

Culture 3.0.

Cultural participation as a source of new forms of economic and social value creation: A European perspective

PIER LUIGI SACCO, *IULM University Milan** ^ pierluigi.sacco@iulm.it

GUIDO FERILLI, *IULM University Milan** guido.ferilli@iulm.it

GIORGIO TAVANO BLESSI, *IULM University Milan** and *University of Bologna*** g.tavano@iuav.it

* Department of Comparative Literature and Language Sciences, IULM University, Via Carlo Bo, 1, 20143 Milano, Italy

** Department of Sociology and Economic Law, University of Bologna, Via San Giacomo, 3, 40126 Bologna, Italy

Abstract

In this paper, we develop a new conceptual framework to describe and analyze the evolution of the relationship between cultural production and different forms and channels of economic and social value creation. We apply our framework to the analysis of European cultural policies, in the context of structural fund programming, and in particular of the evolution of policy priorities across different policy cycles. We show in particular how, in the current Culture 3.0 scenario characterized by novel forms of active cultural participation where the distinction between producers and users of cultural and creative contents is increasingly blurred, new channels of social and economic value creation through cultural participation acquire increasing importance. We characterize them through a 8-tier model, and draw some policy implications for the future European 2021-2027 policy cycle.

Keywords

Culture 1-3.0; Patronage; Cultural and Creative Industries; Active cultural participation; EU; Structural funds programming.

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1. Introduction

Culture-led local and regional development has been in the last two decades a policy and media buzz across Europe and almost elsewhere in the world (Miles and Paddison, 2005), and there is an ample evidence of success stories – as well as of instructing failures – that provides a basis for an understanding of the structural and contextual conditions that enable (or block) culture's capacity to generate social and economic value (Sacco et al, 2009, 2013a,b). Despite this, and especially so in moments of economic stagnation where culture is the natural target of public budget cuts (Rohter, 2012), there is a widespread perception that the role and potential of culture in long-term competitiveness strategies is still seriously under-recognized, and this is especially true for Europe (CSES, 2010).

It is therefore no wonder that culture finds difficulty to gain a place in the top spots of the European policy agenda, and that, as a consequence, there is a negative match between the share of public resources (and structural funds in particular) devoted to the support of cultural activities and initiatives, and the share of cultural and creative sectors in the total EU GDP, despite the latter is today widely recognized in its importance (EY, 2014) – and this is also due to the fact that, for many policy makers, culture has a role in the promotion of social cohesion but less so as a leverage of economic growth (Evans and Foord, 1999). The situation is similar at the level of regional growth and competitiveness strategies, where culture generally occupies at best a modest side seat in the main priorities of EU regional Smart Specialization Strategies (Boix et al, 2014), or merely becomes a tactical expedient for local consensus building (Benito et al., 2013).

How is it possible that sectors with such a central place in the construction, and in the external perception, of European identity, and also certified as to its major contribution to Europe's economy and job creation, is so disregarded in terms of policy and budget priorities? This apparently puzzling state of things is mainly the consequence of a persisting gap in the conceptualization of the role of culture in an advanced, knowledge based economy as it is the European one nowadays. For many decision makers and policy officers operating outside the cultural realm, the cultural sectors are, against the evidence, still and merely a marginal, low-productivity branch of the economy, largely living on external subsidies much more than being able to create economic value endogenously. Not surprisingly, then, as a logical consequence of this wrong conceptualization, cultural activities are commonly regarded as a center of cost to be put under control, and any plea for culture is generally perceived as partisan rent-seeking advocacy.

Whether or not case studies of successful culture-led development of cities and regions are taken seriously generally depends on the attitudes of policy makers at the national level rather than at the local one, with local policy makers behaving as strategic followers (Horrigmo, 2012). Where cultural policy does not manage to conquer the attention of the national political scene, therefore, success stories tend to be ignored,

or at best placed by media and politicians alike under the rubric of the occasional curiosity of little interest outside the sphere of the cultural adepts. The UK and the Nordic Countries are a positive exception in this respect, and recently NESTA has published a study that provides a sound basis for evaluation and comparison between the UK and Continental EU cultural and creative economies (Nathan et al, 2015). The European Commission itself has recently issued a call for tender for a new evaluation study on the European cultural and creative sectors to follow the one originally commissioned in the mid-00s (KEA, 2006). These studies generally make a momentary impression in that they present impressive figures, but as a matter of fact what is needed for them to serve as a basis for continued, long-term oriented policy initiative is a solid strategic vision and background in which they can be framed. And as the latter is generally lacking, one cannot expect that the link between cultural policy and economic development is well represented and clearly reflected in the overall architecture and in the concrete programs of European policy making in the 2014-2020 framework – and this is, sadly, the actual case. Most of the initiative on the theme is today the result of the efforts of a scattered geography of active (and sometimes activist) local organizations and of a small bunch of visionary local policymakers whose main effort is to maintain the focus of the local policy discourse on the cultural agenda, under the perpetual threat that the next turn in the political-economic cycle will revolutionize the local policy priorities and sweep away all past achievements with a single stroke. This is of course particularly true in these national contexts where, as already remarked, culture fails to achieve even a basic legitimization as a relevant policy theme, so that local incidents have little chance to reverberate in, and to receive attention from, national media and opinion makers. The importance of building a nationwide awareness on the policy relevance of culture has been appreciated, for instance, when in 2013 a 100% cut in the cultural budget of Newcastle, one of the UK's recent success stories of culture-led development (Miles, 2005), although not free of controversy (Munzner and Shaw, 2015), was threatened. Major national newspapers immediately took up the story (Clark-Jenkins, 2013), with the result of transforming the total cancellation in a however still shocking 50% cut. And even in a country like UK where cultural policy manages to get the headlines sometimes, the general trend is clearly heading toward a massive downsizing of cultural budgets (Pickford, 2014). Little imagination is needed to realize what is the trend in less cultural policy-savvy EU countries; announcements of cuts – and petitions against them, are by now commonplace in many European countries and regions.

The consequence of this state of things is that Europe is at serious risk of lagging behind in a field that in other countries is the object of considerable strategic and policy focus and attracts relevant resources, such as in dynamic Far-Eastern countries such as South Korea, Hong Kong, Singapore and China, or in ambitious, small Middle-Eastern countries such as Qatar and Abu Dhabi. At the same time, Europe is not the incumbent leader in the global market for cultural and creative contents, where such position is firmly in the hand of the United States, and where Europe would be the closer competitor should it address the market as a single entity. In the current situation, however, the bigger challengers of the USA are Japan and China, with Germany, UK, France and Italy all individually following, more or less at a distance, with future spending trends suggesting that the gap will likely widen, as the Asia Pacific area consistently outperforms Europe in

this regard (McKinsey, 2015). Specifically, as of 2011 among the top 12 countries for global market shares for entertainment and media there were the 5 larger EU creative economies (Germany, UK, France, Italy, and Spain, in this rank order), but overall they did not match the USA market share (29,9 versus an aggregate of 20.9). Moreover, Japan as a solid second with 12% and China as third with 6.8% both outperformed EU's large single creative economy, namely Germany with 6.2% (PwC, 2011). It is interesting to note in addition that, as of 2011, the top 12 countries for contents production accounted for more than three quarters of the whole volume of business in the sectors. New global players such as Canada, Brazil, South Korea and Australia also made the top list, signaling a strong globalization of the cultural and creative arena, and this trend is likely to consolidate in the future, as more emerging, densely populated countries such as India, Mexico or Turkey are considerably increasing both their production and investment focus and their consumption spending in the field.

