



—
hdk
—

Zürcher Hochschule der Künste
Zurich University of the Arts
—
—

Zurich
Centre for
Creative
Economies

Research Note n°4 (2020)

«Sleeping Beauty» IV, Beyond the current debates: Alternative strategies for analysing the Creative Economies

By Christoph Weckerle and Simon Grand

This research note is part of a series of four notes published by the Zurich Centre for Creative Economies (ZCCE) on the economic consequences of the coronavirus for the cultural sector.

Introduction – (Christoph Weckerle)

Note 1 – The WPA, Roosevelt and Artist Relief in America 1936–1939 (Frédéric Martel)

Note 2 – The Great Cultural Depression (Frédéric Martel)

Note 3 – The Swiss Creative Economy: Some statistics-based reflections on the current debates in Switzerland (Roman Page, Christoph Weckerle)

Note 4 – Beyond the current debates: Alternative strategies for analysing the Creative Economies (Simon Grand, Christoph Weckerle)

ABSTRACT | Since February 2020, the Covid-19 epidemic has affected entire sectors of the world economy. The creative economy is being hit hard, not only in economic terms but also in terms of its identity and organisation. Our four research notes aim: (1) to recall the history of the «relief» programmes set up in the past to aid the cultural sector, especially during the Great Depression of 1929; (2) to analyse the current situation of the cultural sectors, both as a whole and sector by sector; (3) to present the Swiss Creative Economy through some statistics-based reflections on the current debate in Switzerland; and finally (4), beyond the current debates: to consider alternative strategies for analysing the creative economies.

**Approach and
Relation to Research
Notes 1,2 and 3****Approach and Relation to Research Notes 1, 2 and 3**

Research Note IV
IV.1 Important research
questions on the
Creative Economies
and their topicality in the
current situation

IV.2 Relevant
perspectives on the
Creative Economies as
a basis for their future-
oriented development

IV.3 Overarching
societal perspectives on
the Creative Economies

IV.4 Need for action
with regard to future
developments of the
Creative Economies

Our first three Research Notes describe the main challenges and dynamics characterizing the creative economies at the interfaces of art and design with business, society and politics in the context of the current Covid-19 crisis. To this end, we undertook a historical comparison (Note 1), gathered and examined the qualitative statements of different actors (Note 2) and provided statistical data (Note 3).

Research Note 4 has two aims: first, we reflect on our previous observations, results and findings against the background of current issues, positions and perspectives in international research on the creative economies. Second, we interpret today's situation based on the approaches and models that we have developed in recent years (for various texts and workshop documentation, please refer to www.zhdk.ch/zcce). On the one hand, the Covid-19 crisis creates much uncertainty for all actors. On the other, it helps us to examine even more deeply how the creative economies will cope with the present and also with future uncertainties, and how this will affect their value creation. Covid-19 is testing, on a global scale, the possibilities and strategies of the creative economies for dealing with such uncertainties. Dealing with uncertainty is a core competence of the creative economies. However,

the conditions necessary to do so have not yet been studied in detail. These differ massively, for example, between a game developer and a dance company.

Against this background, research Note 4 describes the known patterns and interrelations in the creative economies, which are either confirmed, even intensified or newly illuminated by the current Covid-19 crisis. From this description emerge important and partly new facets, which affect, or ought to affect, the public discussion on this special societal field. At the same time, we describe how the current situation changes or should change how the creative economies are assessed and which new questions arise from comparing them with other economic and social fields.

We see the main task of research as proposing *observations* and *interpretations* and deriving *relevant questions* and *possible consequences*. At the same time, however, the perspective of the many other actors in this field is needed in order to arrive at convincing and robust approaches and strategies abreast with the potential and challenges of the creative economies.

Approach and
Relation to Research
Notes 1,2 and 3

Research Note IV

Research Note IV
IV.1 Important
research questions on
the Creative
Economies and their
topicality in the
current situation

IV.1 Important research questions on the Creative Economies and their topicality in the current situation

Considering the important questions addressed by international research on the creative economies¹ (below in italics) shows how closely scientific discourse engages with issues also being discussed in the current crisis, not only in direct connection with the creative economies, but also beyond and of significance for other industries and contexts:

_What makes creation and creativity possible in the creative economies, and what are essential prerequisites, processes and practices? The fact that certain industries or organisations have been able to adapt to the new conditions more quickly than others, or to use these conditions as opportunities for new approaches, is undisputed. It will be worthwhile understanding more precisely which preconditions, strategies and processes can explain such differences, and what this means for strengthening the future ability of organisations and industries to act in a crisis and thus in the face of multiple uncertainties.

_What are the similarities and differences between the various fields of action in the creative economies (e.g. art and design, film and dance, music and

journalism)? The fact that the supporting or bridging measures for the Swiss economy are oriented towards the archetype of the growth-oriented SME or the large corporation with many employees has been repeatedly criticised as one-sided. It will be important to focus more on other specifics such as national or international connectivity, the position in value creation processes, the contribution to specific cultural, economic and societal ecosystems, the material or immaterial dimension of a resulting event, performance, artefact, product or service including its social valuation.

_How is value created in different fields of action? And how is this value assessed by actors themselves, but also in the economic and social context? The Swiss government defined the “systemically relevant” areas of the economy (and by implication those that are not relevant) early on after declaring the “extraordinary situation” (i.e. lockdown). Only later was the question raised what the definition of systemic relevance rests on and which values are relevant to the Swiss system in addition to health, basic provision, and in a second step, economic importance. Other values were only highlighted with lower priority,

¹ See therefore the events organized by ZCCE
www.zhdk.ch/zcce

including artistic and cultural value creation or the significance of entrepreneurial and social experiments.

