

Spillovers and the process of cultural valorization*

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Abstract:

The recent transition towards a “new” economy (Baumol, 2006), the rise of the “knowledge-based economy” (OECD, 1996) and the “creative class” (Florida, 2002) call for repositioning the cultural and creative industries (CCIs) across other sectors. Some authors even consider CCIs as a part of the national innovation systems (Potts, J., St. Cunningham, 2010). Despite development of studies which reveal the innovation potential and spillovers of the cultural and creative industries, still very little is known about the place of arts, design, media and communications within the contemporary innovation system, and under which conditions those sectors have a positive effect elsewhere in the economy and society.

Acknowledging this gap, first, the paper reveals the specific characteristics of the transfer of innovation of creative industries elsewhere. To structure the discussion the paper follows Jaaniste’s presumption that creative industries provide inputs into the innovation processes elsewhere (Jaaniste, 2009), by generating two types of spillovers: (1) diffusion of creative skills and (2) transfer of direct applications of creative industries. Second, the paper proposes an approach which can process and assess the social and cultural changes elsewhere brought by interactions with cultural industries. This method builds on stakeholders’ perspectives, while detecting the changes.

Key words: creativity, innovation, cultural valorization, spillovers.

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Introduction

The recent transition towards a “new” economy (Baumol, 2006) and the rise of both the “knowledge-based economy” (OECD, 1996) and the “creative class” (Florida, 2002) call for repositioning the cultural and creative industries (CCIs) across the economy and society. This development points to the fact that CCIs are not only fast growing and innovation-intensive sectors, but also have the potential to boost innovation in other parts of the economy and society by the generation and realization of “spillover” effects (Potts, 2011).

This argument makes way for a new approach to policies for the cultural and creative industries as sectors providing services to the society and to other parts of the economy either by harnessing the diffusion of cultural/creative capital or by supplying creative workers (Potts, 2009). Speaking of policy, the presumption is that both sets of factors are equally important to be recognized and fostered by policies – one of them defines the innovation within the CCIs, itself, and the other encourages the transfer of innovation from the CCIs to the other sectors.

Despite development of studies which reveal the innovation potential and spillovers of the CCIs², CCIs are actually still on the margin of research and innovation (economic and social) policies. Very little is known about the place of the arts, design, media and communications within the contemporary innovation system and about the mechanisms of generating positive effects on innovation elsewhere in the economy and society. Acknowledging the gap, first, this paper reveals the specific characteristics of the CCIs innovation. Second, it analyses the specific characteristics of the transfer of innovation of CCIs elsewhere. Here the paper doesn't follow the usual delineation of “spillover” effects such as knowledge, network and industry (TFCC, 2015). It builds on Jaaniste's presumption that creative industries provide input into the innovation processes elsewhere (Jaaniste, 2009) by generating two types of spillovers (1) diffusion of creative innovative outputs and (2) direct application of creative industries. Third, the paper proposes an approach which explores and assesses in a systematic way the CCIs spillover effects and the changes they produce elsewhere as intertwining

² For example, the report of TFCC (2015) reviews 98 case studies of CCIs spillovers.

process of economic, social and cultural values. As opposed to traditional methods of evaluation of outputs, this method builds on stakeholders' perspectives while taking into account the quality changes that occur for the stakeholders. Theoretically grounded on concepts of 'cultural' valorisation (Klamer, 2003) and of social and cultural context of creativity and innovation (Csikszentmihalyi, 1996; Collins, 1998; Murray, 2003), the methodology combines quality and quantitative methods of evaluation.

1. Cultural and creative industries, innovation and spillovers.

1.1. Innovation of cultural and creative industries.

Since the first attempt to define the cultural and creative industries (Department of Culture, Media and Sport, 1998), many definitions have been proposed by different national governmental and transnational institutions (among others, UNCTAD, 2008; European Commission, 2010) and scholars (among others, Howkins, 2001; Hartley, 2005; Cunningham, 2006; Throsby, 2008). For the purpose of this analysis, the paper uses the concentric model of CCIs by Throsby (2008). The model includes both core sectors (literature, music, performing arts, visual arts, heritage and museums, film industry) and related industry sectors (advertising, broadcasters, video games, publishing, music recording, architecture and design). Throsby (2008) highlights three aspects of the model which already suggests some prerequisites for "spillover" effects. First, the outcomes of those industries are aesthetically appealing or intellectually inspiring. Second, the outcomes of the creative industries are a fruit of human creativity and the diffusion of these new ideas and products across various sectors is made possible by the mobility of creative people. Finally, the outcomes contain intellectual properties.

