The contribution of cultural infrastructure and events to regional development

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Abstract
The importance of creative industries and the creative sector for economic growth and regional development has increasingly found its way into scientific discussions. These discussions mainly focus on the influence of creative industries on the innovative ability (innovative milieu), the competitiveness and the labour market of regions and nations. Most prominent within this field is the approach of the “creative class” used to explain the success and the development of cities and regions.

So far, the terms and definitions describing creative industries and the cultural sector are not consistent and sometimes include different businesses. The meaning of the cultural sector becomes more evident when one focuses on the regional level. Infrastructure facilities and cultural events are part of the cultural sector and are located in nearly every area, in agglomerations as well as in rural areas. This paper will concentrate on the role of infrastructure facilities and cultural events, and will point out their contribution and their potential for the location itself and for regional development. The authors will use empirical data from infrastructure facilities in Germany and Switzerland (Kultur- und Kongresszentrum Luzern, Festspielhaus Baden-Baden) and two amateur theatres in Switzerland, which are located in rural areas (Einsiedler Welttheater, Landschaftstheater Ballenberg). Based on these four case examples the paper will show how differently cultural facilities and activities can contribute to several aspects of regional development. As a result the paper will state that cultural infrastructure facilities and activities have positive effects on the regional added value as well as on the image of a region, on networks and competencies within a region and on the identity of a region. These so-called intangible effects, in particular, influence the location’s attractiveness and the competitiveness of the region in a positive way.
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1 Introduction

For some years, the significance of the creative class or creative industries for the economic success of cities, regions and even countries has been emphasised again and again all over the world. The importance of creative industries and the creative sector for economic growth and regional development has also found its way more and more into scientific discussions in widely varying scientific fields, especially in regional sciences, economic geography, architecture, city planning and city sociology. These discussions mainly focus on the influence of creative industries on the innovative ability (innovative milieu), the competitiveness and the labour market of cities and regions. Most prominent within this field is the approach of Richard Florida’s “creative class” (2002) used to explain the success and the development of cities and regions: “I define it [the Creative Class] as an economic class and argue that its economic function both underpins and informs its members’ social, cultural and lifestyle choices. The Creative Class consists of people who add economic value through their creativity.” (2002:68)

So far, the terms and definitions describing creative class or creative and cultural industries are not consistent and sometimes include different businesses. The meaning of the cultural industry becomes more evident when one focuses on the local or regional level. Infrastructure facilities and cultural events are part of the cultural sector and are located in nearly every area, in agglomerations as well as in rural areas. This paper will concentrate on the role of infrastructure facilities and cultural events and will point out their contribution and their potential for the location itself and regional development. The authors will use empirical data from infrastructure facilities in Germany and Switzerland (Kultur- und Kongresszentrum Luzern, Festspielhaus Baden-Baden) and two amateur theatres in Switzerland, which are located in rural areas (Einsiedler Welttheater, Landschaftstheater Ballenberg). Based on these four case examples the paper will show how differently cultural facilities and activities can contribute to several aspects of regional development. As a result the paper will state that cultural infrastructure facilities and activities have positive effects on the regional added value as well as on the image of a region, on networks and competencies within a region and on the identity of a region. These so-called intangible effects, in particular, have a positive impact on the location’s attractiveness and the competitiveness of the region.
2 Regional development, knowledge and creativity

In regional science, the questions of which factors have a positive effect on a region’s success, how regions develop as they do, and why, have long been discussed. While in the past this was examined from a static point of view, with traditional locational factors (transport situation, taxes, labour market), today the focus is moving towards a dynamic view of the development processes. Recent theories do not so much examine production factors in the narrower sense, but instead interactive connections between institutions and actors. Thus, the viewpoint is changing from an exogenous to an endogenous perspective (cf. Thierstein & Walser, 2000; MacKinnon et al., 2002; Moulaert; Sekia, 2003).

This new theoretical viewpoint makes use of insights gained from business administration which deal with companies’ ability to develop. Competition between companies is shaped by technology and business rivalry, by expertise and the acquisition of competencies. The success of a region can also be evaluated in terms of its ability to innovate and learn, and of its competencies. The learning aptitude of a region relates to the fact that locations need to be capable of constantly adapting to changing regional and global conditions by continually re-configuring their economic structure to maintain their competitiveness (cf. Florida, 1995). A location’s success not only results from a regional concentration of suppliers, buyers, competitors and workers, or its institutes of education and research, but also from the institutional, political, social and cultural conditions which shape regional economic processes. Knowledge is exchanged between the individual actors and networks are created which can help form competencies and create knowledge in a region.

Today, there is no longer one single central, comprehensive theory of regional science. Instead, different approaches are drawn upon to explain the success of a region, extending beyond the quality of classic locational factors. Five basic approaches are of particular relevance in this respect and assigned varying significance in nearly all theories of regional economy:

- Approaches centring on growth poles: “growth pole” concepts mainly come from the approaches of Perroux (1950), Myrdal (1957) and Hirschmann (1958), which were originally polarisation theories. They work on the basis that various interconnections at a location set off a dynamic process of development, and that this can lead to (economic) growth, which also spreads to neighbouring regions (e.g. Lasuén, 1973; Schaetzl, 1988).

- Approaches centring on networks and relationships between people: the “social capital approach” (e.g. Putnam, 1993, 2007; Florida, 2002) places social relationships in a region or community in the foreground. It focuses on the networks of contacts between the inhabitants of a region and reveals how these create, or can create, solidarity and commitment for public affairs, and thus spur on the local and regional economy.

