

Culture 3.0: Building competitiveness and innovative capacity through culture

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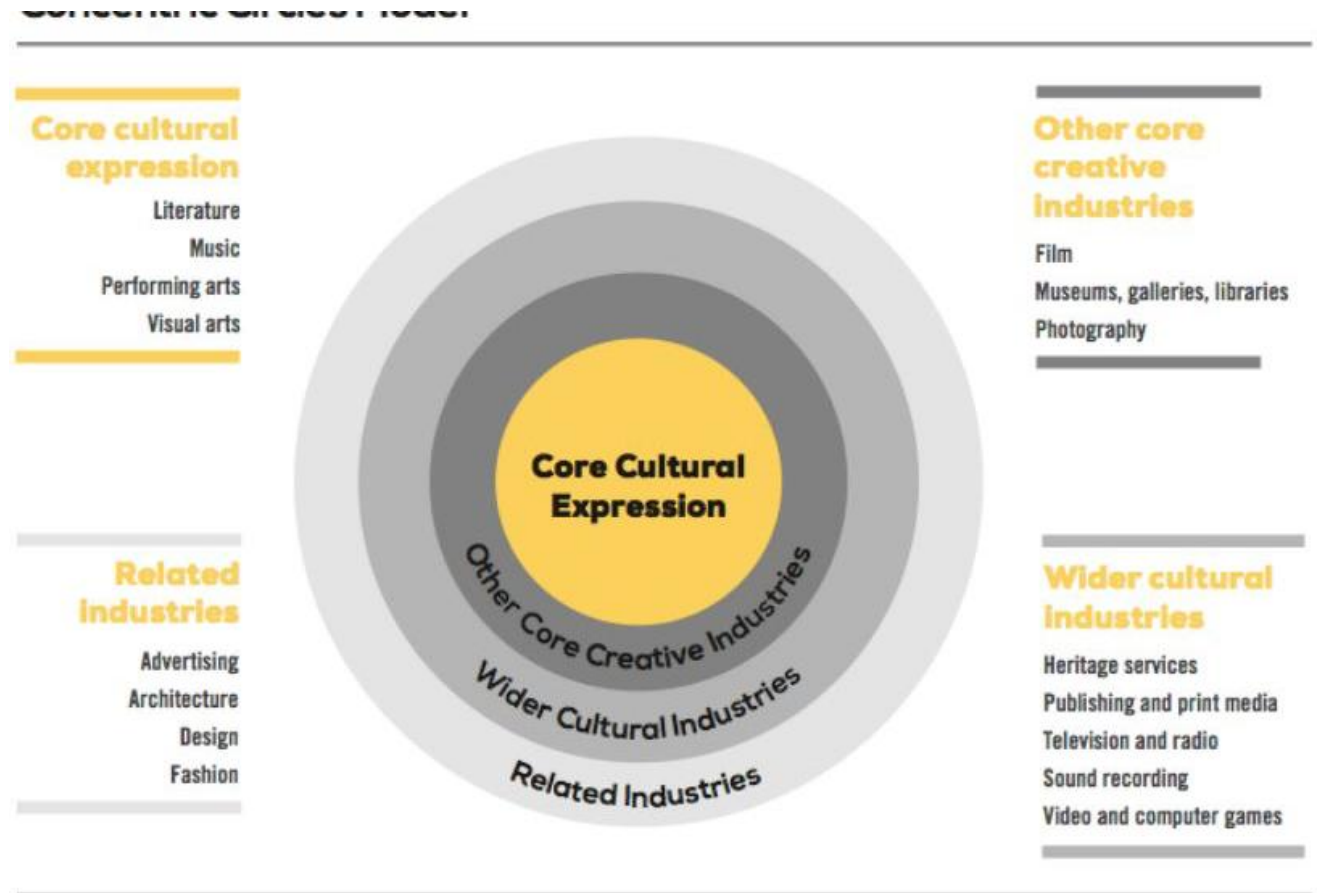


The Culture 3.0 paradigm

- Culture 1.0 (Patronage): Highbrow vs. lowbrow, culture as spiritual cultivation, no industrial organization
- Culture 2.0 (CCIs): copyright, culture as entertainment, market organization
- Culture 3.0 (open communities of practice): blurred distinction producers/users, culture as collective sense-making, networks organization

