

Developing the evidence
base for support of cultural
and creative activities in
South East England



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The report is published as a discussion paper in order to stimulate debate.

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Executive Summary

In recent years, 'culture' has made progress, albeit erratic progress, towards being a more mainstream policy area. Interest in the economic possibilities of the creative industries has gone together with a growing interest in the social effects of cultural investments; in short, to what degree can culture contribute to better education, health or social outcomes? Thus cultural policy is no longer exclusively concerned with issues of public funding for culture, of market failure and of access to public culture, important those these questions remain.

Alongside this more mainstream profile has gone a pressure for a stronger evidence base to support the claims made for cultural effects. In other words, as cultural events and services have increasingly been funded from more mainstream budgets — those for health, education or regeneration — the standards of evidence that have increasingly been applied to those mainstream areas have begun to be applied to cultural investments.

It is in this context that the South East England Development Agency (SEEDA), together with the South East England Cultural Consortium (SEEC), commissioned this piece of work. Its aim is to provide an initial overview of the existing evidence bases across a wide range of areas. These areas were determined by SEEDA's economic strategy and thus cover economic competition, social inclusion, urban regeneration and the environment.

The result is not a systematic review (SR) of all the literature in these fields. It is instead a narrative survey of the major arguments and primary research in these areas, with a clear emphasis on the current state of knowledge. The plan was not to conduct a historical review, but to lay the groundwork for SEEDA's future research and evidence work in this area.

The paper argues that in many cases the evidence base is under-developed and thus few 'conclusive' claims can be supported or disproved. This is largely because of the lack of long term research funding for work in culture, with the consequence that much of the research has been carried out in an ad hoc, small-scale way and often as part of 'making the case' for cultural investments. Thus much research work is thinly-disguised advocacy and lacks the rigour that is necessary for evidence based policy making. This is not to say that the claims made for such work are untrue, simply that they are not supported by sufficient evidence.

The report also argues however, that the situation, both in the UK and perhaps even more internationally, is improving rapidly and substantial evidence bases are being developed in some areas. We need to harness and build on this work if we believe that the demand for better evidence in this field is unlikely to diminish, and that better evidence can help lead to more successful interventions.

So what is the current evidence base telling us about the claims made for economic and social effects?

- There is strong evidence that the cultural economy is growing and at a generally faster rate than the rest of the economy. Long term demographic trends, increasing longevity, a more highly-educated population and rising disposable incomes (in some cases), suggest that these trends will continue.
- There is also a strong argument that innovation in the future will be closely linked to the creative sectors as well as to science and technology. But research work on this has tended to concentrate on the individual, or on studies of specific firms, and there is less research on creativity and innovation in a social context. The evidence base is under-developed here, but is currently the subject of much scholarly interest.
- There is clear evidence, which reflects much of what we already know about education, that early intervention and promotion of cultural participation at school and pre-school can influence basic skills and literacy acquisition. The evidence base is less convincing later in life; but it appears that a variety of social or softer skills may be connected to participation in arts and cultural activities. As many employers argue that such skills are increasingly in demand, this is an area for further, large-scale, study.
- Connected to this is a body of work, largely from North America, which claims that cultural participation can help develop social capital. This includes the argument that those who participate in cultural activities are more likely to volunteer in other capacities (often used as a measure of social capital), and that participation in cultural events has more influence than other kinds of events when it comes to developing other elements of social capital such as trust and tolerance. It would be a mistake to translate these results directly to the UK context, but it indicates that the increasing body of research in social capital currently underway in the UK should pay more attention to questions of culture.
- Many of the claims for broader economic effects rely on the idea of cultural investments as attractors of talent. There is some support for this, notably in the work of Richard Florida and other economic geographers, but similarly detailed research has not been conducted in the UK and there are dangers in simply translating US findings to a different cultural context. In general, European populations are less geographically mobile than in the US; thus a strategy built on attracting a mobile 'creative class' is unlikely to be sufficient for economic turnaround in depressed regions.
- Work on culturally-led economic development, or regeneration, is under-developed in the UK context, though detailed work from North America presents a mixed picture. Areas of cultural investments (from facilities to workspace) often see rises in property values, retail sales

and so on; but the welfare gains from these have accrued unevenly, benefiting better-educated incomers rather than existing residents. In this respect the effects are probably no more skewed than in other forms of regeneration, but implicit in the claims of many advocates of culturally led regeneration is that it is more socially balanced. Given its current high profile, this is an area where more rigorous research and debate is clearly needed.

- Much of the research on social exclusion has historically been done with specific groups — offenders, young people at risk, the disabled and so on. This is a hugely contested area and while there should be no presumption that cultural participation cannot have an effect here, it has to be said that much of the research that has been carried out is not sufficiently robust to provide evidence. It is a field that needs much more 'multi method' research, which compares qualitative findings such as 'improved self-confidence' with harder data on outcomes such as re-offending rates.

The need now is to acknowledge the weaknesses in the evidence base and to move on to develop more robust methods, for instance longer-term and more systematic research, and a more realistic appraisal of the spillover effects of cultural investments. This will involve being more explicit about the role of research vis-à-vis other sources of information, as well as providing clarity about the relative strengths and weaknesses of different methodologies. We should not expect case study-type work to diminish in this area and we are likely to see a growth in qualitative work — surveys — and so on. This is all to the good. But where claims are being made for particular effects, we should not be afraid to demand some harder evidence of these effects.

Other recommendations for SEEDA from this work include:

Using the Regional Cultural Data Framework as a basis from which to enhance the quantitative baseline. Given its acknowledged gaps, it may need to be supplemented by locally collected data, particularly on participation — available from the South East Museum, Library and Archive Council

(SEMLAC), Tourism South East, Local Authorities — employment (particularly freelance employment), skills and training needs.

Improved training for staff in cultural agencies. Evidence-based policymaking is relatively new in the cultural arena and many agencies are (for very understandable reasons) keener to assemble advocacy material than evidence. Staff need to be more aware of what constitutes acceptable evidence in specific cases.

Collaborative research efforts with other Regional Development Agencies (RDA). Most RDAs now have staff dedicated to the creative industries and to sport or tourism. There is no common formula across RDAs and there is divergence in the amount of resources devoted to these areas though collaborative meetings have taken place between agency staff. A cross-RDA research sub-group could be established to pool research resources, commission collaborative projects and share existing research.

Consider development of a Cultural Observatory. Many RDAs have established observatories in a variety of fields, such as health or the economy, and others are considering Cultural Observatories. SEEDA is already represented on the South East England Intelligence Network and should consider developing its cultural indicators as part of this grouping. In the longer term, the development of a South East Observatory could offer a better framework for the inclusion of cultural statistics, or a cultural module could be developed, as is the case in the South West (which has modules including public health, the environment, skills, etc).

Develop a South East Cultural Research Panel. This would bring representatives of cultural agencies together with Higher Education and representatives of industry bodies. The idea is, where possible, to share material and develop collaborative learning. As a first step, SEEDA & SEEC should engage Higher Education South East (HESE) to provide an overview of relevant research and research centres in the South East who are working in this area.

1. Introduction

This report is a policy and literature review, which it is hoped will help both the South East England Development Agency (SEEDA) and the South East England Cultural Consortium (SEEC) to begin to develop a robust evidence base with which to assess the contribution to wider social goals of its cultural investments. SEEDA is not a mainstream cultural funding organisation and the report will therefore not concern itself primarily with questions of aesthetic quality, or market failure in cultural provision. Likewise, although SEEC includes many cultural organisations, it is, in this context, primarily concerned with the contribution cultural investments can make to the economic, social and environmental well-being of the region.

The report thus accepts the charge of 'instrumentalism,' from the outset. It is primarily concerned to assess the quality of evidence that is used to judge the value of cultural investments in other areas of life, that is, in economic, environmental or social terms but not in artistic terms. This is not to suggest the primacy of those terms above other criteria, simply to state the context of the report.

Given this, and in an area where the terminology is both complex and contentious, I will generally use the shorthand term 'culture'; and 'cultural investments' to describe SEEDA's activities in this area. This is of necessity a crude way of talking about what Raymond Williams famously called 'one of the three most difficult concepts in the English language' (Williams, 1976). But in the interests of clarity, what I mean by 'culture' is effectively the arts, creative industries¹, sports, heritage and tourism — not culture in the broader sense of 'the whole complex of distinctive spiritual, material, intellectual and emotional features that characterise a society or group' (Stanley, 2003).

Having adopted this specific definition though, I now want to broaden that out by discussing these activities not only as sectors of the economy, but also as endeavours that people engage with in myriad ways throughout their lives. This reflects Colin Mercer's claim, (Mercer, 2002), that 'culture' like 'the environment' is a concept whose motto might be 'only connect.' In other words, looking at culture in the context of other policy areas not only makes sense, but it is difficult to see cultural activities as anything other than connected to our 'real' lives and enmeshed in a web of economic, social and environmental factors.

The literature in this area, both policy and academic, is huge. Attempts to measure the wider benefits for both publicly funded culture and the cultural industries, date back at least 30 years, in some cases further (for a brief history see, for example, Reeves 2002).

But since 1997, at least in the UK, the development of a new rhetoric around 'creative industries,' and their link to the knowledge-based economy, has seen this literature expand still further. This is matched by similar enthusiasm abroad. 'Creative industries' as a notion, is being developed in countries from Australia to Korea (Cunningham, 2003), and both the US and Canada (despite different political contexts) have developed impressive ranges of material — particularly around the issues of culturally-led urban regeneration and the beneficial effects of cultural participation.

The goal of this report is thus to assess the evidence base and see how useful it is in the context of SEEDA's aims. In order to manage this volume of material and to present it in a way that is most useful to SEEDA and SEEC, the core of the report is structured around the main goals of SEEDA (see Section 2), as stated in the Regional Economic Strategy. Using SEEDA headings, we have thus grouped the material into five categories:

- **Competitive businesses** — which looks at the growth in creative industries; their role in driving wider growth; as well as at the claims that a diverse cultural life attracts other types of business investment;
- **Successful people** — which looks at the claims that participating in cultural activities benefits the individual in a variety of ways;
- **Vibrant communities** — which looks at claims for regeneration and social inclusion;
- **Effective Infrastructure** — which looks at how cultural products and services are driving the take up of broadband);
- **Sustainable use of natural resources** — which looks at how culture can aid sustainable development and at evidence on the 'value' of the built and natural environment).

In each case, the report outlines the main claims made for particular impacts and then assesses the evidence base as currently presented in either academic or policy literature. In each case, the report will also outline the major critiques that have been made and any weaknesses in the evidence base. The report will conclude with recommendations for the future development of a research and evidence base.

In addition to the literature review, the author has also carried out around 20 interviews with policymakers (in cultural agencies and in economic development) and academics both nationally and regionally. The purpose of the interviews is to understand how agencies make use of the evidence that is available to them, where they feel the gaps are and how they would like to develop that evidence base in future.

¹ Advertising, Architecture, Art and Antiques, Crafts, Design, Designer Fashion, Film, Software, Music, Performing Arts, Publishing, TV & Radio (DCMS, 2001)

1.1 The Need for an Evidence Base

The enthusiasm for evidence-based policy is seen as a hallmark of the New Labour Administration, and is part of its seeming commitment to a less ideological age ('what works?'). In addition, the need to prove value for money to a sometimes sceptical public, the diminution in the public's desire to simply take professionals at their word and the greater amount of policy-relevant research that is being undertaken worldwide, have all contributed to the pressure of public agencies to produce evidence for their actions and investments.

As the DCMS's current research strategy states, it is clear that, compared to healthcare, evidence across all other policy areas is seriously underdeveloped. However, the report's authors are not persuaded that what they describe as the 'cultural and creativity' areas face unique barriers in the construction of an improved evidence base — simply that there is a need to 'catch up.'

There is little doubt that some 'catching up' is going on. The need for evidence-based policy-making is driving a variety of research programmes across the sectors with which we are concerned. Many will focus on 'quality of life issues,' and although culture is by no means systemically embedded in such research, (for example, the Strategy Unit's paper on life satisfaction looks at a variety of potential contributors to happiness, but has no evidence on the role played by cultural activities), it is making more of an appearance. The Audit Commission's development of voluntary Quality of Life indicators is likely to include cultural indicators, while last year's 'Statement of Shared Priorities,' which sets out central and local government's view on how to improve local services, emphasises quality of life issues. To aid this, IDeA will shortly publish a set of case studies in what, it argues, is good practice in linking cultural investments to improved quality of life. Finally, while the widely used Index of Multiple Deprivation (IMD) does not include measures of cultural deprivation aside from education, a new measure of child poverty proposed by the Department for Work and Pensions will include lack of access to leisure, hobbies and other cultural activities as an indicator of deprivation.

Given that we accept the need for evidence of some sort to both justify and direct public spending, what are the immediate problems that arise when looking at the requisite evidence base? Although there is a long list of problems, many of which will be discussed in the next section, they are really of two kinds: the question of measurability itself (for example, whether something can be measured) and the question of data to support that measurement. In the field of culture, both types of problems are common.

As we shall see in the section on 'Competitive Businesses,' basic economic and business data in the Creative Industries is often incomplete or missing, and general statistical frameworks have not kept up with the changing shape of the economy. But it would be fair to say that in broad terms at least we know what the problems are in this area. When it comes to capturing the effects of investment in cultural activities on health, wellbeing or identity, for example, we come up against the question of measurability itself.