Another question is how those aspects of CCIs relate to innovation. In economic terms, innovation is defined as a new product or a process related to development, distribution and diffusion of products (Dosi, 1988; Edquist, 1997; Blaug, 1997; Lipsey et al, 2005). This concept draws considerably on the work of Schumpeter (1942), who characterizes innovation as a long-run driving force of economic development in the capitalist system. Traditional research on innovation accounts mainly for technological and science related

indicators such as tangible, technical advances and patents, associated with the manufacturing and the ICT sectors (Tether et al, 2001). However, extensive analysis of innovation research has found that innovation takes place in unlikely places where it is rarely based on a traditional understanding of R&D. For example, in the innovation literature, the focus shifts to the organizational and creative nature of innovation (OECD, 2001; Djellal et al 2003) with the development of the service sector. Subsequently, recent attention to the CCIs has led to better understanding of the aesthetic and intellectual nature of innovation, only recently systematically captured within the scope of innovation research (Handke, 2008, 2010; Jaaniste, 2009; Stoneman, 2010). Building on Caves' (2000) differentiation between humdrum and content creation, Handke (2008, 2010b) proposes a distinction between content creation and humdrum innovation. Similarly, to understand the relationship between CCIs and innovation in all its facets, Jaaniste (2009) reveals that contemporary innovation comprises two aspects: (1) cultural processes and product innovation (CPP), and (2) technology products and process innovation (TPP).

1.2. Spillovers of creative and cultural industries.

The concept of “spillover” effects has its origin in economic theory and refers to processes of transferring benefits from one area to another. Recent review of various case studies revealed that spillovers of CCIs can be of economic nature, but not only (TFCC, 2015). The analysis of the 98 case studies allows distinguishing between 17 different sub-categories of spillovers, clustered in three broader types: knowledge, industry and network spillovers³. The proposed classification of spillovers goes beyond immediate connotations to economic values, and invites for multi-perspectives (i.e. economic, social and cultural) analysis which assumes interdisciplinary approach of investigation. Taking this argument further, the paper focuses on the innovative processes through knowledge transfers which are intertwined with economic, cultural and social processes. When focusing on the transformative power of CCIs, Jaaniste (2009) suggests that it involves: (1) knowledge production, (2)

³ *ibid.* p. 25

knowledge application to practical situations in commercial and social terms and (3) diffusion of new knowledge and applications across the economy and society (Jaaniste, 2009).

Robust empirical analyses of the process of knowledge transfers are very limited. However, some studies suggest persuasive evidences which illustrates the various types and mechanisms of spillovers, i.e. through diffusion of creative skills, through transfer of direct applications and through cross-fertilization.

Spillovers through diffusion of creative skills

Human capital is an essential factor for innovation as it stimulates the creation of new ideas and ways to commercialize them (Jacobs, 1969). Respectively, developing skills and promoting knowledge are necessary for all parties (producers and consumers) engaged in innovation and change throughout society. As such, innovation can be enhanced not only by formal education but also by tacit knowledge realised through the mobility of the “creative class” (highly skilled workers) across different sectors (Florida, 2002). Throsby (2008) explains this idea as “direct input to the production of cultural (creative) content in industries further from the core sectors of the creative industries” (p. 152). For example, visual artists can work for game or design industries, and writers for the advertising industry.