This latter intuition is further reinforced by zooming down to the urban geographical scale, and looking at the ranking of the top 10 global cities for entertainment and media spending in 2014. It is clear that, in the future, non-European mega-cities will have a larger and larger impact on the global cultural and creative economy, exposing Europe to an increasing competitive pressure (PwC, 2014):

City	Spending (\$ Billion)
New York	19.7
Tokyo	19.5
London	16.3
Seoul	11.9
Hong Kong	9.1
Los Angeles	8.3
Sydney	8.0
Chicago	5.7
Singapore	5.4
Berlin	4.8

The picture that emerges even from the still favorable standpoint of the early 2010s, therefore, is that Europe is already at strong risk of losing relevance and momentum in the global cultural and creative contents arena, and this will be *a fortiori* true in the close future if the major EU countries do not manage to effectively coordinate strategically under a common EU platform. Fragmentation (and small population size) leaves single EU countries below the critical mass level needed to be a leading global player on their own, and this is true in perspective even for Germany and the UK, despite London is sitting firmly in the top ranks of global media and content capitals, also thanks to its role in the world financial system (but with an evaluation of the consequences of Brexit still pending in this regard). With the 2014-2020 strategic programming already well on its way, the long-term priority should then be making the best possible use of current resources and projects to lay the bases for the 2021-2027 cycle, so as to make adequate space for a different role of culture in terms of smart specialization strategies and cohesion policy at the regional level, and of EU competitiveness strategies in the global context.

The present paper offers some preliminary reflections in this respect by introducing a new conceptual framework that allows a better, more focused appreciation of the real contribution of culture to economic and social value creation in the current scenario, and by deriving from it some policy implications of interest. Our framework may provide some useful indication about why the contribution of culture to social and economic development tends to be systematically downplayed by policy makers. Although the logical scope of our framework is in principle not confined to Europe, we feel that an initial reflection upon the European context is particularly useful, in the light of the central role of Europe in the deployment of the cultural production regimes introduced below, and of the pressing EU culture-related policy scenario just discussed. The remainder of the paper has the following structure. Section 2 introduces the conceptual framework. Section 3 uses our conceptual framework for a brief retrospective analysis of the role of culture in the EU structural funds programming to pinpoint its critical aspects and its limitations. Section 4 explains why the issue of cultural participation takes a new, central role in the current cultural policy context. Section 5 presents a discussion of the channels through which cultural participation becomes a source of social and economic value. Section 6 draws the policy implications and concludes.

2. Background concepts: from Culture 1.0 to Culture 3.0

The misconceptions about the role of culture in the contemporary economic context can be traced back to the persistence of obsolete conceptualizations of the relationship between cultural activity and the generation of economic (and social) value added. To illustrate this point, it is necessary to sketch out a very basic account of the evolution of the relationship between the two spheres, of course keeping in mind that this is by necessity a crude reconstruction, that omits many aspects that would acquire primary relevance in a more comprehensive account. Such a level of analysis would however largely exceed the space limitations and scope of the present paper.

The emergence of a structured model of relationship between cultural production and the socio-economic context has been a long and complex process of social evolution, that is deeply intertwined with the very construction of human relational structures and with the development of human cognition (Dissanayake, 2000). The socially embedded nature of cultural and artistic production in a grassroots regime has largely done without, for a very long phase of human history, the social recognition of culture as a clearly singled out, socially legitimized sphere of activity, even in already advanced socio-economies such as those of the Ancient Empires – where the arts were flourishing, but were also mainly instrumental to the celebration of political and religious power. Cultural production abilities had a prominent role in many different spheres of the Ancient Empires social and economic life, from court entertainment to crafts (Hauser, 1999), but the only meaningful identity to be recognized, celebrated and transmitted in relation to such activities was that of the King itself, with the artist remaining a humble, generally anonymous presence. The identity and the social role of the artist are gradually defined in classical Greece (Wilson, 2000), and find their full-fledged formulation with the patronage model of Imperial Rome (Bowditch, 2001).

For many centuries, artistic and cultural production as a clearly identified, socially legitimized sphere of activity has been structured according to what we could call the Culture 1.0 regime, which is founded upon the concept of patronage. The Culture 1.0 regime is typical of a pre-industrial economy. In this context, culture is neither a proper economic sector of the economy, nor it is accessible to the majority of potential audiences. The actual provision of culture is secured by the individual initiative of patrons. In its classical form, patronage is the initiative of individuals with large financial possibilities and high social status, who derived their wealth and status from sources other than cultural commissioning in itself, but decided to employ some of their resources to secure to cultural producers the material means to make a living, thereby getting the possibility to enjoy the outcome of creative production and to share it with their acquaintances. Patronizing culture, of course, may be an effective means for reinforcement of the patron's social status and reputation, and may assume a highly sophisticated strategic character, such as in the forms of patronage of the Middle Age and, even more, of the Renaissance (Pommier, 2006; Settis, 2010). But this is made possible by the availability of resources that are generated outside the cultural sphere, so that cultural production here entirely lives on some form of external subsidies, and could not survive otherwise. In the patronage relationship, moreover, the wage of cultural producers tends to be regarded not as part of a market transaction, but rather as a sort of symbolic, mutual exchange of gifts between the patron and the artist (McLean, 2007) – a practice that still survives in some cultural realms (e.g. Velthuis, 2005), and finds intriguing applications in new, culturally-mediated social platforms (Bergquist and Ljungberg, 2001). Clearly, this model can support only a very limited number of cultural producers, who entirely live upon the discretionary power of the patron, and very limited audiences. Both the production of, and the access to, culture are therefore severely limited by economic and social barriers.

With the massive social changes associated to the industrial (economic) revolution and with the concurrent bourgeois (political) revolutions that led to the birth of the modern nation states, we witness a widening of the cultural audiences, made possible by a few concurrent circumstances (Gillis, 1977). First, with the bourgeois revolutions, and thus with the questioning of the many privileges of the ruling classes, a new view emerges that gradually legitimizes access to culture as a universal right that is part of the very idea of citizenship (Duncan, 1991). Second, with the steady improvement of the living conditions of the working classes, there is a corresponding increase in the willingness to pay for some forms of cultural entertainment (Sassoon, 2006). Access to cultural goods and opportunities, however, remains limited until the outbreak of the 'cultural' industrial revolution occurring in the decades just before and after the turn of the XX century, which create the technological conditions for the full emergence of cultural mass markets (Sassoon, 2006). Even before this crucial phase, however, with the development of the modern nation states new forms of 'public patronage' emerge, with the state allocating public resources to the support of culture and the arts to the benefit of the society – and thus, it becomes possible to speak of cultural public policies, and of the corresponding cultural policy models (see e.g. the seminal taxonomy of Hillman-Chartrand and Mc Caughey, 1989), which articulate public initiative in the cultural field in a variety of country-specific ways: 'facilitator', 'patron', 'architect', 'engineer', 'elite nurturer', and so on (e.g. as in the adapted version of

Craik, 2007), which allow for a considerable amount of local diversity in terms of mission, organization, design, effectiveness, etcetera.