Three different regimes of cultural value creation

- **Culture 1.0: patronage.**
 - No industrial organization
 - Subsidies indispensable
 - Centered on creative development & expert recognition
 - Select audiences
 - Highbrow/lowbrow
- **Culture 2.0: cultural and creative industries**
 - Industrially organized
 - Profitable
 - Centered on market outcomes
 - Large audiences
 - Copyright
- **Culture 3.0: open platforms**
 - Commercial platforms + communities
 - Profits + crowdfunding
 - Centered on co-creation
 - Prosumer ecosystems
 - Virality





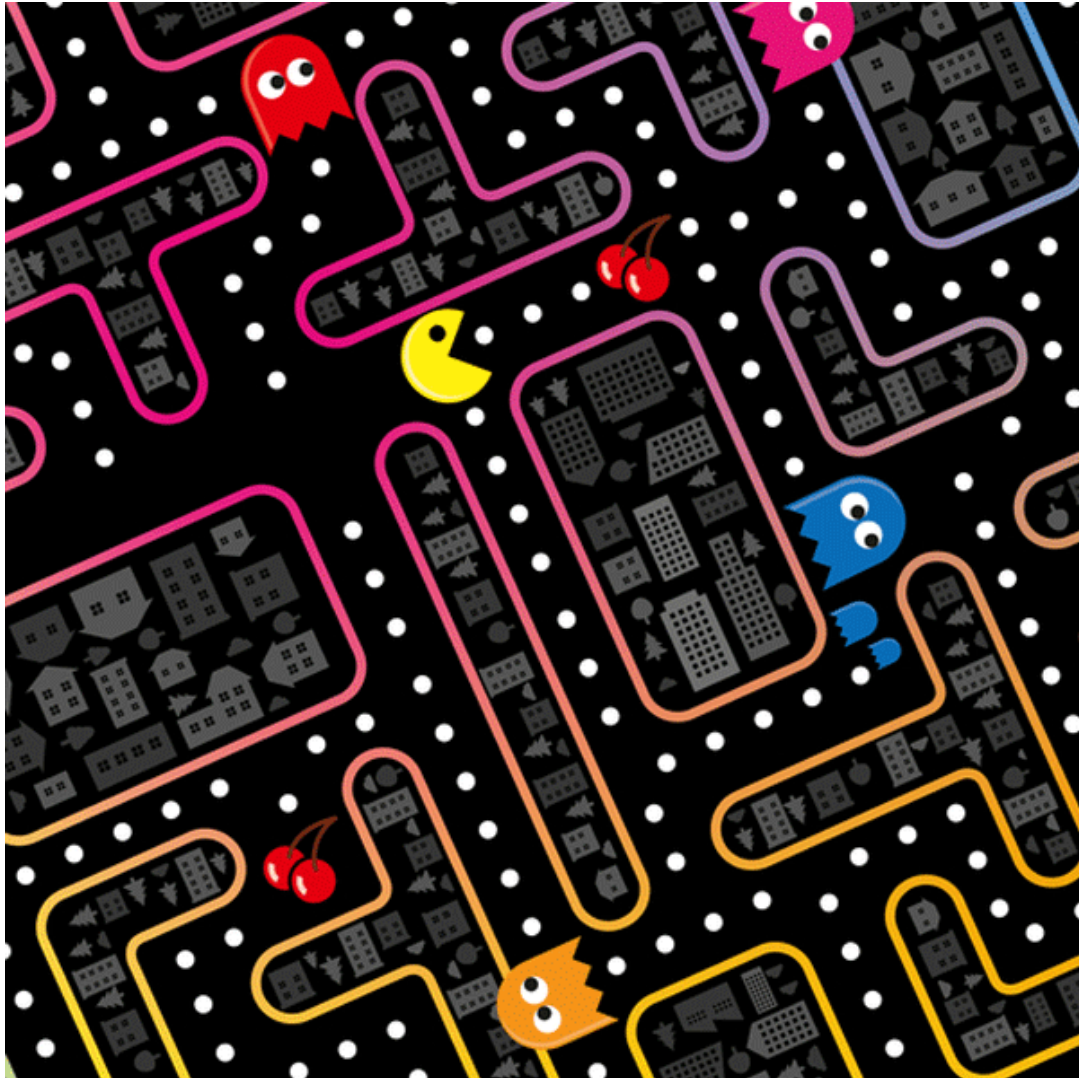
Mapping cultural and creative sectors The non industrial core (1.0)

- Visual arts
- Performing arts
- Heritage and museums

They are like the 'R&D' lab of cultural and creative production

Cannot sustain themselves on the market, but are a crucial dynamic force

They are tendentially elitarian, but must be made as inclusive as possible



Mapping cultural and creative sectors Cultural industries (2.0)

