulation or re-thinking of definitional terms and criteria relating to common notions of “effects”, “impact”, public interest, and so on.
4: Identifies an absence in strategic thinking for organisations and funders.

(ii): The Spillover Project Findings

In what follows I will phrase the project findings in terms of their implications for value theory – I emphasise that I am phrasing the ‘findings’ in my own terms (not the terms of the project, as I am not representing them in an official capacity).
1: Culture can be defined in terms of processes, knowledge, communicative interaction, or other dynamic factors shared by other organisational entities in the creative economy.
2: There are identifiable causal links between the expressive, effective, aesthetic or ideational activities of culture (normally understood in terms of non-transferable intangible, specialised and ‘autonomous’ activities, peculiar to culture) and the production of 'capital'.
3: Spillover is a cognate of 'ecology', whereby we can analyse and assess organisations, sectors and businesses in terms of what they share and co-produce, their relationships and interdependencies; not just in terms of their separate or specialist products or outputs.
4: Spillover collapses categorical distinctions between producers, organisations, products and market constituencies — all can be agents and actors in Spillover processes.
5: Spillover identifies the 'relations' between actors and agencies in the cultural and creative economy to be both commercial and public, involving mutually beneficial flows of knowledge, intelligence and finance, and which does not necessitate hierarchies of benefit (e.g. larger organisations feeding off smaller ones) but can generate a redistributive dynamic of agency interaction. In theory then, the Spillover potential of one artist might potentially be greater than that of one large museum (see Nicole McNeilly’s ‘Cultural and Creative Spillovers in Europe: a follow-up review’: McNeilly 2018).

The process of ‘spilling’ is largely unresearched — involving the transport, travel, migration or mobility of ideas, theories, cognitive skills, intellectual vibrancy, and scientific perspicacity. Or, it is researched within other fields, as the business study of ‘value chains’ (or value ‘grids’), or sociology of knowledge, or science education, and so on (Cf. item in the Evidence Library: Bucci, Sacco and Segre, 2014: pp.33-55).

There are common objections to the study of spillover as a framework for the study of cultural value. These must be cited, so as to be rebutted with our more complex mixed-methods approach. A first common objection is that spillover defines an ‘expressive’ core or single agency or media through which impact is registered in terms of its manifest transport and accumulated velocity (for example, imagery that begins as an artist's work, then adapted and commercialised through the creative industries and making its way into the market of global brand icons). This model of creative agency and its linear trajectory ignored the institutional mediation, cultural ecology and complex operations of the market for it to be an analytical model. Second is the objection that spillover implies a uni-directional travel of concepts, people and content: again, while this may indeed be the case in some instances, the objection is right in that this assumption does not contribute for a reliable analytical model. A Third objection would place the creative producer (an artist, designer, film director, writer) as the epicentre of spillover dynamics, as in reality creative labour is often marginalised (and financially not rewarded). Spillover theory, as conceived by our project, would agree, but regards the role of the ‘creative’ as something dynamic and to be promoted. Spillover analysis aims for objectivity, but the project is not blind to the role of the discourse of cultural value in organising and validating analytical contexts and frameworks. Within this discursive process, we are aware of the potential for extending the validation of under-valued terms of reference (the actual knowledge-base on the seminal role of the creative agent is somewhat thin, and so a general assumption on the universal marginalisation of such needs to be countered by a case by case assessment).

(Here I summarise the range of views articulated in Holden, 2015 (p.11), Albert et. al. 2012 (p.25), Smith, 2010 (p.7) and Throsby 2010 (pp. 26-28); see also the Arts Council England commissioned report, Centre for Economics and Business Research, 2013).
(iii): Spillover and Value theory

If we approach spillover from the standpoint of value, and ask “Why value”?, the following points emerge:

1: From a public policy standpoint (or at least, a policy-making standpoint), there is inherent value in understanding the whole ‘ecology’ of culture – culture in terms of its relatedness and interconnection with society and economy. Defining culture in a state of integration (even if only as an exercise of the policy imaginary) we can more effectively define how culture can play a role in development. This is fundamental to spillover research.

2: Value is reflexive — value involves values, activities of valuing, and behaviours, tastes and preferences and how these are related to social class, hierarchy, culture’s relation to systems of authority and freedom.

3: Value is involved in processes of (institutional) valorisation and the institutional and political process by which investment, funding and public goods are defined (or, conversely, experiences, products and services are identified for private investment).

4: Value is reflexive — reflexivity enables ‘value’ to be less a determining framework (than other exclusively cultural, social or economic frameworks), and so a means of critical reflection, ideas, development (For a comprehensive overview on cultural value research, see Crossick and Kaszynska, 2016).

Spillover is therefore considered useful to value theory in that it offers an analytical model that (a) unites production and consumption (and conceivably other dynamic relations — organisation and audiences; management and stakeholders, etc.). It arguably also generates an economically viable financial framework, while not capitulating to corporate capitalism and simply replicate business models of management (that dominate cultural life) it allows for more hybrid notions of culture as emerging from social relations, other policy outcomes (for three very different examples, see Kern, 2015; Medhurst, Marsden, Jugnauth, Peacock, and Lonsdale, 2014; London Economics, 2012).