_How are the necessary value creation processes structured, and which networks and dependencies exist between different actors? Stocks of key supplies for coping with the crisis, such as protective masks or disinfectants, were insufficient in Switzerland. Analysing the country's crisis management involves clarifying whether global purchasing must be replaced by local production in certain areas. The new approaches to local supply (urban gardening, etc.) and production (FabLabs, 3D printers, etc.), which have been intensively discussed and tested in the creative economies, will become more important.

_Which economic models and financing logics play a role in different fields, and how do they affect mobilising and investing relevant resources? Across Switzerland, Europe and the world, unprecedented aid packages are being put together to prevent an even greater crisis. These packages usually involve financial resources and considering how to support weak companies. Less emphasis is placed on how successful, crisis-resistant organisational and business models might be helped to reinvent current models or achieve a breakthrough and which resources might be relevant in this context. The answers to these questions will become increasingly important in further managing the crisis.

_How does digitisation change the results, value creation processes and business models in the various fields of action of the creative economies? The enforced transition to working from home has led many organisations to very quickly test new ways of working. The Covid-19 Tracing App will play a key role in making the transition from an "extraordinary" to a "special" situation. Shifting to digital types of presentation is generating new formats. It is reasonable to assume that working from home, new apps and new formats will change the notion of digitisation or the relationship between the population and digitisation and its influence on everyday life.

_How does the meaning of the analog develop amid these developments? What is the significance of embodiment, space, artifacts, social interactions, physical experience ...? In recent weeks, many Swiss households have for the first time consciously and in greater detail considered the concept of food delivery or experienced neighbourhood-specific community building (e.g. people gathering on their balconies at a prearranged time). Nevertheless, the urge to visit restaurants and bars, to shop, meet and party seems to be one of the greatest needs on the way to a new normal. Here, many experiments are bound to redefine the relationship between digital and analog.

_Which forms of entrepreneurial activity characterise the actors in the creative Economies, and which organizational models are being developed? The Covid-19 crisis has moved professions centre stage that as a rule are deemed unattractive and otherwise receive scant attention. Care workers, cleaners, saleswomen, ... were suddenly perceived as important actors in coping with everyday life. Artists, among many other social groups, were not the focus of interest. The question of whether the initial shift and appreciation is sustainable and has long-term consequences, whether it shapes our valuation of different types of work more fundamentally, or whether the crisis and post-crisis will rather affirm or even reinforce the old patterns, has arisen and is already being controversially discussed.

_What are the personal, cultural, professional ... ambitions and perspectives for students in the fields of the creative economies, and what are the consequences for their education? What lies behind the "new normal"? This is unclear, and expectations and ideas diverge considerably. How do we deal with such a situation? How will making long-term decisions and investments be possible amid these uncertainties? What role will the economy,

politics or society play in this respect? Which consequences will this have for production conditions, conditions for success or funding?

Conclusion

Many parallels and connections exist between the scientific questions about the creative economies and the current challenges and debates brought about by Covid-19. It is therefore worthwhile better understanding the existing knowledge and success strategies of the creative economies and to relate them to other social fields. At the same time, it will be necessary to critically question these insights and strategies and to find formats to experiment with new models and approaches and to scale these up. And it is worth asking and discussing in-depth which significance the creative economies ought to have from an economic and societal perspective for developing new models in the context of fundamental uncertainty, for finding ways of dealing with or overcoming the crisis, but also for shaping the future and for dealing with various forms of uncertainty.

Approach and
Relation to Research
Notes 1,2 and 3

Research Note IV
IV.1 Important research
questions on the
Creative Economies
and their topicality in the
current situation

**IV.2 Relevant
perspectives on the
Creative Economies
as a basis for their
future-oriented
development**

IV.3 Overarching
societal perspectives on
the Creative Economies

IV.4 Need for action
with regard to future
developments of the
Creative Economies

IV.2 Relevant perspectives on the Creative Economies as a basis for their future-oriented development

In recent years, international research has provided insights into the creative economies that are essential for understanding them in the current situation and are partly exacerbated by the crisis.² At the same time, understanding is constantly expanding, just as new insights and questions are being added. Which findings on the creative economies are of general importance for the economy, politics and society?

_Great heterogeneity: First of all, the creative economies are characterised by a great heterogeneity of actors, strategies, competencies and approaches. It is difficult to make any general statements about the field as a whole. Many actors in the creative economies move and position themselves in different force fields: between the search for singularity and uniqueness (“being unique”, “being different”) and orienting themselves towards a mainstream; or scaling singularity to a mainstream, between a cultural focus (“culture as a value in itself”) and an economic focus (“commercialisation, i.e. financing of culture”); between state institutionalisation and entrepreneurial independence; between project-oriented work and the establishment of stable organisational conditions. Many actors oscillate

between these extreme poles, or are moving from one to the other (and thus “in between”).

The current developments due to Covid-19 and their possible consequences therefore affect creative economies actors very differently. Established design agencies with long-term client relationships face different questions and challenges than young ventures and self-employed people pursuing many, often many small individual projects; orchestra musicians face a different situation than freelance musicians. Frédéric Martel has compiled a large number of national and international examples illustrating this heterogeneity through a series of interviews (see Research Note 2). Research Note 3 illustrates this heterogeneity with statistical analysis. Here, general recipes, generic strategies and sweeping interventions obviously reach their limits. It will be a matter of asking what more context-specific and flexible approaches might look like.