To test Florida’s argument, Boschma and Fritsch (2007) conducted a survey in eight North European countries⁴. Their findings confirm that the creative class is an important factor having an effect on entrepreneurship, innovation and regional growth. The authors find a significant, positive correlation between talent, creative class⁵ and new business formation in Finland, Germany, Norway and Sweden. The analysis on German regions in the period 1996-2000 shows a positive relationship between the level of qualification, creative occupations (incl. creative core and creative professionals)⁶ and the number of patents per 10,000 inhabitants. However,

⁴ Denmark, Finland, Germany, Netherlands, Norway, Sweden, Switzerland and UK.

⁵ The authors measure talent by the share of employees with tertiary degree and creative class by the share of employees in creative occupations.

⁶ Here applies Florida’s definition of creative core members who are those “whose economic function is to create new ideas, new technology and/or new creative content” (Florida 2004:8). They basically are composed of occupations “in science and engineering, architecture and design, education, arts, music

the analysis reveals that the link between artistic occupations (bohemians)⁷ and patents is rather weak.

Spillovers through transfer of direct applications.

The notion of knowledge spillovers across different industries suggests also that the creative output of CCIs can be transferred as applications to the other industries. For example, the creative sector can be seen as a knowledge production system which generates ideas for new concepts of products, methods of production and material outputs. It can be placed at the beginning of the innovation value chain (Jaaniste, 2009). It can be seen also as promoting innovation by applying new marketing and communication techniques. As such, the input of the creative sectors elsewhere can be seen as making products more attractive. These spillovers can apply not only to promoting mass consumption of products, but also to promoting social and environmental innovation within specific niches. This benefits of the CCIs to the other sectors are closely related to the experimental nature of cultural and creative sectors, which are not necessary linked to the specific art education. It is, rather, grounded on tacit knowledge which is not only seen within the realm of the contemporary arts, but also at the cross-section between arts, design, media and communication (Jaaniste, 2009).

Bakhshi, McVitte, and Simmie, J. (2008) empirically support this argument by providing evidence from the British economy. According to the findings, creative industries are transferring ideas and knowledge to other sectors through business-to-business transactions and, as such, they promote and stimulate innovation elsewhere in the economy by building supply chain linkages. In another study, based on extended survey data, Müller, Ch. Rammer and J. Trüby (2009)⁸ conclude that the creative industries in Austria support product innovation in other sectors of the economy by providing ideas for new products, supplementary products and services, and advance

and entertainment" (ibid.). *Creative professionals* are working in "business and finance, law, health care and related fields" (ibid.). They "engage in complex problem solving that involves a great deal of independent judgment and requires high levels of education" (ibid.).

⁷ Bohemians are individuals with cultural and artistic occupations. Bohemians have two roles: they are part of the creative class and reflect an urban culture of tolerance; thus, they play a key role in attracting the other two categories of the creative class.

⁸ The findings are based on a survey in more than 2,000 creative industry enterprises in Austria.

marketing innovation. However, they also find that the contributions from the different sectors of the creative industries to the other industries differ. For example, while software and advertising show the strongest links to industrial innovation, architecture and content providers contribute rather little. These differences are also illustrated by the empirical study on the effect of the Dutch creative industries on innovation and employment growth rate in cities (Stam and J. De Jong, G. Marlet, 2008). The findings suggest that companies in the arts domain are clearly less innovative, most likely due to a less market-oriented mission and strategies. In addition, companies within the creative industries located in urban areas are more innovative than their rural counterparts.

Despite the argument about the importance of the knowledge spillovers of CCIs, Tscherning and E. Boxenbaum (2012) reveal that the use of the creative industry services by the other sectors still remain intentional. First they studied the potential of creative services among the other industries in Denmark. According to a survey data⁹, the greatest potential for cooperation between the creative industries and the other sectors is seen in terms of differentiation from competitors (48 percent), product differentiations through development and innovation (43 percent) and sales trainings (36 percent). Nevertheless, the real use of CCIs services varies between just 4 and 6 percent. Respectively, the authors conclude that there is a need of special measures to support greater visibility of the creative industries and their cooperation with other sectors.