And, in relation to an above common objection to a spillover approach to cultural value, we have no assumptions defining culture as — specialised artistic activity mobilised from within the sphere of sophisticated educated professionals, offered to a self-selecting socially segmented audience, supplemented by (i) engagement/outreach activities that try to make up for the lack of social diversity, and (ii) advocacy for its initial lack of political (policy) engagement with its location (e.g. a city), and (iii) funding craze as its economic viability is not a component part of its organisation design.
A spillover approach would see value as not derivative (i.e. business strategy for cultural organisations are not derived simply from existing business templates: spillover demands a “re-think” or interpretation of the concept of ‘strategy’ into spheres of cultural production (in a way that indeed confronts economic realities, i.e. the need for money, for jobs, for equipment, growth, etc.).

Lastly, value within a spillover framework is a discursive concept (theoretically evolving) and so does not ‘dominate’ as a conceptual framework — i.e. is to be interpreted one way, remaining inflexible, or purely defined as ‘economics’ in a dogmatic sense; it can be directly related to other frameworks of value, e.g. social and economic; it can therefore be used in advocacy — arguing how culture delivers on other public policy aims. These other realms of policy are internal to a study of spillover, as seen by the Evidence Library (below): the most significant of which, for future research, is the following:

> Wellbeing
> Social Inclusion
> Immigration integration
> Refugee participation
> Human Development
> Institutional/organisational development
> Community development
> Training and education
> Children and young people

The confluence of a whole range of policy demands within the cultural realm must be understood in terms of conceptual demands made on the cultural policy imaginary, whereby new theory on the role of culture in society and economy is conceived. It is evident — in surveying the landscape of cultural policy in the world today — that culture is now a framework for significant strategic development in the following ways, all of which arguably involve spillover at some level:

| (ii) | Culture as agency of civil society: e.g. [https://www.britishcouncil.org/arts/culture-development/about](https://www.britishcouncil.org/arts/culture-development/about) |
| (iii) | Culture as economic development (creative economy): e.g. [http://unctad.org/en/Pages/DITC/CreativeEconomy/Creative-Economy-Programme.aspx](http://unctad.org/en/Pages/DITC/CreativeEconomy/Creative-Economy-Programme.aspx) |
| (iv) | Culture as democratisation: e.g. [https://www.coe.int/en/web/culture-and-heritage/indicators-culture-and-democracy](https://www.coe.int/en/web/culture-and-heritage/indicators-culture-and-democracy) |
| (v) | Culture as Human Rights in practice: e.g. [http://www.ohchr.org/EN/Issues/CulturalRights/Pages/SRCulturalRightsIndex.aspx](http://www.ohchr.org/EN/Issues/CulturalRights/Pages/SRCulturalRightsIndex.aspx) |
The Spillover project has largely ignored the economics of value, in conventional terms (monetary exchange, commerce, routine revenues) given its phrasing of value as constituted through the processes of validation already within public policy — value as public, social and institutional investment. As the arts and culture has no stable ontology as commodity, it is not easily separable into supply and demand, and is even contested as a ‘moral good’ (as per public value frameworks in economics). However, this (i) This raises the unresolved distinction between ‘culture/arts’ and ‘creative industries’, where the latter may be cultural in content, creative in modus operandi, but is commercial and so operates within the economic realm; (ii) a strict service economy value model distinguishes between the goods and service guarantees to the market, and that of the service and experience to the consumer. Is it possible to differentiate the spill from the service and experience on behalf of the consumer? And (iii), the ‘ontology’ of ‘culture/arts’ is not stable or defined — and so in the popular model promulgated by Throsby (2010 and elsewhere), the value chain of culture has a predictable economic logic — production — distribution — consumption in an identifiable market – is entirely abstract. He is right, however, in proposing that with cultural production, value is not simply the economics of distribution and consumption, but internal to the skill, techniques, style and processes of differentiation used within production. And cultural production generates its own discourse of value, which become internal to a ‘tradition’ of production (which is not necessarily improved upon with innovations or market expansion). Throsby is also correct to observe how both culture and economics are themselves defined within a plural values context of normative beliefs and moral principles, which form the matrix of coordinates for all social activity (Throsby 2010).