Although the pressure to produce meaningful cultural indicators and evidence is growing, the task remains extremely complex. Most of the issues are far from unique to cultural policy — gaps in basic data, inadequate methodologies, absence of causality — these and many more issues are common in social research across the board. The aim is therefore not to achieve some sort of nirvana of perfect information and watertight evidence, but simply to allow us to make better-informed decisions about investments and potential investments. Similarly, much of the research that is conducted, particularly the evaluation of specific projects, is not so much 'bad' or 'worthless,' but is incapable of supporting the often grandiose claims that are made for it.

In other words, evidence cannot replace politics as a basis for governing, and improved evidence bases can only make a contribution to the policy-making process, which remains fundamentally a process of dialogue and ideas, not a rational, managerial exercise.

1.2 Critiques of Current Approaches

Various critiques have been leveled over the years at attempts to measure the value of cultural investments in broad social and economic terms. Some are ideological and others methodological, but it is worth spending some time looking at the general problems identified, because many of them occur in much of the research I have analysed for this report.

1.2.1 The advocacy problem

A widespread critique is that research in this area is rarely impartial and is too often confused with advocacy (Selwood, 2002). One does not have to read too many documents about urban regeneration or the role of the arts in combating a variety of social ills to see that this criticism is well founded. The most common (if not the most honourable) reason for this, is that many such documents are in fact 'bid' documents, written in support of a particular case (ranging from European City of Culture to funding for the local arts centre), and thus a certain amount of window-dressing is perhaps to be expected.

Other material however, has also been criticised for blurring the line between advocacy and research. Notable in this arena is the series of work initiated by the consultancy Comedia in the mid-1990s, culminating in François Matarasso's report 'Use or Ornament?' The social impact of participation in the arts.' This set the scene for a series of claims about cultural activities as a tool for regeneration in particular — arguing that cultural projects could, among other things, enhance social cohesion, improve local image, reduce offending behaviours, develop self-confidence in individuals and enhance organisational capacity. The document was seen to be very influential in UK cultural policy, and while many of the claims are intuitively attractive, a series of methodological criticisms were leveled at the work and others like it.

These criticisms centre around over-reliance on case studies or small samples, with the consequent problem that it is very difficult to generalise from such research. Indeed, the 'problem of aggregation' plagues many impact studies and, particularly

in areas such as health or education, there is a difficulty in linking micro-level effects on individuals to the more macro-level of the community. As Guetzkow (Guetzkow, 2002) points out, several approaches to this have been tried. These include simply adding up the percentage of individuals in a population that are affected by something (more being better); looking for the threshold or 'tipping point' whereby individual effects become community effects; and looking at how a few key individuals or community leaders are affected, and how this feeds into a general climate of opinion. The important thing is that researchers state what method they are using or what their assumptions are, but in practice this happens infrequently.

As well as methodological concerns however, much 'advocacy-type' research has also been criticised for minimising evidence of conflict and presenting only the positive side of any investment. Thus if visitors to a city like a new 'cultural quarter', this will be highlighted, but the reaction of residents to increased noise or traffic congestion will not be mentioned. The fact that cultural investments may improve the look and feel of a neighbourhood will be celebrated, but the fact that this drives up rents for existing tenants and business may not be discussed.

Indeed, arguments over 'gentrification' are where this particular critique is often debated, most famously perhaps in Sharon Zukin's book, *Loft Living* (Zukin, 1982) detailing changes in the SoHo area of New York City in the 1960s and 1970s. Others have questioned whether recent investments in 'culture quarters' (including leisure and nightlife complexes) have in fact rewarded large corporate investors at the expense of local cultural producers (Klein, 2000; Chatterton & Hollands 2003; Solnit & Schwartzberg, 2000).

Distinctions between advocacy and research are not binary; it would be naive to suggest that research can be utterly objective; it is often selective in what it chooses to focus on. But as cultural research becomes more evidence based, we should at least expect to see more 'balanced' conclusions, which discuss both the welfare gains and losses that arise from public interventions.

1.2.2 Telling Stories

The use of 'anecdotal' evidence in policymaking remains contentious. As Ray Pawson comments (Pawson, 2003), 'whilst it is hardly obsessed with the lofty ambition of qualifying for the inner sanctum of 'science,' the very idea of evidence-based policy rests on the matter of differentiating its efforts from 'common sense,' 'intuition,' 'experience,' 'value judgements,' and so on.'

Yet others have argued passionately that, in this field, we need to find ways of incorporating anecdotal evidence alongside 'harder' measures, in order to get a richer picture. Matarasso, perhaps aware that some of his work would be dismissed as anecdotal, faced his critics head on by stating, 'it cannot be denied that there is a cumulative power in the hundreds of voices we have heard over the past 18 months, in vastly different circumstances, explaining again and again how important they feel participation in arts projects has been for

them. How many swallows does it take to make a summer?' (Matarasso, 1997). This plea was echoed by Deborah Bestwick, Director of London's Oval House Theatre, when she asked us to 'trust the audience, participant or user' (Bestwick 2003), not just hard data.

Others argue that in always valuing 'hard data' above the 'anecdotal,' we simply privilege certain kinds of knowledge — the scientific and the rational (usually the preserve of cultural and economic elites) above the more informal or intuitive 'local knowledge.' Or that in trying to impose a quantitative measure on everything, we may end up concluding that something (such as participation in an arts programme) has no effect at all, simply because we are unable to measure it.

Even Government documents on evidence-based policy-making allow for the fact that stakeholder consultations and the views of staff and participants can form part of the evidence-based policymaking process (Nutley, Davies, & Walter, 2002).

It is unlikely that in trying to capture and measure notions such as 'quality of life,' that what is referred to as 'anecdotal evidence' can play no part. Moreover notions such as community well-being and social capital rely on us listening to the voices of those who create these resources. The trick however, is to incorporate anecdotes or narratives in a way that can confirm or help understand the picture that arises from other evidence, rather than rely on it solely.

1.2.3 Systematic Shortcomings

Much policy-driven research is also criticised for its 'ad-hocery' (too many one-off studies and snapshots) and because it often takes place after the fact, in other words, to justify spending decisions that have already been taken. A certain amount of such practice is unlikely to be completely removed from public agencies, but the need for some more systematic and particularly longitudinal research is evident. Indeed it was the single issue most often raised by interviewees for this study.

Impact work in particular, such as that which looks at the impacts that cultural participation can have on individuals in terms of learning or personal development, is often far too short-term, and a small short-term impact on a sub-group of people is often presented as though it were an enduring impact on a much larger group. In many cases, it is difficult to say if a longer-term impact has been made because the requisite longitudinal studies have simply not been done.

A clear example of this is the recent *Splash Extra Programme* (March 2003), run by the Youth Justice Board as part of the Government's Street Crime and Robbery Initiative (SCRI), which provided a wide range of arts and leisure based activities aimed at young people who were deemed to be at risk of committing crime in selected neighbourhoods. The report claims a 'significant reduction' in certain types of crime in areas with *Splash* schemes over other areas — but there is no evidence about the longer term effects on participants, such as whether they would stay away from crime for few weeks, a few months, forever? And if it is only a few weeks, is the cost of the scheme justified by the reduction in crime?

Moreover, and in common with much research of this type, there is no attempt to measure opportunity costs — that is, the benefits of spending money on these schemes rather than others. The real question for policymakers is not whether it worked?, but whether it worked better than another approach — for example, is an arts programme more effective than a sports programme for at-risk youth? This is not to minimise the difficulty in answering such questions. Detailed social experiments of this type, comparing one set of activities with another, are expensive and can be difficult to construct, but that is not an excuse for researchers to ignore the issues altogether.

Even in large-scale public investments, such as a new festival, large sporting event or major public infrastructure investment (new gallery etc), the requisite evaluation programme is rarely long enough. For example, the University of Glasgow is currently carrying out a large amount of research on the social and economic effects of Glasgow's Year as City of Culture in 1990, and while this is no criticism of the researchers involved, very few research programmes were put in place at the time. The result was that effective baselines were not established and changes not tracked over time.

Much policy research is driven by funders and thus produces single pieces of 'evidence,' but little in the way of a framework to relate this to other evidence. As Matarasso states (Matarasso, 2001), these funder-driven efforts 'result, at best, in a partial survey of the cultural life of a city, region or the country as a whole since they ignore what they do not pay for — especially commercial and voluntary activity. The policy implications of further embedding divisions which are already difficult to justify and often damaging are obvious.' Much writing about the creative economy (Florida, 2002) stresses the importance of the ecosystem that supports it, the mix of public culture, private commerce and social space, yet studies of single institutions and services are unlikely to capture this dynamic, and indeed the relationship between 'public culture' and commercial 'creative industries' remains poorly understood.

1.2.4 What causes what?

A profound criticism of much research in this area is the difficulties there are in attributing causality, for example how can one event (for example, attending an arts class) be said to lead to another (improved results at school)? The problem is generally expressed by the truism that correlation is not causation. So, as Guetzkow points out, if research indicates that people who are involved in the arts are healthier, does this suggest that being involved in the arts makes them healthier, or that healthy people are more likely to get involved? Again, this is a common methodological issue in social sciences, and the critique is not so much that it cannot always be done effectively, but that many policy documents are written as if it can and the issue does not arise.

As the Arts Council's Ann Bridgwood pointed out, (Bridgwood, 2002) while the government's aim to tackle 'joined up problems with joined up solutions' may be laudable, it makes the researchers task difficult. 'In a neighbourhood which could easily have an Education Action Zone, a Health Action Zone, a

New Deal for Communities programme, a Single Regeneration Budget scheme, and a Sure Start programme for pre-school children as well as core public services, she questions how one can say which programmes are having which effects.

Furthermore, in the rare cases where causation can be established, very few studies attempt to qualify the magnitude of the effect — necessary if one wants to determine the cost/benefit of a particular programme or policy.

Faced with the complexities of this however, researchers often fall back on the lazy and somewhat misleading technique of measuring commitment and effort, rather than effectiveness. The adoption of an 'action plan for the arts,' by a local authority, for example, is counted as an output; when the real question is, was the action plan implemented and how effective was it in achieving its goals, whatever they were?

An evaluation of the London Arts' Boards 1998/9 Regional Challenge Programme (Carpenter 1999) for example, claimed to 'evaluate the quality of the participative processes,' and asked a variety of questions such as whether artist and audiences had equal roles, who controlled the agenda, and how audiences could make their views known. It is not that the questions themselves are irrelevant, but that the claims made for the responses — that they showed the extent to which the arts organisation had a 'democratic relationship' with their audiences and had 'democratised these art forms' — cannot possibly be substantiated. In other words, who decides what constitutes a democratic art form? How did this 'democratic relationship' actually play out and what were the benefits for audience or performers?

In general, the more subjective an outcome claimed, the more one needs to be careful about providing evidence. If complex notions about 'democratic arts forms,' cannot be evidenced simply by counting up how many members of the audience took part in performance; similar problems will occur when we start to talk about notions like 'sense of community' or 'quality of life.' At the very least, we need to have some way of assessing whether both researcher and subject have some common understanding of the notions being debated and the attributions being made. Put simply, do I think I am part of the same 'community' as the researcher thinks I am?

In summary, there are many valid critiques of evidence for cultural impacts. But the nub of the problem, in many cases, is in the claims that are made for specific pieces of research. This is fundamentally a problem of advocacy. And to solve it we either need to develop better evidence bases (complex, long-term) or tone down the advocacy.

1.3 The developing evidence base

The problems highlighted in the previous section should not be taken to indicate that no progress is being made in developing evidence bases in this field. A number of efforts are underway internationally both to provide frameworks which can better integrate existing research and to conduct primary research. This section will look briefly at the major research efforts currently underway and at the emerging conceptual frameworks that may offer ways forward.

1.3.1 The RCDF — getting the basics in place

In the UK, the DCMS's own research strategy, which runs until 2006, is explicit about the need to build an improved evidence base to support policy-making. It advocates the use of Systematic Reviews (SR) of existing research evidence, partly to help policymakers learn from good practice and partly to alert them to gaps in the current research base. However, as it points out, in the case of cultural research, whereas there are numerous 'superficially relevant studies, very few are of sufficient robustness for inclusion in a systematic review'.

There is clearly a need to improve both the quantitative and the qualitative evidence base — the former having been given renewed emphasis since 1997, with the growing discourse around Creative Industries. The 'DCMS Mapping Documents,' set the stage nationally, but as the creative industries moved to the foreground of regional policy as well, shortcomings in data and statistics at that level became apparent.

With the admirably realistic aim of 'achieving better use of existing statistics' (RCDF November 2002), the Regional Cultural Data Framework (RCDF), was developed to help policymakers, particularly in the regions, to map current availability of data across the cultural sectors.

As Colin Mercer points out in his work for the South West RDA (Mercer 2003), the RCDF is very much a minimum template for developing the quantitative baseline, but it allows us to see where some of the most glaring gaps in current data sets are. Mercer and others (for example Pratt, 1997) have argued for the use of 'value chain,' or what Mercer calls a 'culture cycle' approach to understanding the cultural sectors in economic terms. The number of 'links' in the production chain may vary, but the general approach is to start with content creation at one end, through marketing and distribution, and up to the point of consumption.

In the South West report, Mercer took the approach of mapping the six stages of the 'culture cycle' against the RCDF's cultural 'domains' (from visual art, through to sport and tourism), and plotting how much data is available in each case (number of reports published, national or regional data sets and so on). This revealed where the evidence was weakest (in this case in Visual Arts and Performance). Plotting data set against the cultural cycle, also revealed a view that many of our interviewees expressed — there is far less research at the 'consumption' end of the cycle such as exhibition and reception than at the 'production' end.