- Approaches centring on regional resources: endogenous regional development (e.g. Hahne, 1985) involves returning to the idea of a region’s (material and immaterial) resources and capabilities, and reveals how necessary it is to use these to generate ideas and trigger development. Here, particular importance is attached to maintaining regional identity.
• Approaches centring on the knowledge and competencies of the regional actors and institutions: the “learning region” (e.g. Florida, 1995; Butzin, 1996; Stahl, 1994; Thierstein, et al. 2000; Schlaeger-Zirlik, 2003) underlines the importance of knowledge, qualification and the acquisition of competencies as the basis for a region’s economic development.

• Approaches centring around a region’s institutional and organisational capacities: the concept of “capacity building”, for example, works on the basis that social change is a complex process in which people in different roles and organisations attempt to make their living and working conditions efficient and effective (cf. UNDP, 2000). Institutional and organisational capacities are a vital prerequisite to being able to broach certain problems to be solved and make use of potentials.

Among the five concepts, there are many different overlaps. Elements of these approaches can be found to a greater or lesser extent in all approaches to regional economy. Approaches such as the industrial districts (Piore, Sabel, 1984; Becattini, 1990; Harrison, 1992) or innovative milieus (GREMI, e.g. Camagni, 1991) may start out with a different focus, but integrate reflections on the advantages of spatial proximity, relationship networks and regional culture. Discussions on the advantages of agglomerations and on clusters (Krugman, 1991; Porter, 1990, 1996; Venables, 1996) and Storper’s (1995) “untradeable interdependencies” focus on direct relationships and networks between economic actors, as well as on relationship networks which go beyond direct economic contacts. Approaches such as “path dependency” in regional development (Nelson & Winter, 1982), the quality of institutions (“institutional thickness”, Amin & Thrift, 1994) and the “embeddedness” of economic activities (Granovetter, 1985) unite approaches regarding regional resources, social capital and capacity building, among other things. And when Grabher (1993) and Roesch (2000) establish that regions have a life cycle, and the networks within a region may be responsible for whether or not regions develop positively or are held back or blocked in their development, these ideas contain approaches related to regional resources and cultural change. Learning processes, regional networks and organisational capacities also play an important role.

Against the background of these new theoretical approaches to factors of regional development, largely influenced by the works of Michael E. Porter, Paul Krugmann and Richard Florida, the success of a region or a location is evaluated based on its ability to learn and on its competencies, in particular. “Ability to learn” refers to the fact that regions must be able to continuously adapt to changing regional and global conditions by constantly reconfiguring their economic structures. The competencies within a region thereby play a central part, as described by Michael E. Porter in his famous Diamond Model (Porter, 1990). On the one hand, this refers to factor conditions (for example the availability of well trained staff), demand conditions (for example a sophisticated and thereby innovation-promoting, sufficiently large segment of the market), related and supplying branches (enabling the development of competency, exchange of know-how etc.). On the other hand, it refers to the management and/or its qualities and strategic orientation. This model, which was originally developed for countries, was later also applied to the regional level. Based on this theoretical model, the so-called “cluster” concept was developed – by Michael E. Porter himself amongst others – according to which the success of a location arises from its regional concentration of suppliers, buyers, competitors and work force, as well as its educational and research institutions. These regional networks lead to an exchange of knowledge throughout the region; they con-
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tribute to regional businesses’ development of competence and thereby help strengthen their regional competitiveness. According to this theoretical approach, knowledge and the use of this knowledge for economic development constitute the main factors of success for the economic development of locations (cf. Porter, 2000).

Richard Florida picked up on the knowledge-oriented concepts by Michael E. Porter as well as the works by Paul Krugmann which are headed in the same direction. He added the term “creativity” to that of “knowledge” and asked the question of where this “new” knowledge originated from and how it was developed. His concept focuses on the so-called creative class which creates new knowledge and also attaches value to it. In order for really positive economic impulses to develop from this creative class, a number of preconditions must be met, according to Florida: “The key to understanding the new economic geography of creativity and its effects on economic outcomes lies in what I call the 3 T’s of economic development: Technology, Talent and Tolerance” (2002:249). Cities and regions in which these 3 T’s coincide are able to score due to a relatively strong economic development. A central aspect of Florida’s theory of 3 T’s is the fact that he does not attribute the developments of the creative class to (technical) innovations and knowledge, but rather to social and economic developments in today’s society. Implicitly, they are therefore also responsible for economic development. The model developed by Richard Florida is also faced with criticism in the scientific world (e.g. Peck, 2005; Pratt, 2008; Glaeser, 2004) which concentrates on the following aspects:

- Lack of empirical basis (e.g. Levine, 2004)
- Lack of connection between the creative class and economic growth (e.g. Shearmur, 2007)
- Lack of similarity between the creative class and the sociological concept of class (e.g. Bourdin, 2005)
- Lack of geographic mobility of the creative class (e.g. Martin-Brelot et al., 2010)

Despite the fact that the criticism is partly justified, the concept of the creative class represents an important contribution to the further development of theories of regional science. In particular, extending the previous theoretical approaches by adding the individual level is an important aspect. With the help of this extension it is possible to identify cause-and-effect relationships which go beyond the mere consideration of the “hard” factors of economic development, and also integrate the “soft” factors which influence individual decisions e.g. by companies or employees. The question to be asked is how tangible the cause-and-effect relationships of creativity and economic development are, and how creativity can become a positive driver of development.
3 Definitions and perspectives

