

Quantitative and economic impacts of the project

Shared Cities: Creative Momentum

Final report

December 2019



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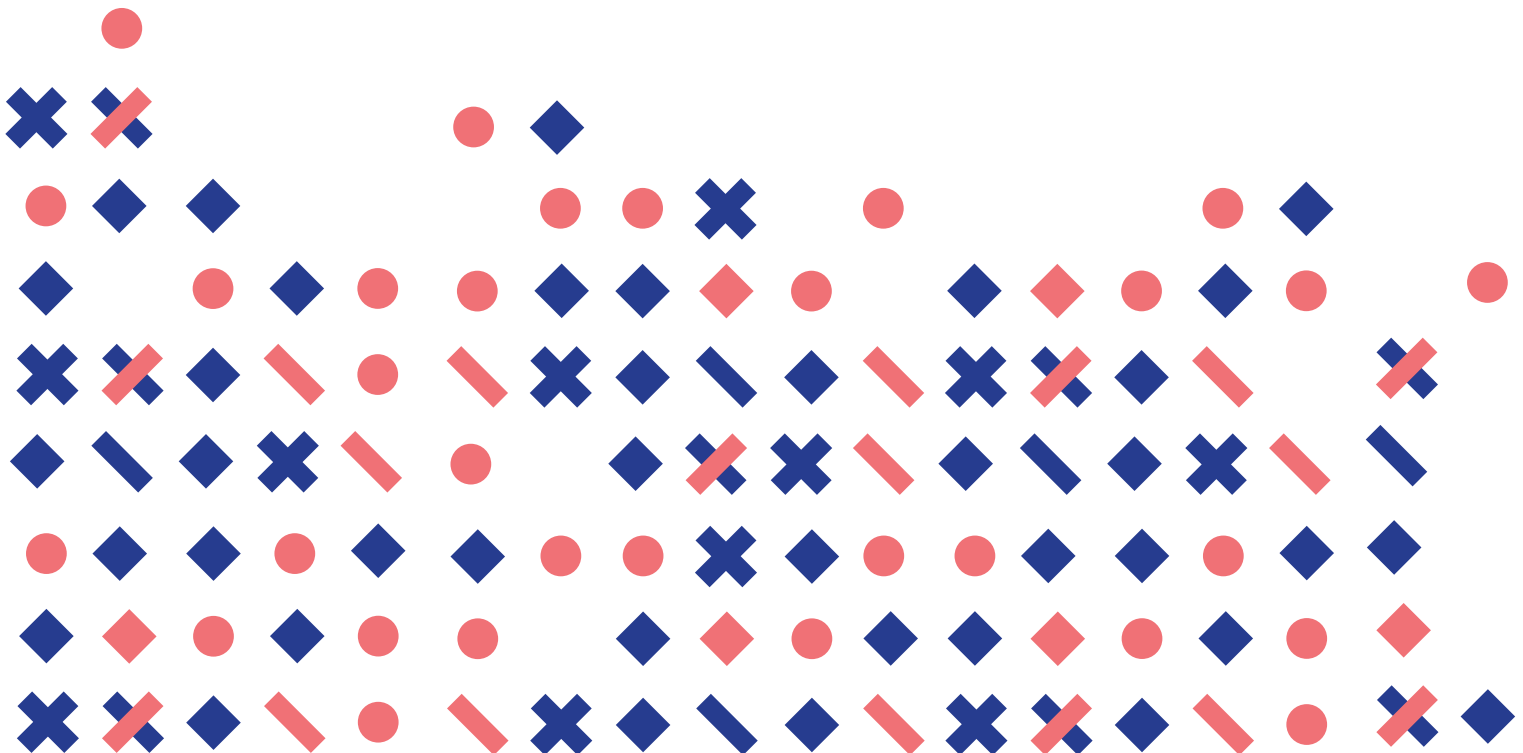


Authors: Economic impact

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Economic
Impact
art

Comissioned by Czech Centres



Executive summary

- Shared Cities: Creative Momentum brings together 11 organizations from 7 cities in 6 Central European countries to create a space for architecture, art, urbanism and the sharing economy and to contribute to the transformation of urban life.
- Thanks to an EU grant of approx. 1 616 424 EUR (Creative Europe programme), 11 partners made an effort to co-finance the project and organized 494 events in 45 months (2016-2020). The events included big conferences and festivals, as well as small-scale events and they attracted 59 550 visitors and participants.
- In total, **all the project partners and visitors of their events spent approx. 6 272 115 EUR** (on staff and production costs, artists, but also accommodation, transportation etc.). 52 % were the project costs and 48 % was spent by visitors. This demand also raised the production of companies in supply chains, so suppliers and sub-suppliers had to produce goods and services of 4 474 220 EUR for the project partners and visitors (incl. external services and experts, energetics, hotels, restaurants etc.). We call it the multiplication or indirect effect. It means that the **SCCM project helped to raise the total output of 10 746 335 EUR** in the countries involved.
- **It also raised gross value added of approx. 4 387 000 EUR**, including employees' gross wages of approx. 2 617 000 EUR and freelancers' and companies' profits of approx. 1 255 000 EUR.
- The project helped to create or sustain at least **204 one-year jobs (full-time employment)**.
- Thanks to the economic activity, **national public treasuries obtained more than 2 089 000 EUR**.
- If we base the impacts on 1 EUR of the EU grant, we can conclude that **each 1 EUR from public budgets (on the EU level) was returned as 1,3 EUR to public budgets (on the state level)** in the form of taxes, social insurance etc.
- The report also presents the most important economic impacts of the project on four countries – the Czech Republic, Hungary, Poland, Serbia.
- The activities of the project were following a basic idea to activate and interact with the general public in relation to urban issues and had positive non-economic and long-term impacts on the cities involved. Several significant case studies from the cities involved are described shortly.
- To provide the project partners with a **tool that would help them to calculate economic impacts by themselves**, a ready-to-use model was developed in MS Excel for four countries (CZ, HU, PL, RS). The report describes how to use the model and how to collect the data needed.



11
Organizations

Czechia Germany
Hungary Poland
Serbia Slovakia



59 600
Visitors

Locals 79%
Other regions 16%
Foreigners 5%



494
Activities

Direct impact

Total spending
6,3 mil. €

Total budget
3,2 mil. €

Visitors' spending
3,1 mil. €

Indirect impact

Total output
10,7 mil. €

Gross value added
4,4 mil. €

Intermediary consumption
5,6 mil. €

VAT
0,7 mil. €



Mixed income & profits
(freelancers, companies)
1,3 mil. €



Gross wages
(employees)
2,6 mil. €

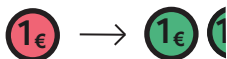


Employment
204 jobs

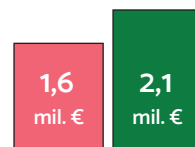
National public treasuries' revenues
2,1 mil. €
(VAT, income taxes, insurance...)



Impact on
public finances



1 € from public budgets generates **1,3 €** back.



EU grant TAX revenues

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Abbreviations

SCCM	Shared Cities: Creative Momentum
EU	the European Union
CZ	Czech, the Czech Republic
HU	Hungarian, Hungary
PL	Polish, Poland
RS	Serbian, the Serbian Republic

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1 Introduction: about the project, input data

The report presents the key quantitative data and the total economic impact of the project Shared Cities: Creative Momentum (SCCM) on all six European countries involved, it describes some of long-term and non-economic impacts and it also explains, how the methodology and the tools developed can be used for future cultural and creative projects.

Shared Cities: Creative Momentum assisted Central European cities in finding innovative ways of urban planning and policy-making. Another ambition of the project was to show urban citizens that their participation and cooperation is essential for creating a pleasant and valuable urban environment.

SCCM brought together 11 organizations from 7 cities in 6 countries – Belgrade (Serbia), Berlin (Germany), Bratislava (Slovakia), Budapest (Hungary), Katowice, Warsaw (Poland) and Prague (the Czech Republic) - to create a space for architecture, art, urbanism and the sharing economy and to contribute to the transformation of urban life. The project was supported by the EU program Creative Europe and was designed for 45 months (2016 – 2020). During this period, 494 activities were carried out in 6 countries. They attracted nearly 60 000 visitors and participants (calculated based on the project’s and partners’ evidence, personal interviews, and finally confirmed by the project leader The Goethe-Institut).

The project partners also released several publications and spread their exceptional and valuable knowledge, but those activities do not have measurable economic impact as such, so this report does not focus on them.

Figure 1 The project „Shared Cities: Creative Momentum“ in numbers



The aim of this report is to present the impacts on four countries (the Czech Republic, Hungary, Poland, Serbia) individually and then quantify the total economic impacts of the project on all involved countries and their economies (those four countries plus Germany and Slovakia), as demanded by the project partner Czech Centres, who commissioned this evaluation.

The report also presents the methodology and ready-to-use models applicable for future creative projects in four countries.

To achieve those goals, two categories of input data were observed:

- 1) The budget of the project,
- 2) The related spending by visitors and participants involved in the project activities.

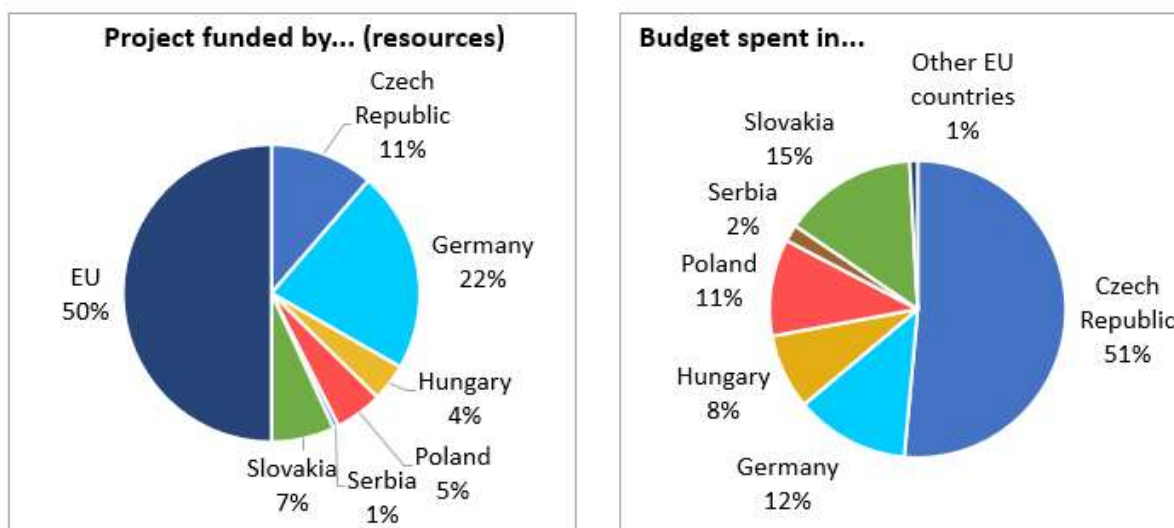
1.1 „Shared Cities“ budget

The total budget of the project (6 countries, 45 months) amounted to approx. 3 232 848. Approximately the half of this sum was financed by the European Commission from the program Creative Europe. The other half was financed by the project partners from other resources. The biggest part came from Germany (22 %), since it encompassed the contribution of the project leader The Goethe-Institut in Prague, funded by the German foreign ministry, and the contribution of the German partner KUNSTrePUBLIC.

If we look at the costs of the project (see Figure 2), the biggest share of the budget was spent in the Czech Republic by the 3 project partners including the Goethe-Institut in Prague (the most of its budget was spent in the Czech Republic). How much money was spent in each country and for what (staff costs, types of products and services) is very important for economic impact evaluation and was the subject of the research.