_Manifold financing logics: This heterogeneity is clearly reflected in the different financing logics characterising the creative economies: public and private financing, from streaming and ticket sales

² See therefore the events organized by ZCCE www.zhdk.ch/zcce

to sponsoring and government support; direct and indirect (cross-)financing, for instance, in agencies pursuing commercial and artistic projects in parallel; financing in the educational, research, consulting, service, cultural and art contexts, each with different expectations and rules of the game. International research shows that major global differences exist in the way different forms of financing are established, due to different historical developments and state institutionalisation in the cultural sector. Research Note 2 has indicated some of the consequences: depending on the geographical or sectoral context in which creative economies actors and organisations operate, the sources and rules of the game for financing differ substantially.

If, for example, there is virtually no major Swiss cultural institution that does not benefit substantially from public subsidies, this has consequences in a crisis such as the current pandemic: state-funded institutions are secured in the short term. In contrast, other organisations are often of little interest from the perspective of traditional lending institutions, as their financing requirements as a rule fall beneath a threshold and barely any collateral exists. It is therefore not surprising that the creative economies are a testing ground for diverse sharing mechanisms or for crowdfunding as well as other resource mobilization and allocation models. How exactly these prove themselves in a crisis, and which new financing and resource allocation formats are emerging, deserves more in-depth examination.

_Diverse organisational forms and entrepreneurial approaches:

Great heterogeneity is also evident among business models in the creative economies. Research Note 3 has shown that the tension between full-time and part-time employment or portfolio worker models is somewhat less pronounced than is generally assumed. At the same time, however, many unstable and precarious conditions play a considerable role. This goes hand in hand with different legal forms and degrees of institutionalisation, ranging from purely temporary, project-dependent constellations to traditional models. Projects are often characterised by the fact that they are temporary and formed specifically, often purpose driven. Consequently, establishing long-term commitments or sustainable structures might prove difficult. In times of crisis, a project pipeline may very quickly be discontinued, projects may be deferred, and the scope of a project may change at short notice.

Accordingly, a key challenge for many actors in the creative economies is the tension between project-related, agile and flexible, yet often also erratic self-management and a more broadly interconnected, more institutionalised and long-term strategic approach to entrepreneurship. While this implies more opportunities, it also involves more established structures and thus more systematic processes. The search for “alternative institutions,” as has long been observed for many fields of art, culture and creation, and thus also searching for forms of organizing capable of averting overly rigid institutionalisation and

formalisation of the conditions of creation and production, will reorient itself against the background of the current challenges.

_Heavily preconditioned creation processes: The creation processes in the creative economies, and thus the prerequisites for their continuation in the crisis, are diverse: a dance company needs special performance infrastructure; orchestra musicians only play together to a limited extent in digital space; film productions cease to go ahead in times of social distancing, etc. In contrast, software development and game design are often pursued in spatially distributed and digitally interconnected constellations. Media companies are challenged by such digital processes while at the same time many new formats are being developed and tested. Depending on the conditions of creation and production, the consequences of the current restrictions, yet also of the new possibilities, are quite different. Looking to the future, it will be important to carefully observe and reflect how far the artistic profiles and the required skills change, become more differentiated, dissolve or thicken into new patterns and strategies.

In the current situation, all actors face the question of how swiftly they can adapt their creation processes to the new constraints and to what extent their creation and improvisation skills enable tackling the challenges and opportunities presenting themselves. At the same time, however, the question also arises as to how far these adaptations are fundamentally desirable or are imposed by necessity. Creation

processes in the creative economies are often characterised by great willingness to take risks and to experiment: dealing with uncertainties, exposing oneself individually and collectively and breaking radically new ground are all inherently part of this field. And yet, many conventions and well-rehearsed patterns are very difficult to change: established institutions and firmly established self-evident features in the various areas of the creative economies become plainly evident, particularly in a crisis.

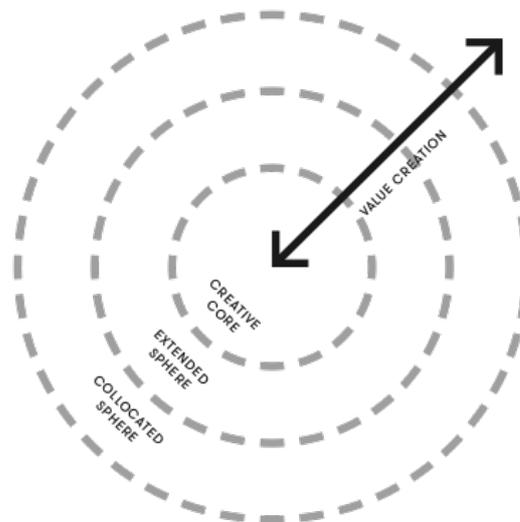
_Highly diverse values: Views on the exact nature of the values created by creative economies actors diverge considerably: what is the artistic value of a performance? How important is its entertainment value? How important should the economic value of a work of art be in this respect? Which significance is attached to the associated socio-political impact? These valuations are not stable, but instead need to be confirmed time and again. Especially as a result of the Covid-19 crisis, weightings are being “redistributed” and in some cases played off against each other: securing jobs versus the possibility of performances, digital entertainment for people working from home versus the quality of analog productions. The extent to which a value can or should be financially determined or commercially realised always resonates in the discussion of values and valuations. As does the extent to which culture free of charge prevails in the digital world and how willing people are to pay for cultural value creation. The different valuations can be seen

in rankings, prices, likes, consumer behaviour, the discussion about eligibility for state funding, the involvement of patrons or communities.