The RCDF is already in use and has been tested by a number of RDAs, notably in the East Midlands (Impact, 2003). As the East Midlands 'Roadtesting' report points out, the RCDF can be used for measuring four broad categories of data:

- Labour market data (including unpaid labour)
- User and audience data
- Economic Performance data (turnover, productivity, exports, etc)
- Education and Training Requirements

It reveals a number of problems with the RCDF, most of which

are acknowledged by its authors, and which include problems about data reliability at 5 digit SIC code level and duplication of 4 digit SIC codes, which could lead to double counting. But many of the more intractable problems refer to data at sub-regional and local levels. This was echoed in a recent study for the LDA and GLA Economics, which speaks of a 'data robustness deficit' at smaller spatial levels. As both reports point out, this is a particular problem for survey data, as sample sizes at the local level tend to be unreliably small. As the Labour Force Survey (LFS) is one of the major datasets used to calculate self-employment, it is little wonder that in the cultural sectors, where part-time and self-employment is widespread, data on self-employment is so often considered unreliable.

Most researchers working in this area have concluded that, in the short to medium term, the unreliability of data at local level means that official statistics need to be supplemented by trade associations' data and commercial market research. It is also accepted that this means that in the cultural arena, some sectors will be better covered than others. In the longer term, better primary research at local and regional evidence is the only answer.

1.3.2 Observatories

One approach to the complex mixture of statistics, research reports and consultancy that policymakers have to deal with is the development of Observatories, including Cultural Observatories. Europe's early lead in this area, with the development of the Audio-Visual Observatory, is now being matched with similar efforts in the Americas and in Africa (Isar, 2003). But in the UK the real action again is at regional level.

Many RDAs have developed general economic observatories, while others are moving into other policy areas, such as health or culture. The aim of Observatories is to act as a policy tool, bringing hitherto disparate sources of data and intelligence in a way that is hopefully more than the sum of its parts. At a minimum level they provide a repository of existing data sources and a signposting service. And even in this rather 'passive' mode they can represent an improvement on previous knowledge management efforts. 'Second stage' observatories tend to act as research commissioners (having revealed the needs for primary research) and a kind of quality control can result from having a one-stop shop for primary commissioning. But the real aim of such a system should be to develop an analytical tool that allows researchers to track changes over time, to make comparisons between different evidence bases, and to model the evidence in such a way as to yield new insights.

While it would be fair to say that very few Observatories operate at this level — most UK ones are in the early stages — it would be premature to suggest they never will. However, developing their analytical functions requires resources and expertise. Previous research (by the author) for the North West Cultural Observatory, revealed enthusiasm on the part of policymakers in general, but also some unrealistic expectations about what Observatories can deliver, at least in the early stages. This leads to a danger of disappointment, being followed by under-investment and gradual disuse. To

avoid this, Observatories need to be seen as a process, a tool around which a region can develop expertise, but one that requires considerable human input.

1.3.3 Future research frameworks

In moving beyond data on the cultural economy and on its broader economic impacts, we move into the realm of how people use, participate in, and are affected by culture — in other words to culture as experience. This is where we come up against the issues of measurability itself and the recognition of the fact that not only are we lacking data to support various hypotheses, but in some cases we lack the hypotheses themselves. In other words, we don't just need evidence, we also need a theory!

This problem is at its most acute in areas such as 'quality of life,' 'public value' and 'social capital.' These terms are not synonymous, but are related and struggling to express a notion of 'economic growth...plus,' the 'plus' being variously environmental or social sustainability, combined with some notion of happiness or quality of life. Given the novelty of some of these ideas, it is unsurprising that the evidence base for them is far from developed, although research activity in these areas is intensifying.

Canadian researcher Nancy Duxbury (2003), talks about how the 'interpretative frames of quality of life, sustainable development and healthy communities' are merging into what the Canadians call 'community indicator' — projects within which arts and cultural indicators can be combined with a wide range of other social and economic indicators.

It seems likely that cultural research in future will increasingly become embedded in and part of these larger research efforts. Two areas in particular — research into social and cultural capital and research into public value — are likely to take something of a cultural turn and may take us closer to understanding the mechanisms by which investing in culture can yield improved social outcomes.

Both social and cultural capital theories start from the relatively simple notion that capital is a resource in which one might invest and develop, and which may then be employed to generate a future flow of benefits. Classic economics had generally regarded capital as various forms of physical assets. Some 40 years ago the notion of 'human capital' was introduced by Theodore Schultz and Gary Becker, who had been intrigued by the fact that despite its physical devastation, Western Europe had recovered its productivity capacity more quickly than most predicted in the aftermath of the second world war. This they attributed to the (then) undervaluing of human capital — knowledge and skills. Since then, 'new growth' or 'human capital' theories have become widely, if not uncritically, accepted.

Both social and cultural capital seeks to build on the insights of human capital theory but to site the asset value either in social relationships (social capital) or in tastes and distinctions (cultural capital). Put very simply, one refers to the volume of connections an individual has and the other to the type of connections and the ability of individuals to make use of these

connections. Given the failure of many 'regeneration' projects over the last 20 years or so, and the persistence of social inequalities, the social and cultural asset bases of both individuals and their communities is increasingly seen as the resource base that must be strengthened in order to improve social outcomes. Both notions are intensely contested and some of the efforts to demonstrate their importance have been subject to the same flaws as other cultural research. But they continue to exert influence on policymakers, and research initiatives currently underway are well worth following. This is an issue I will explore further in Chapter 5.

Public Value, the idea of the value created by the public realm (Kelly & Muers, 2002), can be seen as one way to move beyond the narrow focus on outputs that some see as part of public management theory, and to develop a richer evidence base on outcomes. For research into culture therefore, it offers a way of analysing the broader 'public' benefits to be derived from cultural investments — beyond simply counting the number of people who attend cultural events or take part in sport.

As Kelley & Muers argue, the lens of public value helps to explain why, despite many predictions, Western European societies have generally retained public models of provision in health, education and welfare. It suggests that beyond the 'consumer' experience of these services, there is value attached to their perceived equity and fairness. As research for the Institute of Fiscal Studies suggests, even in cases where people use privately funded alternatives to public provision (such as private health or education), this does not affect their willingness to support state spending on the same services.

The implications for cultural research are obvious — suggesting that people often attribute values to things they do not use themselves, and that there are ways of measuring this. Public libraries are an obvious example. Most evidence indicates that library usage is in decline; but the closure of any specific public library will often cause outrage in a community. This suggests that people derive value from the presence of a library (so-called existence value), or from the use of the library by others (altruistic value). It also suggests that what economists call loss aversion operates in these instances; that people dislike the loss of an existing asset sometimes more than they would value the creation of a new one.

Moreover, what is known as 'contingent valuation' (Noonan 2002) offers us a way of measuring at least some aspects of public value. Contingent valuation works by asking people how much they are willing to pay for a public good — that is something which does not exist in a market and for which therefore people cannot express personal preferences through direct payment. There have been many applications of contingent value to cultural goods (see Noonan for a bibliography), and while there are some criticisms of the methodology (Sunstein, 2002), it seems that it will figure in future studies of the public value of cultural assets.

These frameworks are not likely to provide all the answers, not least because the ideas they seek to test are far from universally accepted. However, they do offer us improved ways of linking various sets of evidence and an explanatory framework for what has often, hitherto, been observable but not explicable phenomena.

2. The South East context

SEEDA's overall goals are set within the context of sustainable development — a notion which implies the interaction of economic, social and environmental factors in order to build a society that is more equitable and uses natural systems in a way that protects them for future generations. In other words, it is not about growth at all costs. At the same time, as Erkki Liikanen, European Commissioner for Enterprise, has pointed out, 'It should not be seen as a limitation to growth and employment, but rather as an attractive enabler for investment, prosperity, welfare and social justice' (Alakeson, Aldrich, Goodman & Jorgensen, 2003).

This is where ideas of knowledge-based or smart growth become important, in order to, as the SEEDA Economic Strategy says, 'maximize the benefits to be gained from scarce resources.' In addition, as Liikanen's comment indicates, in an economy where the attraction of high quality human capital is seen as a major source of competitive advantage, the 'environment' in its narrower sense — the places where people live, work and play, and the assets, both

natural and cultural, that are available to them — becomes important. Moreover, in a region such as the South East with a relatively high cost of living and some of the problems associated with the 'limits to growth' (congestion, high house prices, shortage of key workers), the lifestyle 'offer' may become more important.

It is in this context that our discussion of cultural investments becomes concrete. What is the evidence that they can contribute to SEEDA's specific goals — for example competitive businesses, successful people, vibrant communities, effective infrastructure and sustainable use of natural resources?

In the following chapters I will look at each category in turn and try — where possible — to group the research under these five headings. In each case, I will focus not on an exhaustive study of all research, but on the directions that I feel offer the most opportunity for SEEDA to build its evidence base.

3. Competitive Businesses – culture and the economy

The material on the economic impacts of investments in culture falls into three broad camps:

- Growth in the cultural sectors themselves (the creative industries and sport)
- The role of 'culture' in attracting and retaining businesses, workers and particularly knowledge-workers
- Wider economic impacts (including other sectors such as leisure, retail and tourism)

In addition to this, questions about the role of culture in broader 'innovation' have opened up in the last few years (Hartley, J., Cunningham, S., Jones, J., Hearn, G., 2002; Lengrand, 2002; Oakley, 2003; Mitchell, Inouye, & Blumenthal, 2003). The growth in digital content and our changing understanding of how innovation happens are driving new research in this area, but there is still little in the way of evidence in the vast literature on innovation. This argument has something in common with the debate about 'creativity' as a skill set and its application across domains, so I have chosen to look at this issue in the section on skills in Chapter 4.

3.1 The Cultural Sectors

Of all the evidence bases under discussion in this report, the evidence for growth in the cultural sectors themselves is probably the strongest. This is well accepted within SEEDA, where media and creative industries, tourism and leisure are all among the priority sectors. Sector groups have been established for media technologies and telecoms and for tourism, and there are recognised concentrations of activity in Brighton, East Sussex, Hampshire, Oxfordshire and Surrey.

The region's Economic Impact Study (Powell, 2003) estimated that the region's cultural and creative industries provide jobs for around 560,000 people and contribute an annual turnover of £46.5bn. In addition, with employment increasing by 28.4% between 1995 and 2000, its growth is seen to have outperformed other UK regions, including London.

Above-average growth in these sectors is reported in other regions (SWDA 2003, NWDA 2003, Huggins 2003), and the Strategy Unit reported in 2003 that London's creative industries now provide more jobs than financial services (London, 2003). Similarly, sport as a sector claims to be growing, at least in employment terms, with sport-related employment accounting for 2% of all jobs, up from 1.5% in 1998 (Sport England, 2003).

There is thus a fairly strong consensus among economists and others that these sectors have demonstrated high growth and are likely to do so in future.

Debate occurs around the vexed issue of what to count. John Howkins' 'copyright sectors' included science and technology and led to his claim that these sectors have been the US' number one export since the late 1990s, outselling clothes,

chemical, cars, computers and planes (Hopkins, 2001). And Richard Florida's 'Creative Class' includes, even more expansively, 'people in sciences and engineering, architecture and design, education, arts, music and entertainment, whose economic function is to create new ideas, new technology and/or new creative content' (Florida, 2002). Both writers have been accused of over-claiming the economic importance of these sectors, and it is certainly the case that if one makes any group large enough one can demonstrate impressive growth.

DCMS's characterisation of 'creative industries' has also been criticised, not least by those who feel that it lumps sometime dissimilar sectors together. But at least it provides a basis for better statistics and one that is currently being built on by the RCDF and other research programmes. Concern continues, as discussed in Section 1, about the reliability of statistics at sub-regional or local level. As recent work for the LDA on the creation of a Creative Industries Data and Intelligence Framework (CIDIF) reported, there is a 'data robustness deficit' which can only be addressed, in the short term, by drawing together a variety of sources according to a common template, and over the longer term by primary research.

The main ONS datasets used in compiling figures are the Annual Business Inquiry 1 & 2 (ABI), the Labour Force Survey (LFS) and the national input-output tables (I/O). However, all three are limited in their disclosure of the economic impact of the creative industries by their reliance on SIC92. The robustness of ABI data at the 4-digit SIC level is limited to the regional level. The reliability of LFS data is similarly circumscribed while the I/O tables are based upon the classification of industries at the 2-digit SIC level, and therefore cannot indicate the economic performance of the creative industries with confidence.

The authors recognise that some Creative Industry sectors have better evidence than others and that there are a variety of trade bodies and commercial datasets that can and should be used to supplement official statistics. Their recommendation is to develop a rolling programme of data collection from a variety of sources that can build momentum and fill gaps as it progresses, similar to the work being undertaken by those using the RCDF.

A recent example of such an approach is that taken by GLA Economics in its report on London's Leisure Economy (GLA, 2003), which uses a variety of official statistics, supplemented by commercial and trade association data, such as that supplied by the Society of London Theatres.

In short there is a considerable weight of UK and international evidence attesting to growth in the cultural sectors. This cannot be ignored. But detailed interventions, particularly at the sub-regional or local levels, and in individual sectors, are not yet supported by robust data. The problem is well recognised, and the development of regional frameworks will help to address the issue over the next few years.