Figure 2 The project budget (11 project partners, 2016–2020)

€ 3 232 848



1.2 Related spending of the SCCM visitors and participants

The second important category of input data for the economic impact evaluation is visitors' spending. To get all the needed data we:

1. **counted and categorized all the project's activities** across 6 countries and 11 organizations. We divided all the activities into 6 types:
 - Conference = an event for professionals and experts lasting more than 1 day
 - Festival = an event for the public (concerts, markets, walks, discussions, etc.) lasting more than 1 day
 - Exhibition = an event for the public (exhibiting, supporting programme, discussions, etc.) lasting more than 1 day
 - One-day event for the public = workshops, guided tours, seminars etc.
 - One-day event for the public focused on community life = markets, community food gatherings, culture and sport activities etc.
 - Partner meeting = an event for SCCM partners (sharing, networking, etc.) – *costs were fully covered by the SCCM budget, so they do not appear in the visitors' part of the input data*

To sum up, 416 public events and 78 non-public partner meetings were organized within the project. The public events were visited by cca 59 550 visitors (see Figure 3, Table 1 and Table 2).

Figure 3 Number of events and visitors in the SCCM project

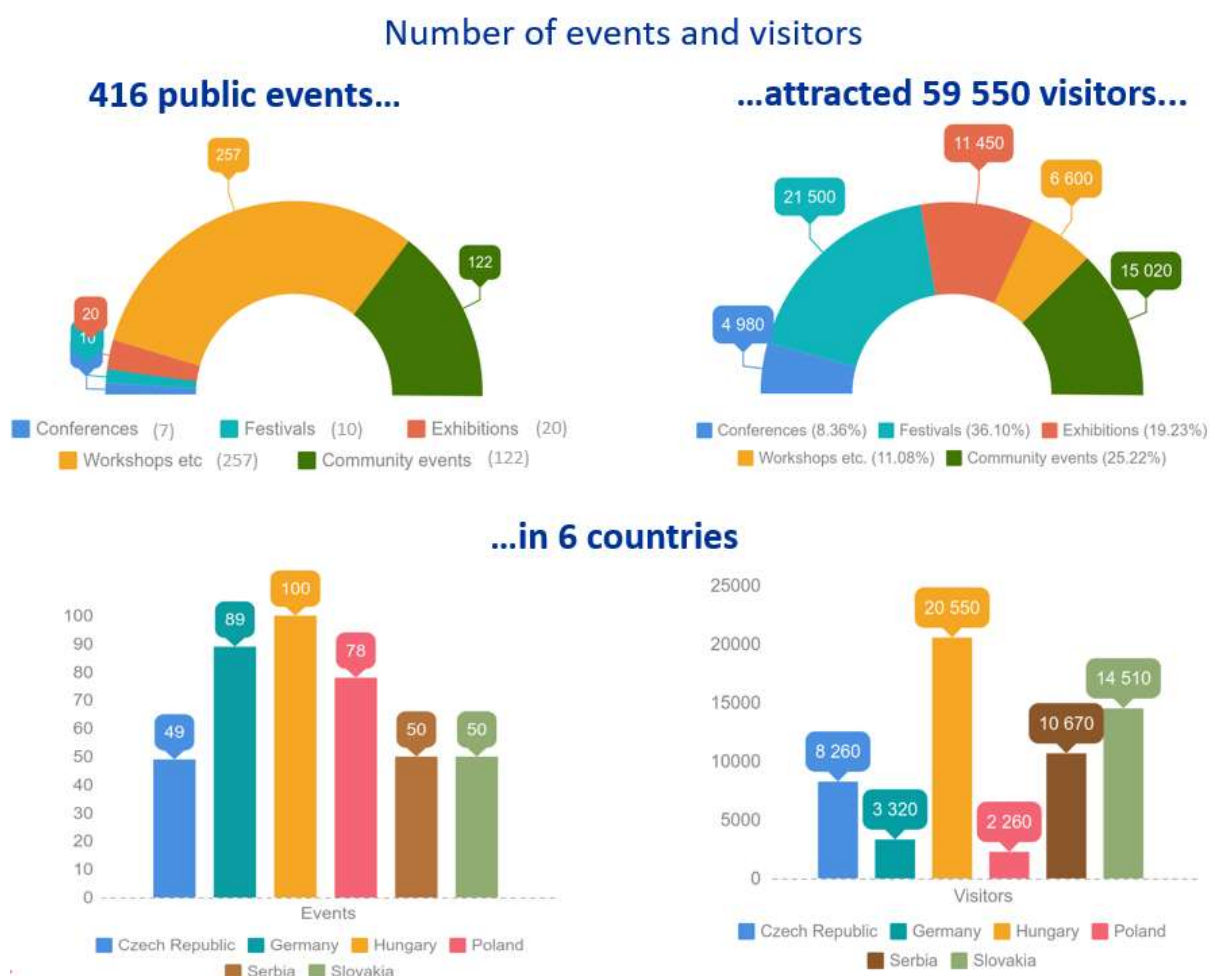


Table 1 Number of public events by event type and country

	Czech Republic	Germany	Hungary	Poland	Serbia	Slovakia	Total number of events
Conferences	4	1	0	1	1	0	7
Festivals	0	0	6	1	3	0	10
Exhibitions	2	1	6	1	1	9	20
Workshops, guided tours etc.	36	9	63	74	36	39	257
Community events	7	78	25	1	9	2	122
Total	49	89	100	78	50	50	416

Table 2 Number of visitors by target group and country

	Czech Republic	Germany	Hungary	Poland	Serbia	Slovakia	Total number of visitors
Locals (same town)	5 110	2 285	17 925	1 610	8 020	12 325	47 275
From other regions	1 550	985	2 365	590	2 000	1 915	9 405
From abroad	1 600	50	240	60	650	270	2 870
Total number of visitors	8 260	3 320	20 530	2 260	10 670	14 510	59 550

2. collected or estimated, with the partners' help, as much information as possible about the visitors and participants:

- how many visitors came to the events
- from where they came (from the same city / from other regions of the country / from abroad)
- how important the event was in deciding to visit the city or the venue (0 – 100 %)
- for how many days they came
- how much money they spent daily for goods and services not covered by the project (food and drinks in restaurants, transportation, accommodation, goods in shops or markets etc.) – estimated based on secondary data from other surveys at cultural events and official tourism statistics; different spending for local and one-day visitors, long-distance tourists etc.

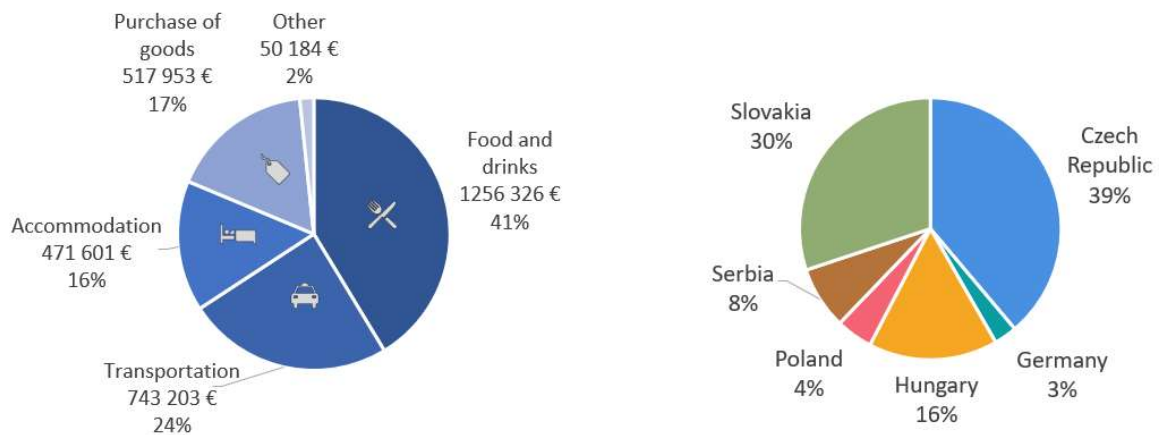
The 59 550 visitors attracted to the public events spent more than 3 mil. EUR. Out of it, 41 % was spent for food, drinks and refreshments, about 24 % was spent for transportation to the events, 16 % for accommodation of non-local visitors and cca 17 % for different goods.

From the geographic point of view, 39 % of the sum was spent in the Czech Republic (mainly thanks to reSITE conferences, which attracted a lot of foreigners for a longer period) and in Slovakia (mainly thanks to market events like Dobrý trh, where people tend to spend more). The following charts (Figure 4) show the main numbers.

Figure 4 Visitors' spending

visitors spent € 3 039 267...

...in 6 countries



From the input data and related infographics, we can see that the countries differ and there is no correlation between number of activities, number of visitors and total visitors' spending. Indeed, the project events across the countries differed by type, length and target groups. There were several events that attracted many local and non-local visitors and positively influenced the economic impacts of the project: reSITE conferences (CZ), 100-Budapest festivals (HU), BINA festivals (RS), Dobrý trh (SK).

For example, conferences like reSITE in Prague (CZ) attracted many non-local visitors for 2-4 days. These visitors needed to pay for accommodation, transportation and food during the entire trip. On the contrary, small 1-day events such as professional workshops or community gatherings (many of which were organised in Germany, Hungary and Poland) were attended by limited number of visitors (20-50) who spent relatively little money.

On the other hand, the small 1-day events might have significant non-economic impacts on the quality of life of local people, knowledge transfer, specific urban strategies, local application of know-how and other aspects that cannot be served by the big events.

2 Quantitative and economic impacts of the SCCM project

2.1 Methodology

All the impacts are calculated based on **input-output analysis**. This method, invented by Wassily Leontief (Nobel Prize-winner), is considered the most accurate and sophisticated among the methods for calculating the economic impacts of an institution, activity or project. This analysis is based on tables of use and supply, known as **input-output tables**, published by statistical offices in most countries in the world. Input-output tables show the structure of the country's entire production system for a particular period (usually one year). They show the value of goods and services produced by each industry and who purchases them (e.g. some goods, such as cars, are mainly sold to final consumers, while others, such as steel, are used as input to other industries in producing more goods and services).

The input-output model can serve as a tool to calculate **input-output multipliers**. Input-output multipliers are summary measures used for **predicting the total impact on all industries in an economy** (including multiplied effects coming from the whole supply chain) of changes in the demand for the output of any one industry (e.g. culture). With these multipliers, the direct and indirect impacts of a new investment and its influence on regional economic indexes can be quantified in terms of total output (production), gross value added, employment (number of jobs created), employees' incomes, operating surplus, or other indexes. Therefore, the input-output model can predict what happens to the entire economy if we put approx. 1 into an industry (e.g. cultural services, hotels, restaurants).

2.1.1 The process of calculating economic impacts

The process requires several necessary steps described shortly below. For a detailed explanation, please see the document *Methodology: How to calculate the economic impacts of the SCCM project and instructions for the ready-to-use economic models* (Raabová et al., 2018).

1. Defining input data from the project organizers and visitors

Required input information for calculating the economic impact is data on expenditures spent by both the organizers and visitors because of the project.

2. Calculating input-output multipliers from the national input-output tables

It is important to calculate multipliers separately for each country from its own national statistics, because the structure of a country's economy differs from the others. Therefore, we calculated input-output **multipliers for 60-90 types of products** (according to CPA classification) **for each of the 6 countries**. And for each country and product, there are many types of multipliers according to the economic indices we focus on: output, gross value added, income, employment, operating surplus (profits), import etc. **Altogether we calculated more than 9 000 multipliers and coefficients for six economies**. Then, we selected relevant products and indices to calculate and interpret the economic impacts.