Recent research clearly shows: the most diverse value concepts always require corresponding instruments and procedures in order to robustly organise valuation. This is done, for example, through

creative economies, and thus also their significance from a cultural, political or economic perspective.

_Integrated value creation constellations: More recent models of the creative economies more strongly emphasise the dimensions of value creation than the allocation of individual actors to sub-markets.



markets and auctions, public debates and digital platforms, state intervention and civil society involvement. Especially in a crisis situation, so-called “judgment devices” become increasingly important in this context: rankings and likes, experts and platforms significantly influence what is valued and how. These devices enable the various actors in the creative field to determine how to assess and value the different output or value dimensions of the

In our sphere model, which we have been proposing for some time, the “creative core” represents a concept of creativity that is closely related to artistic creation, often in close proximity to the creative industries or the creative economy. In the “collocated sphere,” by contrast, organisations and industries operate that are not directly involved in the creative core, yet ensure the framework conditions (technological, infrastructural, financial) that are

essential for effectively realising, disseminating, implementing and asserting artistic ideas, designs or claims. Between these two spheres lie highly diverse initiatives and organisations that see themselves as belonging neither to the “core” nor to the “collocated sphere,” but instead consciously act in between. Depending on context, they belong to one or the other of these spheres. In the “extended sphere,” they ensure important, independent and sometimes extraordinarily creative exchanges between the “core” and the “collocated sphere” via multiple transfers and translations.

The relevant creation, production, staging and commercialisation processes are very differently interconnected with actors from other areas and industries in different fields of the creative economies. This has consequences during a crisis such as the present pandemic: architecture is closely linked to the construction industry, urban planning or the more recent perspectives on “smart cities”; the software industry lives to a relevant extent on projects with partners from different industries; financing through funding, participation, venture capital, private equity, etc. is possible or not, depending on the focus of creation. Accordingly, we need to assume eco-systems of creative value creation, whose sub-systems are affected differently by the current situation, which has also consequences for the other actors involved.

Conclusion

The current crisis and the manifold uncertainties associated with it are reflected in a number of key observations and findings of international research on the creative economies. Recent studies show that the creative economies represent a heterogeneous and constantly changing field. Many actors, networks and value creation processes in the creative economies are globally organised and employ digital and analog possibilities of creation, collaboration and staging. Creative economies actors have skills and practices that are particularly important in times of uncertainty. At the same time, their economic situation means that they are sometimes particularly vulnerable and challenged.

Creative economies actors pursue a wide variety of models and strategies and use various forms of organisation and financing. How robust project-based models are, how important stable networking can be, and how effective different forms of organisation are, will become apparent in the times ahead and must be carefully observed and analysed. From a cultural, economic and socio-political perspective, the central question in this respect is how to see the values created by the creative economies, and what this means for valuation and commercialisation, but also for institutionalisation, funding, promotion or governance.

Approach and
Relation to Research
Notes 1,2 and 3

Research Note IV

IV.1 Important research
questions on the Creative
Economies and
their topicality in the
current situation

IV.2 Relevant
perspectives on the
Creative Economies as
a basis for their future-
oriented development

**IV.3 Overarching
societal perspectives
on the Creative
Economies**

IV.4 Need for action
with regard to future
developments of the
Creative Economies

IV.3 Overarching societal perspectives on the Creative Economies

How have creative economies actors reacted during the crisis and what arguments have their institutions been making? Umbrella organisations have launched surveys among their members in order to identify shared interests and problems (i.e. beyond emphasizing their sheer heterogeneity); individual initiatives are aligned in order to indicate the financial plight of the creative economies and thus to enable access to federal supporting measures. However, the public perception of remains blurred. Rather few debates have been focusing on a field somewhere in between arts and culture and economy. This can be interpreted against the background of the scientific perspectives on the creative economies outlined above:

_Assessment and systemic relevance: According to the initial assessment of the Federal Council, art and culture were not seen systemically relevant. Accordingly, no dedicated funds were available from the Covid-19 relief package and measures aimed at stabilising the Swiss economy. At a later date, bridging loans will be made available via cultural funding agencies. At the same time, art and culture are undisputed as key dimensions of society, as a critical authority, as a social laboratory, as a field of entertainment and as a value in its own right. The discussion on the creative economies in recent years has also indicated the crucial importance

of this creative field for economic value creation, location attractiveness, the dynamics of digitisation, social coexistence, etc. It is thus worth discussing the question of systemic relevance in greater depth, exploring current controversies, and systematically making the relevant valuation dimensions explicit and reflecting on them.

At the same time, several key questions arise: what kind of narrative could the creative economies or individual creative fields develop in order to be perceived as systemically relevant in the public debate and in political agenda setting? How are the values created in the creative economies assessed and asserted, and which existing and new valuation instruments (“judgment devices”) are relevant in this regard? Which impact dimensions, apart from financial success, need to be focused on?