The term “creativity” brought about a new point of view in discussion on regional science which addresses the individual level more strongly than the terms “innovation” or “knowledge”. Richard Florida thereby decisively differentiates between “creativity” and “knowledge”: “Many say that we now live in an “information” economy or a “knowledge” economy. But what’s more fundamentally true is that we now have an economy powered by human creativity. Creativity – the ability to create meaningful new forms, as Webster’s dictionary puts it – is now the decisive source of competitive advantage. In virtually every industry, from automobiles to fashion, food products and information technology itself, the winners in the long run are those who can create and keep creating.” (2002: 4)

In this definition it becomes obvious that, above all, it is individuals who generate new work and therefore new values based on their creativity – also in the production of new goods or services. They do not only derive their inspiration from the classical means of knowledge transfer or research, but also from the intellectual debate on art and culture, in particular. This assumption of the economic relevance of art and culture was not only made by Florida, but can be found in many scientific studies of the last years. The study around 10 years ago by the Department for Culture, Media and Sports (DCMS) on the regional dimension of the creative industry in Great Britain can be referred to as a first milestone. This study had a considerable effect on regional politics in Great Britain. The creative industry became a central instrument of regional promotion. There are now numerous examinations and reports devoted to the phenomenon of creative industries from a national, regional and communal perspective that try to identify the regional and/or local dimension of this complex of themes (e.g. Chapain & Comunian, 2009; Scott, 2005; Pratt, 2004; Minton, 2003; Georgieff, 2008). Different concepts and terms have developed from the great number of studies which are connected to the traditional strengths of certain industries and the meaning of creating cultural possessions and services, among other things. When one refers to the different studies and reports, depending on the questions asked within the study or the customer’s intention, it can be seen that the definition and the differentiations of the creative industry vary. The various differentiations lead to the consequence that the absolute volume of this industrial sector and therefore its relevance for the national economy can fundamentally change, as shown in the following figure.

![Figure 1: Effects of different definitions on the size of creative industries (example of Europe) (source: Wiesand, 2006)](image_url)
Based on a comparative evaluation of different (continental) European studies, Peter Georigieff et al. (2008:17) point out that a so-called *Three Sector Model* prevails in describing the creative or cultural sector (cf. Figure 2). The model subdivides the cultural and creative sector into public, intermediary and private areas (Söndermann 2007:7). All institutions and activities which are not geared towards commercial targets, but primarily follow societal objectives and comply with the order for cultural education and participation, constitute the public and intermediary sectors. The public sector includes public cultural businesses, operas, theatres and museums, and the intermediary sector comprises different non-profit organisations, foundations and associations. The private sector clusters all companies and activities intent on commercial profit.

![Figure 2: Three Sector Model of the cultural area (source: Weckerle, 2007)](image)

For the German-speaking regions, Söndermann (2007:7) points out that the overall term ‘cultural and creative sector’ should not be used for the cultural industry and the creative branches, since they only represent individual (though significant) parts of the overall sector. He therefore distinguishes between the field of culture on the one hand and the creative industry on the other hand. In the German-speaking regions, the term *cultural industry* refers to companies that are mainly oriented towards profit and deal with the preparation, creation, production, division or (medial) distribution of cultural/creative possessions and services (Söndermann, 2007:9). The definition taken from the DCMS report has been established for the field of *creative industries*: “Creative industries are those that are based on individual creativity, skill and talent. They also have the potential to create wealth and jobs through developing and exploiting intellectual property. The creative industry includes: advertising, architecture, arts and antique markets, computer and video games, crafts, design, designer fashion, film and video, music, performing art, publishing, software and television and radio” (DCMS 2002: 5). For Söndermann (2007: 9) the "copyright" basis of all products and services is the key to understanding and to a concrete differentiation of the creative industries. This approach is taken up especially by the Anglo-American perception of creative industries, which becomes obvious in the so-called *Singapore Model*. This model, which was developed by the Ministry of Economics in Singapore (Heng et al. 2003: 2), focuses on the value added
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It thereby describes the individual steps of producing goods and rendering services in the field of creativity and culture.

Figure 3: The Singapore Model of the copyright industry (source: Heng et al., 2003: 52)

It has already been pointed out that there are a number of different studies and expert reports on this subject today. Looking at these various studies it can be seen that they differ on three different questions:

1. **Cluster studies**: these studies mainly analyse the significance of this business sector in terms of national economics. They primarily focus on quantitative aspects such as the number of companies, jobs or the contribution to the gross national product.

2. **Innovation studies**: these studies especially deal with the way creativity is valued and how this leads to new products and services (and thereby to an increase in the regional added value).

3. **Location quality studies**: these studies mainly focus on the question of how the creative and cultural industry contributes to the quality of the location of a certain city or region and how it influences decisions made by companies, tourists and workers regarding their location.