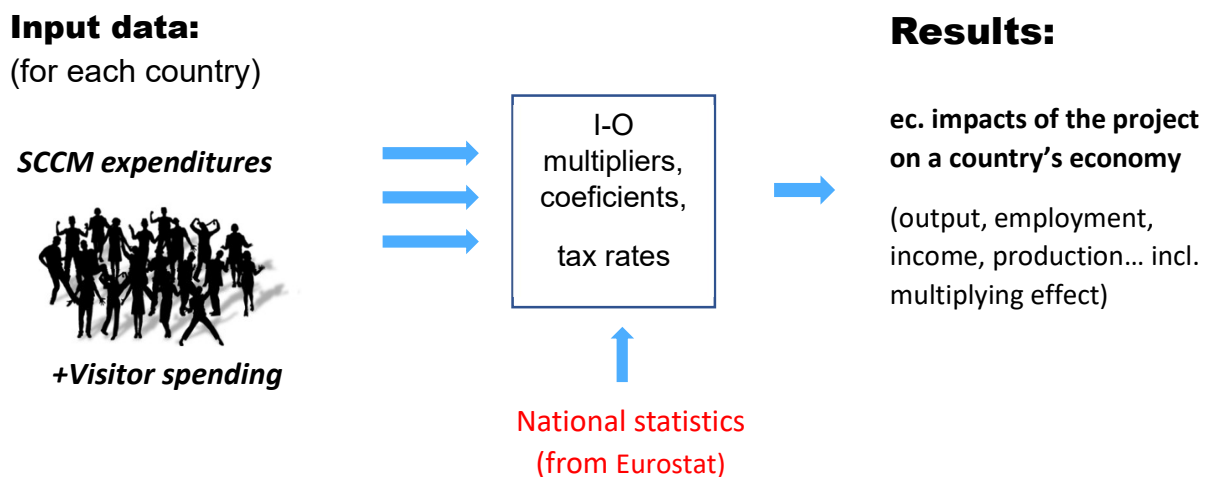
3. Analysing national main tax rates

We also collected the main tax rates (VAT, consumption taxes, income taxes, social and health insurance) applied in the countries involved.

4. Matching input data with I-O multipliers

The next step is to match the collected input data on project costs and visitors' spending to the multipliers of output, GDP (or gross value added), the employment rate and other indices for individual industries.

Figure 5 Process of calculating economic impacts



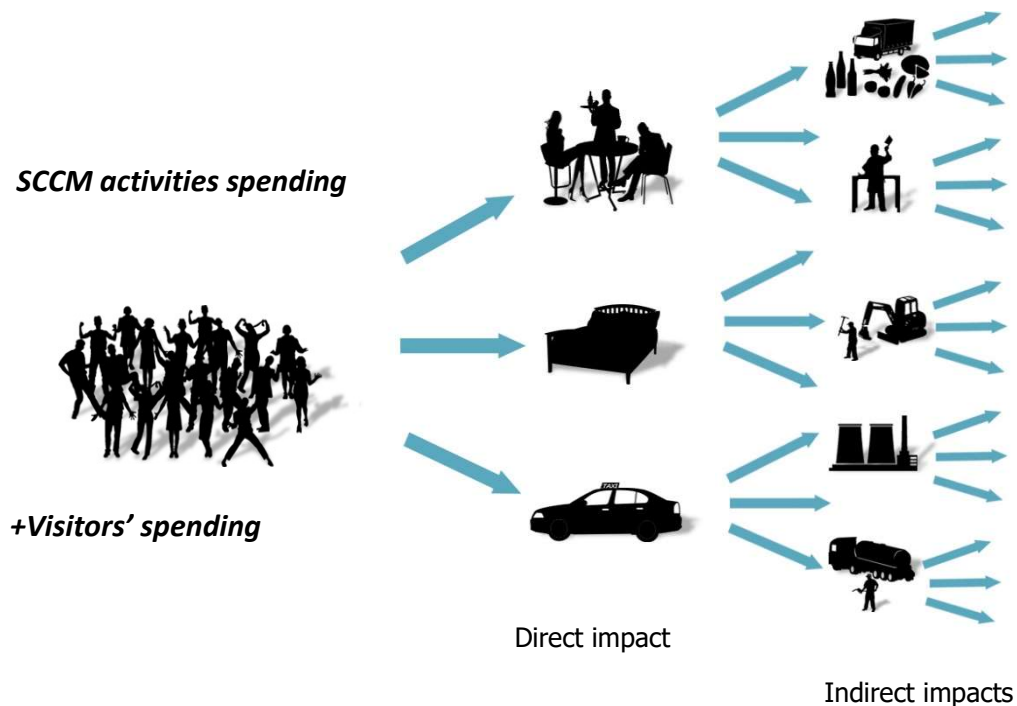
5. Calculating direct and indirect (multiplied) impacts

There are various definitions of direct and indirect impacts. Most authors (e.g. Stynes, Heilburn and Gray, Whiting, Australian Government) use the following terminology:

- **Direct effects** – the changes in the economy that are caused by the direct expenses of a cultural organization or their visitors (e.g. production growth of the direct suppliers of products and services demanded by visitors or the organization itself).
- **Indirect effects** – the changes in the economy that are caused by subsequent suppliers' production as a consequence of further related economic activity in the region analysed (direct suppliers demand goods and services from their sub-suppliers and these sub-suppliers demand other goods and services from their own sub-suppliers). So, this can be understood as the changes that involve all other production activities as a result of the relations within supply chains. The indirect impacts are caused by the so-called multiplication process.

Both direct and indirect effects are demonstrated in Figure 6.

Figure 6 Direct and indirect impacts of increase in visitors' spending (Raabová, 2011)

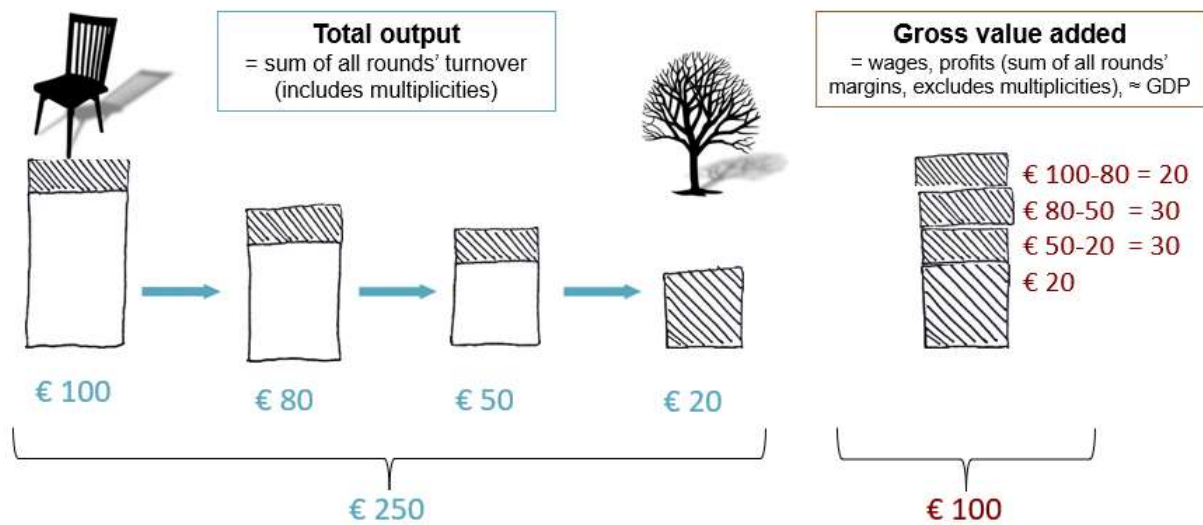


What is 'total output' and 'gross value added'?

The impact on total output (direct and indirect impacts) contains duplicities, because the increased output of one industry can be used as an input into another industry and so can be counted more than once (this is also the explanation how the initial spending can 'grow' into a bigger total output). The double-counting is excluded in Gross Value Added, as it counts only the values added by all the suppliers involved. It is very close to the GDP index, because GDP includes GVA plus net taxes.

The following figure (Figure 7) shows the difference between the total output (sum of turnover of all suppliers) and the gross value added (sum of values added through the chain).

Figure 7 Explanation of total output and gross value added



To calculate economic impacts of the project, **all the needed data was collected** from the partners, their records and the project accountancy, but also from Eurostat, national statistical offices and tax offices websites.

Then, the economic impacts on the economies of the Czech Republic, Hungary, Poland and Serbia were calculated. Finally, economic impacts on the economies of Germany and Slovakia were estimated in order to assess the total impact of the project on all six countries involved.

2.2 Economic impacts of SCCM in four countries (CZ, HU, PL, RS)

The impacts on each of four countries are presented shortly on following pages. (For further details, please see the previous report dedicated only to those four countries.)

The total economic impact of the project on countries' economies depends on the project budget (how much money was used and how it was spent), but also on the number of visitors and their spending related to SCCM events. In each country, different events were organized for different target groups and with different goals. Big festivals and conferences attracted more people and induced higher visitor spending than small-scale professional workshops or community events. That is why the economic results differ across the countries analysed. Nevertheless, the small-scale events were also very important in terms of professional, scientific and community aspects.

The Czech Republic

In the Czech Republic, **three partner organizations** took part in the project: the Goethe-Institut (leader), Czech Centres, reSITE. The Czech partners organized, altogether, **49 public events**: 4 conferences, 2 exhibitions, 36 one-day events (workshops etc.) and 7 community events. **The events welcomed 8 260 visitors**, of which 5 110 were locals, 1 550 from other regions and 1600 from other countries. The most visited events were reSITE conferences.

The project budget of the 3 Czech organizations was 1 691 561 EUR, of which 69 % were salaries for both internal and external workers (project management, artists, scientific personnel and other professionals) needed to manage the project well. All the visitors spent an additional 1 180 800 EUR in restaurants, hotels, shops etc. **The total spending due to SCCM within the Czech Republic was 2 872 361 EUR.**

The initial spending of 2,9 mil. EUR flowed to people (employees and freelancers) and companies, as well as to public budgets (taxes, insurance etc.). The coloured chart below demonstrates the structure of the total spending (**direct impact**) according to the type of products/services.

The direct suppliers needed goods and services from their sub-suppliers and all their supply chains. So, the initial “financial injection“ had impact on many other companies and people. The output of all (sub)suppliers in supply chains increased by approx. 2 249 000 EUR (indirect impact). It means that **the total output of the Czech economy (direct + indirect) increased by approx. 5 121 000 EUR thanks to the project.**

SCCM helped to increase the value added in the Czech economy by 1 994 000 EUR.

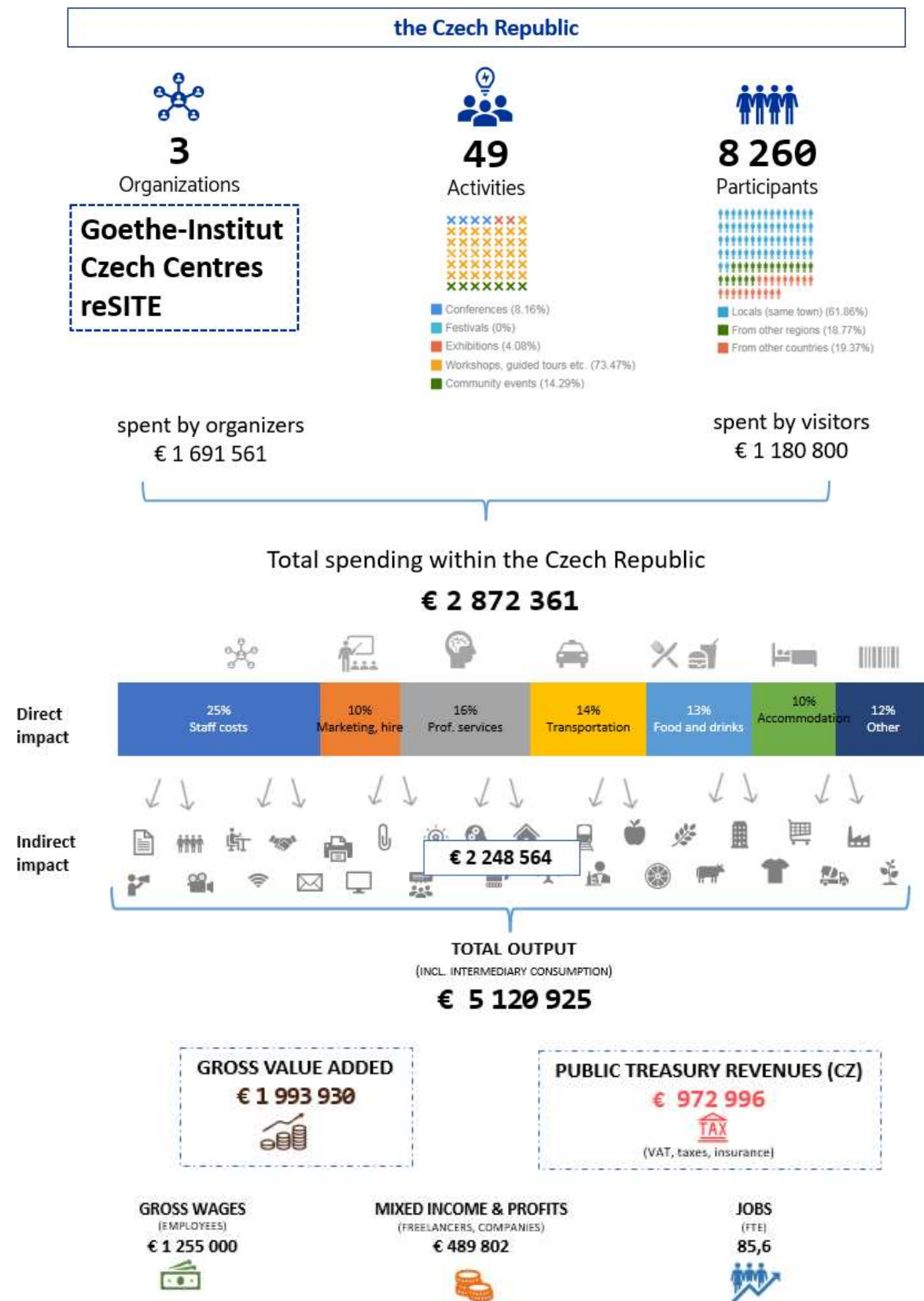
It contains mainly wages and salaries of approx. 1 255 000 EUR and profits of companies and mixed income of freelancers (their profit + salary) of approx. 490 000 EUR.