_Financing and funding logics: The mechanisms according to which financial resources are made available to the creative economies plainly reveal the underlying funding logics: it is meant for supporting major cultural institutions in different fields, funding individual careers in these fields, as well as offsetting precarious situations. Financing experimental, risky, future-relevant initiatives, which seem to be particularly relevant today, are less systematically covered and distributed

among multiple formats, like experimental research, The focus lies on (immediate) financing or help rather than on investing in alternative institutions, specific competencies or systematic experimentation that are attributed to the creative economies. Here the focus lies, for example, in developing alternative models, discussing speculative approaches, dealing with uncertainty, dealing with existential questions or in making “hidden” dynamics visible.

Considering the characteristics and qualities of the creative economies enables raising very different questions with regard to the future: which approaches and models might explicitly address the significance of the creative economies with a view to Switzerland’s future viability? How might these approaches and models be made more visible in the interaction with different economic and social sectors, as part of innovative ecosystems (see the Sphere Model above)? This question becomes especially important in the context of digitisation, where creative economies actors and organisations play a key role, as shown by the most recent digitisation initiatives in education and research, in the economy or those pursued jointly with politics.

_Novel organisational forms: One important criterion for financial support is a company’s organisational or legal form. The more this rests on a typical Swiss understanding of SMEs or on established companies and institutions, and thus on questions of job security and “service public”, the more likely the required criteria

will be met. Frequently, however, this does not tally with the project-like, networked, sharing- and crowd-oriented, experimental approaches and models often characterising the creation and value creation of the creative economies and implying important prerequisites for their creation processes, experiments and novel approaches and formats.

This raises several questions: How can informal and experimental forms of organisation be presented such that they are reassessed in terms of overcoming crises or developing alternative approaches with a view to the future? What might effective entrepreneurial formats, novel financing models and sustainable investment strategies look like in this respect, and that also take the characteristics of the Creative Economies seriously? Which forms of governance are adequate for this purpose or still need to be developed?

Conclusion

In terms of society as a whole, the creative economies have mostly been reduced to their economic significance in the current crisis. Their social significance (especially in times of crisis) has hardly played any role, despite many creative economies actors pointing out the connection (see the various statements in Research Note 2). If the creative economies exemplify new, hybrid, sustainable forms of engagement between research, entrepreneurship, political engagement and art (by combining creative and commercial

Approach and
Relation to Research
Notes 1,2 and 3

Research Note IV
IV.1 Important research
questions on the
Creative Economies
and their topicality in the
current situation

IV.2 Relevant
perspectives on the
Creative Economies as
a basis for their future-
oriented development

IV.3 Overarching
societal perspectives on
the Creative Economies

IV.4 Need for action
with regard to future
developments of the
Creative Economies

ambitions, as well as creation, research and development), then the Covid-19 crisis has shown that hybrid forms are often neither sufficiently stable, nor established or appropriately institutionalised to be recognised, to be able to persist or even influence development and political agenda setting. What we have observed instead is a clash of different logics: it was

for example necessary to decide between the economic dimension (the SME logic, i.e. traditional, economic criteria for defining “systemic relevance”) or the cultural dimension (which was handled by cultural funding agencies and their logic, in the sense of “promote what is otherwise at stake”).

IV.4 Need for action with regard to future developments of the Creative Economies

The comments and explanations in the previous sections bring to the fore different perspectives and possible consequences for a sustainable description of the creative economies and their analysis in international research. They also point to education and training, the economy as a whole, politics or society and its key future topics such as sustainability, mobility, renewability, singularity or live experiences:

_It will be essential for creative economies actors to engage with *the viability and sustainability of their forms of financing, organisational approaches and development strategies*. The current crisis and the great uncertainties about the future have once again highlighted even more clearly a pivotal theme in recent research: the crucial importance of the manifold and varied conditions for enabling creation processes, projects, experiments, develop-

ment initiatives, collaboration networks, etc. While these are characteristic and essential for the creative economies, they are also immensely important far beyond. Besides the conditions for relevant creations, it is always a matter of the necessary *production conditions, performance possibilities, distribution channels, commercialisation models* that make these creations possible and effective in the first place. The consequences of the current crisis for innovative ecosystems in highly diverse areas will only become recognisable in the mid-term, yet ought to be considered already now. Furthermore, their value for established, more stable institutions and enterprises deserves more systematic exploration.

_Regarding education and training, precisely these topics need be discussed and reflected on with students, teaching

staff and researchers early on. A *good understanding of the different contexts* with which each creation is interconnected plays a role here. In addition, teaching a wide range of creative and experimental skills and methods, but also of organising and scaling, is essential for developing and establishing one's own artistic, creative, research or entrepreneurial activities. The "*embeddedness*" of many creative economies actors becomes paramount in this respect because these skills and methods are economically, politically and societally important far beyond the field of art and culture. Accordingly, it is important to more precisely understand how *project-oriented approaches, portfolio models involving different activities, hybrid fields of activity* will assert themselves.