The quantitative focus of the studies is thereby clearly centred on the cluster studies. There are hardly any studies with respect to the quality of the location which systematically analyse the actual impact of the creative and cultural industry on an empirical basis. Altogether, the different studies show that a discussion on the economic importance of creative and cultural industries always has a strong geographical dimension. Richard Florida explicitly points out that this dimension even has a central function: “It’s often been said that in this age of high technology, geography is dead and place doesn’t matter any more. Nothing could be further from the truth”. (2002:6)

In our opinion it is therefore necessary to anchor the spatial dimension in our model development in a stronger way. Therefore, Landry is right to extend the creativity approach: “A creative milieu is a place – either a cluster of buildings, a part of a city, a city as a whole or a region – that contains the necessary preconditions in terms of “hard” and “soft” infrastructure to generate a flow of ideas and inventions. Such a milieu is a physical setting where a critical mass of entrepreneurs, intellectuals, social activists, artists, administrators, power brokers or students can operate in an open-minded, cosmopolitan context and where face to face inter-
action creates new ideas, artefacts, products, services and institutions, and as a consequence contributes to economic success" (2000: 133). The question of how cultural infrastructures and cultural events (for example) could affect the economic development of a city or a region in a concrete way arises on the basis of this creative milieu model. Are there verifiable cause-and-effect relationships exceeding the mere quantitative effects such as value creation or job figures? As an example, how do cultural institutions influence the decision of companies and workers regarding their location? Based on four concrete case examples these kinds of cause-and-effect relationships are shown below, deriving conclusions about the impact of cultural institutions and events on the regional development of the respective locations.
4 The significance of cultural infrastructure and cultural events on regional development – examples from Germany and Switzerland

Cultural infrastructure and events are part of the creative industries. Usually they have a strong geographical connection and are among the cultural activities available within a region. Their effects on their location and the quality of this location are thereby not only limited to the cultural aspect, but can be identified in various different areas. Based on four case examples of cultural infrastructure facilities and events from Germany and Switzerland, the contribution of these institutions to the location quality of the region is analysed. The analysis of the four case examples is based on studies performed by the IDT-HSG on behalf of the respective companies. With respect to the geographical evaluation, the economic effects were calculated on the basis of the company's accounting data. Additional audience surveys were carried out at the Festspielhaus Baden-Baden, the Einsiedler Welttheater and the Landschaftstheater Ballenberg. Furthermore, information on the regional impact of the institutions and events was collected within the framework of numerous interviews with regional persons involved.

In the following the four case examples are described in brief. The potential fields of activity of cultural infrastructure facilities and events are presented in Chapter 4.2. The effect this has on the case examples is described in Chapter 4.3.

4.1 Case example description

Festspielhaus Baden-Baden (D)

The Festspielhaus Baden-Baden is the biggest privately financed opera house in Germany. In the year 2008 it celebrated its 10th anniversary. The repertoire of the Festspielhaus includes concerts, musicals, ballet and opera performances and events by third parties (e.g. company presentations, balls, etc.). The Festspielhaus Baden-Baden always manages to attract visitors with its high-class artistic programme. More than 100 events are visited by approx. 200,000 people each year. The Festspielhaus Baden-Baden has a relatively high number of regular guests (approx. 68 %). The majority of visitors come as day guests (66 %); around a fifth spend a night at Baden-Baden within the framework of the event. About 13 % of visitors come from Baden-Baden. 70 % visit from within a radius of up to 150 km. Most visitors combine their stay with a meal at a restaurant, some go sightseeing or visit exhibitions. During their visit they spend an average of € 318 per person.

Kultur- und Kongresszentrum Luzern (KKL) (CH)

The Kultur- und Kongresszentrum Luzern, with its concert hall meeting the highest demands, is situated in a central location in the city of Lucerne and is highly esteemed as an architectural highlight (Jean Nouvel) around the world. In the year 2000 the Kultur- und Kon-
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gresszentrum Luzern was opened; this year it is celebrating its 10th anniversary. Events at the KKL are based on the three pillars of culture, conventions and cuisine. Apart from the two concert halls there are rooms for congresses and seminars, a restaurant and bars. The exhibition rooms of Lucerne Art Museum can also be found in the building of the KKL. The KKL closely cooperates with the Lucerne Festival, one of the most important music festivals in Europe and the biggest event organiser to use the rooms of the KKL. In 2009, the KKL had approx. 380,000 visitors, of whom around 85% came to see a concert. In the last years culture has risen in interest for the KKL; the congress department is tending to decline and has suffered losses. From an economic perspective, however, the aspect of cuisine is the most important source of income for the KKL (44%).

Einsiedler Welttheater (CH)

The Einsiedler Welttheater is an open-air theatre with non-professional actors which is set up in the city of Einsiedeln (CH) every 7–10 years. The beginnings of the Einsiedler Welttheater go back to the 17th century. Based on a historical original, the “Great World Theatre” by Don Pedro Claderon de la Barca has been constantly revised and staged. During one season approx. 600 people from the region are involved in the play onstage or backstage. The last performance of the Einsiedler Welttheater was in 2007. More than 66,000 people saw the play in 32 days. The Einsiedler Welttheater does not only attract the local population, but also visitors from the agglomerations of Zurich and Central Switzerland, in particular. The majority of guests come to the region for the day of the performance; about 22% stay the night. During their stay visitors to the Einsiedler Welttheater spend 89€ per person.