The project supported hundreds of part-time or temporary jobs, which would equal **86 full-time jobs** for one year (FTE = full-time employment).

Summing up the taxes (mainly VAT and income taxes) and obligatory health and social insurance, **the Czech public budgets received at least 973 000 EUR** thanks to SCCM.

If we base the impacts on 1 EUR of EU grant, we calculate that **every 1 EUR of the grant received by the Czech organizers caused organizers' activity of 2,1 EUR and additional spending by visitors of 1,4 EUR.** Once we also include the indirect impacts of supply chains, we come to a total impact on output (turnover) of 6,2 EUR and on Czech public budget revenues of 1,2 EUR. It means that **each 1 EUR from public budgets (on the EU level) was returned as 1,2 EUR to public budgets (on the state level)** in the form of taxes, social insurance etc.

Figure 8 Economic impacts of the SCCM project on Czech economy



Hungary

In Hungary, **two partner organizations** took part in the project: Kortárs Építészeti Központ (KÉK), Mindspace. The Hungarian partners organized, altogether, **100 public events**: 6 festivals, 6 exhibitions, 63 one-day events (workshops etc.) and 25 community events. **The events welcomed 20 530 visitors**, of which 17 925 were locals, 2 365 from other regions and 240 from other countries. The most visited events were the Budapest100 festivals.

The project budget of the two Hungarian organizations was 264 563 EUR. All the visitors spent an additional 485 263 EUR in restaurants, hotels, shops etc. **The total spending due to SCCM within Hungary was 749 825 EUR.**

The initial spending of nearly 750 000 EUR flowed to people (employees and freelancers) and companies, as well as to public budgets (taxes, insurance etc.). The chart below demonstrates the structure of the total spending (**direct impact**) according to type of products/services.

The direct suppliers needed goods and services from their sub-suppliers and all their supply chains. So, the initial “financial injection“ had impact on many other companies and people. The output of all (sub)suppliers in supply chains increased by 357 000 EUR (indirect impact). **It means that the total output of the Hungarian economy (direct + indirect) increased by 1 107 000 EUR thanks to the project.**

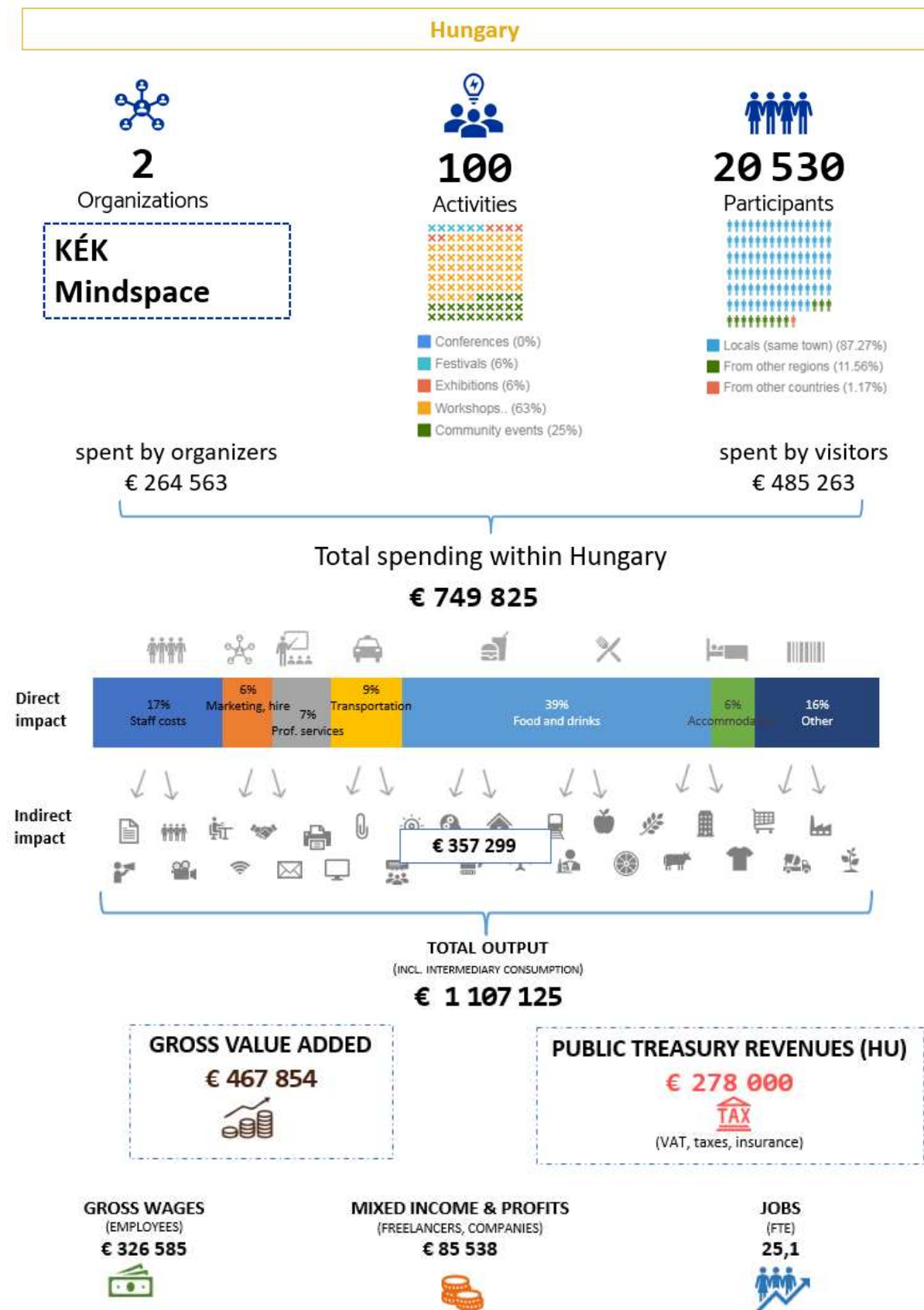
SCCM helped to increase the value added in the Hungarian economy by cca 468 000 EUR. It contains mainly wages and salaries of approx. 327 000 EUR and profits of companies and mixed income of freelancers (their profit + salary) of 86 000 EUR.

The project supported hundreds of part-time or temporary jobs, which would equal **25 full-time jobs** for one year (FTE = full-time employment).

Summing up the taxes (mainly VAT and income taxes) and obligatory health and social insurance, the **Hungarian public budgets received at least 278 000 EUR thanks to SCCM.**

If we base the impacts on 1 EUR of EU grant, we calculate that **every 1 EUR of the grant received by the Hungarian organizers caused organizers’ activity of 2 EUR and additional spending of visitors of 3,7 EUR.** Once we also include the indirect impacts of supply chains, we come to a total impact on output (turnover) of 8,4 EUR and on Hungarian public budget revenues of 2,1 EUR. It means that **each 1 EUR from public budgets (on the EU level) was returned as 2,1 EUR to public budgets (on the state level)** in the form of taxes, social insurance etc.

Figure 9 Economic impacts of the SCCM project on Hungarian economy



Poland

In Poland, two partner organizations took part in the project: Fundacja Res Publica and Katowice City of Gardens. The Polish partners organized, altogether, **78 public events**: 1 conference, 1 festival, 1 exhibition, 74 one-day events (workshops etc.) and 1 community event. The events welcomed **2 260 visitors**, of which 1 610 were locals, 590 from other regions and 60 from other countries.

The project budget of the 2 Polish organizations was 341 795 EUR. All the visitors spent an additional 138 002 EUR in restaurants, hotels, shops etc. **The total spending due to SCCM within Poland was 479 797 EUR.**

The initial spending of cca 480 000 EUR flowed to people (employees and freelancers) and companies, as well as to public budgets (taxes, insurance etc.). The colorful chart below demonstrates the structure of the total spending (direct impact) according to type of products/services.

The direct suppliers needed goods and services from their sub-suppliers and all their supply chains. So, the initial “financial injection“ had impact on many other companies and people. The output of all (sub)suppliers in supply chains increased by 396 000 EUR (indirect impact). It means that **the total output of the Polish economy (direct + indirect) increased by approx. 876 000 EUR thanks to the project.**

SCCM helped to increase the value added in the Polish economy by 365 000 EUR.

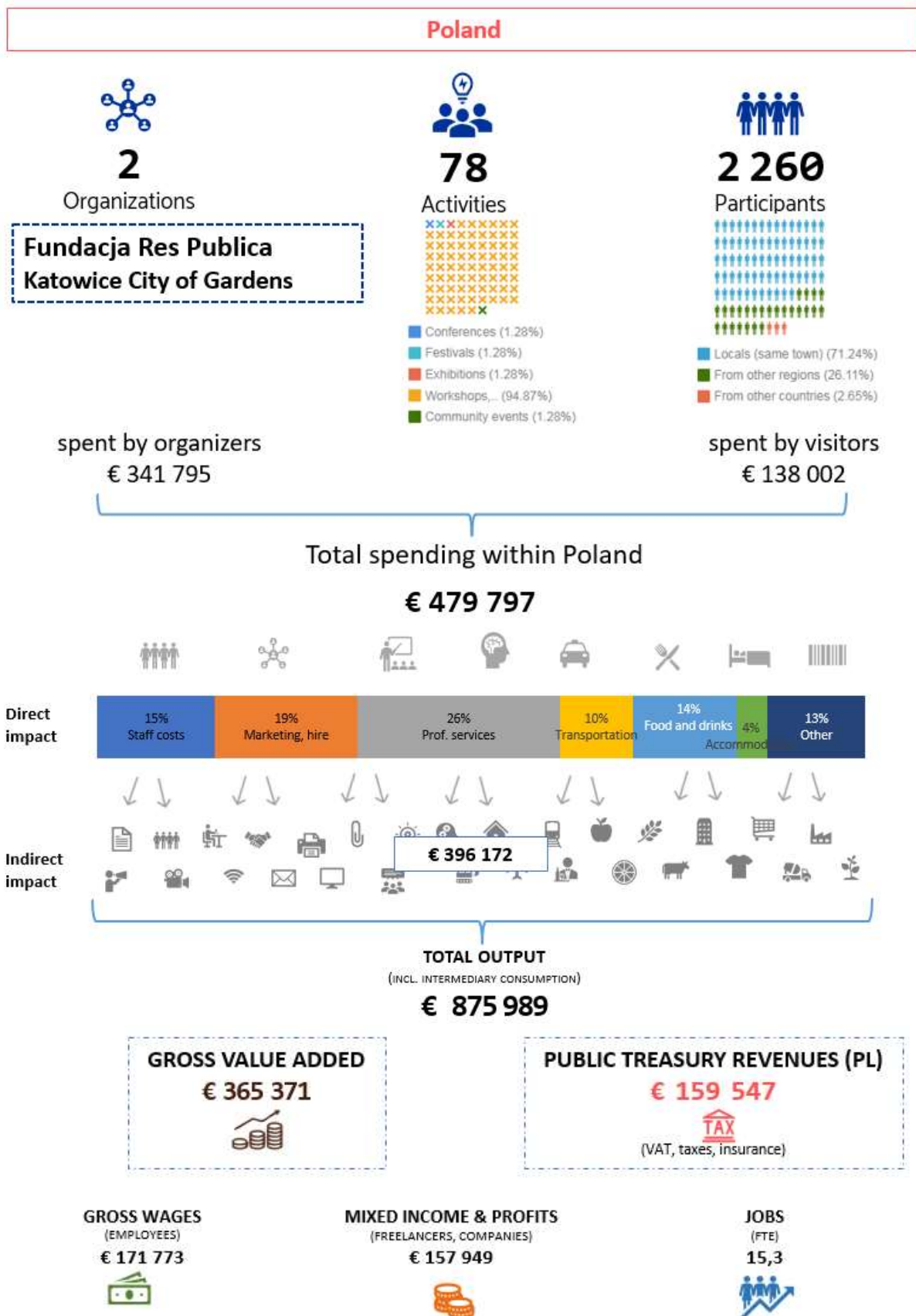
It contains mainly wages and salaries of 172 000 EUR and profits of companies and mixed income of freelancers (their profit + salary) of 158 000 EUR.