- Publishing
- Cinema
- Music
- Radio-television
- Videogames

‘Experience economy’ industrial sectors based on the ‘first wave’ of cultural technical innovation (except videogames)

More elitarian in Europe, more mass-market in the US and Asia

The cornerstone of industrial cultural production



Mapping cultural and creative sectors Creative industries (2.0)

- Design
- Fashion
- Industry of taste
- Communication & advertising
- Architectural design
- Serious gaming

At the crossroads between cultural and functional content

Strong segmentation, from luxury high end to mass market

The most dynamic component of the industrial spectrum



Mapping cultural and creative sectors: Open platforms (3.0)

- Collaborative ecologies (Wikipedia)
- Blogs and ground publishing
- Content communities (YouTube, Instagram)
- Social networks (Facebook, Twitter)
- Filter communities (Reddit, Imgur)
- Personal broadcasting (Snapchat, Whatsapp)
- Virtual social worlds (Second Life)
- Game worlds (World of Warcraft)

Mostly user content-driven, but very effective for traditional cultural and creative players

Complex mix of market and non-market element, profitable data ecologies

A mutable space in perpetual evolution and difficult to chart, which increasingly interacts with traditional sectors



The 0-1 transition

- The artist as an independent figure is increasingly recognized although craftsmanship and artistry are still blended
- The notion of authorship marks a discontinuity with grassroots culture and circumscribes the making of culture as a creative act with its own rules
- Culture can be commissioned as an individual act of will
- Culture relates to personal cultivation and not only to religious or civic rites
- Culture associates with an idea of 'good life' and with disposable luxury



Culture 0.3: proto-patronage

- In Greek city-states, culture becomes an element of social debate and even critique
- Commissioning is supported by forced taxation of the richest citizens
- The social role of the creators becomes more recognized and their names transmitted
- The notion of 'audience' as people intentionally participating to a cultural event takes shape



Culture 1.0: patronage

- The pre-industrial regime: no possibility of organized markets; culture does not produce major economic value added but absorbs it; small, elite audiences that gradually expand as more sophisticated sub-regimes emerge
- Initially founded on the virtue of parsimonia: emphasis on human cultivation and balance
 - Classical patronage
 - Strategic patronage
 - Public patronage
 - Committed patronage
 - Civic patronage
 - Entrepreneurial patronage



Museums 1.0: temples of knowledge

- In the patronage regime, the museum is mainly focused upon the conservation, development and presentation of its collections
- The creation of value is connected to the strengthening and cultivation of the museum audience, and to the transfer of knowledge and competences that this implies
- Economic sustainability concerns are seen as an interference with the pursuit of the mission of the museum, and the very goal of patronage is that of freeing the museum from the pursuit of activities that are extraneous to its educational mandate

The 1.0-2.0 transition

- Modern cultural markets are created by the concurrent emergence of a wave of technological innovation at the edge between XIX and XX century: modern printing, radio, music recording, photography, cinema
- The fact that for more than one century through the industrial revolution culture is not industrialized, however, creates a permanent frame of mind in Europe according to which culture is un-economical and needs to be subsidized anyway
- The high-brow stigma of patronage makes commercialization of culture problematic to many cultural players and to part of the audiences



“ Art challenges technology, technology inspires the art ”

John Lasseter



Culture 2.0: cultural and creative industries

- With the massive urbanization that follows the industrial revolution, and with the ‘cultural’ industrial revolution that happens at the turn of the XX century, cultural markets can finally emerge
- The industrialized forms of culture become profitable, the size of the audience expands dramatically, and culture becomes increasingly linked to entertainment
- Emphasis on profitability and audience response:
 - Proto-industry
 - Mainstream
 - Counter-mainstream
 - Subcultures
 - Fan ecologies



Museums 2.0: entertainment machines

- Although the museum cannot be properly 'industrialized', there is an increasing expectation that the museum is generating income, is managed efficiently, and contributes to the development of the tourism industry
- Economic returns are not seen as an interference in the pursuit of the museum's mission
- Audience response increasingly becomes an explicit success factor and significantly constraints the museum strategies and policies
- The museum environment itself performs a spectacular function