Spillovers through cross-fertilization

In theory, it is contestable whether spillovers occur mainly among companies in the same industry (Marshall, 1890; Arrow, 1962) or across different industries (Jacobs, 1969). Yet, there is mostly empirical support for the Jacobs' argument in long-term studies. The cross-industry mobility of ideas or cross-fertilization is a process which facilitates the diffusion of skills and transfer of knowledge from the creative industries to elsewhere. The process is encouraged by the creation of formal and informal networks and/or

⁹ Their findings are based on surveys among 1,285 companies from the creative industries and 770 companies from other industries, and on focus group interviews with creative industry experts.

institutions. This is very much the case within the creative industries innovation process as it is linked to the endogenous growth dimension that connects clusters to innovation (Currid, 2007). For examples, Currid (2007a), claims that close social interactions are a source of innovation within the loci of creativity and experimentation. Based on an analysis on the entertainment sector in New York¹⁰, the author concludes that spontaneous social mechanisms and cross-fertilization among visual artists, musician and designers build a collective inspiration, followed by collaboration, which, in turn, leads to product and service innovation.

In addition, this type of cross-fertilization also induces a specific culture in some places and promotes the “creative capacity” in the cities (Lazzeretti, 2008). Recently, these processes of ‘culturalization’ or ‘aestheticization’ in urban areas are seen as factors for economic, social and cultural innovation (Potts, 2011). Characteristics, such as diversity, “buzz” or atmosphere, contribute to new experiences in the cities. For example, a study on the European citizens’ perception of the high-end cultural and creative industries suggests that “European citizens perceive the sector as an ambassador of European values such as quality, craftsmanship, excellence, and creativity” (TNS Sofres, 20013:24). More than 75 percent of the Europeans believe that the cultural and creative sector is highly important in securing the prestige and appeal of the city centres, and the attractiveness of Europe for tourists.

2. Spillovers and cultural valorization: cultural economic perspective.

The above-mentioned studies prove, though in a limited scope, that CCIs can generate spillovers elsewhere in the economy and society. In terms of policy, one can argue that to foster these spillovers, one needs to enhance a specific context which would harness the transformation. This requires understanding of the transformative mechanism, which supports the realization of the spillovers and the conditions enabling and fostering the transformation. However, none of the studies reveal the process through which the spillovers generate changes elsewhere. Moreover, the conventional measurements of spillover effects mainly focus on quantitative

¹⁰ The analysis is based on 80 interviews with New York agents from the entertainment venues (cultural producers/managers, gatekeepers and owners).

economic indicators, such as GDP, employment rate, number of patents, business transactions (Stam et al. 2008; Muller et al., 2009; Boschma & Fisch, 2007; Bakhshi et al. 2008), and includes a limited number of quantitative indicators. They do not take into account the perspectives and experiences of the various stakeholder groups. It was also found that very little research has been done on the impact of qualitative values - cultural and social, i.e. values that are not obvious to measure, but yet essential for the changes/transformations CCIs generate (ENCATC, 2015; TFCC, 2015).

In this section, the paper argues that the realization of spillovers of CCIs is a process of cultural valorization marked by shifts in cultural and social values. This builds on the arguments brought by McClowsky (2010) claiming that the important changes are cultural, but not economic (instrumental), and by Klamer (2016), according to whom, values emerge in a cultural context and derive meanings from the context. Therefore, transformation of values goes along with transformation of culture and in order to explain the mechanism through which spillovers are realized, one needs a comprehensive conceptual framework on cultural valorization.

The important outcome of the study of Tschering and E. Boxenbaum (2012), already mentioned above, is authors' conclusion that a context is required, in order the innovative potential of arts, culture and creative industries to be acknowledged and used by the other sectors in a structural and systematic way. The creation of a context, Klamer (2003, p. 200) suggests, takes a "deliberate valorization" – a process of development, enhancement and strengthening of certain values. Why valorization is important when CCIs spillovers are at stake?