3.2 The Creative Class

Richard Florida's 'The Rise of the Creative Class' was eagerly seized upon by policymakers in the UK and elsewhere. Florida's book, and his other work over more than a decade, builds on the insights of urbanists (Jacobs, 1992; Hall, 1998) and 'new growth theorists' (Romer 1994) about the importance of human capital in a knowledge-based economy and the roles of cities and city-regions in attracting that capital.

Firstly, urban areas provide 'thick' labour markets — a depth of skills and talent, together with the associated institutional infrastructure (education, business support, networks), for firms to draw on. This, it is argued, leads to greater innovation than a firm on its own would be capable of, as innovation involves many people engaging in dynamic, collaborative processes, face to face interaction and the transmission of codified and tacit knowledge (Porter, 2000).

Florida's contribution was to link this to the mobility of his creative class, to argue that in a consumer economy, this class will pursue employment opportunities less on the qualities of the employer itself and more on the amenities and lifestyle options of the city or region where potential employers are located. Of particular interest to policymakers is his linking of amenities (arts, entertainment, access to countryside) to broader cultural and social conditions, such as the diversity and tolerance of an area.

His other distinctive contribution is his attempt to quantitatively measure, through the uses of 'indexes' of various kinds, the conditions that he deems necessary for successful city-regions. By doing this, Florida can be said to have moved beyond the work of other 'new economy' advocates and to have tried to escape the weaknesses of much case-study type research, as detailed in Section 1. The fact that much of his methodology has been criticised (for a summary, see Douglas & Morrow, 2003) demonstrates how difficult it is to evidence many of these hypotheses, and the fact that his numbers do not always translate well onto other countries and regions suggests that quantitative work as well as qualitative, can encounter difficulties when it is generalised.

Florida's claims rest on four 'indexes' that measure the conditions he believes are important to attract the creative class. His analysis of this 'talent model', together with figures on regional economic growth, leads him to argue that there is a causal relationship between cities and regions that have high numbers on the various indexes and their growing economies.

Both the 'gay index' and the 'bohemian index' are said to measure a region's tolerance and lifestyle diversity — based on Florida's notion that gay people in particular are often the advanced guard of 'gentrification' in a particular area. Thus a high number of gays in the population signals a tolerant community. His measure is of coupled, same-sex households living in a particular Metropolitan area. The numbers are drawn from the US Census and have been criticised for including same-sex households that are not gay. The UK Census does not contain a question about sexual orientation, so UK

researchers attempting to do the same thing, as in the Demos 'Boho' Index, are forced to use proxies (number of gay clubs, bars, networks, support groups, businesses etc), which are obviously unsatisfactory.

Likewise his 'bohemian' index attempts to measure the number of individuals employed in 'artistic and creative occupations' in a particular area. But as discussed earlier, data about creative occupations in the UK is very unreliable at local level.

Like all researchers into human capital, Florida is faced with having to use qualifications as a proxy for skills in his talent index, thus not capturing the talents or skills of those without formal education qualifications. However, given that the aim is to compare region with region, this will allow for a comparative, if not numerically accurate, figure in each case.

Although Florida's methodology has been criticised, his work has proved sufficiently compelling for others to try to replicate it in other countries (Gertler, Florida, Gates, Vinodrai, 2002; Florida, 2004), and analysis of the recent US Census provides some support for his idea that cultural amenities are what draw knowledge workers, particularly younger ones. A report for the Brookings Institute (Gottlieb, 2004), argues that younger workers migrate more often than older ones to regions that are considered to be high amenity and have high human capital. During the 1990s, this migration benefited the economies of San Francisco, Denver, Seattle and Atlanta in particular. The significance of younger workers (and the thinking behind many brain drain strategies) is that they are less likely than older workers to have family responsibilities, and therefore may be more willing to take risks — giving an entrepreneurial push to the economy. However, Florida's focus on young workers above others has drawn criticism, as we shall see.

As Douglas & Morrow point out (2003), Florida's talent index has been adopted by many North American city regions and his frequent appearance outside the US suggests internationally as well. However, many of the practical interventions that have resulted from it have focused on simply marketing the consumption value of 'bohemian' districts, concentrating on short term physical improvements to particular neighbourhoods, while at the same time under-investing in the essential amenities (from good schools to good public transport) that help sustain city-regions. The critique is that simply focussing attention on 'the creative class' (for which read young, single men) may lead to neglect of other policies, from affordable childcare to good schools, that may apply to older or female knowledge workers.

Florida's preference for 'street-level culture' also means that resources may be made available for certain kinds of cultural consumption (restaurants, bars, night clubs, a music scene), while others (from brass bands to historic houses) may be neglected.

While funding for cultural amenities has always reflected certain kinds of taste preferences (traditionally high art over popular culture), an over-concentration on the amenities that attract the young or bohemian at the expense of others could be counter-productive.

In particular, we do not yet understand how the mix of publicly-funded culture, community arts and commercial creative industries that exist in most cities work together. It seems likely that in countries with a relatively strong public culture (most West European countries), there is some cross over between those who work in the publicly funded sectors and those in creative industries. One only has to think of actors (moving from the subsidised theatre to commercial TV or film) or artists (working on public art or for private commissions) to realise that there is a degree of leakage of skills and talent between sectors. Indeed, Stern & Siefert's research (2002) suggests that although artists and other cultural workers move freely between non-profit and commercial sectors — the institutional links between these sectors are not strong, and that in policy terms we need to focus on these structural holes. Similarly, it may be that the development of audience and consumers for creative industries takes place in community arts spaces or via public education. The point is that this is a complex ecology and one that we need to understand better before we start altering the habitats.

Florida, himself has recently conceded that it appears that many of us value the existence of cultural amenities, even if we do not actively participate in them. Thus the presence of (in his terms) 'old economy' big-ticket investments such as major museums and galleries or professional sports stadia may contribute to feelings of civic pride, as much as a lively music scene does.

In addition, care must be taken not to conflate tolerance with cultural consumption. An interest in ethnic food or world music is not the same as genuine racial or religious tolerance. Before declaring a place as being 'tolerant,' other indicators need to be taken into account, such as racial divisions in the labour force, or the number of attacks on racial or religious minorities.

When that does happen, a less optimistic picture of Florida's creative economy appears, as he himself admits in more recent writings, (Florida 2004). His colleague Kevin Stolarick, has developed an index of wage inequality which compares the wages of the creative class to others and reveals that, in the US at least, city-regions that rank highest in terms of creative economic strength, also rank highest in economic inequality. This builds on the findings of Robert Reich and others, that polarisation is increasing in knowledge-based economies (Reich, 2000).

In response to this, Florida and others are working on a series of new research projects, which aim to capture the relationship between economic inequality, racial segregation and social exclusion on one hand, and 'creative economy' growth on the other — presumably providing policy prescriptions that lean more towards sustainable social outcomes.

Florida's work has been intensely influential and from the point of view of this paper, valuable in that it demonstrates both the effectiveness and the limitations of seeking to measure complex social phenomenon. His attempt to get away from case-study type generalisations and put some numbers on his findings appeals to policymakers with good reason. But translating those findings back into policy is inherently problematic. This is in part because it confuses means with

ends. Having a large gay population may be the result of having a long-term liberal culture (as in the case of say, San Francisco or Brighton) and that liberal culture is likely to be the outcome of generations of political and social struggle. Creating those conditions in the short term is difficult to say the least, while confusing them simply with lifestyle amenities is simplistic, even dangerous.

3.3 Wider economic impacts

In addition to Florida's work; there is a wide variety of 'economic' impact studies which examine the economic contribution of culture, both in terms of the cultural sectors themselves and in the wider economy (particularly leisure industries and tourism). Many of these studies (Monteray 2002; Locke, Shepherd & Felt 2000,) are one-off snapshots or studies of the impact of particular events; or are focused solely on the arts (Kopczynski & Hager, 2003) or sporting events (Halifax, 2002).

More recent work, such as Essex County Council's Creative Consequences report (2003), often conflates the two terms — talking about 'the arts' on some occasions and the wider culture on others. In fact what has happened, as the Essex report demonstrates, is that the definition of 'the arts' has been expanded, from the publicly-subsidised sectors only, to encompass sectors such as crafts or new media.

As Andy Pratt (1997) has noted, much attention in these studies focuses on the indirect impact of the arts and cultural industries — predominantly via participation figures (ie. consumer behaviour) and secondary impacts on sectors such as shopping, tourism and transport. Yet the notion of economic impact remains a disputed one, with little agreement (other than at the most basic level) about what constitutes an economic impact.

The European Task Force on Culture and Development attempted, in 1997, to sum up the contribution of culture, both economic and social. Its depiction of economic impacts were divided into direct and indirect and included arguments such as:

- **Culture serves as the main source of content for the cultural industries, media and the value-added services of the telecommunication industries.** This argument has recently found favour in the debate over the cultural aspects of globalisation and is developed further by Venturelli (2002). He argues that the cultural assets of a particular nation or society are one of its primary economic assets, as our ability to 'continually create content, or new forms of widely distributed expression' is the source of future competitive advantage.
- **Cultural institutions, events and activities create locally significant economic effects, both directly and indirectly through multipliers.** This use of multipliers and the stream of case studies that focus on specific events, is one of the most widely criticised aspects of economic impacts studies, as we shall see shortly.
- **Works of art and cultural products create national and**

international stocks of idea or images, which can be exploited by the creative industries. This argument has been given particular focus by digitisation (see for example, Xamax/Content Strategies 2003).

In addition, the Task Force featured more marginal claims, such as the economic benefits that accrue to sponsors of arts and cultural institutions from increased esteem, and the benefits of additional value-adding markets, such as gallery sales and fine arts auctions.

It is the second argument and the use of multipliers that have drawn most criticisms of economic impact studies. There is often confusion over how to define a multiplier (Johnson & Thomas, 2001) and practice varies widely. Second, there is the problem of opportunity costs again — if a festival generates spending in the local economy, is that more or less spending than would be generated by another type of event? And finally there is the problem of long-term studies. In practice, multiplier effects are often used in bid documents to estimate economic benefits, but as Adrian Ellis points out (Ellis 2003), ‘estimates used for funding proposals are almost never compared against actual outcomes, so that some empirical basis can be built up to test assertions.’

It should also be recognised that answering the question, ‘what difference has this event/festival made?’ is not the same as answering the question, ‘what difference would it make if it was taken away?’ The economic effects of say, the Edinburgh Festival, could be calculated; but it would be harder to come up with a measure of the potential costs, including reputational costs, of canceling the Festival. Similarly however, the opening of a new venue in a particular area (say a gallery) may be associated with other venues opening up around it (say bars). But that is not to say that the bars would close if the gallery did, because the businesses concerned might diversify and seek other markets.

The criticisms above point yet again to the problem associated with one-off impact studies. Yet as Michelle Reeves, in her paper for the Arts Council (Reeves, 2002), points out, economic impact studies continue to thrive with a variety of methods being used. Among the more promising of these and the one used in both recent work for the South West (Joining the Dots, 2003) and Essex (Creative Consequences, 2003), is the production or value chain model (O’Connor, 1998; Pratt, 1997). The advantage of this approach is that it develops an understanding of the whole process of cultural activity and thus directs our attention to the consumption end of the spectrum, which has often been neglected in previous approaches. Given the widespread hypotheses that consumption helps drive innovation in the creative industries (for example, recent changes in digital content distribution as a reaction to illegal copying), this is a crucial area for policymakers to understand. If done well, the production chain approach should also be able to act as a diagnostic tool — revealing where the weaknesses are — in production (with implications for training and skills), in distribution (do we need more venues?) or in consumption (do we need more local markets?)

TOURISM

As Guetzkow points out (Guetzkow, 2002), one of the major problems in economic impact studies of tourism has always been distinguishing between revenues from locals versus tourists, and determining to what extent ‘culture’ was the reason for the tourists’ visits. In the case of individual venues, a museum say, or an art gallery, it is generally assumed that the reason people visit them is that they are museums or galleries (rather than, say, to get in out of the rain). But the argument becomes more complex when applied to a whole city or region — where a variety of reasons may exist simultaneously.

As the GLA’s recent report on London’s leisure economy demonstrates, (GLA, 2003) official statistics can make it difficult to get at the actual patterns of tourist activity and still more to make clear causal connections. For example, if a trip to the theatre is followed by dinner in a West End restaurant; to what extent is that a cultural spin-off? If the same people had not visited the theatre, they may have patronised a local restaurant instead, for example.

Thus, although tourism remains one of the more studied areas of the wider cultural economy, the extent and nature of its connections with other cultural sectors is still hard to unpick from current research. As Victor Middleton notes in his report for the LGA and British Resorts Association (Middleton, 2002), although far more local authorities (often aided by regional bodies) are now measuring the impacts of local tourism than previously, the quality of management information available to them has not improved dramatically.

This is largely because of the difficulty of representing national data at the requisite spatial level. Where ‘bottom up’ statistics are required, visitor surveys are often commissioned, but as these are rarely repeated in the same form (as they are expensive to carry out) they do not provide the kind of trend analysis that is needed. Instead most agencies use models (generally the Cambridge model), the aim of which is to identify key parts of the picture from the data available and fill in the gaps using a series of average or imputed variables.