It is important to stress that the current notion of cultural public policy is still mainly rooted in the Culture 1.0 (pre-industrial) regime, however evolved, although the debate on its role and scope in industrially advanced societies has a long and complex history (Goodwin, 2005). The patronizing role is no longer exclusively in the hands of single individuals (even when they incarnate political institutions, as for Renaissance Princes or modern Kings), but becomes a public function, although in ways and forms that are strongly sensitive to the socio-economic history of European nation-states (Dubois, 2014). Culture, on the other hand, is still an economically un-productive activity, which absorbs resources produced in other sectors of the economy. With the ‘cultural’ industrial revolution that occurs around the turn of the XX century, however, the technological possibility of cultural mass markets becomes a reality, with the introduction of modern rotary printing, photography and cinema, recorded music, radio broadcasting, and so on (May, 1980). This allows not only to deliver new cultural products, but also to make them available to much wider audiences, at increasingly affordable prices, and through the development of new, tailor-made business models and strategies (Hirsch, 1972): The transition to the Culture 2.0 regime is finally possible.

In the Culture 2.0 regime, audiences expand significantly, whereas cultural production is still severely controlled by entrance barriers as the access to productive technologies is difficult and financially expensive, so that would-be cultural producers are filtered by complex selection systems, that differ from one cultural sector to another. Culture 2.0 is a new form of the relationship between cultural production and the generation of economic value, that is dominated by the expansion of the cultural and creative industries (Hesmondhalgh, 2002). Unlike Culture 1.0, in Culture 2.0 there are actually cultural and creative activities that produce economic value and are even profitable, but they are confined within a specific sector of the economy and, at least initially, a minor one if compared to more conventional manufacturing sectors – they are just a branch of the entertainment industry, and a relatively small niche at the macroeconomic scale.

The idea of cultural mass production that became possible in the Culture 2.0 regime was far from universally welcomed in Europe (Bilteyreyst et al, 2012), as it represented a direct challenge to the existing systems of control of cultural production, and of legitimization by the gatekeepers of publicly patronized resources (Bourdieu, 1984) – and as it could be regarded as a powerful tool of mass manipulation and deception of uneducated large audiences (e.g. Adorno and Horkheimer, 1993 [1944]). However, in the USA such concerns were much less relevant due to the lack of preexisting constraints brought about by an idealized, anti-commercial notion of culture nurtured by centuries of patronage and strategic gatekeeping by cultural elites. Quite to the contrary, the need to build up a fresh national narrative for a rapidly emerging global power such as the USA at the turn of the 20th century, found in the nascent cultural industry the ideal platform (Robinson, 1996). The enthusiastic adoption of the cultural industry in its heroic phase thus marks even further the distancing from European culture, its intimidating highbrow rituals, and its strong defense of a paternalistic, publicly funded and monitored governance of cultural production.

The undisputed leadership of the USA on the cultural industry of the 20th century is a consequence of this crucial passage: the demise of market-oriented cultural production in Europe (Thompson, 1999), despite the fact that most of the technological innovations behind the cultural industry revolution were developed in Europe, and despite its so far undisputed global leadership in the cultural sphere (also as a consequence of the dominating colonial rule of the 19th century). The concurrent, major effort toward the development of a mass-oriented cultural industry in the USA enabled the latter to seize the opportunity set forth by the rapid global growth of mass cultural markets almost without a competition, and to transform Europe itself in an export market for the US new cultural content (Ulf-Møller, 1999). In Europe, significant cultural and creative industries were flourishing nonetheless in all major fields – publishing, music, cinema, radio-television, as well as in design, fashion, and communication that belong to the complementary creative sphere (Throsby, 2008a) – but their relationship with the main non-industrial fields of the cultural core, the ones which identify more with the European cultural tradition (visual arts, performing arts, heritage) remained contrived, and at times controversial still today. Moreover, the success parameters for European cultural industry are much less directly identified with market performance with respect to the USA: gatekeepers approval and cultural stigma consistently played and still play a major role, and for cultural producers ‘excessive’ market success and recognition may even be regarded by peers as a sign of capitulation of artistic excellence to the lure of ‘commercial’ culture.

Only recently Europe has fully realized, and acknowledged, the developmental potential of cultural and creative industry (Howkins, 2001), but the gap opened by decades of feeble, discontinuous initiative as opposed to the pervasive control of the market consolidated by the USA through decades of consistent strategies and investments cannot realistically be closed anytime soon (Martel, 2010). This recent (re-) discovery of the economic potential of cultural and creative industries in Europe – with creative industries, in particular, gaining central importance for their (less than obvious but) understandable connection to the tradition of historical European manufacture – may be seen as a mature development of the Culture 2.0 regime (Pratt, 2009). In this phase, public policies are increasingly addressing not only issues of enhancing access of audiences to cultural products and experiences, but also of enhancing productive and entrepreneurial capacities in these sectors, due to the growing if politically uneven recognition of the relevance of their contribution to the national GDP (Flew and Cunningham, 2010). A drawback of an excessive focusing on the economic potential of cultural and creative industries, however, is the misleading emphasis given to the profitability of the single value chains, which causes the concentration of resources toward the almost exclusive support to the best performing sub-sectors at the expense of the others, with the consequence of threatening the viability of the whole industry, in view of the complex cross-cutting relationships that tie the various sub-sectors together (e.g. Throsby, 2008b).

Designing appropriate policies for the cultural industries is a particularly difficult task in view of the specificities of these sectors, that can hardly be compared to traditional productive sectors and which requires an entrepreneurial culture that in Europe has developed relatively late, and with difficulty (Hearn et al, 2007). In particular, to understand the industrial organization logic of cultural and creative sectors,

making reference to standard economizing models of profit maximizing, instrumental rationality turns out to be partially misleading (Markusen et al, 2013). In the cultural and creative sphere, expressive rationality, intrinsic motivation and social exchange are essential aspects, which often lead to forms of interaction which are not mediated by markets (e.g. Potts et al., 2008). But in spite of the short lived history of Culture 2.0, a new wave of technological innovation is already kicking in, and laying down the tracks for the transition to a further regime, that we call Culture 3.0, and which is still in its preliminary stage, so that we could characterize the present moment as a complex, transitional situation.

The new regime is characterized by a wave of innovations that, unlike the previous one that gave rise to cultural industries at the beginning of the 20th century, is no longer mainly focused upon an expansion of the demand side, and thus of the size of the audiences, but is driven by a structural transformation of the production side. The technologies behind the birth of the cultural industry (radio, television, cinema, photography, recorded music, industrial printing) are all centered upon the massive, and cheap, *reproduction* of content: They make access to cultural content much easier, and affordable. What the technologies that characterize the new wave of innovation are doing, instead, is mainly making the *production* of content easy and affordable (Manovich, 2009). Today, everyone can easily have access to production technology that allows professional treatment of text, still and moving images, sound, and multimedia with impressively quick learning curves, at very cheap prices, and dispensing with bulky tech equipment – something that, before the explosion of the personal computing revolution, and thus no longer than a couple of decades ago, would have simply been unthinkable (Sperlich, 2011). Thus, if the Culture 2.0 ‘revolution’ has been characterized by an explosion of the size of cultural markets, the Culture 3.0 ‘revolution’ is characterized by the explosion of the pool of producers, so that it becomes increasingly difficult to draw a fully meaningful distinction between cultural producers and users themselves (Potts et al, 2008): They tend to become interchanging roles in a given spectrum of possibilities where, depending on circumstances, one accesses the contents produced by someone else, or circulates own content to others, generally through the same platforms (van Dijck, 2009).