The project supported hundreds of part-time or temporary jobs, which would equal **15 full-time jobs** for one year (FTE = full-time employment).

Summing up the taxes (mainly VAT and income taxes) and obligatory health and social insurance, **the Polish public budgets received at least 160 000 EUR** thanks to SCCM.

If we base the impacts on 1 EUR of EU grant, we calculate that **every 1 EUR of the grant received by the Polish organizers caused organizers’ activity of 2 EUR and additional spending of visitors of 0,8 EUR.** Once we also include the indirect impacts of supply chains, we come to a total impact on output (turnover) of 5,2 EUR and on Polish public budget revenues of 1 EUR. It means that **each 1 EUR from public budgets (on the EU level) was returned back to public budgets (on the state level)** in the form of taxes, social insurance etc.

Figure 10 Economic impacts of the SCCM project on Polish economy



Serbia

In Serbia, **one partner organization** took part in the project: The Association of Belgrade Architects. The Serbian partner organized **altogether 50 activities**: 1 conference, 3 festivals, 1 exhibition, 36 one-day events (workshops etc.) and 9 community events. **The events welcomed 10 670 visitors**, of which 8 020 were locals, 2000 from other regions and 650 from other countries.

The project budget of the Serbian partner was 59 490 EUR. All the visitors spent an additional 234 386 EUR in restaurants, hotels, shops etc. **The total spending due to SCCM within Serbia was 293 876 EUR.**

The initial spending of 294 000 EUR flowed to people (employees and freelancers) and companies, as well as to public budgets (taxes, insurance etc.). The chart below demonstrates the structure of the total spending (**direct impact**) according to type of products/services.

The direct suppliers needed goods and services from their sub-suppliers and all their supply chains. So, the initial “financial injection“ had impact on many other companies and people. The output of all (sub)suppliers in supply chains increased by 181 000 EUR (indirect impact).

It means that the total output of the Serbian economy (direct + indirect) increased by 475 000 EUR thanks to the project.

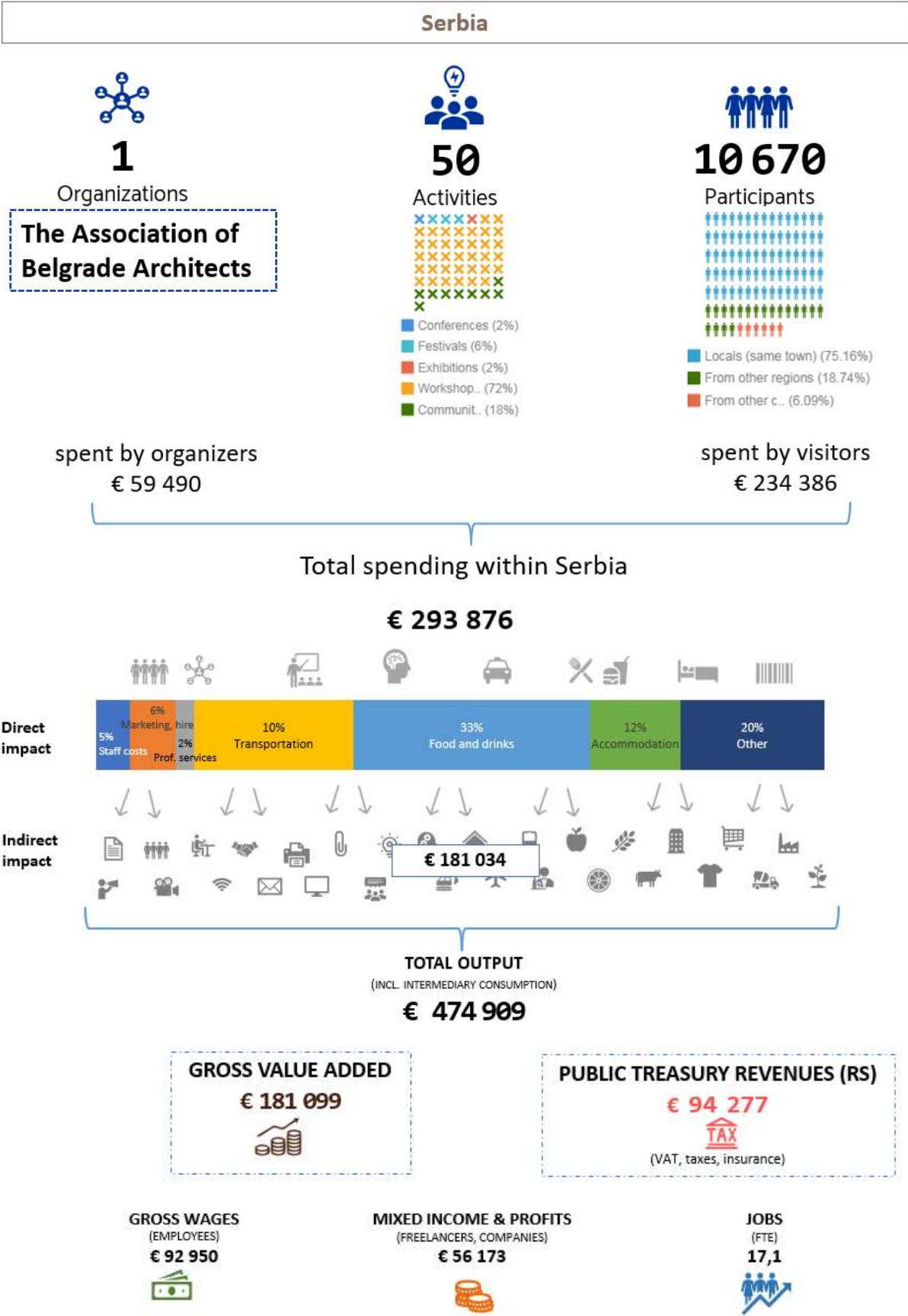
SCCM helped to increase the gross value added in the Serbian economy by 181 000 EUR. It contains mainly wages and salaries of 93 000 EUR and profits of companies and mixed income of freelancers (their profit + salary) of 56 000 EUR.

The project supported hundreds of part-time or temporary jobs, which would equal **17 full-time jobs** for one year (FTE = full-time employment).

Summing up the taxes (mainly VAT and income taxes) and obligatory health and social insurance, the **Serbian public budgets received at least 94 000 EUR thanks to SCCM.**

If we base the impacts on 1 EUR of EU grant, we calculate that **every 1 EUR of the grant received by the Serbian organizer caused organizers’ activity of 1,5 EUR and additional spending of visitors of 5,8 EUR** (thanks mainly to BINA festivals with high attendance). Once we also include the indirect impacts of supply chains, we come to a total impact on output (turnover) of 11,7 EUR and on Serbian public budget revenues of 2,3 EUR. It means that **each 1 EUR from public budgets (on the EU level) was returned as 2,3 EUR to public budgets (on the state level)** in the form of taxes, social insurance etc.

Figure 11 Economic impacts of the SCCM project on Serbian economy



In all the countries analysed, the public investment (EU grant) was very well used to enhance culture, urbanism and the quality of life in the cities. And thanks to partners' activities and their public events' visitors, **the grant was amplified and returned to public budgets in the form of taxes and public payments to the state treasuries.**

2.3 Total economic impacts of SCCM on European economy

After quantifying the economic impacts on the economies of the Czech Republic, Hungary, Poland and Serbia, the economic impacts on the economies of Germany and Slovakia were estimated in order to assess the total impact of the project on all six countries involved.

As already stated above, **11 partner organizations from 6 countries** worked on shared topics and they organized 78 internal workshops and 416 public events (conferences, exhibitions, workshop, guided tours, community gatherings and more) to transfer and disseminate their knowledge and to cooperate both with experts and local communities.

All the public events welcomed cca 59 550 visitors, of which 79 % were locals, 16 % from other regions of the country and 5 % from abroad. All the visitors in 6 countries spent in total cca 3 039 267 EUR in restaurants, hotels, shops, for transportation etc.

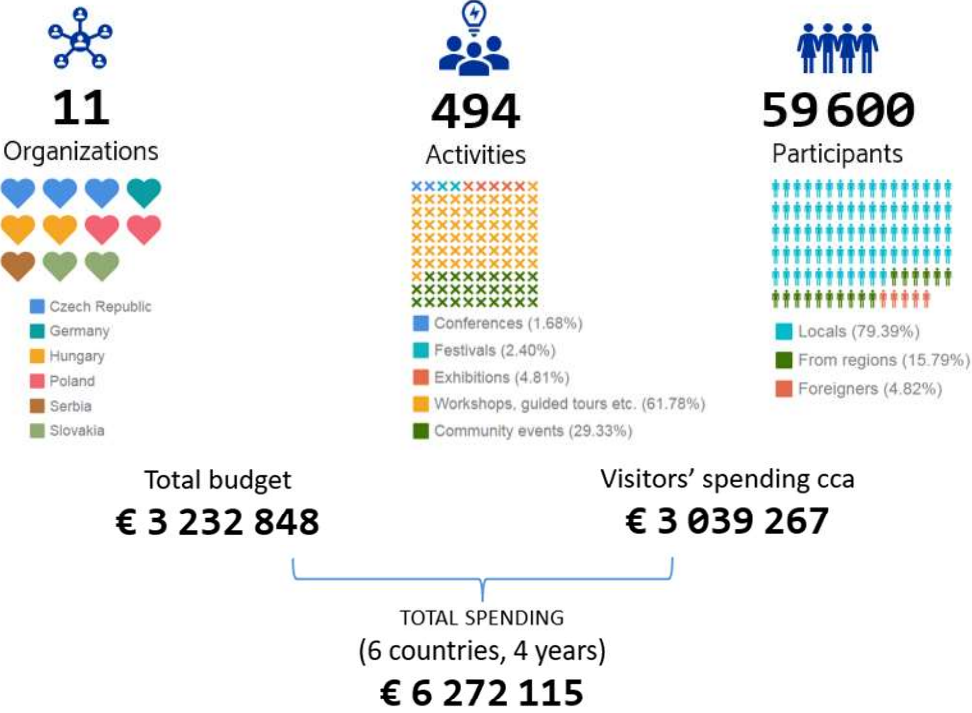
The total project budget was 3 232 848 EUR, of which 68 % were salaries for both internal and external workers (project management, artists, scientific personnel and other professionals) needed to manage the whole project well. The project was supported by an EU grant, which covered 50 % of the costs. The total planned costs of the project are presented in Table 3.