Given the difficulty in unpicking tourist spend from retail, transport, cultural facilities and leisure (to name just a few sectors), several countries have experimented with what is known as the ‘Tourism Satellite Account.’ Initiated in Canada and the US, satellite accounts make use of national input/output tables, to better capture the demand side of the equation (who spends what) as well as the supply side. Since then the OECD and World Travel & Tourism Council (WTTC) have produced satellite accounts for a number of countries, and in December 2003 Minister Richard Caborn announced the importation of the model to the UK. Experts from Cardiff, Nottingham and Limerick Universities have been commissioned to create the pilot TSA, which it is hoped will pull together a variety of benchmarking information on tourism into one comprehensive package of statistical information. The aim, in addition to providing details on the structure and economic value of tourism, is to help the development of economic models for tourism – to test how policies or external events impact on tourism growth, employment or industry productivity.

3.4 Conclusions

The economic arguments for investments in culture at the regional level revolve around three basic arguments:

- that the sectors themselves are growing and deserve enhanced support;
- that a good cultural infrastructure will attract new firms and help retain skilled workers;
- that cultural events of various sorts have a wider economic impact — particularly in related sectors.

In the first instance, what data we do have seems to point in the same direction, and although the different creative sectors are growing at different rates, it seems fair to assume that (combined with the data we have on consumers) growth will continue and may continue to outstrip the rest of the economy.

SEEDA's strategy of supporting networks and clusters in the creative industries would also seem to be borne out by data which suggests that the differences between regions (Hepworth, 2003) is getting stronger. In other words, concentration effects are significant.

At the local level, data quality becomes noticeably weaker and has an effect on our ability to plan specific investments at the sub-regional or local level. In the medium term, it seems likely that publicly-available statistics will need to be supplemented by private or trade data. In the longer term, primary research

will almost certainly be needed to improve the evidence base at this level. Given that this is a common problem across the country, it would seem sensible for RDAs to invest jointly in future primary research, probably using the RCDF or some development of it, as a framework.

The evidence that cultural investments attract knowledge workers, particularly younger ones, and that this can contribute to building an enterprise culture, is persuasive, even if the claims made for this effect have, on occasion, been overstated. What seems likely is that cultural and leisure amenities are important in retaining highly qualified workers and that this labour pool is what attracts firms. Having said that, very little high quality research has been done on this argument in the UK, and relying on data from overseas is problematic. Given the intense interest aroused by Richard Florida and others, it seems likely that we will see more and hopefully better research in this area in the UK in future.

The third area of claims is perhaps most problematic. It seems highly likely that investments in the cultural industries and in cultural events and services will drive other economic activity. However, much of the work that has been carried out in this area is poor and relies too much on one-off economic impact studies. Future research should concentrate on the culture cycle or value chain approach and needs to be done on a systematic, not sporadic footing. Again, this could be a case for collaboration between RDAs or SEEDA and other agencies.

4. Successful People

4.1 Introduction

As SEEDA's RES states, the relative success of the South East's economy conceals two major issues:

- Variation in GDP per head, employment rates and level of education across the region
- Failure to translate skill levels into improved productivity

Tackling this requires tackling some of the underlying inequalities in education and training, as well as taking steps to improve the productive capacity of firms — via better management education and workplace learning, and by trying to develop the knowledge base of firms through links with universities and so on.

Significant inter-regional disparities were the subject of a SEEDA study, published at the end of last year (Structure and Dynamics, 2003), and in the skills arena both demand and supply side show marked variations. Both the schools' performance and the demands of the local labour market were seen to be lagging in the 'poorer periphery' of the region. Key to improving this therefore is improving the innovative capacity of firms and re-engaging sections of the labour force in learning.

This is a huge topic, much of which is beyond the remit of this paper, but in this chapter I will concentrate on the evidence that:

- Cultural participation and arts-based education can improve educational outcomes
- 'Creativity' is a valuable skill, can be learned, and is linked to greater innovation

There is also a large literature on the benefits of participation in the arts throughout life. Some of this accrues to individuals and some to communities, though as much current research appears to be focused on the collective benefits of participation, I will look at this in the next chapter.

As might be expected, the evidence of beneficial impacts is strongest in both pre-school and early education. This is partly because longitudinal studies have been able to track cohorts of students over time, and also because the educational attainment of students is easy to track within the education system — as least as it translates into exam results. Once outside the educational system, adults pose a more difficult problem for those seeking to measure impacts. This is partly because the attrition rate means that longitudinal studies are harder to conduct, and partly because the discussion about 'creativity' as a skill set has a tendency to become abstract, and producing effective measures of creativity in adults is more contentious.

4.2 Culture and education

The nineteenth century myth of the creative genius has, in recent years, been widely debunked and the focus of educationalists and economic policymakers has turned to the need for creative problem solving skills throughout the workforce.

The National Advisory Committee on Creative and Cultural Education (1999), argues that creativity is simply the capacity for original ideas and action. In their book 'The Creative Age' (1999), Kimberly Seltzer and Tom Bentley define it equally broadly; 'We argue that creativity is not an individual characteristic or innate talent. Creativity is the application of knowledge and skills in new ways to achieve a valued goal.'

Public and private investment in education and skill development is perhaps the single most important contribution that can be made to this, but there is some evidence that broader investment in the arts and sports has a role to play in developing the capacity for learning.

Some of the most compelling evidence comes, not surprisingly, from studies of early education and indeed from pre-school development. The OECD's 2001 PISA study, which looked at 15 year olds, found that cultural possessions in the home (books, art, music) was closely linked to literacy levels, explaining 8.2% of the variation in literacy levels across the population of OECD countries in general. Likewise, cultural communication and parental interest explains almost 6% of variation in student literacy. Other than echoing Bourdieu's observation (Bourdieu, 1993) that 'the scholastic yield from educational action depends on the cultural capital previously invested by the family,' this could lead policymakers to the rather depressing conclusion that the educational benefits of coming from a household that reads and talks about culture are likely to be repeated across generations with little room for public intervention.

However, the study also reveals that participation in cultural activities accounts for increased reading performance, in this case 5.7% of the variation. For the UK, there was a 70-point difference between the average literacy performance of students in the bottom national quarter of cultural participation and those in the top quarter. This suggests that participation in cultural activities in school can have a marked difference on literacy, even if it is unlikely to fully compensate for differences in home environment.

A similar argument was put forward by Catterall (1999) who, based on a sample of 25,000 children, claimed that learners could attain higher levels of achievement through their engagement with the arts. Although socio-economic status was the most important factor influencing learning, the effect of the arts was most marked among children from low-income families. Research like this also suggests, as most educationalists seem to have concluded, that if one wants to

improve life chances via the educational system, the earlier the intervention, the better.

At secondary school level, what evidence there is seems to be most favourable for specialist schools, though the evidence in this case needs to be taken with great caution. The OFSTED (2001) report on the performance of all specialist schools (since 1995) showed that the linear trends increase in GCSE/GNVQ points scores was fastest in Arts Schools and Sports Schools (over other maintained schools) respectively. However, as with other 'league-table' type data on schools — questions need to be asked about intake and in particular, the children who are refused entry, or not encouraged to take exams.

Significantly, the National Foundation for Educational Research (NFER, 2000) found 'no sound evidence to support the claim that the arts boost general academic performance at GCSE,' though its case studies of specific schools with good reputations in the arts produced a variety of claims (by students) from the banal: 'dance offered increased awareness of the body' — to the bewildering: 'drama nurtured empathy and the valuing of others.'

Similarly, research by Leeds Metropolitan University (2002) found that evidence of improved educational outcomes tends to be in aspects of personal development (motivation, self-esteem, interpersonal skills), rather than in examination outcomes.

Others would argue, with some justification, that simply taking the exam performance of students as evidence of favourable outcomes is insufficient — especially as education policy in recent years has often been criticised for what is seen as the destructive narrowness of the curriculum, early specialisation and focus on exam results as the sole aim. The National Advisory Committee on Creative and Cultural Education reports: 'All our Futures' (2000) was influential in alerting commentators to the discrepancy between the economic challenges as laid down in successive White Papers and the educational response. In other words, while the economy requires highly skilled, flexible, self-learners, the need to raise standards in education has led to greater emphasis on outputs and targets, perhaps at the risk of experimentation. In addition, the number of tests has increased, though we know that much testing emphasises simple recall at the expense of higher critical thinking. And while commentators stress that the ability to fail is part of the vital training for entrepreneurship and creativity, schools can no longer afford to fail (or have pupils that do) for fear of falling down the league tables of performance.

It may therefore be that the additional benefits of participation in, or study of, the arts, do not show up in improved GCSE or A level results but in improved personal skills, communication skills and 'emotional literacy.' If this is so, it is not insignificant. A recent edition of Labour Market Trends (2002) argues that the most sought after skills by employers are communication skills and team working, while the Institute for Employment Research (IER, 2001) reveals that problem solving, team working, communication skills and IT skills are key areas of skills shortages. Jermyn (2001) suggests that there is a

'growing body of opinion' that believes that arts-based projects develop these kinds of skills, but admits that the evidence so far is somewhat limited.

Research, however, is increasing, partly because since the publication of the Policy Action Team 10 Report (1999) and All our Futures (2000), activity in this area has increased, notably with the launch of Creative Partnerships in 2000. Creative Partnerships, which brings together school children in deprived areas and cultural professionals in a variety of projects, will be subject to a relatively comprehensive research and evaluation strategy. Significantly, it hopes to go beyond simply audience development measures (counting increased attendance at events as an output) and hopes to capture improved educational outcomes, including improved ability to learn. As Gerald Lidstone comments (Lidstone, 2003), capturing such benefits depends crucially on defining and agreeing on what is meant by improved learning outcomes — but suggests they should be measurable across a range of skill sets, including subject specific skills personal development and general cognitive skills.

4.3 Creativity and innovation

Beyond school, there is a growing interest in the notion of 'creativity' as a core skill set and one that is increasingly valuable in the workforce. A knowledge-based economy, it is argued, requires flexible learners, risk takers and those who can challenge conventional wisdom, all of which seems to point to notions embedded in the term creativity. Not only are creative types more valuable in the economy for their work in the cultural industries, but also other sections of the economy, from public services to manufacturing, are deemed to be in need of greater 'creativity' to improve competitiveness.

Much of the research on creativity however, has been conducted either in the psychological domain or in the field of management, and both literatures are packed with works discussing human creativity and how it can be facilitated in the workplace. From a public policy point of view however, much of this research is too specialised or too focused at the individual or firm level, to be of much use. Despite widespread interest in this field and large-scale consensus on the need for a more creative workforce, little high-quality research on creativity in a social context has been conducted up to now.

The Rockefeller-sponsored report 'Beyond Productivity' (Mitchell, Inouye, Blumenthal, 2003) looked at the links between creativity and information technology (IT), arguing that if we want to get beyond mere incremental productivity improvements, we need to link creative and artistic processes more directly to our use of IT. Its message, along with that of many modern commentators, is that creativity can be developed through education, that it is an attribute of teams and groups as well as of individuals, and that the supporting environment matters. In other words, as Howard Gardner argues (1993), creativity exists in the relationship between an individual, the discipline in which he or she is working, and the surrounding field or environment.

The arguments that creativity can be developed through education and training are currently widely supported among

policymakers. This has led to an increasing emphasis on the informal educational sectors, both to encourage life-long learning and more specifically to offer second chances to those who did not achieve their potential in the formal educational system. This is what Sefton-Green (2004) calls 'the wider ecology of education, where schools, homes, playtime, the library and the museum all play their part.' As he notes however, there is very little systematic research on informal learning, including the learning that takes place either in cultural institutions such as museums or galleries, or at home via a variety of media, including digital media. Many evaluations of specific programmes by broadcasters, or projects in museums, for example, provide only a broad statistical picture — for example, in an UK Online centre, number of users, gender, age and how long they use ICTs — but little that analyses the learning going on in such contexts. He commends the Orr Vered study of ICT in after-school care in Australia (2002), but argues that there is little similar qualitative work in the UK. What qualitative work has been done, he argues, tends to focus on those who are motivated to learn, and the absence of control groups means that such work is not particularly useful for policymakers trying to grapple with the issue of how to engage reluctant learners via informal learning.

The development of creative hubs, clusters or incubators is likewise supported enthusiastically by policymakers from the more formal 'lab-type' scientific incubators to the informal creative industries hub, which exists primarily to create a community of creative companies. The methods by which knowledge transfer and learning take place in these informal environments are much less well understood than in science-based industries, but it seems likely that a combination of:

- the potential to share technology/ equipment (and potentially space);
- suitable properties in terms of cost, size, flexibility, scalability, image and location;
- appropriate social venues to share ideas, knowledge and so on, including sharing it with consumers;
- a focus for, and access to, finance;
- availability of cheap broadband

can be helpful in the development of young creative companies. DCMS is currently investigating the role of incubators for creative industries, but there has been very little research on them (as opposed to traditional incubators) up to now.

Indeed, as Steven Jay Tepper argues (Tepper 2003), we have very little research and indeed relatively few theories that help us understand the social context for creativity. He asks: 'What working conditions lead to higher levels of creative output? What is an innovation milieu and what type of local infrastructure fosters higher degrees of creative work?' He then points out that in order to answer these questions, we need better strategies for measuring innovation in the first place. How would we know, he asks, if one city, or firm, or sector was more or less innovative than another?

This is in part because traditional research on innovation may be not be looking at the whole picture. It continues to focus largely on science, technology and manufacturing, despite the fact that the bulk of economic activity, employment and output is taking place in the service sectors of the economy. What are sometimes called the 'knowledge consumption services,' (business services, plus education, leisure and entertainment, communications and the media) in fact make up the bulk of economic activity in most developed economies. Not only do such sectors innovative themselves, but they are vital in turning 'technical potential into socially useful practice' (Lengrand 2002) via their generation of managerial and marketing skills, organizational, social, economic and administrative knowledge.