In this new scenario, moreover, the predominant role of cultural markets as distributional channels of content is increasingly challenged by the diffusion and expansion of digital platforms where communities of practice self-organize around production and sharing of certain types of contents, and where members interact on the basis of non-market-mediated exchanges – a new natural possibility that is in-built in the very architecture of digital online platforms, and that still leaves ample space for free appropriation by profit oriented platform providers (Postigo, 2016). The hallmark of the new Culture 3.0 regime is thus the transformation of audiences (who are still the target reference of cultural industry in its traditional form) into practitioners (thereby defining a new, fuzzy and increasingly entangled notion of authorship and intellectual property). Access to cultural content loses its traditional passive, appreciative stance and becomes a form of creative appropriation by users (Valtysson, 2010). That is, access stimulates individuals to acquire skills to assimilate and manipulate in personal ways the cultural contents they are being exposed to (Winter, 2012). Rather than just listening to stories, people now want to participate to the narration directly, and to opine

upon the direction the story is taking. The other hallmark of this phase is the social pervasiveness of cultural content production and dissemination, which ceases to be a specific form of entertainment to become an essential ingredient of the texture of everyday life, as it is by now particularly apparent in consumption practices (McCracken, 1986).

Culture 3.0 thus irreversibly transforms what was previously a separate macro-sector of the economy, the cultural and creative industry, into an ecosystem whose relationships with the rest of the economy (and with society) are increasingly layered and pervasive, and whose ultimate understanding requires a sophisticated, systemic representation of the structural interdependencies between the cultural and creative fields – which are already highly interdependent among themselves – and the other sectors of the economy. This change of perspective has especially important consequences for an effective approach to policy design in a strategic programming perspective.

3. The consequences of the Culture 2.0-3.0 transition on structural funds programming

Comparing the 2000-2006 and the 2007-2013 cycles of structural funds programming, it is relatively easy to notice a shift from a tourism-centered to a cultural industry centered perspective of the role of cultural and creative production in fostering economic development (CSES, 2010). This shift clearly reflects a parallel shift from an advanced Culture 1.0 perspective to a Culture 2.0 one. In the (advanced, public patronage) Culture 1.0 perspective, culture is not economically productive – and, according to someone, *should not* be so. Therefore, in order to generate economic effects, culture may only act as a driver for the generation of value in complementary sectors – and the typical one that can perform such a function is tourism (Richards, 1996). In particular, even if museums and cultural facilities cannot generally survive without the help of public funding, it is nevertheless the case that, by attracting large tourist flows, such activities generate an indirect impact upon the local economy in terms of tourist expenditure for local goods and services (Milne and Ateljevic, 2001). Interestingly, although the 2000-2006 policy cycle was, from the chronological point of view, already sitting in a time range where the effects of the Culture 3.0 regime were beginning to materialize, in terms of conceptual reference it still basically relied upon a Culture 1.0 vision – a clear example of the already mentioned conceptualization gap that afflicts analysis and policy design in the cultural and creative sectors. As a consequence, most of the projects carried out during this cycle attempted at implementing such tourism-focused types of local development mechanisms, and the very policy guidelines of the programming reflected this same orientation.

In the 2007-2013 cycle, however, there is a sudden takeover of the Culture 2.0 perspective. As a consequence of the publishing of the KEA (2006) study, it becomes apparent that cultural and creative production is a major economic driver per se, and consequently we witness a multiplication of projects that aim to develop specific systemic aspects of the cultural and creative industries – from entrepreneurship to employability, from skills development to technological innovation, and so on (Power and Nielsen, 2010). Despite their considerable potential and promise as a highly dynamic macro-sector that can contribute to pull the European economy out of the low-growth trap, cultural and creative industries need however a more

solid rooting within the broader economic and social context, and this target has been largely missed by the 2007-2013 programming. Moreover, the need to emphasize the contribution that the cultural and creative industries are giving to the European GDP is leading to a once again suspicious and defensive attitude toward the wave of cultural innovation that is building up under the Culture 3.0 regime, in that the latter is seen to threaten the profitability of cultural and creative companies as it inevitably risks to jeopardize traditional forms of intellectual property enforcement, and moreover provides valid non-market alternatives to the access of contents, not to speak of their appropriation and creative manipulation (Lessig, 2008).

The legitimate ambition to defend European content industries, which are struggling in the current global arena also due to Europe's lack of strategic coordination among players from different member states operating in the same fields and targeting the same export markets, may therefore result in missing even bigger opportunities related to smart adaptation to the deep, disruptive structural transformations that will likely fully reshape cultural and creative production and access practices in the years to come – calling for new business models, corporate cultures, and possibly even organizational forms. And this will also entail, most likely, a profound rethinking of the whole structure of intellectual property protection and enforcement. If Europe is still dubious and uncertain as to whether to follow this route, other competitors, and especially the emerging ones, are exploring it with little hesitation (Lim et al, 2015).

Also, in its drive toward a more competitive cultural industry, Europe is disregarding those forms of cultural production, such as visual and performing arts and heritage, that are in the cultural core and cannot be properly industrialized, and yet constitute the backbone of European cultural identity, and a key arena of cultural experimentation and innovation of which also the cultural industries largely benefit (Garnham, 2005). It is already clear that the 2014-2020 programming cycle can only partially address these concerns, and that the issues just raised are in fact biting in the current phase. The 2014-2020 programming is giving emphasis to the cultural and creative industry, but the approach is traditional and seems to reflect much more a mature Culture 2.0 vision than the transitional phase toward Culture 3.0 we are currently experiencing. Moreover, the scope for innovative cross fertilization between the non-industrial cultural core and the cultural and creative industry is too limited in the current framework, and plays a marginal role, that is only partially mitigated by pioneering initiatives like STARTS, where the strategic complementarity between science, technology and the arts in European programs is both conceptually postulated and explored through concrete projects (EC, 2014a). The best that can be asked, then, to the residual period of the 2014-2020 cycle is, as already mentioned, to prepare the conditions for the next one, where a more responsive strategic attitude is developed and coherently pursued. This requires, in the first place, to abandon obsolete conceptions of the cultural and creative industries as a specific macro-sector of the economy, and the corresponding conception of the demand side as a preferentially market-mediated audience. What is needed instead is to reason in terms of the structural inter-dependences between the cultural and creative sectors and the other economic and social sectors, and in terms of the demand side as a partially market-mediated pool of practitioners, increasingly interested in active cultural participation and access. Effective policies, then, have to address this new scenario in order to facilitate the transition toward the new regime, to invite European

players to reshape their strategic vision accordingly, and to expand the social and economic impact of the new cultural production and dissemination regime on European economies and societies through suitable, state of the art competitiveness and social cohesion policies. What we need now is therefore to consider the new scenario and its implications in some more detail.

4. The strategic importance of active cultural participation

A clear signal that there is a widely felt need to overcome the traditional Culture 2.0 focus on the mere sectorial growth of cultural and creative industries is that, in making a case for the developmental role of this macro-sector, increasing attention is being paid to the effects that it may produce in terms of creative spillovers positively affecting *other* sectors (e.g. Bakhshi et al., 2008). So far, however, arguments about the spillover effects of culture and creativity have been brought about rather un-systematically, namely, without a well-defined conceptual background, and this has not helped to capture the attention, let alone to convince, policy makers. But reasoning in terms of the Culture 2.0-3.0 transition may help explain more effectively, and specifically, why and how culture matters for the general economy.