Table 3 The total planned budget of the SCCM project (11 partners, 2016–2020)

Total planned costs of SCCM (2016-2020)		TOTAL
		3 232 848 €
Spending group	Spending categories	Expenditures in EUR
1.	Costs directly linked to the implementation of project activities	400 534 €
2.	Communication, promotion and dissemination costs, exploitation of results	323 271 €
3.	Travel and subsistence costs	136 592 €
4.	Staff costs	2 189 793 €
5.	Indirect costs	182 659 €

The overall spending caused by the project amounted to 6 272 115 EUR (see Figure 12).

Figure 12 Basic input data for the qualitative and economic evaluation of the project



Direct impact

The initial spending of nearly 6,3 mil. EUR flowed to people (employees and freelancers) and companies, as well as to public budgets (taxes, insurance etc.). The following table coloured chart below (Figure 13) demonstrates the structure of the total spending (**direct impact**) according to the type of products/services.

The organizations' budgets are responsible mainly for the first parts of the chart, like staff costs (i.e. wages of internal employees), marketing and rentals, professional services (here are included the payments to freelancers, companies and external staff). The other expenditures were by both the project partners and the visitors: transportation, food and drinks (mostly in restaurants), accommodation, purchase of goods etc.

Indirect impact

The direct suppliers needed goods and services from their sub-suppliers and all their supply chains. So the initial "financial injection" had impact on many other companies and people in the six countries. **The output of all (sub)suppliers in supply chains increased by cca 4 474 000 EUR (indirect impact).**

Total impact on output

Therefore, the total output on the 6 economies (direct + indirect) increased by more than 10 746 000 EUR thanks to the project (see Table 4). As explained above, the impact on total output

(direct and indirect impacts) contains duplicities, because the increased output of one industry can be used as an input into another industry and so can be counted more than once (this is also why initial spending can 'grow' into a bigger total output).

Table 4 Direct and indirect economic impacts of SCCM on output in six countries

Direct and indirect impact on output	EUR
Partners' + visitors' spending	6 272 115
Budget of evaluated project / organization	3 232 848
Visitors' spending	3 039 267
Indirect impact	4 474 220
Total economic output	10 746 335

Total impact on gross value added, wages and profits

This double-counting is excluded in Gross Value Added, as it counts only the values added by all the suppliers involved. It is very close to the GDP index, because GDP includes GVA plus net taxes. **SCCM helped to increase the gross value added in Europe by more than 4 387 000 EUR** (see Table 5).

Table 5 Total economic impacts of SCCM on gross value added in six countries

Gross value added	EUR
Budget of evaluated project / organization	1 256 483
Organization's and visitors' supply chain impact	3 130 955
Total gross value added	4 387 438

It consisted mainly of gross wages and salaries of cca 2 617 000 EUR and profits for companies and freelancers (their profits + wages) of cca 1 255 000 EUR. (Among less important parts of the gross value added is consumption of fixed capital or taxes and subsidies on production.)

If we focus only on the project partners (we exclude the impact of visitors), their part of the gross value added consisted only of salaries for employees and amounted to more than 1 256 000 EUR.

The following tables (Table 6, 0) present economic impacts on these indices.

Table 6 Total economic impacts of SCCM on gross wages and salaries in six countries

Wages and salaries incl. insurance and social contributions	EUR
Budget of evaluated project / organization	1 256 483
Organization's and visitors' supply chain impact	1 360 966
Total gross wages and staff costs	2 617 449

Table 7 Total economic impacts of SCCM on profits of companies and freelancers in six countries

Profits of companies and freelancers	EUR
Budget of evaluated project / organization	0
Organization's and visitors' supply chain impact	1 255 012
Total profits of companies and freelancers	1 255 012

Total impact on employment

The project supported hundreds of part-time or temporary jobs, which would equal **204 full-time jobs for one year** (FTE = full-time employment). Only 76 jobs were filled by internal employees of the partner organizations. The other 128 jobs were filled by external co-workers (freelancers) of the partners and by workers employed in suppliers and sub-suppliers of goods and services for both the project partners and visitors (see Table 8).

Table 8 Total economic impacts of SCCM on employment in six countries

Employment (FTE)	jobs
Budget of evaluated project / organization	76
Organization's and visitors' supply chain impact	128
Total jobs created	204

Total impact on public budgets

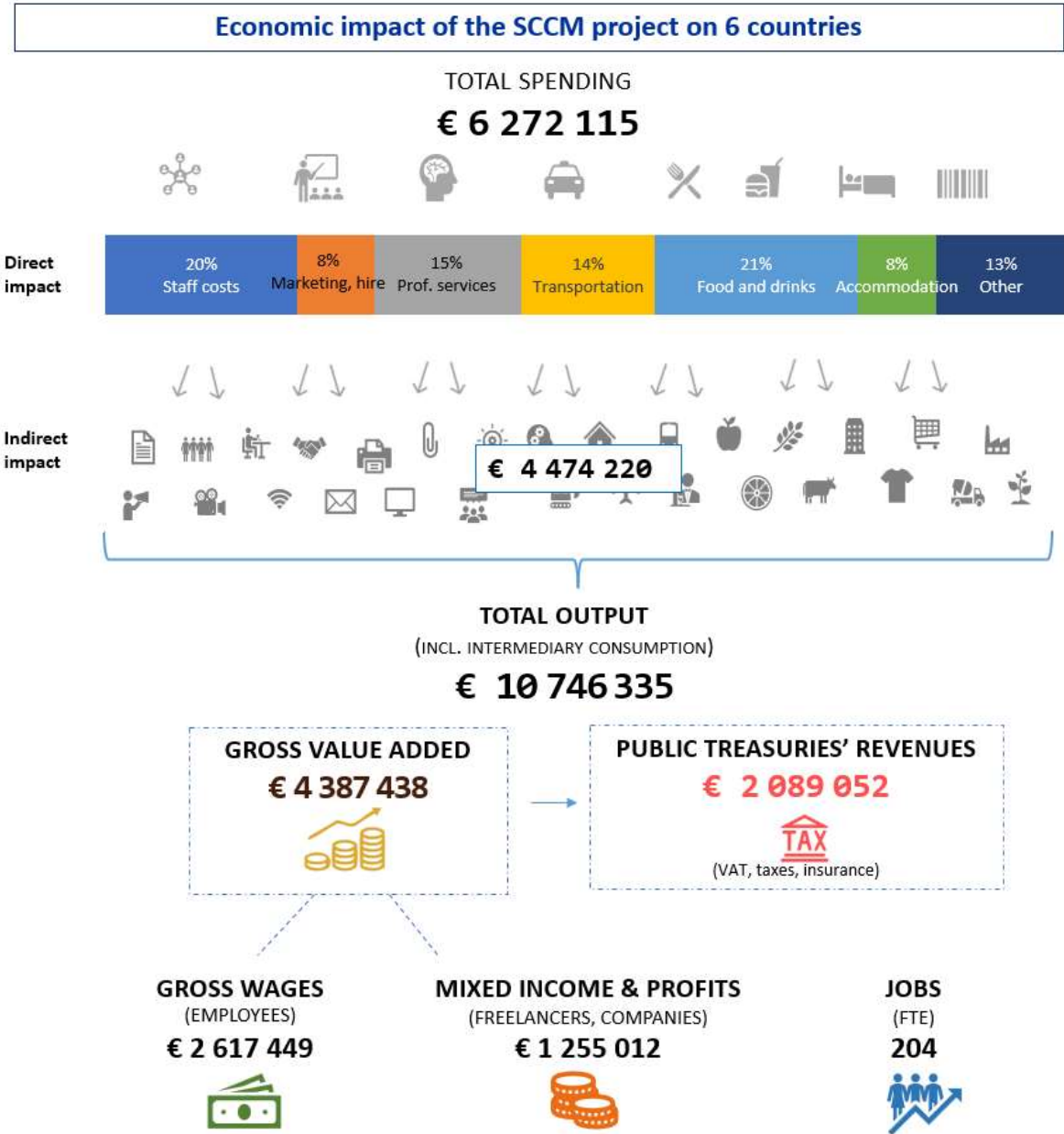
If we sum up the taxes and obligatory health and social insurance, **the public budgets of the six countries received at least 2 089 000 EUR** thanks to SCCM. Table 9 presents the breakdown of the treasuries' revenues into VAT, individual taxes and insurance paid by employees, insurance paid by employers and corporate taxes.

Table 9 Total economic impacts of SCCM on public treasuries' revenues in six countries

Public budgets revenues	EUR
VAT + Other taxes on products	713 767
Individual taxes + social security (employees)	472 703
Social security (employers)	664 129
Corporate and entrepreneur taxes	238 452
Total public budgets revenues	2 089 052

All the key results are presented below in Figure 13 and in the comprehensive infographics in the Executive summary.

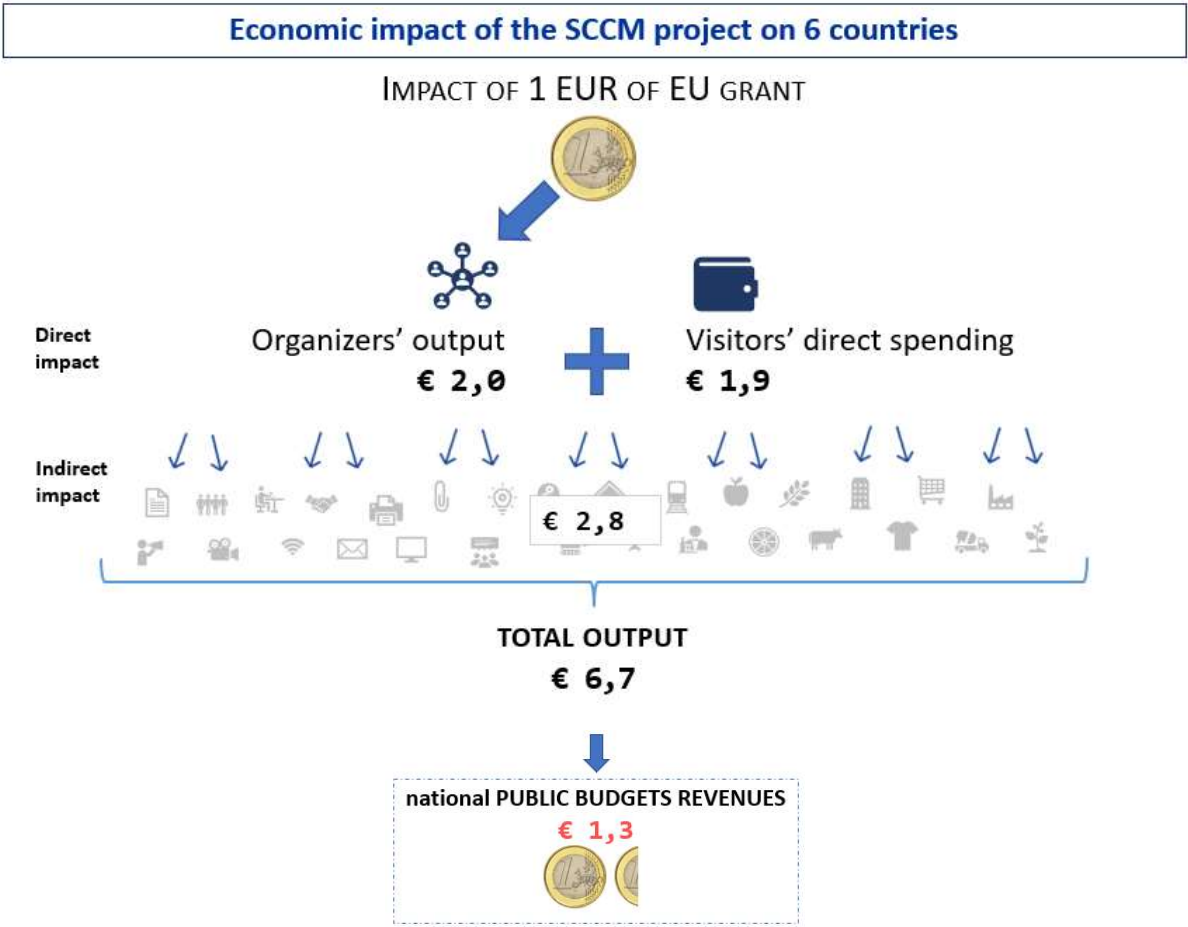
Figure 13 Total economic impacts of the SCCM project on 6 countries



The impact generated by every 1 EUR of the EU grant

If we base the impacts on 1 EUR of EU grant, we find out that **every 1 EUR of the grant caused organizers' activity of 2 EUR and additional spending by visitors of 1,9 EUR.** Once we also include the indirect impacts of supply chains, we come to a total impact on output (turnover) of 6,7 EUR and on national public budget revenues of 1,3 EUR. It means that **each 1 EUR from public budgets on the EU level was returned as 1,3 EUR to public budgets on the state level** in the form of taxes, social insurance etc (see Figure 14).

