



## BACKGROUND NOTE – Policy Forum 23.03.2023

### 1. CICERONE – a new approach to measuring the contribution of CCS

CICERONE looks at the cultural and creative industries from a global production network (GPN) perspective and thus goes beyond the often-used cluster and value-chain approaches. Rather than focusing on just one locality (a country) in which a particular Cultural and Creative Sector (CSS) activity is concentrated, the emphasis is instead shifted to linkages (and the power and control) between actors, at the various stages of production and distribution, in (and across) different places (local, national, EU and global). The project offers new insights into how CCS function highlighting the different phases of production – in their various locations – and which highlights the governance structure (where power lies in the network).

The project demonstrates how this GPN approach allows us to go beyond the existing statistical framework and policymaking for CCS and explore the dynamics of the CCS. Our approach challenges the traditional siloed (industry-based) conceptions of industries and domains and shows that boundaries and relationships between professions, firms, and industries in the CCS are much more fluid, dynamic, and permeable than is often assumed. By incorporating linkages, flows, and networks, the CICERONE methodology uncovers meaningful relationships between industries, sites, and local impacts, opening up new avenues for effective policy-making.

### 2. CICERONE – From a new understanding of CCS to better policymaking

Essentially CCS in Europe is described as an economic sector representing €413 billion in added value and 8 million jobs, and 2 million entrepreneurs with a growth rate nourished by consumer demand in films, music, books, and video games on digital networks. This somewhat limited understanding of the CCS, exacerbated by substantial data gaps, is under-evaluating the actual (economic, cultural, and social) values and impacts of the sector, thus questioning the current focus of policymaking. Are we making the most of CCS? Is support for CCS missing critical bottlenecks?

Current policy strategies for CCS can be summarised as focused on supporting the creation and production phases at the local level through various support schemes (funding, regulation, etc.). Notably, there are no ‘CCS policies’: but rather policies for the various composite industries. This leads to policy confusion and unease from industry representatives (who naturally promote ‘sectional’ (particular industry) interests). For lack of understanding of CCS, often policies neglect the more comprehensive picture, notably in distribution and exchange, where much of the value is captured. Furthermore, cultural policy strategies largely ignore the contribution of CCS to innovation (development of new services and products), quality of life and health, international trade, or sustainability objectives in the capacity of CCS to be trendsetters and influencers. Who speaks for the CCS? Who is the ‘CCS Champion’ in European policy and politics?

Current data related to CCS on their real economic and social contribution undermine the development of a policy vision for CCS that considers the technology, environmental, and market challenges and new behavioural trends. It is conceptually partial and empirically deficient in critical data. As a result, it affects the understanding of the capacity of CCS, on the one hand, to grow, to influence economic and social development, and on the other hand, to be an actor of transformation at a time of global challenges.

This project demonstrates that GPN enables a better understanding of the CCS. As a result, implementing the approach can foster better policy-making to support the development of CCS and address larger EU policy goals such as sustainability, competitiveness, and cultural diversity.

### 2.1 A new lens through which to view the CCS

GPN approaches focus on how the CCS is organised regarding space and governance. The approach's strengths lie in capturing the dynamic between actors in the production network locally and internationally. Information on the dynamics and co-dependency between leading companies, strategic partners, specialized suppliers, and distributors is essential, especially in the CCS. The various players have a strategic role in the value chain that makes them indispensable, but they need targeted policy support to consider their specific contributions.

GPN identifies the mobilisation of power and the particular power dynamics in the production network that add value to a process, activity, or place. It ranks targets of policy measures and the ultimate beneficiaries of such actions. It identifies gatekeepers or dominant players and their relationships and synergies with the network participants. Policy interventions are focused through a GPN lens, leading to more efficient and practical uses of resources.

Networks overlap with different CCS or other industries, notably in digital and manufacturing (thus showing cross-over potential). The GPN approach helps to apprehend the spill-over impact of cultural investment; and the importance of supporting and sustaining CCS production ecosystems. Such insights help us to understand, support and promote physical clusters and their commonly tacit, local knowledge transfer processes. Clusters of CCS activity can become attractors of similar activities: especially when stimulated by training and educational capacity building and promoting active audiences and markets.

This network and ecosystem lens enables a better appreciation of the cultural and social impacts (and co-dependencies) of CCS activities (from large brands to smaller structures); and the consequences which often flow far (in time and space) from their 'origin.' A further dimension is employment and skills. A CCS GPN lens helps us see the vast array of labour situations (self-employed, employed, part-time/full-time, interns, volunteers, etc.) which are often not captured by traditional data collection, thus undermining the true social impact of CCS. GPN highlights organizational changes (often linked to financial, technology, or behavioural transformation) and the impact of such changes on the network.

Such approaches also reveal the hybrid relationships between for-profit and not-for-profit activities (thus showing an essential characteristic of CCS activities) not accounted for when valuing the impact of CCS. The approach helps to characterize the contribution of CCS in supporting social cohesion objectives (integration, mutual understanding) and assess its spatial dimension.

This perspective also sheds light on the obstacles and pathways to the globalization of local industries (support competitiveness and cultural diversity) and making the most of digital networks (language and gatekeepers) issues (various centres of power). It enables to characterize the gatekeeping problems to help understand obstacles of networks or relevant actors in the network:

### 2.2 GPN mapping improves policy-making and policy implementation.

GPN mapping is different from traditional mapping, which focuses on outputs and is constrained by limited data collection linked to physical production from the analogue age.

By contrast, GPN CCS mapping traces the relationships and flows back from final products through the processes and to producers. It seeks information on flows, processes, and networks; and how they are governed and controlled. This creates a new understanding for policy-makers of the 'terrain' they

must work with: Particular flows and bottlenecks may be. Policy makers will need to evolve tools to manage these new problems.

Insight and understanding of CCS ecosystems are what GPN CCS mapping seeks to develop and is a necessary underpinning for policy making. GPN gives better means to understand the value and impact of policy measures taken to mitigate the impact of the Pandemic (Covid 19) on the CCS, for instance. When most effective, they focused on 'ecosystem' maintenance and sustenance rather than isolated outputs.

GPN mapping reveals both the multi-scalar and lateral integrations of CCS activities. These issues present a further profound challenge to policy-making: differentiating which scale/s are particular actions likely to be necessary and effective. GPN CCS mapping can help to direct policy attention here and highlight the potential of unique partnerships of (non-contagious) localities.

Improved understanding enables one to track the impact of policy measures better.

GPN enables more significant international considerations on the impact of given policy tools. As it identifies the centre of powers and its localization as well as the spatial dimension of the networks, it shows the value of policy measures on the various actors in the network to about their relative market power and localisation. This is important when reflecting on competitiveness policy or cultural diversity objectives, for instance.

Improved understanding help mobilise CCS to address broader policy challenges.

GPN enables a more effective monitoring of CCS interventions (economic, social, and cultural) and the performance of the CCS as a sector.

The sustainability objectives of CCS and policy measures aimed at promoting a carbon-neutral CCS will be better informed by an approach that identifies areas in the network where environmental policies/standards would have the most impact.

The GPN approach highlights how CCS are actors of transformation able to achieve broader policy objectives such as sustainability, competitiveness, cultural diversity, and social inclusion goals.

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