The key of the argument lies in shifting the focus from the economic outcomes of cultural activity to the behaviors that cause them: In order to understand the effects of culture outside of the cultural sphere, we have to consider how cultural access changes the behavior of individuals and groups (Duncum, 2011). One of the most evident effects has to do with the cornerstone of the Culture 3.0 regime: Active cultural participation. By active cultural participation, we mean a situation in which individuals do not limit themselves to absorb passively cultural stimuli, but are motivated to make use of their skills to contribute to the process: Not simply hearing music, but playing; not simply reading texts, but writing, and so on. By doing so, individuals challenge themselves to expand their capacity of expression, to re-negotiate their expectations and beliefs, to reshape their own social identity. We can consider this behavioral dynamic as an advanced, knowledge-society instance of the capability building process highlighted by Amartya Sen (2000) in his seminal work, suitably matched with research insights on the vocational socio-psychological dimension of learning (e.g. Billett, 1994). In particular, it is important to stress that capability building and skills acquisition is not merely an individual activity, but a highly social one, and crucially depends upon the social environment in which individuals are embedded (e.g. Greenfield et al., 2003). As a consequence, in social contexts marked by a strong positive orientation toward active cultural participation (and thus by strong social incentives in this regard), it is much more likely that individuals will be interested in active socio-political participation, and vice versa.

The interesting aspect of active participation is that individuals are not simply exposed to cultural experiences, but are encouraged to explore and customize the rules that generate them – they can learn to play with the ‘source code’ that is behind the generation of cultural meaning. Active participation, on the other hand, fosters further interest and curiosity toward exploring cultural expressions from others: A classical virtuous social circle of capability building, human development and social cohesion. In the Culture 3.0 context, then, individuals organize their cultural interests as intermittent runs of expression and reception,

i.e. moments in which they are active and ‘transmitting’ and moment in which they are passive and ‘receiving’, as equally necessary aspects of cultural participation. The acquisition of cultural skills motivates them to develop capacity for expression, raises the level of attention and critical filtering toward the received contents, prompts further willingness to transmit new contents, and so on, thus paving the way for a variety of new forms of open innovation and co-creation (Tapscott and Williams, 2006), for the increasing role of social media platforms (Solis, 2011), for all forms of knowledge-intensive and experience-intensive socio-economic practices (Pine and Gilmore, 2011), etcetera – a social efflorescence of which we are currently likely witnessing just the very early developmental phases.

Some of the positive systemic effects of cultural access can be generated also within a traditional mode of passive reception, that is, still within the passive audience mode, but until we limit ourselves to this (obsolete) perspective, we are unable to appreciate the whole picture, but only grasp details. There are at least eight different areas in which cultural participation can cause significant macroeconomic effects that have not to do with its direct impact in terms of economic turnover and employment level of the cultural and creative industries, and which at the same time can be crucially boosted by strategic complementarities between such areas and the cultural and creative sphere, via active cultural participation. We briefly survey them in the next section.

5. The power of cultural participation: An 8(+1)-tiers approach

A detailed discussion of the theoretical foundations of the structural interdependencies that we present in this section is outside the scope of the present paper, which rather aims at providing a concise picture of the manifold social and economic impacts of cultural participation. The reader is invited to go through the references for more detailed accounts, analysis, and data.

When reasoning about the spillover effects of culture, the first area that comes to mind, and the one upon which so far the most efforts have concentrated, is *innovation*: Not simply *within* the cultural and creative sectors, but in the economy as a whole (e.g. KEA, 2009). And in fact there is an interesting literature that is beginning to shed light upon this important functional link (Bakhshi et al., 2013). Here, the effect of active cultural participation may be especially appreciated. By having a chance of direct involvement in (and of active experience of the rules of) creative content production, individuals learn how innovative meanings and practices can be constructed, and how they can challenge and de-structure previous beliefs, prejudices, and attitudes (Gruenfeld, 2010). The more such activity is pervasive at the social level, the more the socio-cognitive effects of cultural participation in terms of attitudes toward innovation and change become relevant and visible. As argued by Phelps (2013), massive bottom-up capability building is the most effective route to the creation of an innovation-driven economy and society. And since innovativeness has not simply to do with R&D labs distilling new ideas, but with deploying effective social transmission chains that facilitate the translation and implementation of new ideas into business practices through the cooperation of a myriad of social and economic actors (one may then speak of ‘innovation systems’, see Carlsson et al. 2002; see also McElroy, 2001; Boschma, 2005), it is impossible to dismiss the importance of achieving and strengthening a

favorable societal orientation toward innovation. Likewise, the implications of the latter in terms of enhancement of several dimensions of competitiveness are widely agreed upon. Through its (still very underrated and scarcely investigated) impact upon orientations toward innovation, active cultural participation might in principle bring about indirect macroeconomic impacts which could possibly compare, as to the order of magnitude, to the direct economic turnover of the cultural and creative macro-sector, although an appropriate measurement approach in this field has not been fully developed yet.

We can thus argue that cultural participation may act as a driver of endogenous economic growth (Sacco and Segre, 2009, Bucci et al, 2014) in ways that are complementary to the ones already extensively studied and documented for education. Despite supporting evidence for this claim is still partial and fragmentary, mainly due to lack of specific research on the topic, it may be interesting to consider a comparison between the rankings of EU countries in terms of their innovative capacity as measured by the 2014 Innovation Union Scoreboard metric (EC, 2014), and of the Index of Cultural Practice as measured by the Eurobarometer (2013) survey. By dividing each ranking into three performance classes (top, average, bottom), the following classification of EU countries emerges:

Top performance in both innovation and cultural practice	Sweden Denmark Netherlands UK Ireland Luxembourg France Germany
Top performance in innovation and average performance in cultural practice	Finland Belgium Austria
Top performance in cultural practice and average performance in innovation	Spain Estonia
Average performance in both innovation and cultural practice	Slovenia Malta Croatia Italy Czech Republic
Average performance in innovation and bottom performance in cultural practice	Cyprus Portugal Greece Slovak Republic Hungary
Average performance in cultural practice and bottom performance in innovation	Lithuania Latvia Bulgaria Romania Poland

It is interesting to notice how, despite the two indicators apparently measure completely different phenomena, there is a clear association among variables, which establishes a distinctive pattern across EU countries. In particular, no country that is a top performer on one dimension is a bottom performer on the

other, and vice versa. Moreover, a geographical divide between Northern Europe on the one side, and Southern and Eastern Europe on the other, clearly emerges from the data. This is only a preliminary remark that does not imply any specific causal direction between the two variables, but nevertheless it provides an intriguing basis for more systematic research, and in particular for the possible role of active cultural participation as a stimulator of societal innovation thinking (Root-Bernstein 2003; Root-Bernstein et al, 2013), and even more fundamentally as a social platform of pre-innovation.

A second important link has to do with the politically critical notion of *welfare*. There is an impressive amount of evidence that cultural participation may have strong and significant effects on life expectation (e.g. Koonlaan et al., 2000), but more recent research seems to suggest that the impact is equally strong in terms of self-reported psychological well-being (Grossi et al., 2011, 2012; Wheatley and Bickerton, 2016). In particular, it turns out that cultural participation is the second predictor of psychological well-being after (presence/absence of) major diseases, and in this respect has a comparable impact to income and a significantly stronger impact than variables such as place of residence, age, gender, or occupation. The effect is particularly strong for the seriously ill and the elderly, where psychological well-being gaps between subjects with cultural access and subjects without cultural access is huge. Moreover, the effect of social relations on the well-being consequences of cultural participation is relevant: for a given level of cultural participation, the impact of well-being is significantly larger in high cultural participation social contexts than in low cultural participation ones (Tavano Blessi et al, 2016).