Figure 14 Economic impact generated by every 1 euro of the EU grant



2.4 Interpretation of the economic results

In all countries analysed, the public investment (EU grant) was very well used to enhance culture, urbanism and quality of life in the cities. **Despite the non-profit character of the project and quite a specialized target group, the partners' activities and their visitors had a positive impact on the European economy.**

The total economic impact of the project on countries' economies always depends on initial consumption, i. e. means on the project budget (how much money was used and how it was spent), but also on the number of visitors and their spending related to project events. And the results differ country from country because of the different structure of economics and therefore different multipliers of relevant products, different tax rates and retail margins.

In each city involved in the SCCM project, different events were organized for different target groups and with different goals. The small-scale events and research projects were very important in terms of professional, scientific or community aspects, and can have significant impact in the long term and for many other cities in Europe (described further in chapter 3). On the other hand, the big festivals

and conferences attracted more people and induced higher visitor spending than small-scale workshops or community events. That is one of the main reasons why the economic results differ across the countries analysed. **The economic impacts and the return on 1 EUR of the grant is higher in countries with events that attracted more visitors, from a further distance and/or for more days.** This was the case with reSITE conferences in Prague, BINA festivals in Belgrade, but also Budapest100 festivals (where the most visitors were local, but came in large numbers) or Dobrý trh in Bratislava (it also attracted mostly locals, but such a market event implies higher spending on gifts etc.). We can see in our charts, Figure 8 to Figure 11, that in Serbia (and also Hungary), the chart for direct expenditure categories shows a bigger share of spending for food and drinks, accommodation and transportation (see Figure 11). The industries and products connected to **tourism have a relatively higher multiplication effect**, as they depend on many suppliers from different industries and regions, and pay quite high indirect taxes including consumption taxes on alcohol or gasoline. So, it is very desirable to attract as many visitors as possible from the economic point of view, but of course also for the wide dissemination of the project mission (non-economic and qualitative point of view). But let us not forget that the project managers should also think about the sustainability and ecology of the cultural tourism they generate.

To conclude, let us consider how the results of this economic evaluation can be used. Even though non-profit cultural and creative projects are not organized for economic reasons, it can be advantageous to know the economic impacts for convincing politicians or sponsors. Especially in the relatively young economies of post-communist countries, hard data and economic numbers can serve quite well for lobbying local and state authorities.

Generally, we can say that projects with a positive return on public finances (like the SCCM project) are economically successful. Nevertheless, the economic measure should be never taken as the main criterion for complex evaluation of non-profit and subsidised creative projects, but as a positive side effect. It is obvious that non-profit projects have mostly non-economic aims and so authorities should allocate subsidies and grants (ex ante), as well as evaluate those projects (ex post), mainly according to qualitative goals claimed by the project leaders and demanded by the grant donor.

The SCCM project has significant economic and non-economic impacts not only on „Shared cities“ involved, but on whole Central-European economy and urban society.

From the economic point of view, the grant was amplified and returned to public budgets in the form of taxes and public payments to the state treasuries.

3 Long-term impacts of the SCCM project on EU cities

As described above, short-term economic impact can be measured by the input-output analysis and presented in terms of various economic indices (output, employment, wages and salaries, profits, tax revenues etc.) on a country by country level. But it was the cities involved who felt the economic and non-economic impacts directly. And very often, the project partners and participants could see non-economic and long-term impacts on the public places, communities and people involved. The long-term economic impacts were also visible when culture caused the rise in the prices of real estates in the locality (however no exact data were analysed and could be only one of more factors).

The project Shared Cities: Creative Momentum discussed, analysed and 'shook' a lot of issues in these cities, many of which are challenges in most of other European cities: development of city architecture and urban planning, sharing of public spaces with different social groups, community planning, social cohesion, quality of life for citizens, environment, urban greenery, restoration of neglected areas and objects – brownfields, supporting civil society, promoting community life, aesthetic perception of the urban area by city inhabitants, gentrification, migration of the city's population, city visitors and tourists, and other issues. Although the 11 cities involved differ in many factors, these issues are common for all European cities, some of them more intensely in Central-European post-communist cities.

According to the *Interim technical report*, the SCCM project was on a mission to improve the quality of life in European cities and to contribute to the transformation of urban life. By sharing ideas, state-of-the art best practices and building networks Shared Cities: Creative Momentum the project partners wanted to assist the partners' Central European cities in finding innovative ways of urban planning and policy-making. Another ambition of the project was to show urban citizens that their participation and cooperation is essential for creating a pleasant and valuable urban environment. All the activities were following the basic idea **to activate and interact with the general public in relation to urban issues** to raise their awareness, as well as to increase the professional skills of experts and artists in the field of urban interventions (e.g. in Berlin), to support local citizens' initiatives by mediating their unmet needs to the municipality administration (e.g. in Belgrade) and to come up with proposals for the architectural competitions, built up on participative processes (e.g. in Bratislava). Another approach was involving different institutions in the city and connecting them with the communities and neighborhoods around them (e.g. in Budapest). To produce useful knowledge, they collected data on how urban space was being redefined with cultural events (e.g. in Katowice), and how this could be used in urban planning to the advantage of everyone.

Case studies from the partners

The case studies from the Shared Cities on how to cope with challenges can serve very well as pilots or a handbook (especially but not only) for the cities of post-communist countries. Even though this report is not dedicated to the non-economic and long-term impacts of the SCCM project, here we mention some of the activities that have significantly influenced the local communities and their shared spaces and can inspire people in other European cities.

Mindspace, one of the Hungarian project partners, organised many community events in the city market hall at Rákóczi Square under the Shared Cities project. These gatherings had both non-economic impacts (they helped to activate the local community, initiate or support mutual conversation and trust within the neighbourhood, make people to like “their” square and market hall, and raise the



quality of their leisure time), but also economic impacts (sellers in the market hall were happy to have such gatherings right next to their stands, because the participants bought food for breakfast and helped them make their living). Mindspace became a safety net for businesses in the area so that they didn't have to deal with the administration or market hall management directly. It supported these businesses with joint branding and started to distribute a local magazine. For that time, the market hall became livelier, more open and popular among both community and sellers.

KÉK (the Hungarian Contemporary Architecture Center), the second Hungarian partner, mapped a large brownfield area of the former Csepel factory in Budapest, which is now occupied partly by many small creative and technical companies, but there was no up-to-date information about the area, nor a strategical document how it should be treated and redeveloped. KÉK raised public and professional awareness of Csepel, collected much data, produced an exhibition, and initiated the creation of a strategical document for this old industrial area.

The Serbian partner, the **Association of Belgrade Architects**, succeeded in creating two “urban hubs” – places developed participatively in cooperation with the local community, creative professionals, politicians and public authorities. Urban hubs in Belgrade are a good example of how difficult but very useful it is to get all the stakeholders together and to facilitate common debate. Projects of this kind are usually very demanding, take much time and effort. And the visible results are usually just the tip of the iceberg. Most of the impact is hidden but long-term: it is mutual trust in the

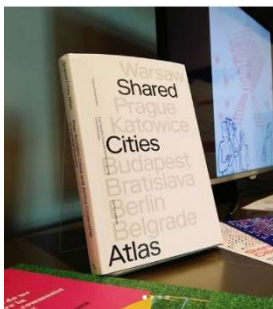


community, new friendships and connections, involvement in creative activities, understanding of other stakeholders, a new mindset for how to take care of shared places, less crime etc.

In Bratislava, the team of **Stará tržnica** (The Old Market Hall Alliance) focused on the biggest square in Bratislava, Námestie SNP, where their offices are located. They collected a lot of data, raised awareness about this unique square and brought many stakeholders to the table to discuss new possibilities for the place. They remembered how the square in front of the Market Hall used to look and revived it through their project “Vivid Square”. To support these efforts, they organize a large annual market “Dobry trh” with local and high-quality products, as well as with artistic performances, concerts, gatherings, workshops etc.

In Berlin, the **Zentrum für Kunst und Urbanistik** organized the project “Hacking Urban Furniture”. They worked together with artists, urban planners, economists, designers, policy-makers and citizens, starting a debate on how to propose new, cooperative and sustainable ways of planning and producing urban furniture such as bus stops, public toilets, benches, waste receptacles, and signposts.

Katowice City of Gardens (Katowice – Miasto Ogrodów) was created to support cultural, publishing and educational activities in the region of Katowice. One of them is the Medialab Katowice project. During the Shared Cities project, researchers at Medialab conducted thousands of interviews and processed vast amounts of data, with the help of artificial intelligence, about the cultural ecosystem of Katowice. They turned this knowledge into exciting findings and visualizations presented on an interactive website and in the publication *Data on culture*. Many other cities (also outside the project) were interested in their methodology and the findings.



As a catalyst for shared knowledge, several books and magazines were published including the outstanding *Shared Cities Atlas* and three issues of *Shared Cities Magazine*, full of interviews and interesting articles, and several international conferences were organized, including the annual *reSITE conferences* in Prague with many professionals and famous speakers from all over the world.

4 Ready-to-use models and methodology applicable on future projects

4.1 Ready-to-use economic impact models

In order to help the project partners calculate the economic impacts of their future creative projects, a ready-to-use models in MS Excel format were developed. This tool contains input sheets where input data should be entered, and calculation sheets which use the input data in order to provide results about the economic impacts of the project. In addition, the tool includes the predefined average expenditures of visitors for each type of event, based on information from the project partners and on secondary empirical research run at similar cultural events.

1) **The first sheet** in the model contains short **instructions** for how to use the model.

Next, there are two input sheets:

2) **The sheet called “Events”** focuses on visitors’ and participants’ spending at public events organized under the project evaluated. The user (a project leader, partner or manager) is asked to provide information about the events organized. First, he or she must select the type of public event:

- Conference = event for the public consisting of presentations, discussions, workshops, etc. lasting more than one day
- Festival = event for the public consisting of gatherings, concerts, markets, discussions, etc. lasting more than one day
- Exhibition = event for the public consisting of exhibits, discussions, etc. lasting more than one day
- One day event for the public focused on a chosen topic = workshops, guided tours, discussions, lectures, etc.
- One day event for the public focused on community life = markets, community food gatherings, culture activities, sport activities, art activities, children’s days, etc.

Based on data provided by the project managers, the information about the total number of events organized during the project is entered in the table. Subsequently, information about visitors and participants at these events need to be entered (please, exclude the project partners and participants whose expenses are covered by the project budget).

For each type of event, visitors and participants are divided into three groups:

1. local visitors and participants (living in the same city),
2. visitors and participants living outside of that city but in the same country,

3. foreign visitors and participants.

For each group of visitors and participants, the following data need to be entered:

- their total number,
- the number of days they spent in the city in connection with the event, and
- how important the event was in their decision to visit the place on a scale from 0 % (= the event had no effect on their decision) to 100 % (= visitors came to the place only because of the event).

To collect the data, the project managers can run a simple questionnaire poll, or estimate it if they already know their audience well.