The 2.0-3.0 transition

- We are now witnessing a new regime transition that is driven by two concurrent streams of innovation: digital content production + digital connectivity
- Standard digital suites provide people with semi-professional packages that are cheap and easy to learn; with a modest investment they can be upgraded at the professional level
- The same packages less than 2 decades ago would have been expensive, would have required bulky hardware and would have been difficult to use
- Contents can be distributed almost without mediators to highly segmented and profiled audiences by means of increasingly specialized social media



Culture 3.0: content communities

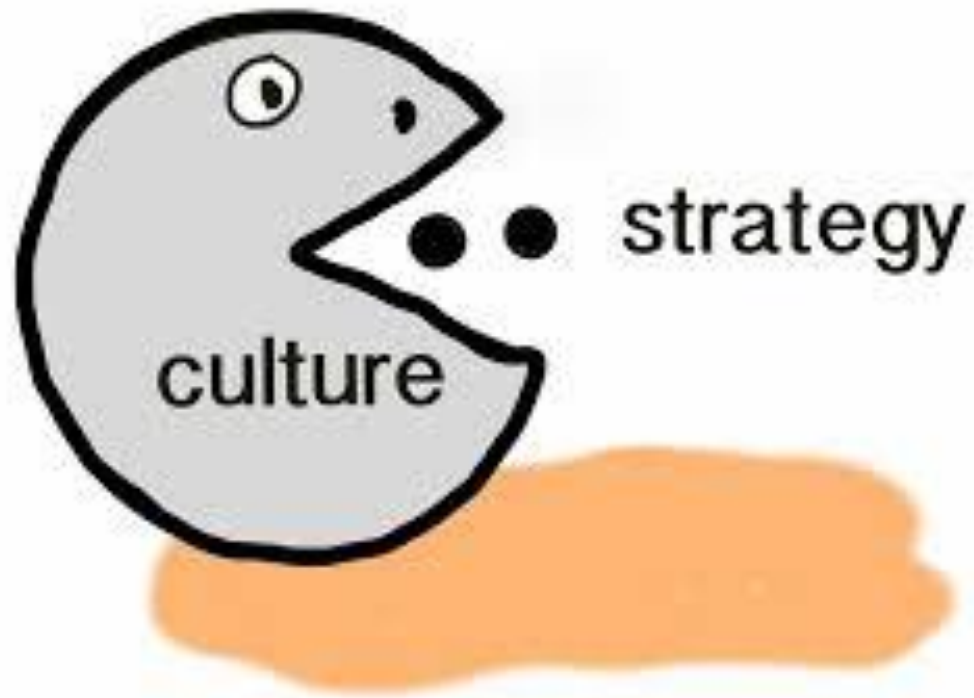
- Collapse of the separation between producers and audience: a blurred continuum of active/passive participation
- A new wave of technological innovation that enables massive, shared and shareable production of content and instant diffusion and circulation
- The production of value moves to the social domain and connects to all of the main dimensions of civic functioning: innovation, welfare, sustainability, social cohesion, lifelong learning, social entrepreneurship, local identity, soft power





Museums 3.0: participative platforms

- The idea of a passive audience is gradually substituted by a spectrum of forms of direct engagement
- Museums can create value in terms of innovation hubs, welfare hotspots, sustainability facilitators, social cohesion gateways, etcetera
- The new forms of value entail different forms of social interaction and exchange as constituent factors
- The museum opens its collections to the possibility of creative appropriation and remix of its contents by users



The culturalization of the economy

- Ubiquitous and increasingly active participation brings cultural production into the very fabric of everyday life of everybody
- Culture becomes a key asset at the top of any kind of value chain
- Capacity to unleash the potential of culture as a source of value is a key factor of competitiveness and smart growth
- But the point is: will we be able to make cultural platforms inclusive or will we make of culture another channel of income and opportunity inequality?



The evolution of participation

- Culture 1.0: participation as co-optation (limited, passive)
- Culture 2.0: participation as market access (generalized, passive)
- Culture 3.0: participation as community affiliation (generalized, active)
- We need a conceptual scheme that allows us to understand (and capitalize) the socio-economic effects of cultural participation
- The new paradigms of cultural production do not necessarily use the market as the value-generating platform (communities of practice)