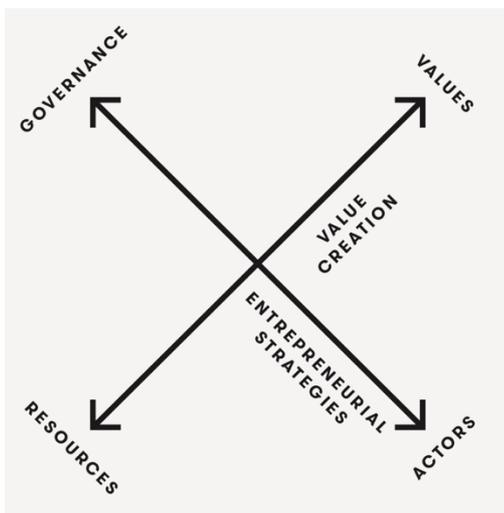
The economy and its enterprises across diverse sectors must learn to understand the *importance of the creative economies as part of an innovative ecosystem* and to combine this system with their own initiatives and investments. *Experiments and developments in the creative economies* can be highly inspiring, as well as reveal opportunities potentially important for other areas of the economy. In a crisis, things suddenly become conceivable, discussable and feasible, along the various dimensions of creation, realisation, value creation and distribution processes. At the same time, *dealing with uncertainty, as well as thinking and acting in exceptional circumstances*, becomes crucial and in some cases centrally important especially for Creative Economy actors. The most diverse dimensions of

uncertainty thereby become visible, in terms of existential involvement, the process of creation, making the right decisions in a complex situation and the future consequences of current developments.

There are also consequences for politics. First of all, the question of the significance of the creative economies from the perspective of society as a whole needs to be asked again: why do we consider the creative economies to be *systemically relevant and to what extent should the corresponding infrastructures* be considered crucial in a societal perspective? Regarding the central political significance of the media or the economic, yet also overarching societal significance of the software industry, the discussion will differ from that concerning creative fields such as theatre, music (in its very different forms) or art. The discussion is bound to overlook key potentials if the question is answered solely from the perspective of the individual sub-sectors of the creative economies. The question of promotion will also present itself in a new and different way: instead of focusing primarily on offsetting precarious circumstances, it will be essential to recognise *the importance of the creative economies for the Switzerland's future viability* (in terms of a "risky projects" approach, which we discuss elsewhere and briefly elaborate on below). Thereby, it is unclear whether and how the *heterogeneous concerns and interests of the creative economies* as a highly diverse and dynamic field need to *manifest themselves politically*.

The ZCCE-model

Concerning future developments in the creative economies and the spheres, industries and institutions associated with this creative field, the dimensions of value creation and entrepreneurial strategy must be newly linked. The ZCCE presented a corresponding model already before the Covid-19 crisis and for international discussion. The model provides a first rough framework to structure further discussions:



Value creation as the manifold connections between output & input

_"Output" (values): The question of multiple forms of value creation seems expedient for the creative economies because it raises exciting, open and controversial (research) questions: which "values" are created (which specific constellation of economic, cultural, societal, political, technological and scientific values is concerned) and for whom (which

stakeholders are involved, and should be involved; who is affected, who is involved)? How are these values substantiated as "goods" (thereby, identifying artifacts, products, solutions as "goods" makes the implied valuation visible)? How is the relevance of these "values" determined, how are they measured (is it about success, impact, effect, relevance, meaningfulness, scaling, etc.?). How are they compared with other values and forms of value creation? How is the valuation process structured (market mechanisms, rankings, smart curation, "judgment devices," willingness to invest, political agendas, etc.)?

_"Input" (resources): The starting point for any form of value creation in the creative economies is always a wide variety of resources such as money and knowledge, reputation and attention, places and infrastructures, ideas and speculation, etc. How resources are specifically linked, transformed or recombined in the value creation process strongly impacts which "values" are (and can be) created and which cannot be realised (it is no coincidence that "unrealised projects," as potentials for future value creation, are an exciting topic, especially in the creative economies). This is because such specific value creation configurations decide what is possible, as well as when impact and expectations diverge. This enables analysing key questions for developing the creative economies: which rules and framework conditions are needed? Which contexts and infrastructures are prerequisite for

creating impact? Which promotional strategies are sensible and possible?

Entrepreneurial strategies as the interplay of actors and governance

“Actors” as drivers of entrepreneurial strategies: under uncertain conditions, the entrepreneurial strategies of the various actors in the creative economies become more crucial. By this we mean the practices and processes that create, assess or reflect on “value” – besides and beyond the development of business models. In contrast to many discussions in the creative economies, we understand entrepreneurship not primarily as self-management or as the doubtless essential search for a livelihood in precarious circumstances. We also suggest focusing on the practices and processes of “entrepreneurial strategising.” This means working permanently on the conditions that enable the observed multiple forms of value creation in the most diverse contexts and constellations, and that enable controversially exploring how this value creation is assessed – and which are constantly evolving, questioning and renewing themselves.

“Governance” as designing conducive contextual conditions: Governance in and for the creative economies does not primarily mean, in this perspective, defining funding priorities within the framework of a multi-year action plan, which results

directly in agenda setting. Rather, the key question is how, under permanently changing conditions, effective prerequisites and conditions for success can be created for the specific practices and (value creation) processes of entrepreneurial actors. The close scrutiny this demands requires the actors involved in culture, politics, business and science to permanently switch between a micro-perspective and a macro-perspective, between the “macro-governance” proposed in our framework and the “micro-governance” occurring between the different spheres of the value creation model. No actor exists outside the system; all are exposed to the dynamics of the creative economies.

Conclusion

The final section discusses which fields of action can be derived from the above model (“Value Creation x Entrepreneurial Strategies”) for the current situation in Switzerland. Based on the model, we distinguish two diagonals: “entrepreneurial strategies” (“actors” – “governance”) and “value creation” (“resources” – “values”). We also introduce a temporal perspective (short-, medium-, long-term) and a societal dimension. This enables better distinguishing past and future developments on the one hand, and better interrelating the temporal perspective and the societal dimension on the other.