As Klamer (2003) argues, the process of valorization, as a process of value creation, suggests interdependencies among various stakeholders and depends on their constant mutual adjustment and readjustments of ideals and strategies to realize these ideals. For example, the reality of artists and creative workers can change a lot when they perform their skills and talents to other sectors. One might think for an artist who is operating in a business environment or a designer who is working for the social sector. In this situations, the reality for the artists and creatives involves other stakeholders with whom they might not share the same values. Respectfully, cultural

economists (Klamer, 1996; Throsby, 2001; Hutter, 2011) distinguish among various types of values, namely cultural, social and economic, which are of different nature. Following Dewey (1939), Klamer reveals that values evolve around the “way in which values function” and “the action that comes with experiencing a value” (2010, p. 198). This suggests that these values are not fixed and their meanings and/or attributions can vary when functioning within a different cultural context. The cultural economic perspective suggested by Klamer (2003) and Hutter (2011) urge for examination of the values of cultural goods (products and services) through processes of personal and/or social experiences. Any value is relative to its context and can be analyzed and assessed only through its concrete manifestations. And also, economic, cultural and social values in concrete contexts are often intertwined while being realized. Or as Mirowski (1990) puts it: “In any valuation what is personal and social are endlessly layered between acts of interpretations and signification” (p. 705).

To capture the dynamics of this process, Klamer (2016) suggests it takes a valorization in two steps: (1) awareness and articulation of the goods/values we are striving for, (2) persuading the others. Both stages are culturally embedded and indispensable for the process of transformation to take place.

2.1. Awareness and articulation of the goods/values we are striving for.

The awareness of own values is at the focus of the valorization process – it is what Klamer calls phoresis, “which calls for thoughtfulness, awareness of the goods to strive for and of the relevant values” (2016, p. 13). It requires defining clear ideals and beliefs, and being able to reflect on them. This makes it necessary to learn how to articulate our own values. For an artist/creative worker this might mean that in order to be able to persuade different stakeholders they could benefit from their artistic/creative services, they need first to understand why their work is so important for themselves. As Klamer (2016) argues, when we talk about our beliefs, we often “deliberate, weigh in our values, take into account feelings including our own, and grope for the right thing to do” (p.67). By pursuing the goods, they are striving for, the artist can discover the values (means/qualities) beneath their interest and, as such, they can give a thought to values they were not aware

of before. Klamer distinguishes among different clusters of values: personal, social, societal and transcendental. Personal values refer to individual's abilities such as creativity, craftsmanship or other talents. They might be a subject of individual's well-being of feeling happy, satisfied, confident, etc. Social values relate to the process of sharing, interacting, co-creation among different people such as friends, colleagues or peers; it pertains to the relationships we engage in. Societal values relate to the (positive) effects on society as a whole, for example, increasing knowledge, justice among different social groups. Transcendental values reflect some ideals such as love, beauty and faith.

An important point that Klamer makes is that even if it seems that our actions are motivated by personal values (for example our interest in creativity), it often might be a matter of a social and societal or even transcendental value we are not aware of. For example, while an artist is focusing to realise their intellectual-aesthetic goals, they still can achieve some social goals by enabling an individual, a non-artist, to connect to other people and to experience a sense of belonging.

2.2. Persuading the others

The second stage of the cultural valorization reveals in the process of deliberation to persuade the others (Klamer, 2003) or to create a process of appraisal. In the realm of arts, culture and creative industries this suggests the involvement of different stakeholders. As such the artists and creative workers, first need to determine the community which would find their product and services worthy. Thus, the artists/creatives deliberately valorizes their work while articulating its worth to other people. In this process they need to assume a certain role which comes with responsibilities towards the others. Inevitably, experiencing, negotiating and balancing conflicting values is part of the process, while the artist is balancing the pursue of their artistic work and the pursue of the attention (validation) of the others. The latter takes a lot of persuasion which builds on a particular rhetoric and social skills (Klamer, 2003).

3. Knowledge spillovers and cultural valorization: case study of Costruire bellezza.

One of the argument in this paper is that innovation through knowledge spillovers is a process closely related to generation and enhancement of economic, cultural and social values. And as such it builds on a process of cultural valorization. Empirically to illustrate this point, this section examines a case study of “Costruire bellezza” in Turin. The case exemplifies knowledge spillovers from the design sector to the social service sector.

The empirical justification of these effects is based on pilot application of an evaluation tool “the Value - based Approach”. This methodology aimed to assess the quality of change while the project is taking place.