An 8-tiers
approach
to the indirect
effects
of cultural
participation

Innovation

Health & wellbeing

Sustainability

Social cohesion

New entrepreneurship

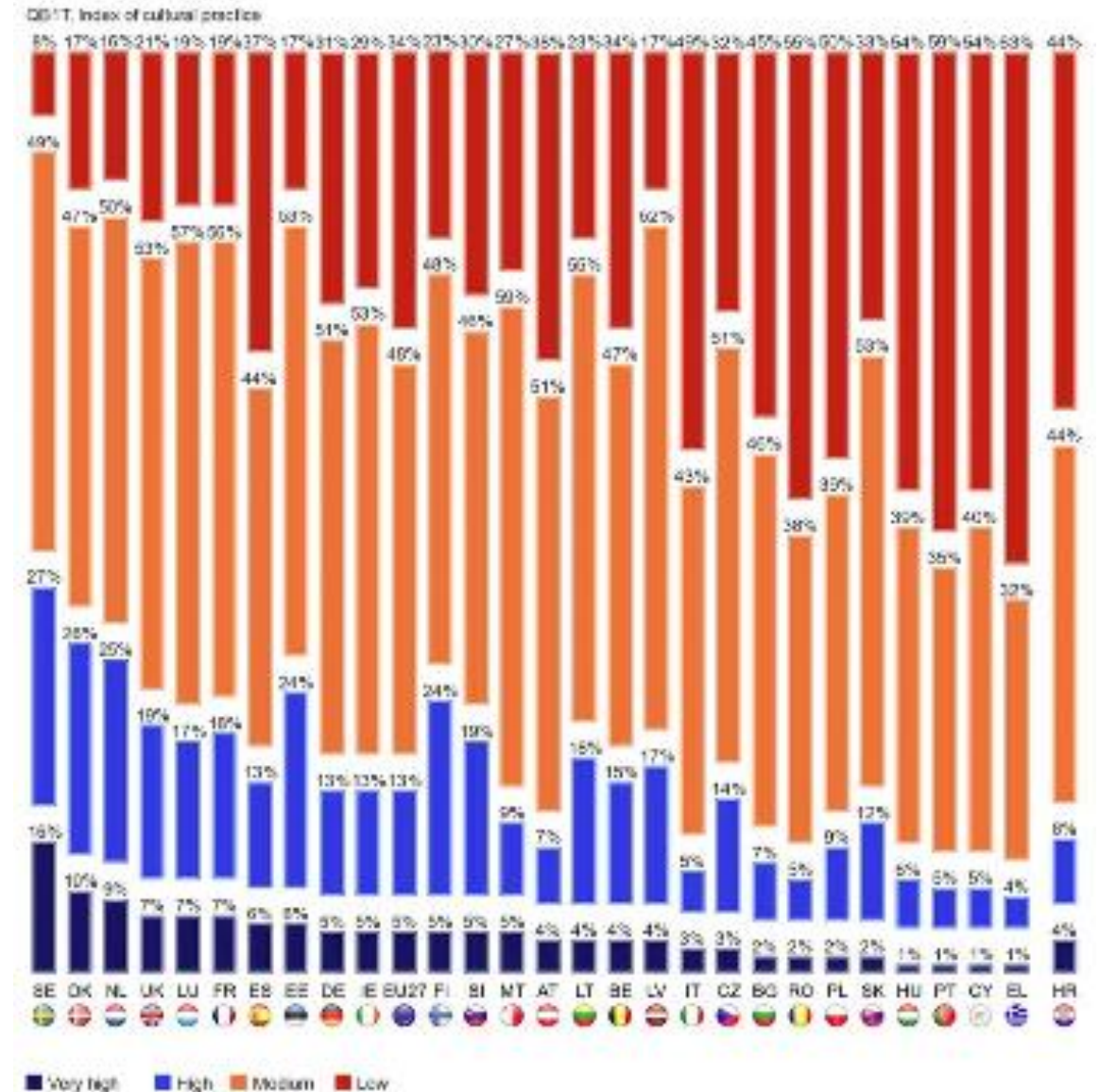
Soft power

Local identity

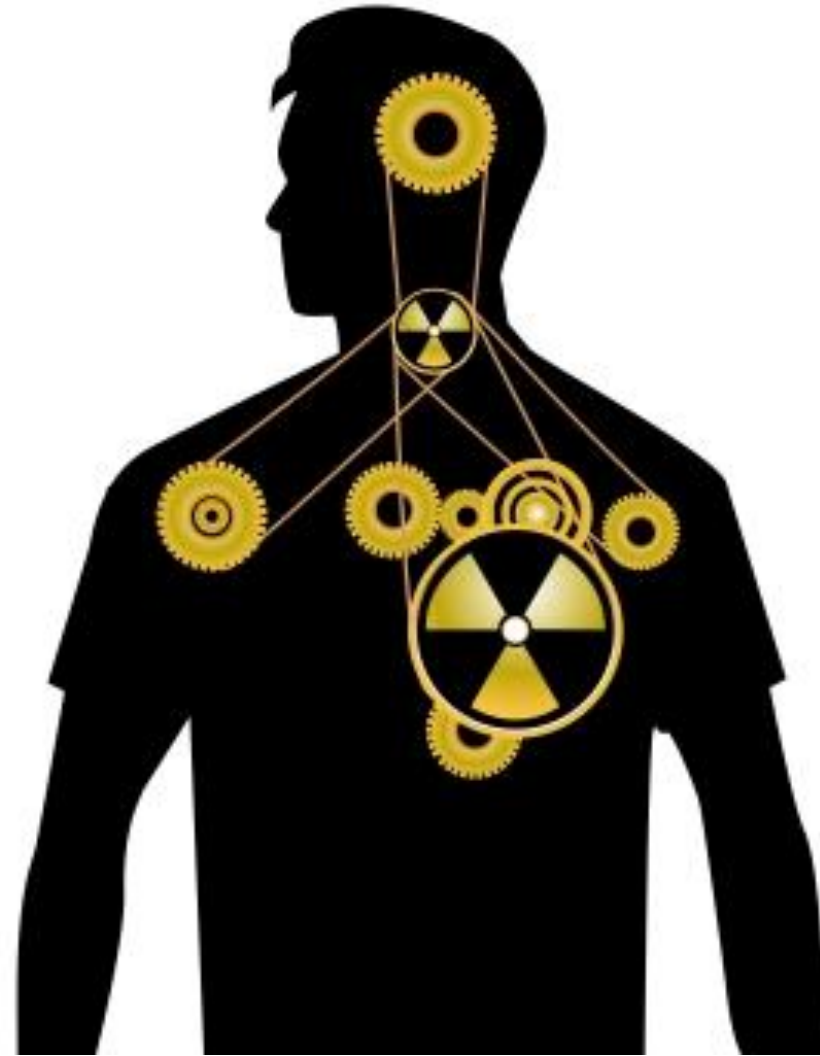
Lifelong learning

Culture-innovation clusters

- Top innovation + culture: Sweden, Denmark, Netherlands, UK, Ireland, Luxembourg, France, Germany
- Top innovation + culture lagging: Finland, Belgium, Austria
- Top culture + innovation lagging: Spain, Estonia
- Lagging innovation + culture: Slovenia, Malta, Croatia, Italy, Czech Republic
- Bottom innovation + lagging culture: Lithuania, Latvia, Bulgaria, Romania, Poland
- Bottom culture + lagging innovation: Cyprus, Portugal, Greece, Slovakia, Hungary