As Stuart Cunningham argues (Cunningham 2003), innovation and R&D policies are evolving, based on ecological more than systems paradigms, and there is now talk of 'third generation' innovation policy. These policies stress interconnectedness (between producers and consumers, joint ventures, collaborative research groupings and so on), which reflects the more web-like nature of innovation in creative industries, as opposed to the traditional value 'chain.' Yet the evidence base on which these policies rests, remains underdeveloped. This may be changing (see for example, Cutler & Co, 2003; Hirsch, 2000), and there is considerably more work on service innovation for example (Andersen and Corley, 2002). But how innovation takes places within creative industries, how we would measure it and how policies can be developed to encourage it, is an 'evidence-light' zone at the moment.

4.4 Conclusions

In looking at the effects on individuals from participation or cultural education, we have concentrated on skills and personal development. There is some strong evidence that, from an educational and particularly from a literacy point of view, early exposure to a variety of cultural forms can have beneficial effects. Home influence remains dominant, but cultural influences via early education can be very influential. In later years, the evidence seems to point more towards improvements in social and personal skills, than specific educational gains. Given the nature of personal or social skills, they are harder to measure than say, improved literacy, but much of what we learn from employers is that these are the kinds of skills that are in demand.

The notion of creativity as a broad skill set and of its links to innovation and economic growth is attracting a lot of policy attention at the moment and research is increasing rapidly, despite the fact that in the UK at least, innovation policy still refers largely to science and technology. Yet we need considerably more research into how innovation is developed in the creative industries, what kinds of organisational and social structures facilitate it and which policy regimes can support it.

5. Vibrant Communities

5.1 Introduction

Work on culture, community development and social capital is one of the most active areas of current cultural research and much of it speaks directly to SEEDA's goals for 'vibrant communities.'

The South East is a relatively prosperous region, but it is marked by growing inequality, and its community development objective is to narrow the gap between the most deprived parts of the region and the rest over the next decade. To do this, it seeks to:

- Develop community participation and local leadership
- Develop an urban renaissance•
- Harness the ethnic and cultural diversity of its communities and link this to increased prosperity
- Develop community services that recognise the links between prosperity, health and community safety

Much of the traditional research into culture and social exclusion focuses on excluded groups and presents the results of projects — often undertaken with specific groups such as young people at risk of offending (Randall, 2002) or those suffering from poor mental health (White, 2003).

In addition, the last decade has seen a growing body of work around regeneration, culture and the built environment. The 1990s saw a sea change in policy on urban regeneration when the focus shifted from bricks and mortar improvements to social interactions and processes. It also shifted from people as 'targets' for regeneration to people as 'assets' for regeneration. This shift was paralleled by a rise in the profile of cultural assets as part of the regeneration process. Cultural infrastructure projects (such as the Laban Dance Centre, Baltic Mills in Newcastle, Walsall Art Gallery) are often at the heart of physical regeneration projects. This is in part for their economic effects as described earlier, but also for their 'aspirational' impacts — the belief that they can change the perception of a place, both for visitors and for residents.

Alongside this, and in line with the focus on social interactions and relationships, there has been an explosion of research into social capital, and more recently into cultural capital as assets which can be built on to improve social and economic well-being. Much of the research on this is in its infancy, but it offers us the basis of a theoretical framework that can perhaps begin to address some of the weaknesses of previous research in this field.

This chapter looks at the evidence base in three sections:

- Work on social exclusion and specifically excluded groups
- Work on the built environment and culturally led regeneration
- Work on social and cultural capital and the benefits of participation in cultural activities

5.2 Cultural participation and the socially excluded

In her review of evidence on the arts and social exclusion for the Arts Council, Helen Jermyn (Jermyn, 2001) noted that 'the term social exclusion is commonly used in the arts sector, but not with consistency.' Any web search on the term social exclusion will reveal several explanations still in use, just in UK government circles. But the one quoted in a recent Resource document — 'multidimensional disadvantage, which is of substantial duration, and which involves dissociation from the major social and occupational milieu of society' (Room, 1993) — crystallizes why many have argued that cultural participation may offer an opportunity to address exclusion. Rooted as it is in 'the major social and occupational milieu of society,' participating in cultural activities can be seen as participation in society — though this immediately raises a set of questions about 'whose culture?' and what is meant by participation.

Nevertheless, addressing social exclusion has found its way into the heart of cultural policy in the UK, with DCMS and the Arts Council now having impacts on social exclusion as a core priority. Much of this work takes place in specific settings (such as schools, prisons, community centres) and with specific target groups, and it is here that most of the research evidence has been gathered.

One of the most comprehensive studies of the arts (most social exclusion projects focus on the arts) in prison settings is over a decade old (Peaker & Vincent 1990), but includes a literature review, a survey of arts activities in prisons and in-depth case studies of five prisons. The authors argue that these methods produce wide agreement between groups that arts activities are beneficial, though these benefits are largely self-determined. For example, 'they gave individuals the opportunity to engage in creative activity, explore their own and others' motivations and produce valued and admired objects.' It is not to dismiss the importance of these findings to say that they would be stronger if combined with data that showed lower re-offending rates post-release.

The Arts Council (2003) reports on research in California, which does claim to measure re-offending rates. A study of parole outcomes compared two samples of people leaving secure establishments. The first sample contained people who had participated in an arts programme at least once a week for a minimum of six months. The second sample contained all people leaving secure establishments in California over a period of five years. The comparison found that those who had participated in the arts programme were less likely to re-offend than those who had not. Two years after release 69% of those who had taken part in the arts programme had not returned to custody, compared with 42% of all those released. However, the sample size was not large enough to demonstrate a causal link between attendance at arts programmes and re-offending rates.

Similarly, not withstanding the enthusiasm of some policymakers towards arts programmes as a way of working with young offenders and those at risk of offending, a report on the first national conference on the arts in preventing youth offending (Randall 2002) admits that, despite the wealth of anecdotal evidence, 'the effectiveness of arts interventions in this context is not yet underpinned by a robust evaluation and research base.'

HEALTH

Research into health and well-being is relatively developed — with some evidence that specific projects can have a beneficial impact on those suffering from mental health problems (including depression, anxiety, low self-esteem and so on). In terms of physical health outcomes, the results (with the exception of participation in sport) are less clear, though more recent research indicates a possible link.

In 2000, the Health Development Agency published *Arts for Health*, which looked at good practice in community-based arts projects and their impacts on the broad notion of health and well-being. The report presented many case studies, which attested to an improved sense of well-being and self-esteem as well as enhanced motivation, a reduced sense of fear, isolation and anxiety. But it also admitted that it was very difficult to give 'precise details of improved health,' as very few projects had formally measured physical health outcomes.

A study currently underway at Chelsea and Westminster Hospital aims to address some of these shortcomings (Arts Council, 2003). Its aim is to produce, for the first time, a quantitative analysis and critical evaluation of the effects of the arts on patients, staff and visitors at the hospital. As well as data on perception, stress levels, mood and so on, the project is also investigating whether the integration of arts into healthcare induces physiological changes.

There is some suggestion that it does. Live music in the waiting area of the high-risk antenatal clinic was effective in lowering blood pressure levels of patients waiting for their appointments compared to the levels of patients who waited in absence of live music. The study also found that for patients receiving chemotherapy treatment, visual art was more effective in reducing levels of depression, while music was more effective in reducing levels of anxiety. In this case, the sample sizes were relatively small, but it does suggest that measurable clinical outcomes can be recorded.

Other work (Leather et al, 2000) has looked at the impacts from new environmental designs in both in-patient and out-patient areas. Results included the self-reported, such as reduced levels of stress and increased levels of positive environmental stimulation, together with measurable outcomes such as shorter post-operative stay and reduced post-operative drug consumption.

In his review of mental health and the arts (White 2003), Mike White suggests a number of possible explanations as to why the arts might have beneficial impacts on mental health. One, he suggests 'is that it allows people to regain or hold on to a life that has meaning for them', in addition, arts based

interventions are seen by patients as non-medicalised and non-judgmental. Arts based interventions can help people to develop self-confidence and in turn to develop social networks, which as White notes, some commentators now argue has a positive impact on improved health (Pahl, 1999).

In general, evidence on the impacts of culture on specific types of social exclusion still relies heavily on self-reporting and anecdotal evidence. In areas such as mental health, it is hard to see how this could not be so and it is not necessarily a limitation of arts-based approaches that they need to rely on the same kind of evaluation as other non-clinical approaches, such as counseling or psychotherapy.

But the problem remains that the evidence base in this area relies too often on leaps of logic, unsupported by hard data. Thus a report on young offenders will claim that participation in cultural activity improves self-esteem. And that there is evidence that low self-esteem is linked to offending behaviours. These factors are then combined to produce an argument that says, 'participation in the arts reduces offending,' with very little support, such as data on re-offending rates.

As Mike White (2003) points out, much of this confusion comes about, because of 'a mismatch between the aims of practitioners and the expectations of those requesting the evidence.' Again, this points to a lack of understanding on what can and does constitute evidence-based policy and what can and cannot be 'measured.' While self-reporting may suffice in some cases, such as mental health, in others there are and can be measurable outcomes, which need to be factored in if claims of improved social outcomes overall are to be sustained.

5.3 Build it and they will come — culture and the built environment

For many people the notion of culturally-led regeneration is firmly tied up with the idea of iconic or destination buildings. The Guggenheim in Bilbao is perhaps the best example of this in Europe, and it is one that many other cities have tried to emulate in the past decade.

As Beatriz Garcia (Garcia 2003) points out, the legacy of the Barcelona Olympics and the Seville Expo meant that Spain in the early 1990s saw urban regeneration very much as an outcome of flagship, high profile capital projects. The Guggenheim — a cultural icon in a depressed, post-industrial city — fitted this picture exactly and was joined by other major infrastructure projects, notably a high quality subway system, designed by Norman Foster. As she suggests, the short-term benefits were impressive; a worldwide transformation of the city's image, indicated by a large rise in tourism. Overseas tourism was up 42.7% between 1994 and 2000, and Spanish tourism up even more, by 58%.

But in recent years questions have been asked about the sustainability of such high-profile initiatives — does the tourism impact last beyond first time visits? Does it translate into other local jobs (in Bilbao's case unemployment is still growing)? And in the case of an overseas investor like

Guggenheim — does it provide a platform for local artists or simply act as a franchise of the US parent institution?

In addition, as Charles Landry points out (Landry 2003), partly because large-scale projects are intended to serve regional or national populations, they may produce mixed feelings among local people. Some will see them as siphoning off funds that could have been used locally, and the contrast between the favoured area and the surrounding neighbourhoods, particularity in depressed economies, can appear stark.

Thus, the challenge of sustaining such high profile initiatives (and natural limits to the number of iconic buildings) means that the policy focus is instead shifting towards supporting smaller, more community-focused regeneration projects — though these may not escape the problem associated with gentrification entirely.

Researchers from Toronto's Ryerson University (Jones & Lea, 2003) have recently carried out three intensely detailed case studies of these smaller, neighbourhood-based cultural regeneration projects. They compared three neighbourhoods — one in Vancouver (near a newly renovated theatre) and two in Toronto (with artists live /work space) — with two neighbourhoods in Toronto that had no specific community of artists and with data for the city of Vancouver as a whole. Rather than using multipliers, they used a combination of geomatics and other spatial data to look at the effects on a very specific area (500 metres around the arts facilities in question). The researchers took into account factors such as how many building permits had been applied for, turnover of retail businesses, sales generated by square foot of retail space, rents and property values in the neighbourhood and the employment rate. In addition, they looked at social indicators such as crime and the age, ethnicity and education of residents — as well as polling residents about how they felt about their neighbourhoods.

The results were mixed, but did provide some ammunition for supporters of culturally-led regeneration. In general, property values, number of renovations and retail sales were up and by a larger amount than those in the control areas. In the Vancouver example, major crimes fell, but car and motor thefts went up. And both residents and businesses in all three places supported the presence of the arts facilities in their midst and saw them as a positive change in the neighbourhood, although they also complained about increases in traffic. It also appears to be the case that while 'churn' of local business went up around the time that cultural facilities were developed (suggesting changes in type of businesses), this settled down after a few years, with between 20% and 30% of new businesses being in culturally related activities.

The argument that this is just gentrification however, also receives some support. Improvements in income, the presence of more managerial and professional jobs and higher educational levels in the population, were largely associated with people moving into the neighbourhood, rather than with changes in the circumstances of the people who already lived there.

The impressive aspects of this research are its attention to

detail, its use of control areas and the modesty of the claims made for it. As the researchers admit, this approach requires a lot of quality data, which is expensive to collect and clean, and the interpretation of which requires specific skills and knowledge. Despite this, the sample size is still too small to claim a causal relationship between arts facilities and wider improvements, although they did demonstrate a strong association.

The researchers hope to continue this work, increasing the number of study areas and using more diverse types of cultural facility and a wider variety of neighbourhoods. Assuming the data is available at the neighbourhood level (a big assumption), it is the kind of work that could be replicated in the UK and that would benefit enormously from international comparisons.

5.4 Joining in — the benefits of participation

The evidence in this section draws largely on North American research — where the last decade has seen a number of large research projects in this area, notably the Social Impact of the Arts project (SIAP) at the University of Pennsylvania, and the work of the Urban Institute, also in the US.