		<i>Temporal perspectives</i>	<i>Societal dimension</i>
ENTREPRENEURIAL STRATEGIES	ACTORS	– Short-term	
	GOVERNANCE	– Medium-term – Long-term	
VALUE CREATION	RESOURCES		– Art / design (in the narrow sense)
	VALUES		– Creative / innovative ecosystems – Economy as a whole

Actors

Our observations, especially those that we presented in Research Note 2, suggest that the current crises has forced many creative economies actors forced to act on the spur of the moment. This is true even if it quickly transpired that the exceptional circumstances and their consequences would have a medium- and longer-term impact. Meanwhile, ever more experiments and new formats are emerging, ones through which actors are seeking to reinvent themselves and their activities, not only for the crisis, but also beyond. Strikingly, the short-, medium- and long-term horizons are each associated with fundamental uncertainties, just as the horizon of many activities is unclear.

1. *Short-term focus: Securing livelihoods* – A key challenge posed by the present uncertainty is whether to continue or suspend established patterns. These

patterns worked both before the crisis and before the rapid transition to new possibilities, which include experimenting with new forms and formats. Amid Covid-19, it has become important to generate financial resources to survive in the short term, often without knowing the medium-term consequences of individual measures: Many creative economy actors have taken and are taking major risks. The crisis has clearly established which prerequisites (structural, staffing, communicative and technical) define a project, and how complex and interlinked the relevant creation, production and performance conditions often are. The medium- and long-term effects on actor networks, but also on individual actors, are only partially recognisable. In order to ensure the sustainable and future-oriented development of the cultural sector, these effects now ought to be widely discussed.

2. Medium-term perspective: Developing new approaches to the exceptional circumstances – The current uncertainty and growing awareness that the crisis will last longer have made creative economy actors wonder what should be called exceptional circumstances and what the “(new) normal.” Specific experiments are now needed because these should be seen not only as a means of coping with the current situation, but also as simulating a possible future. Such experiments must seek to provide clarity on questions such as: In which settings are scenarios for exceptional circumstances realised and in which not? Why have some festivals been cancelled while others are being reinvented? To what extent do such events occur spontaneously, through improvisation or targeted initiatives, or based on a strategy? How are the respective decision-making processes organised? Which prerequisites for experiments are important, that is, to what extent can experiments be realised in a structured way or not?

3. Long-term perspective: Examining the future of systems – Understandably, one question is addressed even less than the previous ones: What might be the long-term effects of the Covid-19 crisis be and how it might affect, for example, the institutional level or entrepreneurial models? Where will exceptional state funding for the cultural sector continue in Switzerland, and where will resources be shifted? Where will creative economy actors play a central role? How will new partnerships and alliances emerge? To what extent will live events need to be redefined and new

audiences be created, and what will returning to established models look like? Where will such developments lead to new formats and new actors, where will established networks prove their worth and where will actors network in new and different ways? What does this mean for basic and further training in these fields? Presumably, diverse approaches, whose relative importance will hinge on many factors, will exist side by side. Discussing these points requires bringing together established and new actors. While the interlocutors in the case of (2) seem to be clear, they still need to be found in the case of (3).

Governance

Considering the short-term dimension confirms that governance does not mean a position outside the system, but that defining framework conditions greatly influences, restricts or enables this system. We assume that for medium- and long-term developments (see points 2. and 3. above) the influencing factors will be comparable. Governance therefore needs to be re-examined.

4. Short-term focus: Stabilisation – In the first few months of Covid-19, Switzerland benefited from a mixture of state (federal government, cantons, cities), intermediary (foundations, associations, ...) and private (sponsorship) commitment. This blend, established previously, has functioned quite well under the prevailing circumstances. During Covid-19, the principle of (double) subsidiarity has proven to

be quite crisis-resistant because it rests on different pillars. In addition to existing funding, extraordinary state funding was also made available during the exceptional circumstances. Reliable data are still lacking, but hindsight suggests that large parts of the cultural sector — in the narrower sense and including the entire creative industries — have been stabilised for the moment, especially by international comparison. Nevertheless, many actors need to take risks, some of them very large, to secure essential (production) networks for their own activities.

5. Medium-term perspective: Adapting existing systems and new cooperations – A crisis can make clear established constellations, but also reinforce and make visible dynamics. Based on our analyses (see also Research Notes 1–3), we therefore suggest discussing well-established funding logics in the creative economies and examining alternative approaches: How important is promoting approaches focusing less on projects and rather on establishing robust organisational forms, platforms and other formats? How can experiments and simulations, essential for the near future, be quickly and easily enabled? What about initiatives that lie between art, business and science and stand “crosswise” to established logics? What kind of evaluation criteria are needed to enable these alternative funding approaches (see also points 7 to 9)?

6. Long-term perspective: Definition of new logics and narratives – In the long term, beginning with discussing systemic

relevance, but also the weighting of the various areas of society (health, economy, culture, ...), the evaluation of the creative economies will also need broad discussion and partial renegotiation: What are solid reasons why creative economy actors will play a central role in Switzerland’s future development? How can these actors contribute to the country’s innovation system? How do they help deal with the current crisis and future uncertainties? Answers to these and other questions will become central to a narrative that will unlock the potential of the creative economies for Switzerland, a potential that is already being exploited elsewhere.

Values

The values that were created by and in the creative economies were also discussed in a more traditional sense in the first months of Covid-19. We assume that this discussion will need to be broadened and differentiated in the near future to make it robust and thus crisis-resistant. The question of evaluation will need to be answered in different dimensions.