Note: if you had more events of one type, you have to enter average data for a single event: *e.g. if you organised 3 community events, that attracted 100 (1.), 120 (2.) and 80 (3.) local visitors, you should enter that 100 local visitors came on average.*

Figure 15 Demonstration of the sheet "Events" filled with data on three events and their visitors

PROJECT NAME:	
Country where the events took place	Czech Republic
Event type: Conference = an event for specialists and experts lasting more than 1 day	
Total number of these events organized	3
How many days do the events last (on average)?	1
1. Local visitors: Average number of unique visitors per event	100
Local visitors: How many days they visit the event?	1
Local visitors: How important was the event for visiting the event location? (100 % = the event was the only reason)	100%
2. Visitors from other regions: Average number of unique visitors per event	200
Visitors from other regions: For how many days they visit the city?	2
Visitors from other regions: How important was the event for visiting the city? (100 % = the event was the only reason)	70%
3. Foreign visitors: Average number of unique visitors per event	20
Foreign visitors: For how many days they visit the city?	3
Foreign visitors: How important was the event for visiting the city? (100 % = the event was the only reason)	50%
Total number of unique visitors (all events of this type)	960
Total number of visits (visiting days, for all events of this type)	1680

Please, fill ONLY the white cells in column B

3) Another input sheet called "**Organization**" contains information about the project budget divided into the spending categories defined by the EU program Creative Europe.

Here, staff costs should be divided into internal employees (4.1 Salaries) and external freelancers and companies (4.2 and 4.3). This allows different calculation of taxes, insurance etc. in the model. Also, the external freelancers and companies are viewed as part of the supply chain (indirect impact), whereas internal employees are involved in the direct impact.

In this sheet, users can also enter the sum of grants and public subsidies (in order to calculate the impact of every 1 euro of public resources invested) and modify the exchange rate between the

local currency and euros (the model works in euros, but the results are presented both in euros and the local currency).

Figure 16 View of the sheet “Organization” for the data on project budget and exchange rate

PROJECT NAME:		Czech Republic	Partner 1	Partner 2	Partner 3
Estimated Total Budget for the whole project		0 €	0 €	0 €	0 €
Please, fill ONLY the white cells in columns for Partners 1-5					
Spending group	Spending categories	Total expenditures (sum of partners, manually filled)	Expenditures in EUR	Expenditures in EUR	Expenditures in EUR
1.	Costs directly linked to the implementation of project activities	0 €	0 €	0 €	0 €
1.1.	Coproduction costs, copyright or royalties and artist re-sale rights	0 €			
1.2.	Premises hire	0 €			
1.3.	Equipment hire	0 €			
1.4.	Purchase of materials	0 €			
1.5.	Transport of equipment (depreciation only)	0 €			
1.6.	Transport of equipment	0 €			
1.7.	Insurance	0 €			
1.8.	Rent of translation booths	0 €			
1.9.	Catering	0 €			
1.10.	Other	0 €			
2.	Communication, promotion and dissemination costs and costs of exploitation of results	0 €	0 €	0 €	0 €
2.1.	Production costs (printing costs)	0 €			
2.2.	Advertising costs	0 €			
2.3.	Web costs	0 €			
2.4.	Documentation costs (professional magazines, newspaper, books, etc.)	0 €			
2.5.	Distribution costs (mail, postage, packaging, etc.)	0 €			
3.	Travel and subsistence costs	0 €	0 €	0 €	0 €
3.1.	Transport (including local transport)	0 €			
3.2.	Accommodation costs	0 €			
3.3.	Subsistence costs	0 €			
4.	Staff costs	0 €	0 €	0 €	0 €
4.1.	Salaries	0 €			
4.2.	External professional services	0 €			
4.3.	Fees, remuneration of artists, scientific personnel and technicians	0 €			
5.	Indirect costs	0 €			
	Jobs created (only internal salaries, 1-year full-time equivalent)	0,0			
	Subsidies and grants from public budgets	0 €			
	Number of partners				
	Exchange rate (local currency = 1 EUR)	27,02 Kč			

4) Finally, the last **visible sheet, “Results”**, provides an overview of economic impacts connected to the evaluated project. For each country, total output, gross value added, wages and salaries incl. insurance and social contributions, the profits of companies and freelancers, employment, and public budget revenues are calculated and presented. This sheet also demonstrates the effect of every 1 EUR of public subsidies and grants on the economy and the return on public investment. The results are presented in tables, as well as in infographics similar to Figure 8 to Figure 14 in chapter 0.

To calculate economic impacts from the input data, the tool **contains seven calculation sheets**, which are **hidden to final users**:

- The sheet called **“Spending on events”** contains data about the estimated average spending of visitors and participants based on the event type, the country where the event is held, and

the type of visitor or participant (local, non-local, foreigner). Visitor spending is divided into 16 spending categories that are linked to the input-output categories of official national statistics.

- The sheet “**Consumption - events**” combines data from the sheets “Events” and “Spending on events” in order to calculate total visitors’ consumption at events connected to the project.
- The sheet “**Consumption – organization**” uses data from the sheet “Organization” (project budget) and reallocates costs from the categories defined by the EU program Creative Europe to the spending categories defined by official national statistics and macroeconomic input-output tables.
- The sheet “**Data**” contains external data that affect calculations: price level indices based on actual individual consumption published by the European statistical office (Eurostat) and an overview of taxes on production (individual and corporate income taxes, insurance paid by employees and employers) in the countries included in the *SCCM project*.
- The sheet “**Total consumption**” contains information about the total consumption of visitors and organizers induced by the project, divided into the spending categories of input-output national tables. This is the total consumption that would not occur without the existence of the project evaluated.
- The sixth hidden sheet, “**EUR_multi**”, contains all needed multipliers and coefficients for a country, calculated as described in the methodology paper, and average tax rates and margin rates for relevant products purchased by visitors and organizers (including value added taxes and consumption taxes).
- The seventh hidden sheet “**Semi-results**” multiplies the data from the sheet “Total consumption” with the multipliers in the sheet “EUR_multi”.

4.2 How to collect data needed and arrange the methodology to measure your own goals

In the case of a long-term project, like SCCM, it is a good idea to record the number and type of all events and visitors during the project, as well as all project costs in the local currency, chronologically, with some notes etc. For that reason, **we also developed a file to record input data during the project**. The file called *SCCM_EIModel_data_collection.xlsx* contains four sheets:

- 1) The sheet “Events” to record every event and data on attendance (a questionnaire poll is also recommended for obtaining more precise data).
- 2) The sheet “Organization” to note all expenses and project costs in the local currency and to sort them into the right spending categories. You can also modify the exchange rate here.

- 3) The sheet “Indicators” is voluntary and can help project managers define specific indicators to measure the achievement of project goals. For measurable indicators you should decide on a planned result (project goal) and in the next column you note to what extent you succeeded (for example an indicator of the *number of visitors*: the goal to achieve is 2 000 visitors and attendance so far reached can be calculated automatically from the first sheet Events). Users can set up their own indicators (goals) for anything they want to monitor and achieve. Thus, they **can arrange their own methodology with tailor-made indicators**. Some examples of indicators are shown in the following view of this sheet (Figure 17).

Figure 17 View of the sheet “Indicators” in the file for collecting data during a project

PROJECT INDICATORS			
Name of the indicator	Description of the indicator	Goal to achieve	So far reached
Identify the indicator	Brief description	What value should be reached at the end of the project?	Set excel functions for using the data from sheet "Events"
EXAMPLE: number of organized events for public		10	
EXAMPLE: number of organized events supporting the community life		6	
EXAMPLE: total number of visitors at the community events		2 000	
EXAMPLE: number of revitalized public spaces		3	
EXAMPLE: number of organized public discussions		12	

- 4) The last sheet, “Notes”, contains only a short description of event types and spending categories.

5 Conclusion

The purpose of this document was to explain the key quantitative data and the total economic impact of the project Shared Cities: Creative Momentum (SCCM) on all six European countries involved, to describe briefly some of its long-term and non-economic impacts and to explain how its methodology can be used for future cultural and creative projects. Finally, MS Excel tools (models) are presented with instructions for final users. All steps needed for calculating the economic impacts of a creative project are described including preparation of input data gathered from visitors and the project budget in order to obtain final economic impacts.

Thanks to an EU grant of approx. 1 616 424 (Creative Europe programme), 11 partners made an effort to co-finance the project to double the budget and organized 494 events in 45 months (2016-2020). The events included big conferences and festivals, as well as small-scale events, and they attracted 59 550 visitors and participants.

In total, **all the project partners and visitors to their events spent 6 272 115 EUR** (on staff and production costs, artists, but also accommodation, transportation, refreshments etc.). 52 % were the project costs and 48 % was spent by visitors. Next, 4 474 220 EUR went to suppliers and sub-suppliers of goods and services to the project partners and visitors (incl. external services and experts, but also transport companies, energetics, hotels, restaurants etc.). This demand raised the production of those companies in supply chains, too. We call it the multiplication or indirect effect. It means, that the **SCCM project helped to raise the total output of approx. 10 746 335** in the countries involved.

It also raised gross value added of approx. 4 387 000 EUR, including employees' gross wages of 2 617 000 EUR and freelancers' and companies' profits of 1 255 000 EUR. The project helped to **create or sustain at least 204 one-year jobs (full-time employment)**.

Thanks to this economic activity, national public budgets obtained more than 2 089 000 EUR. It means that **each 1 EUR from public budgets on the EU level was returned as 1,3 EUR to public budgets on the state level** in the form of taxes, social insurance etc.

So, the SCCM project was successful from the economic point of view, despite its non-profit character and quite a narrow target group. But it had mainly non-economic impacts on cities and local communities and helped to raise awareness of many issues common to most Central-European cities, and in many cases, the project partners brought new solutions to old problems in problematic localities.

The methodology and the economic impact models developed can help many cultural organizations and their advocates to prove the importance of both cultural projects and culture as a sector with considerable economic weight. They can make it easier for organizations and policy-makers to ascertain the impacts of their projects easily. Consequently, the results can be compared across more studies using the same, accurate and clear methodology.

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Annexes

- Annex 1 Certificate for the methodology issued by the Czech ministry of culture (in Czech)
- Annex 2 Expert assessment of the methodology by the Czech statistical office (in Czech)

Annex 1

Certificate for the methodology,
issued by the Czech ministry of culture

Ministerstvo kultury, Maltézské náměstí 1, Praha 1, Odbor výzkumu a vývoje

Č.j. MK 6133/2013 OVV
Sp. Zn. MK-S 17367/2012 OVV

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o uznání uplatněné Certifikované metodiky
v souladu s podmínkami „Metodiky hodnocení výsledků výzkumu a vývoje“

Název metodiky: Metodika pro výpočet ekonomických dopadů kulturní organizace

Autor: Ing. MgA. Tereza Raabová, Ph.D.

Příjemce podpory na jejímž základě byla metodika vytvořena: Institut umění – Divadelní ústav

**Dedikace : Projekt NAKI: Mapování kulturních a kreativních průmyslů v ČR
Identifikační kód projektu: DF11P01OVV031**

V Praze dne 24. 1. 2013

Ing. Martina Dvořáková
ředitelka Odboru výzkumu a vývoje



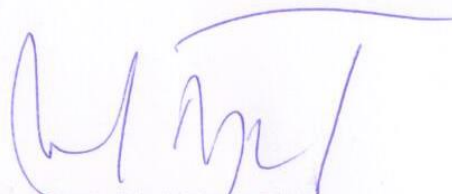
Annex 2

Approval of the methodology
issued by the Czech statistical office

Posudek metodiky pro hodnocení ekonomických přínosů

Metodika použitá Ing. Raabovou pro hodnocení ekonomických přínosů kulturních nebo jiných akcí v oblasti cestovního ruchu je založena na standardní a ve světě běžně používané aplikaci symetrických input-output tabulek a z nich odvozených multiplikátorů. Model je založen na konzervativních předpokladech tak, aby v žádném směru nenadhodnocoval propočty ekonomických přínosů, a výsledky lze tedy považovat za spíše konzervativní. Pro konstrukci modelu byla využita poslední dostupná data Českého statistického úřadu.

S pozdravem



Ing. Marek R o j í č e k, Ph.D.
vrchní ředitel