As Mark Stern and Susan Siefert note (Stern & Siefert, 2000), even in a society as individualistic as the US, social researchers have devoted increasing attention to the context — communities and networks — in which individuals live in recent years. The study of public participation in the arts, they argue, is one area that can benefit from research into social context. In other words, rather than just looking at why individuals participate in cultural activities (as visitor surveys and such like do), we need to understand the role of contextual variables such as the amount of cultural opportunities, or the peer pressures that encourage or discourage participation.

Their own research suggests that neighbourhood effects are in many cases as strong as individual characteristics in determining who will participate in cultural activities. Just as individual prosperity influences participation, individuals who lived in more prosperous neighbourhoods were also more likely to attend cultural events, regardless of their own economic status. In addition, the researchers found that respondents who lived in areas with more cultural institutions were more likely to participate in cultural activities and that those who live in neighbourhoods that are more diverse (economically and ethnically) have higher rates of cultural participation than those in more homogenous urban neighbourhoods.

Their conclusion is that cultural participation 'needs to be seen as a form of collective behaviour,' and that we cannot just rely on data about individuals, and particularly individuals who do participate, to tell us what we want to know. In this light, planned UK research initiatives such as those in the museums, galleries, and archives sector, which look at non-users as well as users of these services, are to be welcomed.

But a more important question, beyond what influences participation, is what good participation does, either for individuals or their communities. Beyond the data on

educational attainments and skills (see Chapter 4), recent research has focused on the benefits of cultural participation for communities. In other words, to what degree does participation in culture develop social capital?

Jeanotte (2003) argues that those who participate in cultural activities are more likely to volunteer in other capacities, (often used as a measure of social capital). This is a finding supported by Bourdeau (1998), who argues that this finding remains solid even after controlling for socio-economic and demographic factors such as gender, income and education.

Other researchers suggest that participation in cultural events has more influence than other kinds of events when it comes to developing other elements of social capital such as trust and tolerance (Stolle and Rochon, 1986).

As even Robert Putnam, social capital's primary advocate admits, however, 'the causal arrows among civic involvement, reciprocity, honesty and social trust are as tangled as well tossed spaghetti' (Putnam, 2000). Add culture into the mix and it gets even more complicated. In other words, data on association is strong, but we are no closer to understanding if there is a causal link between participation in cultural activities and attributes such as trust, or what the nature of that link would be.

Before policymakers rush to prescribe 'more culture' as the cure for social ills, however, we need to better understand whose culture we are talking about. The longstanding debates between supporters of 'high art' and 'popular culture,' between public and private investments, old and new cultural institutions, is given fresh perspective by the notion that culture feeds into and can influence levels of social well-being. Many commentators (Mercer, 2002; Murray, 2002; Baeker, 2000) argue for a broader definition of culture in which many more voices participate. Before we conclude that this debate has been won, however, it is as well to remember Tessa Jowell's prescription (Valuing Culture, 2003) for her poorer constituents in Peckham and Brixton. This consisted of more trips to arts galleries as substitutes for the tennis lessons and ballet lessons that their more affluent counterparts enjoyed. Little recognition there that the streets of Brixton and Peckham have produced their own culture, simply a notion that what they need is more 'access' to high culture.

Similar debates can be had about the nature of social capital. As Mathews (2003) points out, UK definitions of social capital

tend to focus on 'shared norms, values and understandings' — a focus on social cohesion, rather than a more dynamic understanding of how different values, norms and understandings can co-operate and be harnessed. This debate is not merely theoretical. As SEEDA's goal is to harness the diversity of its communities, we need to better understand how those communities see themselves, how they understand culture and how it feeds into the community relationships they wish to construct.

5.5 Conclusions

Social exclusion is now at the heart of UK cultural policy, to an extent unmatched elsewhere. Developing an evidence base to support interventions has thus taken on an importance, not to say an urgency. The evidence that exists, rather inconveniently, does not necessarily support the more optimistic claims for inclusiveness.

Much of the earlier work looked at specific types of social exclusion — at crime, illness or educational deprivation. In many cases this work suffers from a single methodological approach and an over reliance on self-reporting or anecdotal evidence. The need for anecdotal evidence — for the voices of the excluded, in other words — is probably never greater than when looking at these issues. But this does not explain the discrepancy between what the research demonstrates and the claims made for it. Research of this type increasingly needs to find ways to combine the experience of participants with harder data on the desired outcomes.

Work on culturally-led regeneration has only just started to develop an evidence base and the Toronto work points to a workable methodology that can provide us with a more reliable picture than in previous studies. It is very early days, but the picture so far is not encouraging. Making culturally-led regeneration into anything more than physical improvements and gentrification will involve a much clearer understanding of who benefits from what kinds of cultural investments. Notions of social and cultural capital may provide a theoretical background for this understanding, and a considerable amount of research is being developed in this area. Encouragingly, much of that makes use of multi-method approaches — combining data from several sources. While we have yet to reach a consensus on the nature and utility of social capital, a rigorous and substantive core of research will help in its development.

6. Effective Infrastructure

6.1 Introduction

This short section on infrastructure will focus on broadband. As a relatively new technology and one in which the UK lags behind other countries in adoption, the evidence base for the role of culture in driving broadband take-up is limited. It seems clear that downloading films, swapping music files, paying video games and indeed the creation of new cultural content is driving the take up of broadband. Yet there has been surprisingly little research in the UK on the actual contribution of cultural products and services, as opposed to faster email, social software or work-driven applications of broadband.

We will thus focus on overseas evidence — where the take-up of broadband is more widespread (eg. Korea) or where using cultural content as a driver is a specific aspect of Government policy (Canada).

6.2 What's driving broadband take-up?

According to the Broadband Stakeholders Group, the UK has around 3 million broadband subscribers. This is a figure which, although it has grown of late, puts it well behind countries such as South Korea, Canada, Denmark or the Netherlands. Given the lack of internationally comparative work in this area, it is difficult to say if the same factors are driving broadband take-up across countries, but it is clear that policy in different places has emphasised different aspects of broadband's appeal.

In the UK, goals around the take-up of digital technology tend to be expressed in terms of business or economic benefits. UK Online and other initiatives have clearly been directed at bridging the so-called digital divide, but the benefits of being online have rarely been expressed in cultural terms.

Culture Online is a break with this — a clear initiative designed to widen 'access' to a variety of cultural products and services, using digital technology. The first projects were launched in October last year, so there is as yet no research on take-up or effectiveness (however that is to be judged).

Other countries, notably Canada, have taken a different perspective on the promotion of broadband, stressing both community benefits (and geographic inclusion in such a vast land) and the potential for Canada's interactive content industries. CANARIE, the advanced internet development organisation, channels public R&D funds into supporting the development of broadband content, with a focus on Canadian online content, including that of Aboriginal and First People's. In addition, and in line with many other countries, public funds have been made available for the digitalising of Canadian museum collections and other cultural material.

South Korea, the world's most developed broadband economy took yet another track, taking advantage of its high density population to massively subsidise the construction of the network, and then ensuring that competition between suppliers resulted in low costs and heavy consumer demand. In terms of content (the linking of education content to broadband technology was seen to be important as a public policy tool) the remainder of the enthusiasm has been driven by entertainment, notably gaming. Online games rooms, or 'PC baangs,' as they are called, have become major social spaces, and even though similar bandwidth is available at home, the combination of social and virtual interaction seems to have proved irresistible.

The old notion that content was king, therefore, is partly discredited. As a US survey of online behaviour (Pew, 2002) found, despite concern that lack of compelling online content would retard take-up, there was little evidence that this was the case. 'Broadband users are as likely to go online to get job training, as they are to get a video,' they conclude.

Having said that, a large number in the Pew survey had used broadband for entertainment or cultural activities — 63% has at one time downloaded games, videos or pictures (though these figures may include a high percentage of pornographic content) and 50% had downloaded music files. But as the Work Foundation's recent report on broadband concludes (Crabtree & Roberts, 2003), 'absorption is best understood not as the consumption of content... but as dynamic social processes of creative interaction between families, friends and work colleagues.'

6.3 Conclusions

SEEDA's concern is to promote the development of broadband, both via the development of local and regional information services and portals and via development of infrastructure, particularly in rural areas. The focus of much of this activity is on enabling remote working and on promoting educational benefits via schools.

Cultural content is undoubtedly a major driver when it comes to personal adoption of broadband. Entertainment services are widely accessed by home users, but the links between this and public policy for broadband are less clear. At the UK level, development of digital content industries and public funding for the digitisation of cultural heritage (art collection, libraries, etc) have both been public priorities (as they have been in other countries), but the actual drivers of broadband take-up may be about communication as well as culture. The potential of broadband and other technologies to enable users to become producers is perhaps the most fertile area in which public policy could make a difference.

7. Sustainable use of Natural Resources

7.1 Introduction

SEEDA's objectives for the sustainable use of natural resources, revolves around the notion of environmental capital, included in which is the natural, built and historic environment. It is in these links to the built environment and, in particular, the historic built environment, that work on culture comes closest to providing an evidence base (and the potential for an improved evidence base in future), that can be used to support environmental objectives.

In this short section, I will concentrate primarily on work on heritage and the built environment and at how we can both measure its value and assess the success of our attempts to maintain that value.

7.2 Natural and Environmental Capital

Both the built and natural environment can be characterised as a kind of capital — an asset which has been inherited from the past and which yields value to those who enjoy it in one way or another, both now and in the future. As Throsby notes (Throsby, 2002), heritage items (whether it be a Van Gogh painting or the Pyramids) derive the majority of their economic value from their cultural content — that is, a Van Gogh as such is worth considerably more than the canvas, paint and so on that comprise it. It also gives rise to a flow of goods and services over time, which in themselves may have cultural value. This is what Throsby and others refer to as 'tangible cultural capital,' (as opposed to intangible cultural capital such as ideas, tradition, beliefs, customs etc).

Maximising that value in the longer term invokes the notion of sustainability — preserving that asset for future generations rather than 'using it up' in the short term. In another parallel with natural capital, Throsby also argues that diversity, vital in the natural world, has an equally important role to play within cultural systems. Many cultural goods, he argues, derive their value from their uniqueness (or distinctiveness) — an original Van Gogh is worth more than a reproduction, the Taj Majal gains some of its value from its uniqueness, and so on. This distinctiveness also means that there is no ready substitute. The services of shelter, amenity and so on that are provided by say, the Chrysler Building, could be provided by another office block with no (or little) cultural value, but the unique cultural value of the Chrysler building means that the two are not directly substitutable.

As Mourato and Mazzanti (2002) argue, given that both the natural and in some cases, the built environment is a non-market good (that is, people do not necessarily pay to use it), we need to measure non-use values. These include option values (I want to know something will still be there if I choose to visit it in the future); existence values (I'm glad it is there); bequest values (stewardship for future generations) and identity values (it represents a symbolic link to history or religion).

These notions of value are generally used to support public funding for heritage, without which many would be destroyed. Of course, actual use of such sites can also be destructive — congestion, wear and tear, vandalism and pollution can result. On the other hand, under-use of specific resources can also lead to destruction. Preservation of historical monuments can only be justified in some cases if people visit a site and pay, either through taxation or through entrance fees.

However, apart from what can be inferred from data on visitors and from the degree of public expenditure, we know very little about the absolute value of cultural resources and how changes in their quality can affect this value. This could lead, in some cases, to failure to preserve assets appropriately. If an asset is over-used, it may deteriorate, but if we leave it until it deteriorates so far that it ceases to attract visitors, for example, it may be too late.

Hence survey methods like contingent valuation (CVM) have been developed and are used in both the natural and built environment to assess the economic value of changes that are external to markets. Contingent valuation surveys measure people's hypothetical willingness to pay (WTP) for a good.

The majority of such studies of the built heritage have been conducted in the UK, and in general have found that people attribute a significantly positive value to the conservation or restoration of cultural assets. The amount varies from place to place and from asset to asset, but in many cases (Mourato and Mazzanti, 2002) the positive values are driven by a minority of the population — generally the richer and better educated sections of the population. One example is a CVM survey on improving the landscaping around Stonehenge, by tunneling a proposed road (still under discussion). This received a positive valuation from 35% of those surveyed, who were found to be on average wealthier and more educated than the 65% who were not willing to pay anything. However, the same survey showed that those who were willing to pay, were driven mostly by non-use values, in this case, the desire to protect the site for future generations. Rising income and education levels therefore, could indicate that future generations will be even more willing to pay for preservation (particularly as scarcity value may have increased).

Though they can clearly be useful in arriving at some measures of value, very few commentators advise relying solely on CVM to shape policy on preservation. Like most surveys, they can be subject to bias, such as information bias (where framing of the question influences the answer), or anchoring bias (where the valuation depends on the first bid presented in a dichotomous choice). Many environmentalists, it should be noted, also object strongly to the notion that the non-human world is valuable only insofar as it contributes to the wellbeing of humans (Hamilton, 2003).

Alternative methods such as hedonic pricing (indirect influence of the value of non market effects from market data) or travel

costs methods (how much will people pay or how far will they travel to visit something?) can also be used, but all have their limitations.

Furthermore, although the Stonehenge survey is positive in this respect, a legitimate concern is how to take into account future values of something — since one cannot survey generations yet to come. This can be a particular problem with the arts (where this generation may not value something as much as future generations will) or where a very long term prospective is needed (many issues in the natural environment).