A major research question emerges: what and to what extent does the value of culture extend to social and economic spheres of value (or their formation) in a way that is intelligible (strategically useful) for cultural policy research. i.e. productive interconnections between the cultural and non-cultural spheres? Knowledge itself has value, produces value, influences and impacts value forms, systems, processes of valuing and validation, and judgements of value. Drawing on the TFCC (2015) report, knowledge-as-value can be defined as the new ideas, innovations, processes, models, general theories, consensus notions of truth or accuracy, developed within arts organisations and by artists and creative businesses which (A) are derived from the wider economy and society, or (B) “spill over” (permeate, are co-opted, influence or are transferred in some way) into the wider economy.
and society. This is without directly rewarding those who created them, with no IP implications for those who use them. ‘Spill’ is a republic of knowledge and is synonymous with commons but without legal or bureaucratic organisation. The ‘undefined benefits’ of knowledge value includes stimulating creativity and encouraging potential; Increasing visibility, tolerance and cultural exchange between communities; Changing attitudes in participation and openness toward arts; Increase in employability and skills development in society Strengthening cross-border and cross-sector collaborations; Testing new forms of organisation and new management structures Facilitating knowledge exchange and culture-led innovation (Fleming and Erskine, 2015: 50-52).

*Industry as value* includes the vertical value chain and horizontal cross-sector benefits to the economy and society in terms of (A) productivity and innovation that stem from the influence of a dynamic creative industry, businesses, artists, arts organisations or artistic events, and (B) people with skills in productivity and innovation that derive from creative industry, businesses, artists, arts organisations or artistic events. The undefined benefits include improved business culture and boosting entrepreneurship; Impacts on residential and commercial property values; Stimulating private and foreign investment; Improving productivity, profitability and competitiveness; and Boosting innovation and digital technology.

*Network as value* relates to the impacts and outcomes to the economy and society that spill over from the presence of a high density of arts and/or creative industries in a specific location (such as a cluster or cultural quarter). This takes the form of (A) the spread of tacit knowledge and cultural-creative intelligence; (B) the skills of agglomeration and collaboration; (C) communication and information-travel; (D) rapid mobility of talent; (E) economic growth generated by regional attractiveness and identity. Its undefined benefits include Building social cohesion, community development and integration; Improving health and wellbeing; Creating an attractive ecosystem and creative milieu, city-branding and place-making; Stimulating urban development, regeneration and infrastructure; and Boosting economic impact form clusters and regions.

If we consider not the breadth but depth of the range of potential (undefined) benefits — each of which is a field of value in its own right — I propose that we need to differentiate (for cultural organisations at least) between Catalytic, Functional and Contingent values [instead of other dichotomies — use and non-use value, or instrumental and intrinsic, and so on].

*These can be defined as follows, with their implications for research:*

1: ‘Catalytic values’ [e.g. aesthetic, stylistic expression; cultural knowledge, education and acquired taste] generate non-measurables — quality, identity or image (perceptions),
experiences and opportunities (possibility), new ideas (influences, provocation, imagination), dynamic networks (social interactions), and so on.

2: ‘Functional values’ [e.g. selection criteria for programming, organisation aims and beneficiaries] are (i) used within the strategic aims and objectives as defined by the “business” strategy (i.e. measured, quantifiable, resources and activities for impact); and (ii) used in the valorization process (relation to public policy frameworks and criteria of public interest; social, cultural and institutional relations).

3: ‘Contingent values’ [e.g. community benefit; historical; public interest] is where a wide range of citizenry (management, stakeholders, artists, audiences and public/market) would invest for social or political reasons, regardless of their relation (or non-relation) to the organisation. Their vote, or notional support, can be drawn upon (e.g. petitions, community survey, local voting).

It might be a notable feature of ‘Functional’ values — values that facilitate the economic processes of exchange we are all familiar with — may be monetary or non-monetary (those that facilitate production and those that monetise production, for example). It may involve non-monetary phenomenon (like brand design or other marketing and communications-based creation) or monetary (such as funding choices; price and ticketing; merchandising; commissions and payments; impact of spending (i.e. audiences in local shops during breaks, etc.).

Conclusion

There remain many theoretical challenges of course — the use of SROI is increasingly popular with local authorities; the application of value theory within community mobilisation — overcoming alienation — is an area in need of investigation; and the question of financial sustainability and the scaling up growth remains a problematic area for arts organisations, affecting their ability to create frameworks for consistently funded Innovation and enterprise, Stakeholders and investor engagement, and the extension into new audiences.

Principally, however, we now possess a conceptual framework for the study of cultural value as defined through spillover (an ‘economy’ defined through ecology, social relations and institutionally-governed organisational fields of discourse production). This allows us to define a logic of value production: (i): production — what is being produced, according to what criteria and defining contexts; (ii): organisation structure (therefore governance) — identifying authority and power — and therefore the relations between all actors, defining decision-making process; and (iii): business modelling — how production is converted into
experience formats (objects/products/events, etc.) and structured according to a consistent
dynamic logic of transaction.

Notes and References:

For an overview of the Spillover concept in the context of the project, see the following:


References
Bibliography: Other texts consulted:
KEA European Affairs (2009) The Impact of Culture on Creativity, Brussels: DG EAC.

Dr Jonathan Vickery
Associate Professor
Director: MA Arts, Enterprise and Development
Co-Editor in Chief: Journal of Law, Social Justice and Global Development
Centre for Cultural and Media Policy Studies
University of Warwick
Millburn House
University Science Park
Coventry, West Midlands, UK
CV4 7AL
J.P.Vickery@warwick.ac.uk