3.1. Background of the project.

Design is traditionally focused on object production. Only recently, design has started to be used in solving complex business and social problems through the so-called design thinking approach. Culture-led creativity, as such, has become a tool for providing services not only to the economy, but to the social sectors as well.

The case of Costruire bellezza is a project for social inclusion via a design-led creativity and participatory process. It illustrates the application of design-based creativity in the generation and enhancement of a multitude of new processes such as learning, sharing, creating and experimenting in the social sector. The project started in 2014, in the city of Turin¹¹, as an experiment focused on both the empowerment of homeless people and on the development of skills in university students through participatory and interdisciplinary approaches. The project takes place in one of the six night

¹¹ The city of Turin has a long tradition of innovative social interventions. S-Nodi is one of the organizations facilitating social innovation in the city. More particularly, it aims at activating system actions in order to respond in a consistent way to relevant social needs, by producing a change in the ordinary practices and policies (Ciampolini, Porcellana, 2014). To achieve its goals, S-Nodi identifies promising projects and supports their co-design, realization, evaluation, and sustainability. In its first experiment (2014-2015), S-Nodi among the others, facilitated Costruire Bellezza, a project curated by the architect/designer, Cristian Campagnaro (Department of Architecture and Design of Polytechnic University of Turin) and the anthropologist, Valentina Porcellana (Department of Philosophy and Educational Science of Turin University).

shelters of the city of Turin. It engages students and homeless people in systematic and collective experiences through workshops of furniture design (chairs, curtains, benches, bags), interior design and food workshops, art workshops (contemporary art, writing) and gardening. Homeless people can enrol in the project for nine months in the form of a paid internship, while the duration of students' participation varies. The project is realised through interdisciplinary collaboration and brings together homeless people, design students from the Politecnico of Turin, anthropology and education students from the University, social workers from the Servizio Adulti in Difficoltà (Service for Adults in Difficulty) of the City of Turin, educators from social cooperatives, craftsmen and creatives (designers, writers). Through a regularly organized workshops (twice a week), all of them experiment new projects, languages, and production techniques and contributed to the re-design of the indoor and outdoor spaces of the shelter.

3.2. Value - based evaluation tool.

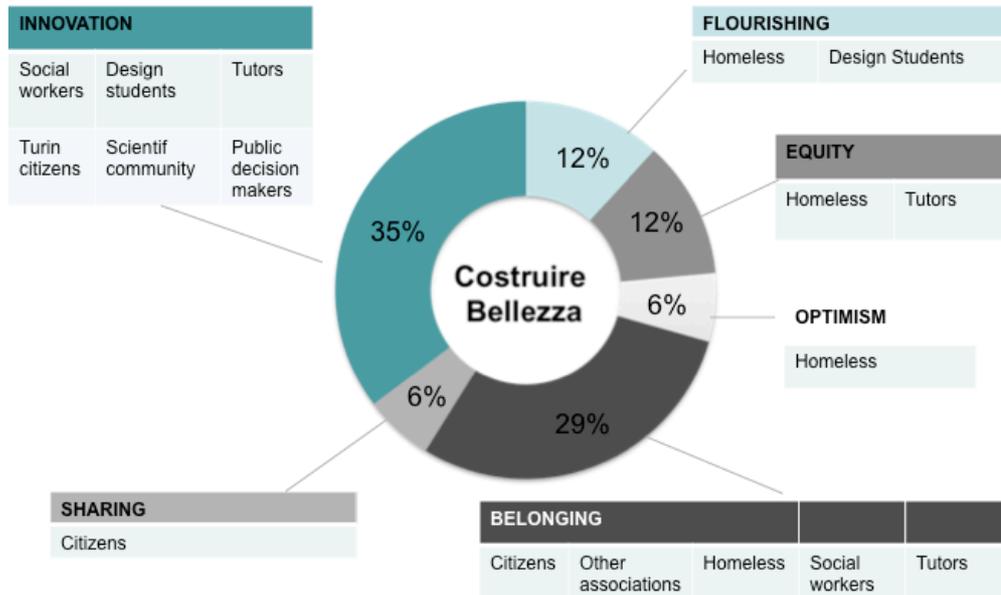
To assess the quality of the produced changes, the project was evaluated through the Value-Based Approach, a method conceptually developed by a group of cultural economists from Erasmus University, led by Prof. Arjo Klamer and implemented in practice by Centre for REsearch in Arts and Economics (CREARE) for the purposes of understanding social innovation on the local territory of Turin. Theoretically rooted in cultural economics principles, the method distinguishes and assesses the short- and long-term qualitative shifts that arts and/or design interventions in other sectors aim to achieve. The method includes an on-going and ex-post evaluation which helps systemise the process of cultural change. First, together with the internal stakeholders (organization's team), the core personal, social and societal values of "Costruire bellezza" project are defined. Second, the way in which the project will realise these values is clarified by determining the strategies (activities, tools, working methods, communication) and the external stakeholders (beneficiaries, partners, policy makers, funding bodies, media) involved. From a methodological point of view here it is important to stress, that at the time of conducting this research, the project was in its development stage and an inquiry was conducted involving only the internal team (coordinators,

