

Connected Communities

Cultural Value Networks

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## Executive Summary

The research aimed to produce the first iteration of a multi-criteria method for articulating cultural value. This evaluative methodology should support cultural organisations by having appropriate ways to understand the value they produce and its relationship to money.

The project evaluated the multiple economy approach to understanding cultural value and its relation to the money economy developed by Sharpe and the International Futures Forum (2010). Based on this approach and our evidence the five methodological foundations that emerge are:

'Value' is not a singular concept, and there is not only one scale against which everything can be measured. Different agents within an ecosystem experience value differently, food for one might be poison for another. Value is contingent and constantly recreated within interactions and relationships. Our evidence reveals such a complex set of valuing practices in action.

The Value Constellation (Normann & Ramirez 1993, Ramirez 1999) is an organisational model for talking about value creation achieved by co-production in a web of interactions. This highlights the intentional role of the focal organisation (in this case PM Studio) in orchestrating diversity of value creation. The value constellation model sits within a multi-level perspective in which eco-system models can be used for the wider context.

Once we abandon the idea that there is just 'the' economy of money, we can apply economic thinking to other patterns of valuing. Cultural organisations that are not (only) businesses are creating value in economies other than money. By keeping "money at the margins" it is possible to expand the space available for these other patterns to thrive, and also to create money downstream in the 'conventional' economy.

Measuring value can be considered a "pharmakon" (Stiegler) for creating value – a poison and a remedy at the same time. The same applies to value circulation. We found that in PM Studio value circulation takes place as part of sustaining a gift economy. This gift economy takes a triangular form, which includes and produces a knowledge commons and generalised generosity. As such, it does not blockade value creation, but stimulates and drives it further. It provides the base for a productive "economy of contribution" (Stiegler).

We have developed a way to understand how this economy of contribution works as an effective model of value articulation, creation and circulation.

## Researchers and Project Partners

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Value, Creative Economy, Eco-System, Pharmacon, Gift, Co-Creativity

## Background

This paper summarises an AHRC Connected Communities research project into Cultural Value Networks. Led by University of the West of England's Digital Cultures Research Centre the six month project was based in a small scale ethnography of the Pervasive Media Studio.

The research project was designed in response to what we might call a 'crisis of metrics' in the arts and cultural industries (O'Brien 2010). There is primary dysfunction at the level of disagreement about what constitutes the Creative Economy, its size or main dynamic features. The crisis of public funding insists on increasingly transparent accounting for public money in the forms of Key Performance Indicators that threaten to make reductive cost benefit analysis the only game in town even when all the players agree to its inadequacy.

Our partner in this study was the Pervasive Media Studio in Bristol, England. The Studio is a creative technology lab, supported through investment from the Watershed Arts Trust, the University of the West of England and the University of Bristol. The Studio is managed by iShed, a Community Interest Company and subsidiary of Watershed. Watershed is Britain's first Media Centre founded in 1982, a leading cultural agency in the UK, describing itself as 'a path finding, cross platform production centre, sharing, developing and showcasing exemplary cultural ideas and talent'. The Pervasive Media Studio operates as a residency programme, inviting creative technologists, artists, engineers, academics and students to co-locate to develop projects. Residents are given *free* desk space in the shared open plan Studio environment. The core proposition is that in exchange for space they will share their work, insights and processes with one another, understanding that this diversity of perspective will make for better, richer work. The principle underlying this method is that money is kept to the margins of the creative process, allowing residents to discover the value in their projects before they go to market. The Studio sees itself as a key site of innovation for the regional creative economy by spawning creative businesses and start ups that have economic impact. In the financial year in which the study was conducted investment into Studio core cost was £175,000; in the same period residents generated turnover in investment, sales and research funding of £1m.

## Aims & Objectives

The research aims to produce the first iteration of a multi-criteria method for articulating cultural value which other organisations could use to assess the value of their work.

This evaluative methodology aims to support cultural organisations in providing better value for money by having better ways to understand the value they produce.

We aim to evaluate the multiple economy approach developed by Sharpe and the International Futures Forum (2010) to understanding cultural value and its relation to the money economy.