Landschaftstheater Ballenberg (CH)

Since 1992 the “Landschaftstheater Ballenberg” Association has staged theatre performances on a regular basis. The venues are located within the Open-Air Museum Ballenberg, which exhibits typical, original centuries-old houses from different Swiss regions. The plays of the open-air theatre are performed with an ensemble of prevailing non-professional actors, supported by a few professionals. Since 1991 there have been 14 open-air performances altogether. In 2007 there were 27 performances visited by approx. 22,000 people. The majority of visitors watch the plays every year or have already seen the performances several times. Approx. 25% of the visitors come from the region of Ballenberg, the majority travelling from the agglomeration of Bern and the Zurich area. Most guests only stay in the region for the day of the performance; around 37% stay the night. The visitors to the Open-Air Theatre Ballenberg spend an average of 82€ per person during their stay.

Below you will find a summary of the most important key figures of the cultural institutions and events described above.
4.2 Regional impacts of cultural institutions and events

Both cultural infrastructure and cultural events usually have a strong geographical link and are connected to their location in various ways. Depending on what is on offer at the institution or the event, their reach and range can vary to a great degree. Events never only address an external audience, but always also the local population. When one examines the sphere of influence of cultural institutions and events, it is not so much the target audience that is in the foreground, but more the effects that can be achieved within the region.

When analysing the impacts, we differentiate between effects that have a direct monetary impact on the region (e.g. additional sales for the regional economy) and effects which can mostly only be described in a qualitative way (e.g. network and competence effects). The following fields of action can be distinguished with respect to cultural institutions and events (see Figure 5):

**Figure 4: Indicators of the four case examples (source: information provided by the organiser, audience surveys IDT-HSG)**

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<tbody>
<tr>
<td>Number of performances per year/ season</td>
<td>114</td>
<td>382</td>
<td>32</td>
<td>27</td>
</tr>
<tr>
<td>Number of visitors</td>
<td>170,000</td>
<td>386,000</td>
<td>66,000</td>
<td>22,000</td>
</tr>
<tr>
<td>Annual sales</td>
<td>approx. € 18 m.</td>
<td>approx. €17 m.</td>
<td>approx. €3 m.</td>
<td>approx. €0.6 m.</td>
</tr>
<tr>
<td>Percentage of visitors from outside the region</td>
<td>87 %</td>
<td>98 %</td>
<td>75 %</td>
<td></td>
</tr>
<tr>
<td>Expenses per person during the stay</td>
<td>€ 318</td>
<td>€ 89</td>
<td>€ 82</td>
<td></td>
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</tbody>
</table>
Different people involved within and outside the region must be included in the consideration of the regional spheres of influence:

- Event organisers
- Artists/actors and contributors
- Visitors
- Companies/organisations/institutions from different branches within and outside the region
- The media

When examining the influence of cultural institutions and events, not only the organisers and artists/contributors whose events trigger regional effects are of relevance, but also the visitors – and, in this respect, external guests above all. Furthermore, not only local companies, but also sponsors from outside the region, and the media, can also contribute. The regional economy thereby profits from jobs commissioned by the event organiser (e.g. printing programmes, construction, etc.) as well as from the guests’ spending in connection with their stay (e.g. retail trade, services). In particular, the regional accommodation and restaurant trade profits from (external) visitors’ spending (e.g. overnight stays, food and drinks). The effects on the regional economy and tourism, so-called tangible effects, can be measured in cash value. On the other hand, long-term effects can also be identified which can seldom be measured in a quantitative way but lead to a positive development of the location from a qualitative perspective. As an example, these are network and competence effects that arise when additional know-how is transferred to the region or new networks develop and new synergies can be created.
The effects mentioned with respect to the case examples introduced in Chapter 4.1 are presented in the following.

4.3 Description of the regional impacts for the case examples

Regional economy

The impact of cultural institutions and events on the regional economy is among the so-called tangible effects. These are effects that can be measured in cash value and have a relatively short-term appearance (e.g. only during theatre seasons). In order to measure tangible effects we carried out what is known as a spatial incident analysis. This method is a cost-benefit analysis that includes the spatial effects of both distribution and redistribution at the same time. Incident analyses are often applied to check the distribution-oriented success of governmental measures. It serves to detect the geographical influence of infrastructural institutions and of other public measures, in particular. The incident analysis was performed as a spatial analysis of the payment flow of the cultural institutions and events referred to in the case examples. Within this analysis the monetary flow initiated by the institutions / the organiser, as well as the visitors’ spending, were taken into consideration. As a result, information can be provided on whether additional sales were generated due to the payment flows initiated within the location, and whether an increase in purchasing power could be detected, or whether the region was deprived of funds.

With respect to the four case examples, it becomes obvious that positive regional economic effects were achieved for all the regions. This means that additional sales were generated in the respective regions due to the cultural institutions and events. The region registers an increase in purchasing power and, from an economic perspective, therefore profits directly.