These preliminary results suggest that another very relevant link of positive spillovers from cultural participation might be in terms of *cultural welfare*: If cultural participation strongly affects the perception of well-being of the ill and the elderly, and provided that welfare treatment costs are one of the major sources of public finance deficits in the EU, it is possible that through a suitable culturally-oriented prevention strategy, if this causes even a small reduction of the rates of hospitalization and of the resort to treatment across such categories, there could be a huge saving of public resources that could, at the same time, finance the program itself, be partially relocated to other uses and substantially improve the level of life satisfaction of categories of citizens in critical conditions, such as the elderly (Noice et al, 2014). Some preliminary evidence in this regard (Crociata et al., 2014), shows how, based on Italian census data, higher levels of cultural participation have a positive impact on discharge rates from mental illness treatment. Once again, we face here a prospect of a new area of cultural policy action with potentially significant macroeconomic effects – and in addition one that can disclose new kinds of careers and opportunities for cultural professionals.

A third important link has to do with the theme of *sustainability*. The increasing emphasis on the social dimensions of sustainability as highlighted by Agenda21 has sparked a reflection on the extent to which socially transmitted behaviors, habits and customs may influence the effectiveness of resource saving programs and strategies. In this respect, however, attention has been mainly devoted to traditional forms of social mobilization (e.g. Schmidt et al., 2006). But again, cultural participation may have an important indirect role in fostering social mobilization and awareness about the social consequences of individual behaviors related to environmentally critical resources. For instance, working on data from the Italian

Multipurpose Survey from the National Institute of Statistics (ISTAT), Crociata et al. (2015) have proven that there is a strong association between cultural participation and effectiveness of differentiated waste recycling. Moreover, the social dynamics of recycling behavior seems to be sensitive to proximity effects (Agovino et al, 2016; Crociata et al., 2016), so that there can be a potential for combined action of cultural policies improving cultural participation and the socio-spatial transmission of pro-social (environmentally responsible) behaviors. Once again, the likely reason is that the acquisition of competences and skills from cultural practice may spill over significantly in terms of individual capacity of successfully classifying and stocking different types of waste, and more generally in terms of individual awareness of the social value and impact of acting responsibly with reference to environmentally sensitive matters.

A fourth important link is to *social cohesion*. There is again an ample evidence showing how certain types of cultural projects may produce strong and significant effects in terms of juvenile crime prevention, prosocial vocational orientation, or conflict resolution (Hollinger, 2006; Washington and Beecher, 2010; Buendía, 2010). Interestingly, once again these projects are focused on experimentation with new methodologies in juvenile education and vocational orientation based upon active cultural participation. We are currently already beyond the exploratory phase in this field, so that some of the most successful projects are now providing the basis for coherent policy approaches, as in the case of musical education and juvenile orchestras (Majno, 2012). As far as music is concerned, it has been proven that joint music making in early childhood is effective for the promotion of pro-social behavior (Kirschner and Tomasello, 2010), and therefore musical education can legitimately be regarded as a key component of a new generation of social cohesion strategies. If one relevant effect of active cultural participation on social cohesion is in terms of human development, for instance by driving infantile and youth developmental self-esteem in subjects at high social risk of deviance onto a constructive rather than self-destructive path, another, equally relevant one concerns building a capability basis for intercultural dialogue and exchange (Crosbie, 2014) – a theme that in Europe's current socio-political context acquires an unprecedented importance. In this regard, the indirect effect of cultural participation is creating the basic trust conditions for dialogue through appreciation of cultural diversity and the overcoming of negative social stereotyping (e.g. Amin, 2002), often linked to ethnicity factors (e.g. Madon et al. 1998).

There have been strategic approaches to cultural infrastructure building that have explicitly taken into account the social cohesion dimension and have addressed it in systematic ways, as in the case e.g. of the *Maisons Folie* network of cultural facilities created by the Région Nord-Pas de Calais in the context of the Lille 2004 European Culture Capital program (Paris and Baert, 2011). The most successful *Maisons* have become spaces of multi-cultural interaction and social exchange in socially critical areas, facilitating mutual knowledge and acquaintance of people belonging to different, and often mutually segregated, ethnic communities. The indirect effects of cultural participation on social cohesion are due to the fact that increased participation provides individuals and groups with new skills to conceptualize and understand diversity, and to reprogram their behavior from defensive hostility to communication, while at the same time uncovering new possibilities for personal development (Phinney, 1996). Looking at the costs of inter-ethnic

and inter-cultural social conflict across Europe, this area qualifies as one of the most promising and urgent in terms of a reformulation of the cultural policy agenda – and of the corresponding macro impact.

A fifth link is with *new entrepreneurship models*. There is a clear perception that the cultural and creative field may be a powerful incubator of new forms of entrepreneurship (Scott, 2006; Eikhof and Haunschild, 2006), and the rapid growth of the online content industries, just to make a particularly evident example, is creating the stage for a new entrepreneurial culture with a strong generational identification (Mason, 2008). At the EU level, this scenario is being taken seriously enough (CSES, 2010), but the development of creative entrepreneurship still lags behind substantially if compared to the attention and resources devoted to development and support of entrepreneurship in other sectors of the economy (Lange, 2011). Most importantly, making space for a new, successful generation of creative entrepreneurs in Europe is essential to secure the future competitiveness of European cultural and creative productions, and more generally a relevant component of a possible European leadership in the emergent knowledge economy (Mould et al, 2009). Of special interest is also the fact that these new forms of entrepreneurship could improve significantly the employability of graduates from the humanities sectors, which are commonly considered to have a weaker employability potential than the graduates from quantitative and technology areas in more traditional spheres of innovative entrepreneurship (Cunningham, 2004).

The sixth, further major link is with *lifelong learning* and the development of a learning society. The connection between effectiveness of lifelong learning and intelligence, meant as the development of capacities allowing the successful adaptation to, selection and shaping of the environmental context, has been well established (Sternberg, 1997), and again there is a clear connection between the evolution of this form of intelligence and acquired cultural capital (DiMaggio, 1982), an effect that may be regarded as a consequence of strong evolutionary selection pressures (Herrmann et al., 2007). The association between active cultural participation and lifelong learning is thus a pretty natural one, and unlike others is not particularly surprising. In fact, one might even think of active cultural participation as a specific form of lifelong learning (Sherman, 2006). It is however an open and interesting point to check whether, and to what extent, one actually finds out a strong and stable association between breadth and effectiveness of lifelong learning programs and (active) cultural access figures, and research on this topic would be of great interest, not to speak of its implications in terms of synergies between educational and cultural policies, and of corresponding endogenous growth mechanisms. As lifelong learning is in turn well targeted by structural funds programming and takes a central place in EU long-term strategies (e.g. Jones, 2005), it could be of interest to launch innovative programs and actions that exploit the strategic complementarities between lifelong learning programs and cultural communities of practice (Lave, 1991), as experimentations of advanced platforms of educational services and of cultural and creative production at the same time.