## Summary

*Co-production asks us to reconsider the nature of value creation. From a management and research perspective, it requires that we consider a multiplicity of values, held in relations with multiple actors, which cannot be reduced to a single metric (Dean, Ottensmayer, and Ramirez, 1997: 423).*

Previous work between the Watershed and International Futures Forum had already established a set of concepts and approaches for helping Watershed articulate its value and organisational model (Leicester & Sharpe 2010, Sharpe 2010). That work had been carried out through exploratory workshops but without any first hand observation or data gathering. This project was designed to build on that work by sampling data on the experience of value creation within and around the Studio and exploring the use of those concepts in giving an account of how it works at the day-to-day level. However, the concepts were kept in the background while the observational work was done, and only subsequently were the connections explored to build up the explanatory framework that the project has produced.

Our approach took as its overall stance the position developed by Ramirez (1993) that value is interactively established and cannot be reduced to a single metric. This approach fits naturally with an ecological perspective in which an overall ecosystem is viewed as a pattern of coordination amongst all the lives within it, each one of which establishes a perspective of value. Our observations were therefore intended to reveal more about how individual perspectives of value were bound together into the overall Studio patterns of valuing.

The project employed an ethnographic fieldworker who acted part-time as participant-observer in the studio from July-December 2011. A total of thirteen semi-structured interviews, lasting between one to one and a half hours, were also conducted for the data sample. The interviews were taken from a number of locations in the value network, from both the centre and the periphery. To cover the networked nature of the organisation, interview content refers to more than the internal operations of the Studio itself – reference is also made to processes outside the Studio's immediate domain where the respondent wishes to illustrate a particular point. The evidence below therefore cannot be understood as a commentary on the operations of the Pervasive Media Studio alone but as the articulation of how cultural producers experience the production of value in a networked, co-creative, context.

This data identified patterns of value experiences coded as:

- Interpersonal Relations
  - Processes of Achieving Trust
  - Dealing with Conflict Situations
  - Degrees of Participation
  - Affective
  - Enabling growth/self-reflexivity
- Exchange-based experience (collaborations)
  - Informational/Resource 'Capitals'
  - Learning
  - Receiving, giving back obligation/benefits
  - Networking
- Shared Value
  - Attention
  - Ethical/Moral Positions
  - Prioritising 'art'/aesthetic
  - Valuing the novel, risk, change



These patterns are described in detail in our full report. Here we note that the variety of valuing practices provide direct observational evidence of the way the Studio is managed so as to provide creative reconciliation of multiple values. We are able to describe this with the conceptual tools of economies and value constellations.

### **Economies & Value Constellations**

In keeping with our observational orientation, the evidence revealed a complex set of *valuing practices* in action: practices that are driven by relational patterns; value is created contingently, and with open-ended variety through relationships between all the individuals within the system.

This understanding of value is derived from the perspective of a life in the patterns of life in which it takes part. 'Value' is just a way of talking about the interactions in a creative eco system with a language of perspective. The eco-system perspective of value takes a particular life and 'looks over its shoulder' at the web of significance (lived meaning) of that life.

Different agents within any ecosystem experience value differently from their own perspective, your food might be my poison. In human life, each culturally distinctive pattern of valuing can be conceived as a distinct economy, having its own particular organisational forms, dynamics of value creation, governance, renewal and measurement. Within each economy it is precisely the variety of individual perspectives which generates and maintains the integrity of the overall pattern (art, science, money, etc).

To specify these ideas around particular creative economy 'habitats' we add the organization model of the 'value constellation' (Normann & Ramirez 1993) to the concepts of ecosystem and economy. The Value Constellation is a way of talking about value creation achieved by co-production in a web of interactions with a focal organisation orchestrating the whole system. For us then the idea of the value constellation as organisational model describes the extended network of co-production around a focal organisation. Here it helps us to focus on the *intentional* role of the focal organisation in designing, and enacting the way the participants interact – the active *producing* role. It brings co-productive logic fully into view; the focal organisation creates *offerings* (Ramirez, *ibid*) that link the participants into co-productive relationships.