The actual scope of the effect of purchasing power varies strongly depending on the budget and the number of visitors. With respect to the four case examples, the Festspielhaus Baden-Baden triggered the highest purchasing power impact for the region. This is especially due to the great number of external visitors and the amount of spending per person. However, the two open-air theatres also make a positive contribution to regional value creation and represent an important economic factor within their region. The (external) visitors’ spending decisively adds to regional value creation. A great number of branches profit from this fact; however, most expenses are attributed to the hotel and gastronomy trade. The regional economic effects of the four case examples are compared below:

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1 With respect to the visitors, only the spending of external guests was considered, since it can be assumed that, without the visit to the event, the expenditure of local guests would be spent elsewhere, definitely within the region.
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<tbody>
<tr>
<td>regional purchasing power</td>
<td>€ 46 m.</td>
<td>€ 23 m.</td>
<td>€ 4 m.</td>
<td>€ 1 m.</td>
</tr>
<tr>
<td>selected region</td>
<td>City of Baden-Baden</td>
<td>Agglomeration of Lucerne</td>
<td>Region of Einsiedeln</td>
<td>Region of Ballenberg</td>
</tr>
<tr>
<td>number of inhabitants</td>
<td>55,000</td>
<td>159,000</td>
<td>19,000</td>
<td>47,000</td>
</tr>
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Figure 6: Effects of purchasing power of the basis of the four case examples

Tourism

With their range of activities, cultural infrastructure facilities and cultural events attract their audience from within as well as outside the region. The percentage of local guests can be very different, depending on the institution and what it offers. However, in all four case examples the percentage of external visitors is much higher than the percentage of locals. The majority of external guests stay in the region for only one day or one evening. Some of the visitors, however, stay for one or more nights. For some the event is the main motive for the journey, others have other reasons. In any case, visitors to cultural institutions and events generate additional overnight stays in the respective regions. The percentage of event guests that stay overnight was the highest at the Landschaftstheater, amounting to 37 %, and the lowest at the Festspielhaus Baden-Baden, with 21 %. The significance of cultural infrastructure and events for tourism at each destination can be very different. Cultural infrastructure and events play a larger or smaller role depending on the attractiveness of other tourist highlights and the structure of the destination. Within the relatively small region of Einsiedeln, for example, the Einsiedler Welttheater is able to contribute to an increase in overnight guests: during the season of 2007 the number of overnight stays grew by 15 %. Additional guests thereby lead to an increase in sales for the local hotel and gastronomy industry. As shown by visitor surveys at the Festspielhaus Baden-Baden, the Einsiedler Welttheater and the Landschaftstheater Ballenberg, a large part of the visitors’ expenditure goes to the local and regional hotel and gastronomy businesses. The hotel and gastronomy industry already cooperates with cultural institutions and events to offer packages. Visiting an event is combined with other offers for the guests (such as e.g. overnight stays, dinners, visits to museums, etc.) and can create additional value for both event organisers and tourist service providers.
Image

Image is understood as the overall picture people create based on their own experiences, personal and external information or perceptions. The image of a cultural institution or event may influence the attractiveness of a region as a location. The image can thereby be positive or negative; in any case it is very long-lasting. It requires a great effort to change an existing image. The responsibility for the image of a cultural institution or event lies with the organiser as well as the visitors and the media that distribute information. In most cases what is on offer at a cultural institution or event is taken up by the media in announcements and articles. The image effects triggered by the cultural institutions and events do not only benefit the organiser but also the location. The national and sometimes even international prominence of the region is increased. As an example, the Festspielhaus Baden-Baden is widely covered by the media: in 2007 alone approx. 2,500 articles were published, approx. 2/3 in the supraregional media. This has had a positive effect on the city of Baden-Baden which has thereby gained the attribute “city of culture”. With 1,400 articles, the Einsiedler Welttheater has also been strongly represented in the media. Apart from reporting on the theatre, the region of Einsiedeln was often referred to. Due to the cultural event it aroused not only national but also international attention.

Culture

The Einsiedler Welttheater and the Landschaftstheater Ballenberg are open-air theatres working with non-professional actors. This is a form of culture outside organised theatre which is based on the voluntary actions and commitment of the people involved. Open-air theatres are a cultural form which have become established during the summer months, especially in the rural regions of German-speaking Switzerland. Just like in the rest of Switzerland, cultural work in these regions is very diversified. Many open-air theatres have high standards and offer artistic quality on a high level. Open-air theatres are able to arouse interest in this cultural form among local people as well as external guests. Local inhabitants who are interested can be animated to participate, to commit themselves and become engaged in the arts. From a regional economic point of view, these long-term cultural effects that contribute to cultural work in the area are of great interest. They are directed inwards, i.e. towards the regional population and regional actors. As an example, increased promotion of young talents as well as cooperation with schools, institutions of further education and, in the case of the Landschaftstheater Ballenberg, the training centre of the Open-Air Museum Ballenberg, can be starting points for the long-term establishment of this cultural form. Cooperation with other cultural forms can also increase the long-term cultural effects of open-air theatres. As an example, the Einsiedler Welttheater regularly promotes and supports other cultural institutions and initiatives in the region. Therefore, cooperating with other artists and cultural forms can have long-term positive effects on both partners.

They can furthermore contribute to enriching the range of cultural activities and arousing outsiders’ interest in the region. Cultural infrastructure facilities such as the Festspielhaus Baden-Baden or the Kultur- und Kongresszentrum Luzern add to and enrich the high-quality culture on offer. Although this is mainly taken up by an external audience, numerous guests
from the region also take part in the event. What the cultural institutions have to offer also arouses the interest of the local population.

Network and competence effects

Network effects can develop from horizontal or vertical crosslinking of companies, facilities or institutions within and outside a region. We speak of “competence effects” when competencies, knowledge and know-how are transferred to the region by a company or an institution. Both network effects and competence effects can be long-term and contribute to the attractiveness of a region in a positive way.