It is important to remember that what all of these methods capture is the economic value of a cultural 'object,' not its cultural value. And important though this is in allowing us to reach an agreed way to measure relative values, it cannot be used in isolation, and can be criticised for imposing a purely consumer-led view on what are, after all, public goods. As Cass Sunstein has argued (Sunstein, 2002), 'Government should not be taken as a maximising machine, with the goal of aggregating preferences in accordance with the market model.' The educative function of culture, it can be argued, helps shape our preferences and tastes, thus should not just cater to existing tastes.

While CVM is useful in a limited way therefore, we need to find ways of capturing our preferences as citizens, not just as consumers. In order to do this a variety of other assessment measures have been tried, though none are yet in widespread use. Social assessment methods have been developed by the World Bank and generally include extensive consultation (of both directly and indirectly affected groups). Stated preference methods are another approach — derived in this case from

experimental psychology and designed to uncover motivation, as well as stated values. Rather than just relying on a single answer or set of answers taken at one time, stated preference methods generally seek to compare data on beliefs and attitudes held by respondents (to spot inconsistencies) or, in some cases, test actual behaviours against stated behaviour. A classic example of this is the comparison of actual voting behaviour against stated values.

7.3 Conclusions

It is clear that there are parallels between the built environments and the natural environment and that it is a legitimate tool of cultural policy to seek to preserve both. Evidencing how people 'benefit' from the preservation of their cultural heritage however, is difficult, so researchers have instead sought to demonstrate the value that people attribute to this heritage. Visitor surveys, membership of heritage organisations (the National Trust is one of largest membership organisations in Europe) and, in countries with local taxation, willingness to pay local levies for preservation, can all be used to demonstrate 'consumer' behaviour.

But the non-market nature of many of these goods, is such that alternative methods, such as contingent valuation, are also becoming popular. Most of these indicators seem to point in the same direction — people value their cultural heritage and are willing to pay to see it preserved. How much they are willing to pay and how it compares with other goals they have for society is a more vexed question. What we now need is an extension of such research, in order to understand better the values that different demographic groups attach to heritage and what it means to them.

8. Conclusions and Recommendations

8.1 Introduction

The aim of this report has been to help SEEDA and SEEC develop a better evidence base to assess the value of their cultural investments and to help inform future policy development. It is the first stage in what will be a developing process. My aim was to look at the major evidence bases as they relate to SEEDA's economic and social goals and to assess their fitness for evidence-based policy development.

At a later stage, SEEDA and the SEEC may wish to develop guidance and methodologies for the appraisal of economic projects, which they may share with cultural agencies.

This final section will provide some indications of the form that guidance may take — partly by pointing out the weaknesses in the current evidence base, but also by indicating more promising strands of research that can either be used as they are, or form the basis of future primary research. Finally, I will provide some indication of the kind of primary research I think is necessary and how it might be approached.

8.2 Evidence-based policy in the cultural arena

The current DCMS Research Strategy calls for an increase in the amount of relevant socio-economic policy research and evidence that can be used as part of the policymaking processes.

In the last twenty years or so, the cultural sector has become accustomed to measuring inputs such as spending and outputs, and the number of education sessions or workshops. Meanwhile, work on measuring outcomes and effects (the kind of work that is need for evidence-based policy) remains in its infancy.

This is no different (and no more sinister) than many other policy areas, but in the cultural arena there is a relative lack of longer term, more academic research, funded by independent sources. As Colin Mercer noted in his work for the South West, the expert panel responsible for assessing cultural research in universities for the last Research Assessment Exercise (RAE) in 2001 commented on this very issue:

'Independent work in this field for government or other major clients requires significant resources and it was noted that very little work of this kind had been conducted' (Mercer, 2003).

The panel argued that 'only universities' are able to undertake policy research that is independent of the source of funding, and while one might take issue with that particular argument (independent Observatories, organisations like Regional Intelligence Units etc may do so), it is hard to disagree with their conclusions that the lack of policy-relevant academic work in this field is detrimental to the development of evidence-based policy.

DCMS is currently investigating the possibility of a dedicated research centre, and the AHRB is similarly considering the establishment of one when it becomes a full research council. It is to be hoped that both will help to establish a body of more independent research and analysis.

The need now is to acknowledge the weaknesses in the evidence base and to move on to develop more robust methods — longer-term, more systematic research and a more realistic appraisal of the spillover effects of cultural investments. This will involve being more explicit about the role of research vis-à-vis other sources of information, as well as greater clarity about the relative strengths and weaknesses of different methodologies. We should not expect case study-type work to diminish in this area and we are likely to see a growth in qualitative work — surveys, and so on. This is all to the good. But where claims are being made for particular effects, we should not be afraid to demand some harder evidence of these effects.

It is likely that research in the cultural arena will continue to feature a plurality of research methods — improved statistical data, surveys, cases studies and so on. It is therefore important that policymakers at local, regional and national level are made aware of what methods are appropriate in which case, what constitutes 'evidence' as opposed to argumentation, and what the limits of evidence are. This is not to suggest that they need to become methodological experts; simply that a greater appreciation of the possibilities and limitations of research is necessary in evidenced-based (or influenced) policymaking.

Finally, we need to understand that, in the well-worn phrase, 'lack of evidence is not evidence of lack.' Many of the arguments that have been advanced for the social and economic benefits of investments in culture have been neither proved nor disproved. In most cases, the 'evidence' points to both welfare gains and welfare losses. It is the job of policymakers, not researchers, to decide how to act upon evidence and how competing interests can be balanced.

8.3 Strengths and weaknesses of the current evidence base

I have looked at the evidence base under a variety of headings, chosen to reflect SEEDA's economic strategy and major interests.

There is widespread agreement that the base statistics that underlie work on culture are inadequate. In particular, the shortcomings of official classification systems and the lack of standard definitions and methodologies used by agencies are problematic. The most commonly perceived gaps and problems are in the areas of employment (particularly freelance employment), participation, and in the coverage of specific sectors, particularly those with large numbers of self-employed. At regional level, the adoption and use of the RCDF

offers a way forward — allowing RDAs at least to use standard methods of data collection in a common framework. In the meantime, and particularly at sub-regional or local level, work with trade and industry bodies and the use of private sector data, where affordable, will be necessary to supplement data gaps.

Despite these weaknesses, there is strong evidence that the cultural economy is growing and at a generally faster rate than the rest of the economy. The increasing premium on knowledge and skills and its links to productivity is also supported by research findings. Many argue that innovation in future will be more closely linked to creative skills and that we need to look at how these sectors, as well as science and technology, contribute to innovation and productivity growth. Work on this has tended to concentrate on the individual, or on studies of specific firms and there is less research on creativity and innovation in a social context. The evidence base is thus under-developed here, but is currently the subject of much scholarly interest.

Alongside work on the knowledge economy, research into talent (and what attracts talent) points to cultural investment as a major asset and attractor. Much of this work has been done in the US and while there is no reason to suspect that the UK is utterly different, we need better evidence on the UK context. In addition, the sometimes ‘boosterish’ presentation of research on culturally-led economic development can disguise the fact that welfare gains from investments in culture are not evenly spread across the population, and thus policy prescriptions drawn from this research need to be more balanced.

There is strong evidence which reflects much of what we already know about education, that early intervention and promotion of cultural participation can influence basic skills and literacy acquisition. The evidence base is less convincing later in life; but it appears that a variety of social or softer skills may be connected to participation in arts and cultural activities. This is any area of current interest and clearly needs more research — in particular, the issue of causality is important but as yet, little of the research is sufficiently large-scale to allow this to be measured.

Much of the research on social exclusion has historically been done with specific groups — offenders, young people at risk, the disabled and so on. This is a hugely contested area and while there should be no presumption that cultural participation cannot have an effect here, it has to be said that much of the research that has been done is not sufficiently robust to provide evidence. It is a field that needs much more ‘multi method’ research, which compares qualitative findings such as ‘improved self-confidence’ with harder data on outcomes such as re-offending rates.

8.4 Cultural Indicators and broader social frameworks

It seems likely that much of the future improvement will come, as in other countries (Duxbury, 2003), when better cultural indicators are developed, and as they are systematically embedded with broader frameworks.

Nancy Duxbury (2003) argues that there is a conceptual shift underway to complement qualitative, objective measures with more subjective, opinion-based measures and indicators. She believes this is likely to be reflected in the move to develop more nuanced evidence-based policy that recognises the validity of ‘anecdote,’ without completely surrendering the ground of demonstrability.

The government’s current ‘bonfire of targets,’ suggest crude indicators are being curtailed, not least because of their potential to distort policy — though that can happen even with relatively sophisticated research, as our discussion in Section 3.2 demonstrates.

In the US, Duxbury gives particular credit to the Urban Institute’s National Neighbourhood Indicators project, which included arts and culture indicators in its work with 12 cities across the US. She argues that there is also an increasing network of individual research projects and multi-city research projects (eg, the Boston Foundation), which allows researchers to develop comparative indicators.

The UK noticeably lags behind in this respect, but has a variety of opportunities to catch up. The Audit Commission’s work on Quality of Life indicators, a new version of the IMD, and the ONS’s developing work on Neighbourhood statistics, all offer spaces for the inclusion of better data on culture and its effects.

8.5 Recommendations

SEEDA’s and SEEC’s work in this area and particularly the development of an evidence base, cannot be carried out in isolation. Higher-quality research is likely to come from a combination of academic institutions, regional observatories and national policymakers. Thus, while these recommendations are directed primarily at SEEDA, many involve collaboration or support of broader initiatives.

More, longer-term research. Both DCMS and the AHRB have recognised the need for a national centre for cultural research with independent funding and a brief to develop the evidence base. Regional agencies should support any such development. We can make better use of the research we currently have, but in the longer-term, relatively expensive primary research (beyond the budget of RDAs alone) is needed. It is possible that a university based in the South East may wish to become the centre of expertise (the OU has great strengths here and Oxford is said to be considering this area), so SEEDA needs to keep a watching brief.

Use the RCDF and enhance the quantitative baseline. THE RCDF should be used as a common ‘minimum template’ across RDAs. Given its acknowledged gaps, it may need to be supplemented by locally collected data, particularly on participation (available from SEM-LAC; Tourism South East, Local Authorities), employment (particularly freelance employment), skills and training needs. In addition, an audit should be undertaken of research resources at sub-regional and local levels. Much of this data will be collected independently and may be of variable quality — it would however, be useful for SEEDA and SEEC to know what baseline data is being used to support bids etc.

Improvements to the qualitative research base. This is a long list and resources are likely to be severely constrained. For that reason, it would be useful to draw up a 'shortlist' of qualitative research topics that need to be addressed. This should reflect this paper's arguments about the strengths and weaknesses of existing research and the RES goals. Based on this paper, priority topics may include aspects of social inclusion (particularly crime or perceptions of crime), public response to the built and physical environment (which could in turn be linked to a sustainable cultural tourism strategy), and research into innovation in creative industries.

Recommend improved training for staff in cultural agencies. Evidence-based policymaking is relatively new in the cultural arena and many agencies are (for very understandable reasons) keener to assemble advocacy material than evidence. Advocacy and argumentation are vital parts of the policy development process, but staff need to be more aware of what constitutes acceptable evidence in specific cases.

Collaborative research efforts with others RDAs. Most RDAs now have staff dedicated to the creative industries and to sport or tourism. There is no common formula across RDAs and there is divergence in the amount of resources devoted to these areas — but collaborative meetings have taken place between agency staff. A cross-RDA research sub-group could

be established to pool research resources, commission collaborative projects and share existing research.

Consider development of a Cultural Observatory/Link to other regional observatories. Many RDAs have established observatories in a variety of fields, such as health or the economy, and others are considering Cultural Observatories. SEEDA is already represented on the South East England Intelligence Network and should consider developing its cultural indicators as part of this grouping. In the longer term, the development of a South East Observatory could offer a better framework for the inclusion of cultural statistics, or a cultural module could be developed, as is the case in the South West (which has modules including public health, the environment, skills etc). In the early stages, Observatories are no better than the quality of data available to them, but they can be used to reveal specific research needs and thus act as a base for commissioning etc.

Develop a South East Cultural Research Panel. This would bring representatives of cultural agencies together with Higher Education and representatives of industry bodies. The idea is, where possible, to share material and develop collaborative learning. As a first step, SEEDA and SEECC should engage Higher Education South East (HESE) to provide an overview of relevant research and research centres in the South East who are working in this area.

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Abbreviations used in this Report

ABI	Annual Business Inquiry	ONS	Office for National Statistics
CVM	Contingent Valuation Method	NFER	National Foundation for Educational Research
DCMS	Department for Culture, Media and Sport	RCDF	Regional Cultural Data Framework
GDP	Gross Domestic Product	RDA	Regional Development Agency
GLA	Greater London Authority	RES	Regional Economic Strategy
IDeA	Improvement and Development Agency	SCRI	Street Crime and Robbery Initiative
IMD	Index of Multiple Deprivation	SEEC	South East England Cultural Consortium
I/O	Input/Output tables	SEEDA	South East England Development Agency
ICT	Information and Communications Technology	SEMLAC	South East Museum, Library and Archive Council
LDA	London Development Agency	SIC	Standard Industrial Classification
LFS	Labour Force Survey	SR	Systematic Review
OECD	Organisation for Economic Co-operation and Development	TSA	Tourism Satellite Account
OFSTED	Office for Standards in Education	WTP	Willingness to Pay
		WTTC	World Travel and Tourism Council

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