7. The intrinsic value of art and culture and its significance for the creative economies – Crises highlight the importance of art and culture — as a stabilising system, as a sensorium for finding a way out of a crisis, as a site for creating new models and approaches in dealing with crises. In the past few months, however, explicit discussion of these issues has been limited in Switzerland. As discussed (see point 1), the primary concern has been to secure

livelihoods; discussions turned primarily on the intrinsic value of art and culture as a basis for making political demands. New formats or audience approaches were sought. Many efforts, however, were thwarted by the sheer burden of everyday life, by a lack of flexibility and by complex challenges that, until Covid-19, had seemed inconceivable.

8. The importance of the creative economies in / for innovation ecosystems – In addition to their self-referentiality, the creative economies need to place various issues on their agenda in the coming months: personal and structural networking, material connections, key strategy and problem-solving competencies. Where should the creative economies play a more central role in developing innovation ecosystems for how future crises are handled in Switzerland? What connections exist between creativity and innovation? How does this define a new understanding of innovation that takes up both the approaches of soft and hidden innovation and as the possibilities offered by emerging technologies? How to organise the corresponding processes? Where do new innovative ecosystems tend to emerge, and where can they be proactively promoted and established?

9. The Importance of the creative economies for macroeconomic systems – Two questions, among others, still need to be addressed: How can the potential of the creative economies be used for a globally convincing Swiss soft power strategy, as a voice in the world or as an attitude towards

Europe, for example? How might economic, societal and political interests be successfully linked (keyword: the Creative Economies Index as a supplement to GDP). There is no question, however, that such initiatives would strengthen Switzerland's position as an innovation hub and make the country more resilient to possible crises. Our sphere model shows that each value, and the value creation and evaluation processes needed to achieve it, must be discussed and specified from the perspective of the most diverse actors, organisations and institutions involved.

Resources

The concept of resources must be defined more broadly and not — as has been the case in Switzerland in recent months due to the crisis — one-sidedly restricted to financial resources. Resources must be defined more fundamentally than the necessary conditions for creating and enabling the values described under points 8 and 9. We assume that this will initiate a debate that will enable different future dimensions.

10. Prerequisites for the stabilisation and sustainable development of the cultural sector – By international comparison, Switzerland offers the cultural sector unique preconditions: Funding is largely stable at a high level. A dense network of state and privately funded infrastructures is maintained. Despite the pull of urban areas, activities are also evident in rural areas. Although this situation has stagnated in recent months and hardship has

occurred, Switzerland has nevertheless been admired internationally for its expedient and straightforward emergency relief. However, Covid-19 has shown that exceptional circumstances are simply not envisaged in the Swiss cultural sector. As mentioned, experiments, simulations and improvisation will be essential in many areas in the future, not only in dealing with crises but also with regard to sustainable models. In our view, mobilising and redeveloping not only the necessary funds, but also infrastructures, partnerships, methods and skills presents the creative economies with textbook challenges.

11. Prerequisites for the sustainable development of innovation ecosystems – Exploring the prerequisites, focusing on “context” and not solely on “content,” the manifold connections between “hard-” and “soft-” ware will, for example, shed new light on the interfaces between the creative economies and the Swiss innovation sector: What would an innovation ecosystem look like in which artists and designers cooperated with more technology-oriented actors? Who is committed to establishing formats and platforms that strengthen these collaborations? What integrative settings does this require (technically, organisationally, intellectually, institutionally)? What might corresponding funding look like? Which existing and successful models can be analysed in Switzerland, for instance, in the media industry, game design or art? How do these examples stand in a global context? What distinguishes Switzerland, and what is its specific potential?

12: Prerequisites for a sustainable impact on macroeconomic systems – In the longer term, such innovation ecosystems can develop a potential that is also relevant to the Swiss economy as a whole. This, however, requires enterprises to recognise the potential of the creative economies, to understand that potential in its own right, and to discover forms of how exciting, unconventional, and novel cooperation might look like.

The ZCCE will be launching different projects along the lines of these 12 points and documenting them on its website.

Christoph Weckerle, Simon Grand

This fourth research note is part of a series of four notes published by the Zurich Centre for Creative Economies (ZCCE) on the economic consequences of the coronavirus.

SUGGESTED FURTHER READING:

Note 1 – The WPA, Roosevelt and Artist Relief in America 1936–1939 (Frédéric Martel)

Note 2 – The Great Cultural Depression (Frédéric Martel)

Note 3 – The Swiss Creative Economy: Some statistics-based reflections on the current debates in Switzerland (Roman Page, Christoph Weckerle)

ZURICH CENTRE FOR CREATIVE ECONOMIES (ZCCE)

The Zurich Centre for Creative Economies (ZCCE) is an international research centre of excellence dedicated to studying and analysing the creative economies and to transferring this knowledge into higher education and practice. Our fields of expertise are: Cultural Policies, Digitalisation, Smart Cities, Art and Design Careers, Criticism & Theory and Entrepreneurial strategies. We work closely with our international partners, researchers, academics and start-uppers.

The Zurich Centre for Creative Economies (ZCCE) is part of Zurich University of the Arts (ZHdK).

Frédéric Martel, Academic Director
Eva Pauline Bossow, Managing Director

CONTACT

Zurich Centre for Creative Economies
Zurich University of the Arts
Toni-Areal, Pfingstweidstrasse 96
8031 Zürich, Switzerland
creative.economies@zhdk.ch
www.zhdk.ch/zcce

September 2020