The infrastructural cultural institutions (Festspielhaus Baden-Baden and the Kultur- und Kongresszentrum Luzern) and the two open-air theatres (Einsiedler Welttheater and the Landschaftstheater Ballenberg) are linked to actors within and outside the region in various ways. These are often networks of relationships with different partners that have developed and grown stronger over the course of time. As an example, networks with regional and supraregional actors can be found in the field of sponsoring, either for the institution or individual events. Donors to the Festspielhaus Baden-Baden include many regional companies. Roughly 50 companies are represented in the Festspielhaus business pool and regional companies use the rooms of the Festspielhaus for their events. The Einsiedler Welttheater and the Landschaftstheater Ballenberg are also linked to actors within the region in different ways: apart from the regional actors, a great number of regional companies are involved in the production of the plays. Where possible, regional providers of products and services are deployed, for example for setting up infrastructure, props, make-up and costumes. This also includes craftspersons (e.g. carpenters, printers, cutters, bakers) and service providers (graphics, marketing, etc.). Moreover, other companies from the region support the open-air theatres with material contributions (e.g. flower workshop, taxi, etc.). Companies and individuals from the region also act as sponsors and in the Landschaftstheater Ballenberg Association. They help build up the theatre’s connections within the region.

There is cooperation between cultural infrastructure facilities and events and the regional hotel and tour operator industry, offering packages for visits to cultural events and accommodation in the region. However, there is still a lot of potential for improvement, especially from the point of view of tourism: increased cooperation with tourist service providers and performers could integrate cultural events more strongly into regional tourism.

Apart from the network effects referred to, cultural institutions and events can also have competence effects in their location. This increase in competence can be transferred to the region by strengthening cooperation within the region and including external know-how. By networking and cooperating with different companies and institutions often both sides profit and gain new knowledge. Thanks to the Kultur- und Kongresszentrum Luzern, for example, investments were made in the hotel and gastronomic industry of Lucerne which not only led to an increase in the quantity offered but also to greater quality. This increase in quality and the orientation towards a growing international audience also required the companies to gain new knowledge and improve their competencies.
In the case of open-air theatres it is important to include external know-how regarding the technical side when it comes to special tasks (e.g. lighting technology, stand). Often the same people and companies are involved in the staging. The contacts, networks and competencies that develop in this way are not only limited to the actual time of playing and staging, they are long-lasting.

On the individual level, the external professional artists support the exchange of knowledge, helping individuals to gain new competencies, some of which they are also able to use outside the open-air theatre. The involvement of professional actors can also broaden the non-professional actors’ horizons and help them in acquiring new competencies.

Network and competence effects can be identified with respect to cultural infrastructure facilities as well as the case examples of the cultural events. With regard to the two open-air theatres in particular, these effects are not limited to the entrepreneurial level of the organiser, they are often also perceived on the individual level of the persons involved.

Regional identity

Contrary to image, which takes the external effect into consideration, regional identity describes the interior impact of activity within a region.

Cultural infrastructure and events can thereby contribute to regional identity in a very different way. With respect to the case examples of infrastructural cultural institutions (Festspielhaus Baden-Baden and Kultur- und Kongresszentrum Luzern), the contribution to regional identity is based on a wide acceptance by the regional population. The institution is regarded as a fixed part of the cultural range. Especially with respect to the Kultur- und Kongresszentrum the population identifies itself with the event hall, since it has become a landmark of the city due to its successful architecture and its location in the city centre. The regional population is proud of the Kultur- und Kongresszentrum – partly because it attracts supraregional attention.

The contribution made by the open-air theatres to regional identity does not so much arise from their artistic products or their entrepreneurial actions, but rather from the process of their development. Since the work of the open-air theatres is mainly built on voluntary commitment, the motivation of the people involved cannot be assessed according to entrepreneurial aspects. On the one hand, the participants’ commitment is borne by artistic work, on the other hand it is based on the feeling of joining forces in order to achieve something great. At the Einsiedler Welttheater and the Landschaftstheater Ballenberg, numerous people from the region are not only found onstage, they are also involved backstage. The common interest in theatre joins people who otherwise do not (and would not) work together, either privately or professionally. A lot of people have been engaged in working for the open-air theatre on a voluntary basis for many years. The amount of time and energy invested by these individuals is enormous. Personal time schedules are oriented towards performance seasons; holiday and leisure time activities are considerably minimised during this time, family life also adapts to the rhythm of rehearsals and performances. Throughout the years and during the seasons this has created a sense of togetherness and community spirit among the persons involved, which is an important motor of individual commitment, apart from their participation in the play itself. Joint activities outside the rehearsal and performance times also
help strengthen the community spirit. Especially during performance times, the open-air theatres contribute to people’s identification with the region and regional ties.

4.4 Summary of the impacts

Analysing regional impacts of cultural institutions and events has shown that positive effects on the respective location could be identified for all four case examples. Depending on the size, type and range of activities of the cultural institution and the event, the main focus of the impact can vary. The structure and size of the location, other (cultural) events as well as networking by the actors within the region – also in other areas – are decisive factors for the regional significance of cultural institutions and events. With respect to the four case examples, it becomes obvious that the greatest effects are in the sector of culture. The most important fields are the enrichment of the cultural events on offer, the population’s sensitisation for culture and cultural mediation. The question of the degree of significance for the regional economy mainly depends on the size of the cultural infrastructure and the event, as well as the differentiation and the size of each location. The effects on tourism are relatively small in all four case examples. In most cases network and competence effects can only be derived from the case examples in certain areas. All four examples show a positive contribution to the image of the location. Due to the intensive participation of the local population in both open-air theatres, they can make an important contribution to improving regional identity. In summary, it can also be stated that cultural infrastructure and events can add to the quality of a location in many different ways; however, the extent and scope of their effect can be very different.