creatives) and core external stakeholders for the project, i.e. the beneficiaries (homeless, students) and partners (peers, creatives, social workers, volunteers). Finally, the changes and the impact produced by the projects are evaluated by comparing them to the values previously defined by the project. Data are collected after the organizations of 8 main workshops (about 600 hours), and a kitchen lab and through 4 focus groups with internal stakeholders (organization's team) and 26 semi – structured interviews with beneficiaries (13) and external stakeholders (13). In addition, analysis of reports from social services, ethnological observations and data collected by the Turin Observatory were reviewed. The data collection was carried on between November 2014 and March 2015.

3.4. Conclusions on the most important preliminary findings.

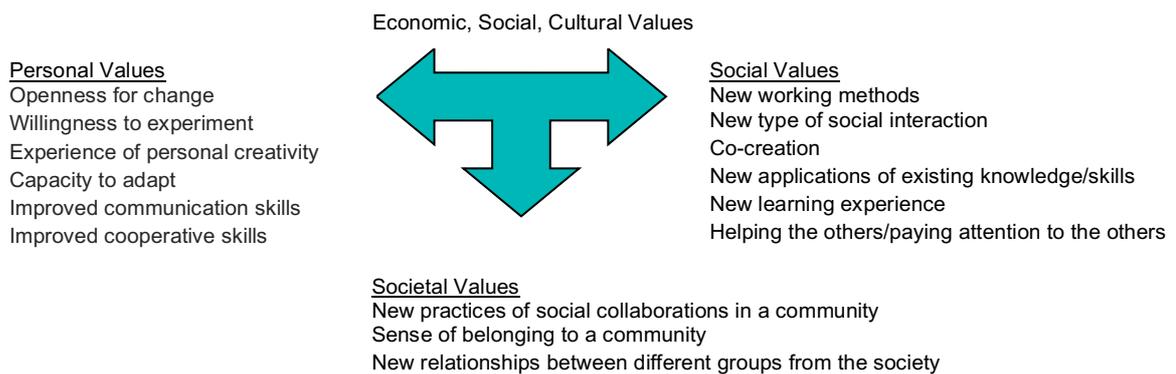
According to the organizational team of “Costruire bellezza” (internal stakeholders), the most important values of the project are innovation, belonging, sharing, flourishing, optimism and equity, whereas the innovation (35%) and belonging (29%) are far more significant than sharing and optimism (6%) (fig.1). The internal stakeholders also expected that each of these values would be of different relevance to different external stakeholders. For example, the value of innovation was expected to be of greater relevance to design students, social workers and tutors (fig.1).

Fig.1. Value map of “Costruire bellezza”



The evaluation of the changes was verified for each different stakeholder by testing different attributions (proxies) of the personal, social and societal values (fig.2).