Hierarchy of factors affecting psychological well-being

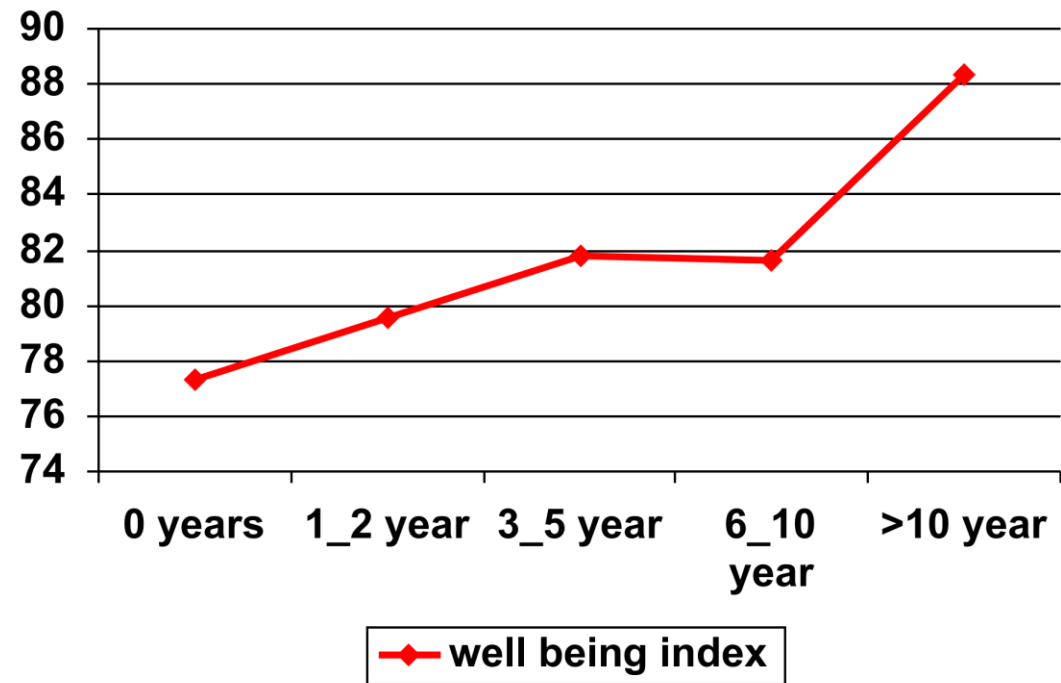


Hierarchy of factors affecting psychological well-being

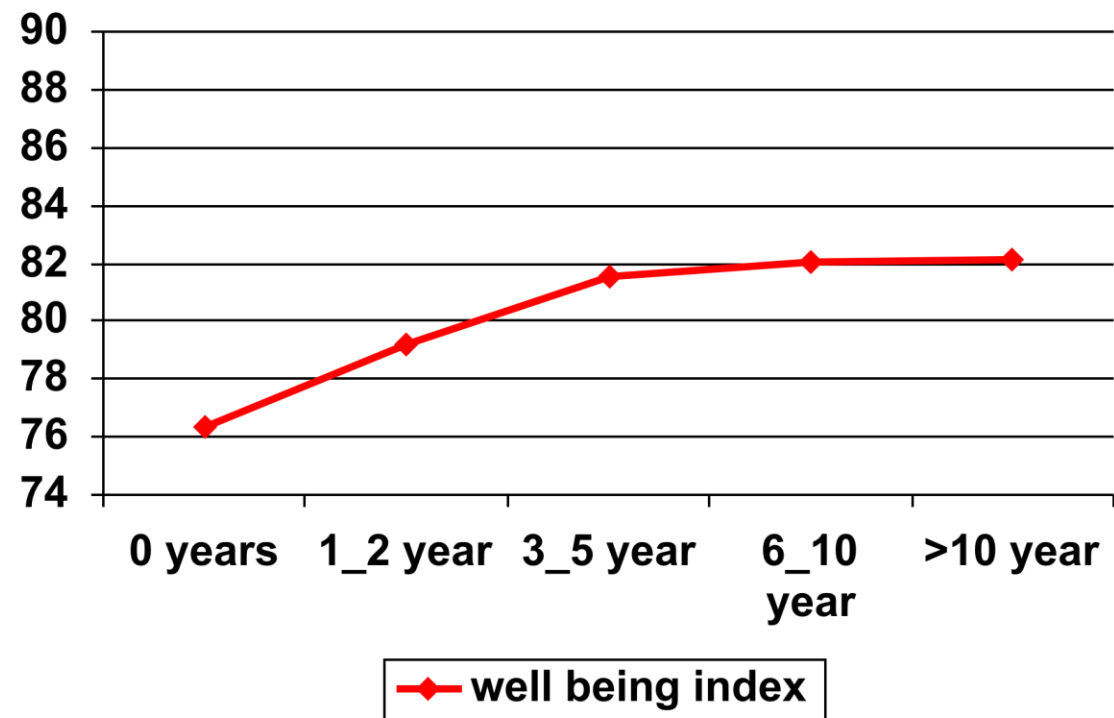


- 1 Diseases
- 2 **Cultural participation**
- 3 Income
- 4 Age
- 5 Education
- 6 Gender
- 7 Job
- 8 Geography