A seventh link is with *soft power*. Starting from the seminal work of Nye (2004), there is today a strong awareness of the potential of cultural and creative production in contributing to increase the visibility, reputation and influence of a country at all levels of international relationships, from the political to the economic (Froese and Kishi, 2013), and to the social (Yun and Kim, 2008). The effective deployment of soft

power may open up new markets to national products through the identification and emulation dynamics which are typical of post-industrial consumption (Jaffe and Nebenzahl, 2006), may attract more visitors (Hollinshead and Hou, 2012), talents and investments (Hill and Beadle, 2014), may stimulate new, sophisticated strategies of value creation through branding and marketing tools (Solomon, 2014). The Monocle-Institute for Government soft power index (McClory, 2010, 2013) reveals how, at the beginning of the current decade, EU countries stably occupy 6-7 among the 10 top positions in the global soft power ranking, but the scenario is rapidly evolving and many non-European new champions are challenging the historical incumbents such as major European countries, USA and Japan – for example, South Korea's *Hallyu* (Korean Wave; see e.g. Dator and Seo, 2004; Huat and Iwabuchi, 2008), or Australia (Reilly, 2015); Canada (Potter, 2009); and New Zealand (Butcher, 2012). As with the lifelong learning link, the relationship between soft power and cultural and creative production (and participation) is so strong and direct that it does not need extensive justification. What is less mechanical, however, is finding out effective ways of mainstreaming a country's cultural and creative contents to global cultural and economic platforms (Ang et al, 2015). In this field, a primary role is played by national cultural diplomacy networks (British Council, Alliance Française, Goethe Institut, IFA etc.). At the EU level, after a long period of neglect of European-focused forms of soft power (Kouri, 2014), there has been a recent launch of a major initiative in cultural diplomacy (EC, 2016), significantly repositioning Europe in the emerging scenario of strongly multipolar soft power (Plagemann, 2015). This is therefore another area where investing in cultural production and participation will likely cause relevant indirect macro effects on Europe's competitive potential, visibility, and socio-political influence.

Finally, an eighth link can be traced to *local identity*. In recent times, considerable emphasis has been put on the role of new, spectacular cultural facilities in the catering for global visibility of urban or regional milieux (e.g. Plaza, 2008), and more generally on the role of culture in re-defining the social and symbolic foundations of place, let alone its development model (e.g. Evans, 2009). This is probably one of the best understood indirect macroeconomic effects of cultural production and participation, but it is worth to remark how such effect has been often misread as the last version of a commodified economy of mass spectacle (as denounced e.g. by Gotham, 2002). Quite the contrary, the developmental potential of a culturally-rebuilt local identity, if any, lies in the capacity to stimulate new, inclusive dynamics of production of cultural content and new modes of cultural access by the local community (Ferilli et al, 2016), as a consequence of the new opportunities created by the attraction of outside resources, as it has been for instance the case with the already cited NewcastleGateshead urban renewal strategy (e.g. Bailey et al, 2004). The crucial developmental impact of culture on local identity is to enable the community to recover a long-term view of its development, and to elaborate visions and make choices accordingly. One of the major factors of crisis of contemporary Europe is the overwhelming influence of very short-term concerns on the public agenda, which paves the way to populism and instrumental conflictual local narratives (Bornschier, 2010). In this respect, for instance, serious gaming may become a very practical and useful tool to invite residents to new forms of active, playful cultural participation allowing them to look at their own local reality through the

eyes of other ethnic groups and/or from a totally different socio-economic perspective than their familiar one (Valdez Young, 2015), or to be fully engaged in the co-design of public space and facilities (Poplin, 2014). In this sphere, the controversy upon the effectiveness and focus of European cohesion policy (Farole et al, 2011) makes it particularly evident how necessary it is to pour new energy into the civic foundations of European societies as a basis to revitalize local identities and to contrast the idea of Europe as a remote technocracy, not in sync with the lives, concerns and issues of European citizens (Stie, 2013). Rather than helping marginal territories to regain confidence and energy, and contrary to stated intentions and goals, European policy discourses on local identity have de facto been unable so far to counter nostalgic or self-segregating narratives of ethnicity and particularism (Philippou and Theodorou, 2014), as well as vicious circles of local identity impoverishment and stereotyping for the purpose of tourist attraction (Canavan, 2013). A major rethinking is then called for, in terms of responsible re-appropriations of community assets (Zhu, 2012). A new generation of participatory development projects based upon bottom-up creation of culturally mediated social capital might be particularly effective in this respect (Sommer, 2014). Rather than breaking new ground, in this case the role of active cultural participation may be that of refocusing already ongoing programs and initiatives (van Oorschot, 2007), starting from the ESF side of cohesion policies.

We have thus introduced a 8-tiers model of the indirect developmental effects of culture that finds its full sense within a Culture 3.0 framework, where active cultural access and participation becomes the social norm and the natural orientation of knowledge economies and societies. This is not to say, of course, that the direct macroeconomic effect of the growth of cultural and creative industries should become less relevant in the new context. Quite the contrary: As we have argued, there is a strong complementarity between direct economic impacts and indirect ones, as they concur to increase individual participation and access to cultural opportunities, and stimulate further culturally-related capability building. Likewise, the Culture 3.0 paradigm is not denying, for instance, the developmental role of cultural tourism: It is simply arguing that it should not be taken as the main driver of culture-led development, as it could be done in a mature Culture 1.0 perspective, but rather as a complementary sector which generates economic value as a *consequence* of the main drivers. A culturally thriving milieu can also attract cultural tourism, but the vice versa is not true, in the sense that high tourist flows without a strong and lively base of cultural production quickly transform the milieu into a tourist-dependent theme park (Russo, 2002). The best way to create social and economic value through culture is in terms of expressive, not instrumental rationality: The value of culture is tightly linked to its crucial capacity to produce, preserve, and transmit meaning generatively, that is, as a self-catalytic process of human flourishing, capability and skills creation, and equitable development (Scitovsky, 1992).

6. *Reshaping the rationale of structural funds programming for cultural and creative production:
From public patronage to knowledge communities*

Whereas the 2000-2006 cycle of structural funds programming in the cultural field was shaped by a prevailing Culture 1.0 conceptualization and the 2007-2013 one by a transitional approach to a Culture 2.0

one, the 2014-2020 cycle has embraced the Culture 2.0 perspective of cultural and creative industry in full. This is certainly a sign of evolution with respect to the past, but it should also be clearly understood that, contrary to common opinion, cultural and creative industries are no longer the forefront of innovation in the cultural production sphere, and cannot be alone the main driver of a future culture-driven social and economic development model. In the current perspective, active cultural participation is commonly associated to issues of citizenship and social cohesion, but not to economic competitiveness strategies. This myopia is the consequence of an improper conceptualization of the current scenario, and in particular of the failure to acknowledge the disruptive implications of the emergence of the Culture 3.0 regime.

As we have argued here, active cultural participation is the natural consequence of the new possibilities and opportunities opened up by the Culture 3.0 regime, and its effects may extend in many possible directions, practically spanning all of the major policy themes of the current agenda. But this potential is almost entirely disregarded at the moment, and culture is one of the most strategically marginal and under-funded areas of European policy making. This is also a consequence of the conceptual schizophrenia which distinguishes between the non-industrial sectors of cultural and creative production, which are net receivers of subsidies and are often regarded as a center of cost, and the industrial sectors, which face a complementary risk of being only considered in terms of their measurable capacity to contribute to GDP and to create new jobs. In this way, there is little chance to understand, let alone to appreciate, the potential of culture as a key pillar of a digitally networked society and its manifold implications. The Culture 3.0 regime can open up ways to overcome the impasse, as it integrates in a common framework both the direct and indirect effects of cultural production and participation. The shift from a (mature) Culture 1.0 to a (still emergent and tentative) Culture 3.0 perspective may be regarded as a shift from a public patronage perspective to a knowledge society one, i.e. from a model where cultural production must be protected and nurtured to one where it becomes a structural backbone of social interaction – passing through a phase of strategic investment in cultural and creative tangible and intangible assets which is characteristic of the Culture 2.0 phase, and which has still to be thoroughly deployed, where culture legitimizes itself as a major sphere of economic activity and value creation. In this perspective, the role of structural funds programming can be that of orchestrating a coherent, pervasive range of projects and initiatives at the regional level that, taken together, demonstrate the power of active cultural participation and its relationship to the Culture 3.0 regime, unlock its potential, and seize the opportunities that it creates, while at the same time being framed into a common, EU-wide strategic perspective rather than as a disconnected, heterogeneous collection of local experiences. But this requires in turn that local policy makers understand the new role that cultural participation can play in addressing so many key policy issues, as well as that they are willing to make space for it, and update their programming vision and goals accordingly.