Fig.2. Value attributions/proxies for “Costruire bellezza”



Changes related to personal values

On personal level, the analysis shows that the project reached a strong immediate impact on the beneficiaries’ behaviour, i.e. homeless people. It was measure¹² in terms of their increased cognitive capacities and subjective

¹² Each proxy was given a weight on the scale of 1 to 5. However, due the ongoing process of evaluation, the exact values of the weights are not quoted here.

well-being, and improved capacities to socialise and communicate, as well as the improved economic status (finding a new job). The new practices through the workshop enhance beneficiaries' (homeless people) self-esteem, feeling good and personal creativity. All these lead to greater positive expectations for the future (optimism) from the homeless people. However, when it comes to a long-term perspective of what they want to achieve in life, optimism is still limited and varies from person to person.

Changes related to social values

By analysing the changes in social values, it can be concluded that the project has very strong social dimensions by means of sharing, helping, collaboration and co-creation. The most obvious benefits of the project pertain to increased collaboration and co-creation, experienced by the homeless people, the social workers and the tutors; increased willingness to help the others or paying attention to the needs of others, experienced by the social workers and the students; increased social interactions (more general), experienced by the homeless people, the design/anthropology students and the social workers.

Changes related to societal values

The analysis of the changes on the societal level refers to the bigger societal transformation the project can bring within the local community or the society as a whole. Although the project is in early stage of development and, therefore, it is difficult to measure the real impact of it on the broader community and society, some indications of societal change can be observed (in an initial reach).

The most remarkable societal change in the project which begins to shape is that the participants in the projects, especially those with the most vulnerable position in the society, i.e. homeless people are starting to gain a sense of belonging to a group. The project's working method allows close interaction, creates a process of cooperation among different social groups and stimulates the creation of relationships among those groups within the community, for example, between the homeless people and the social workers, between the homeless people and the design/anthropology

students. During their participation in the project, citizens from different social groups start to respect more each other and gain better understanding of each other's challenges. However, the analysis also shows that it is still early to conclude whether the relationships and the sense of belonging would occur beyond the group of participants in the project and creates such a value, for example, within the neighbourhood, where the projects operate. Strengthening the trust and building the respect between different social groups in a broader community will require more efforts and time.

Some other changes that can be expected to take place in long turn, are shared by the professionally involved stakeholders, i.e. the social workers and the tutors (designers, craftsmen, writer). All of them recognise the innovativeness of the new methods of work of "Costruire bellezza" and their potential applicability in a different context. One can speculate here that the highly assessed potential of those ways of working can create in the future conditions for new social interactions within the broader community. However, representatives of the professional communities in "Costruire bellezza", who are developing and implementing social practices, still have unclear view on how these methods can be adopted in different contexts.

Another, expected societal change draws on the fact that the working methods of "Costruire bellezza" allow professionals, such as craftsmen, designers and anthropologists, to use their professional skills in solving societal problems, i.e. suggest other professional development for people practicing those jobs.

Conclusions

Spillovers of CCIs realised through complex intertwining of economic, social and cultural processes. This paper examines how the transfer of innovation of CCIs elsewhere in the economy and society is taking place. It argues that innovation through knowledge spillovers is a process closely related to generation and enhancement of economic, cultural and social values. The realizations of these values requires a specific context. By exploring the complexity of spillover effects, this paper provides a conceptual framework which reveals the specific characteristic of the spillover process based on the

Jaaniste's presumption that creative industries provide input into the innovation processes elsewhere and Klammer's concept of cultural valorization.

The empirical study of the case study of the "Costruire bellezza" proves that by pursuing an instrumental outcomes, (i.e. development of skills which will increase the employability of the beneficiaries), the engagement with creative processes, produces cultural and social experiences which became indispensable in the process of gaining instrumental benefits (gaining skills and finding a job). From design to art, from craftsmanship to cooking, the workshops allow people to rebuild "dense" relationships, to imagine new possibilities, to experience the care and direct responsibility that each person can take towards the others in a very concrete context of a concrete neighbourhood. The assessment of these value-based changes requires a different evaluation approach, i.e. Value-based approach. It builds on cultural valorization and takes into account the realization of values through different stakeholders. Based on the findings of a case study the paper argues that the realization of spillovers of CCIs is culturally and socially embedded process.

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