### **The Pharmacology of Evaluation**

Creating and measuring value are always in tension. The first is based on singularities, the second on *commensuration* – “the expression or measurement of characteristics normally represented by different units according to a common metric.” (Espeland & Stevens, 1998). Espeland and Stevens point out that considerable social resources are expended to establish systems of commensuration. In our terminology, each economy of life rests on a distinct commensuration system (what gets to be art, or a scientific 'object', etc), and the common metric has the property of a “currency” (Sharpe, 2010).

Creating value is not based on being measured through currencies, but needs a space that includes elements which are profoundly non-measurable. Indeed, measuring value can damage this space. This is one side of the story. The other side is that measurement can also help to organise and stimulate value creation by building those shared economies of valuing, and in one way or the other it is always part of it. There is thus no either-or. Measuring value reveals a “pharmakon” (Stiegler 2010)– a poison and a remedy at the same time. Each solution can improve matters, concentrate and target energies, help to develop new forms of economies and ecologies, but it will also always create side effects, often unwanted ones.

The most widespread form of measuring and comparing cultural value is money. In the case of Pervasive Media Studio we can observe a double move: while the studio is highly effective in acquiring funds, managing them and using them well, and works as a means to an end for its residents to professionalise their own fund raising and financial project management, it at the same time also is a space, where “money is kept at the margins” (Leicester & Sharpe, 2010). This is what makes it successful, makes it an effective incubator for new ideas, and it is also part of its “sell” to potential residents and funders alike. This double move enables the Pervasive Media Studio to provide a specific and very effective solution in regards to the pharmacology of money: it takes money seriously and uses it as a remedy, but it also limits its potentially poisonous nature for collective value creation in a co-creative environment.

Money is not the only form of measuring value, and measuring not the only form of articulating value. One form of value articulation, of particular importance in our analysis, is storytelling. Stories are especially effective, because they unite the ability to describe complex, qualitative, indeed singular properties of objects and processes. Each of the currencies of articulation sits in tension with other currencies. Absence of measurement does not produce absence of articulation of value, but will allow other forms of articulation to flourish – often qualitative ones, such as stories or informal prestige.

### **Economy of Contribution and The Gifting Triangle**

The overall value constellation of the Pervasive Media Studio is a form of an “economy of contribution” (Stiegler 2010) in which technical and social systems interact to co-produce knowledge intensive value. An economy of contribution is thus based on the *co-production* of value. We have already outlined that money as a currency is best kept at the margins, if an economy of contribution is to thrive, and that other forms of value articulation such as stories add to a more complex and qualitative landscape of value articulation, which can stimulate value production. We now want to turn our attention to the structure of value circulation. The structure of value circulation is closely related to value articulation and measurement, but adds a further dimension to our analysis, which will help to complete the picture.

A second form of circulation takes the form of gifts and debts (Mauss 1967, Graeber 2011). Here, circulating value is often unclearly articulated, giving and receiving are often temporally de-coupled, and gift exchange remains deeply embedded in social relations. Gifts can be money, things, work, help, information, stories, emotional support and so on – gift exchange can thus mirror the wide landscape of experiences that studio residents describe to us. In an economy of contribution based on a gift economy, contributions can take the form of a gift by/to another actor, but also the form of a gift to/or by the commons, where we have no clear giver or receiver, but instead a transpersonal space with no clear internal property differentiation (Godelier 1999).

In the Pervasive Media Studio, residents are provided by the studio with four forms of value:

- workspace,
- social work environment,
- external prestige, and
- production.

All of these four forms of value are provided to the residents largely in a form of gifts: There is no immediate obligation of a clear cut return. Instead, residents have an obligation to produce a meaningful project. However, this obligation is not yet the full story. For the co creative environment to flourish, residents have to produce it by themselves, and for each other. In theory, such mutual

collaboration should level out, and indeed we can observe a rich field of horizontal gift exchange in terms of support. Each gift to another resident is at the same time a gift back to the studio as a full entity: the studio needs to have a thriving collaborative work environment. By helping another resident, one always also contributes to the internal commons of the studio.