Realistically, very little of this can be achieved within the current 2014-2020 cycle, but whether or not Europe will be able to prepare the conditions to embrace a Culture 3.0 vision in the next 2021-2027 cycle will likely be a crucial passage to decipher Europe's future positioning in the culture and innovation arena of the 21st century. It is a formidable challenge, if looked at from the status quo. In the Europe 2020 strategy,

the role of culture (and of cultural participation in particular) is extremely limited, as opposed e.g. to education (e.g. Roth and Thum, 2010) – a clear nonsense in the light of a mature vision of the structural interdependences between cultural and non-cultural sectors and fields as deployed by the 8-tier model. Where to start from, then, to create an awareness of the necessity of taking culture more seriously, and to exploit its strategic potential in an entirely novel way? The ‘green paper’ on the regional dimension of cultural and creative industries (EC, 2010) and the massive wave and response that it has generated across the EU shows that there is not a negative prejudice against culture on the policy makers side, but rather a lack of understanding that requires clarification, careful argumentation, and effective initiative to focus attention on a theme that is traditionally disconnected from both their background and policy experience. Some of the points raised by the responders to the ‘green paper’ are pretty coherent with some of the tiers that have been presented in the previous section. In particular, there is a general point raised by several respondents that urges to explore the boundaries of creative activities and to stimulate the role of creativity outside the specific realm of cultural and creative industries. Moreover, there is an emphasis on the role of cultural and creative industries as a platform for social cohesion and as key ingredients of ‘smart specialization’ strategies that may reshape local identity. From the responses, however, it is also possible to conclude that there is a basic lack of a common perspective, and the complex web of structural interdependences that links culture to other components of the social and economic systems is still largely overlooked. On the other hand, respondents place a strong and necessary emphasis on an upgraded engineering of development strategies in terms of designing and implementing appropriate intermediaries and transfer agents, maintaining more effective and pervasive forms of networking, improving governance and building a common, viable informational and knowledge base.

To what extent this kind of suggestions has been taken up in ongoing EU programs and in structural fund programming? Although at the moment a systematic research on the topic is not available, there are encouraging signals that some of the links presented in the 8-tier model have found some limited match in programmes such as Horizon 2020 (culture and innovation, with the already cited STARTS initiative) and Creative Europe (social cohesion, new entrepreneurship, social identity), but a lot remains to be done. At the regional level, however, the signals are less encouraging, as culture, and *a fortiori* the themes of cultural participation, are sparingly represented in Regional Operational Programmes, and when they are, they tend to be associated to very traditional Culture 1.0 themes (such as culture and tourism, heritage preservation), or at best to exploratory approaches to Culture 2.0 (such as creative incubators, support to cultural startups and to specific cultural industry sectors). Without a clear impulse from a EU-wide strategic level, this fragmented picture is likely to remain basically unchanged in the years to come. What could be done, in practice?

First of all, there is a need to pursue specific actions to explore and experiment with each one of the 8 tiers, and their relationships with strategies for improved viability and competitiveness of cultural and creative industries, both at the national and at the regional levels. In the best cases, it is a matter of finer focusing of actions and initiatives that are already in progress, as it is for tiers such as innovation, social cohesion, new entrepreneurship or local identity. In other cases, which are by far the majority, it is a matter

of connecting in a more explicit and effective way strategies that have been so far pursued with little concern for interdependencies with the cultural field, as it is the case, somewhat surprisingly, for spheres where such links should be self-evident such as lifelong learning and, until very recently, soft power. In other cases, it is rather a matter of recognizing and exploring links that have been so far little more than conjectured, as it is the case for welfare and sustainability. In some cases, different spheres may also offer opportunities for powerful combined action, such as in cases like welfare/social cohesion, or innovation/new entrepreneurship, to make just two examples. In the former case it is possible to address two different sides of a same social criticality, such as for example targeting poor or socially marginalized elderly people by tackling at the same time social integration and active ageing issues. In the latter case, one can pursue innovation strategies that capitalize upon the specific features of (participation-driven) cultural and creative entrepreneurship for their potential in terms of catalytic innovation (Christensen et al, 2006) and innovation of meaning (Verganti, 2009), while at the same time exploring how innovation in other spheres can spark new entrepreneurial developments in the cultural and creative fields. Other similar examples of complementarity between different spheres of the 8-tier model as mediated by active cultural participation abound. This is also a potentially important field of experimentation for EU programmes and cohesion policy actions in the perspective of the future 2021-2027 cycle.

The Culture 3.0 scenario also leaves space for the development of new, as yet undefined, professional profiles, with the corresponding new opportunities and challenges in terms of employability, institutional and educational mainstreaming, standards and good practices. For instance, the welfare or the social cohesion tiers prospect the possibility of forming new professional figures acting as specialized operators in the fields of culturally mediated psychophysical prevention and care, and social assistance and animation. All of the 8 tiers are sources of new professional profiles and innovative services, to be provided through *both* market and non-market mediated channels. Furthermore, there is a possibility to further widen the scope of specific areas of the cultural and creative industries by suitably internalizing some of the tiers and by building new 'hybrid' sectors such as for example, in the case of the culture and innovation tier, applications of serious gaming in engineering, logistics or corporate organization (a cultural product that creates value in a non-cultural sphere), or creative contents development for augmented reality (a technological innovation that becomes a platform for the design and access of cultural contents): the hybridization process can work both ways.

Finally, one of the key implications of Culture 3.0 is that the cultural dimension finds space in all aspects of people's life, making of production and dissemination of cultural contents an overarching dimension that sews together work and leisure, professionalism and self-expression. As a consequence, we can expect a gradual overcoming of the very distinction between cultural and creative vs. non cultural and creative sectors, and their progressive strategic integration. In the last decade it has already happened that, in countries like the UK, some 35% of the creative workforce was currently employed in non-creative sectors (Higgs et al., 2008): there is an ongoing structural transformation already at work, which again has not been properly spotted yet by policy makers. The challenge is open. It is about designing new strategies to surf this

new wave, and to make of Europe a strategic leader in Culture 3.0 rather than simply a follower in the already mature development cycle of Culture 2.0. It is about acknowledging culture's unprecedented, pervasive role in the social and economic organization of the next stages of the digital post-industrial society, and consistently translating this intuition into a new approach to cultural policy as a structural policy area. It is about building on Europe's millennial tradition of cultural and creative innovation and participation to lay more solid foundations for a pluralist, inclusive civil society through active, participatory cultural citizenship. It is about economy and society, environment and technology, health and education. We hope it will also be about the EU competitiveness and cohesion strategies of the future.

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