The following table summarises the contributions of the four case examples to the individual fields.

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Figure 7: Summary of contribution of the four case examples to the fields
5 Conclusion

In connection with scientific theories of regional development, the discussion about creative industries, creative class or the creative sector can be seen as an addition to and further development of the existing concepts of the learning region, innovation milieus and clusters. Until today, the significance of knowledge and innovation for regional success has concentrated on the entrepreneurial and institutional level. The concept of the creative class places a stronger emphasis on the individual. While in the past studies on creative industries mainly focused on the cluster model or regional capacity for innovation, the work at hand refers to the question of how the creative industries contribute to the quality of a region as a location.

On the basis of four case examples the questions were examined of whether and how cultural infrastructure facilities and events help increase the quality of a region as a location. The results have shown that both cultural infrastructure and events can influence regional attractiveness as a location, in different areas. The amount of impact, or the weight of the effects thereby depend on the type and size of the infrastructure facility and the event as well as on the structure and size of the region. To a large part, the effects referred to in chapter 4.3 can also be applied to smaller events. Different examples (e.g. Einsiedler Welttheater, Landschaftstheater Ballenberg) show that, on the one hand, cultural activities initiated by the open-air theatre can also last for longer than the specific season. On the other hand, open-air theatres create social contacts and networks on the individual level which are, or can be, long-term. With respect to smaller events in particular, the network effects and competence effects and their contribution to regional identity prevail. One could even say that the intangible effects of smaller events in rural regions are higher than those of (large-scale) events in urban agglomerations. In places with a multifaceted range of cultural activities the population is already integrated into numerous networks and activities, and events with voluntary actors are comparably less effective. In places where cultural activities form, or can form a strong point of identification and where they are a highlight on the local population’s calendars, they have a chance of making a greater contribution to improving the regional identity and increasing the attractiveness of the region as a location.

Cultural infrastructure facilities and events find themselves caught between their aim to provide high-quality cultural activities, the commitment of the people involved (some on a voluntary basis) and the problem of financing. This comes up against the region and its people, the companies, their quality of location and life and their social and cultural background. For the attractiveness of a region as a location, economic aspects are just as relevant as its capacity for innovation, cultural framework and regional identity. In order to achieve long-term effects, it must be possible to create additional value both for the cultural infrastructure and events and for the region (see Figure 8).
The basic prerequisite for creating additional value for the facilities and events, as well as the region, is both sides’ willingness and readiness to cooperate. Only if the institutions, events and local people involved are interested in cooperating and networking, and take on an active role, can ideas and approaches be put into effect with success. The following examples are imaginable for increasing regional-economic effects and creating additional value for infrastructural cultural institutions and events, as well as for the region:

- Extending visitors’ length of stay by coordinating events with those responsible for tourism. The institutions, events and regional companies will thereby profit from additional sales in the hotel industry, gastronomy, retail trade, etc.

- Increased cooperation with tourist service providers, e.g. by means of special cultural set meals at restaurants, by adapting the opening hours or with the help of packages. Arrangements and extended offers in the field of public transport can also be of advantage for both visitors and service providers.

- Increased integration of beneficiaries: regional companies, not only from the hotel and gastronomy industry, profit from the cultural activities offered at institutions and events. Involving the regional companies more closely in financing (as sponsors or with contributions in kind) would improve financing, in particular of cultural events, and strengthen the connection between the regional companies and the event.

Figure 8: Added value for cultural infrastructure and events and their locations (source: own presentation based on Goddard (2000))
• Cooperation with other institutions and events: cooperation not only with cultural institutions within the region, but also with others could create synergy effects. On the one hand know-how can be acquired and networks developed, on the other hand attention for this cultural form can be increased within and outside of the region.

• In order to secure regional cultural assets on a long-term basis, cooperation with schools and educational institutions in the region are imaginable. In this way young talent can be promoted in a targeted way and the commitment to and awareness of cultural work can be increased – especially with respect to the younger population.

• To help improve regional identity and heighten community spirit among the people involved, out-of-season initiatives and campaigns are imaginable. As an example, joint leisure activities can strengthen the networks between the participants and contribute to regional identity at the same time. People’s voluntary commitment, in particular, helps strengthen common interests, shared regional origins and regional identity.

As shown in the examples, there are many possible ways to achieve positive effects for the cultural infrastructural institutions, events and region, sometimes by taking only very small steps. A certain continuity is necessary to make the effects as long-term as possible, i.e. also in times where there are no plays. At the same time, connecting individual activities can strengthen the region as a whole, not only with respect to its image, but also to its identity.

Cultural infrastructure and events can help increase the attractiveness and quality of a location. When analysing the impacts, integrating the institutional level is just as relevant as the individual level. While the regional economic effects, impact on tourism and image are considered from an institutional point of view, network effects, competence effects and improvements to regional identity develop on the individual level. Cultural effects can be identified on the institutional as well as the individual level. The contribution of cultural institutions and events to regional development is thereby evidenced on different levels. While monetary effects have a relatively short-term impact, so-called intangible effects can make a lasting contribution to securing and increasing a region’s quality as a location.
6 Literature


The contribution of cultural infrastructure and events to regional development


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