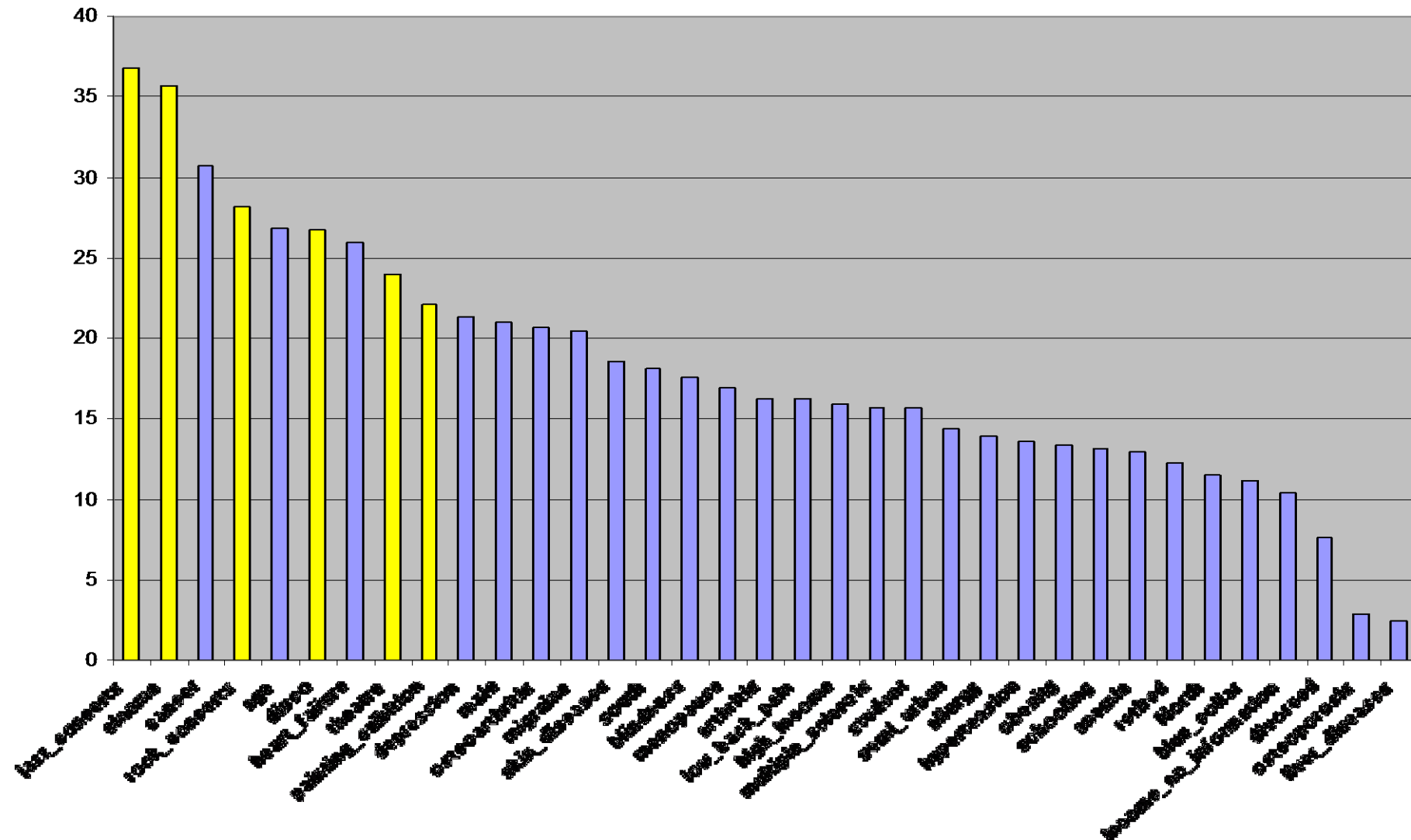
Classical music concerts



Theatre



Which single variables have the strongest impact on SWB?





Cultural value and the riddle of productivity

- May the indirect effects of active cultural participation affect productivity?
- Possibly yes for innovation, health&wellbeing, social cohesion, entrepreneurship, lifelong learning
- The potential further mediating role of meaningfulness in the workplace
- Case studies of companies that actively integrate cultural participation in their organizational model
- Social contagion of production attitudes?
- The research agenda on the topic is still to be written



How to be competitive and innovative in a creative economy? What to avoid

- Avoid naïve clustering strategies: non-industrial tourism & heritage clusters are a thing of the past
- Avoid cutting the budgets on non-industrial sectors such as museums or libraries because they are not 'profitable'
- Avoid building mono-sectorial cultural and creative clusters
- Avoid passively copying formulas and business models that have been developed in other socio-cultural contexts
- Avoid sticking to the status quo business models because they are familiar
- Avoid centering strategies on customers rather than on users (including citizens even when they are not customers)



CREATIVE
THE INSPIRING COMMUNITY
FACTORY

How to be competitive and innovative in a creative economy? What to pursue

- Pursue physical proximity among players belonging to different cultural and creative sectors
- Pursue cultural contamination and crossovers between different cultural and creative fields
- Pursue strong levels of cultural participation and cultural capability building before attraction of strong customer bases
- Pursue business models that do not entirely rely upon copyright
- Pursue forms of expression, creativity and talent that are distinctively local but with a potential non-local appeal
- Pursue a real, active dialogue between tradition and innovation instead of freezing local cultural identity