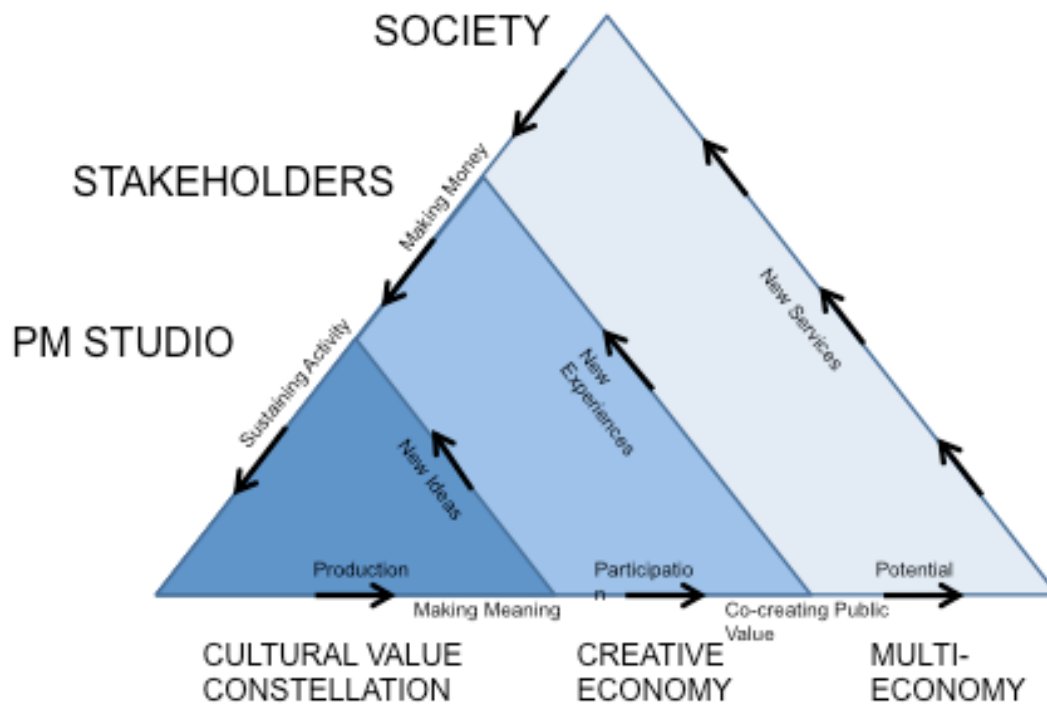
Producers curate this structure. The double-gift – to other residents and to the studio as an entity – makes it possible that the studio creates an additional form of value, a form of qualitative surplus. This ‘qualitative surplus’ value is expressed in stories, told to external funders, but also to the residents themselves. What we start to see now, is a very effective form of value articulation, creation and circulation:

- Producers give access to resources, in the form of workspace, support and overall access to the studio (including its prestige).
- Residents return this gift partly by producing successful projects and partly by engaging in a collaborative working environment, which then is also a gift to other residents, adding to the value of the studio.
- Inside this working environment, the extra value of a double gift - to the other residents and to the studio itself – enables generosity and provides extra motivation, which make asymmetrical gift exchange relationships still effective.
- Such an environment creates an atmosphere of an economy of contribution, where creativity thrives, and new projects and ideas are born and realised, amongst others through the professional support of the producers.
- Both projects and collaborative environment produce material for stories, which the producers can use to acquire new funds.

Gift exchange is not anymore playing out in dual constellations, but in a triangle, which, in turns, does not produce levelled out value circulation, but productive excess. It is not a closed system, but a productive one. The very structure of circulation not only stabilises social relations, it also helps to stimulate and motivate value production. Value articulation has found a form, where it does not blockade value creation, but stimulates and drives it further.

If we systematise this value constellation, we arrive at a Value Triangle (see below):





The Full Report which this is extracted will be available at the start of June 2012 on the Digital Cultures Research Centre Website under Connected DCRC <http://www.dcrc.org.uk/projects/connected-dcrc>.

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## The Connected Communities

Connected Communities is a cross-Council Programme being led by the AHRC in partnership with the EPSRC, ESRC, MRC and NERC and a range of external partners. The current vision for the Programme is:

“to mobilise the potential for increasingly inter-connected, culturally diverse, communities to enhance participation, prosperity, sustainability, health & well-being by better connecting research, stakeholders and communities.”

Further details about the Programme can be found on the AHRC’s Connected Communities web

