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FROM INVISIBLE TO VISIBLE: CHALLENGES IN ASSESSING THE SOCIAL AND ECONOMIC IMPACT IN CREATIVE AND CULTURAL INDUSTRIES IN LATVIA: INTRODUCING THE SPECIAL ISSUE

In the context of public investment into culture and arts, an ever-present issue is that of impact measurement. The issue of impacts is often oversimplified, because of the need to express non-linear processes in linear, monetary terms (especially for policy purposes). On the one hand, there is a growing demand for evidence-based policy evaluation in this field [Evans 2005]. On the other hand, researchers have started a broader debate regarding intrinsic versus instrumental impacts of culture [Seaman 2020] leading to the debate on cultural value [Belfiore 2020]. Researchers also acknowledge that there is a lot of *bad* or unverifiable evidence of impact in cultural policy documents [Belfiore 2022], or they warn about *hyperinstrumentalisation* of cultural policy, where claims about the value of culture are irrelevant to political actors [Hadley and Grey 2017].

Thus, the need for impact measurement and the identification of impacts that could demonstrate the social and economic value of culture in a more persuasive way is an ongoing academic debate. Researchers are discussing more effective

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approaches to capturing the various impacts of the cultural and creative sectors, since overwhelming evidence is accumulating on the non-linearity of processes in the cultural and creative sectors, as well as society.

The special issue of *Culture Crossroads* titled *How to Make It Visible? Assessing Social and Economic Impact in Creative and Cultural Industries* (Vol. 32, 2026) has been prepared as a continuation of this topical scientific discussion. Its aim was to develop new ideas, as well as test the existing theoretical and empirical approaches to social and economic impact assessment in the cultural and creative industries (CCIs). Researchers from different fields were invited to present articles dedicated to methodological approaches that could be used to study the impacts of the CCIs on the sustainable development of society and the country.

The aim of this introductory article is to discuss the main challenges in measuring and assessing the economic and social impact of CCIs in Latvia, as well as to acquaint the readers with the articles of this issue. To unfold these challenges, the article is structured, as follows: (1) introduction of the complexity of cultural economics; (2) outline of the challenges in social impact assessment; (3) short overview of previous impact assessment research tradition in Latvia; (4) an overview of approaches presented in the special issue.

Understanding complexity in cultural economics

Discussions in cultural economics frequently begin by emphasizing the substantial economic potential of the CCIs. The latest Creative Economy Outlook report [2024] indicates that the cultural and creative industries globally generate revenues of nearly USD 2.3 trillion, contributing 3.1% to the world's gross domestic product (GDP) [UN 2024:5]. However, differences in how CCIs are defined, how data is used, and how statistics are compiled across countries continue to spark debates about which sectors should be included as part of the CCIs and which should not. Measuring the creative economy involves multiple dimensions, including economic performance, employment, and public participation in creative activities – dimensions that are constantly evolving and are influenced by global events. This calls for the development of new methodologies and definitions to more comprehensively capture the sectors associated with CCIs.

A clear understanding of the boundaries and returns of the CCIs is influenced by the use of different approaches to impact measurement, as well as by how the value of cultural and creative products is assessed. Perspectives among cultural economists regarding the evaluation and impact of culture and the arts vary, linking the concept of *impact* to the changes that occur through experiencing culture – where such changes may be interpreted either as an inherent part of the cultural experience or as an external outcome [Carnwaith & Brown 2014: 9]. In most cases, when discussing

the significance of CCIs, individual sectors, or even specific cultural products, impact is perceived as something external that must be demonstrated – especially in cultural policy-making, where there is a drive to prove the monetary value of art and culture. For this purpose, economic impact assessment approaches are used, which are particularly serviceable for evaluating specific events or programmes to argue for their sustainability and economic return, alongside attracting private or public funding [Snowball 2020: 207]. Economic impact studies have played an important role in political debates and decision-making, shaping cross-sectoral relationships, data exchange, and strategic planning to foster the growth of creative industries and knowledge transfer. Meanwhile, impact of cultural and creative activities is most commonly understood in terms of the added value they generate within a given economy and the number of people employed – these being the key metrics that provide the most accurate and comparable data [MCM Statistics Working Group 2018: 9].

Economic impact is generally expressed as direct, indirect, and induced impact. Added value is part of the direct economic impact generated by various CCI institutions, enterprises, or activities through the purchase of materials or services from other companies for the creation of their artistic and cultural products, as well as through the employment of new staff – thus contributing to the gross domestic product. In addition to direct economic contribution, CCI enterprises also stimulate indirect economic activity in specific sectors, such as through cultural tourism [MCM Statistics Working Group 2018: 30]. For example, organizing a particular event may generate indirect impact for the hospitality sector in a given region by attracting new visitors and encouraging spending on accommodation. Induced impact can be expressed at various scales – local, regional, or national – by measuring the effects that arise within the broader economic system [Herrero 2006]. The economic impact assessment approach aims to capture and demonstrate the instrumental value of culture and the arts, emphasizing their functionality [Loots and Vermeulen 2022]. Thus, culture and art are viewed in the context of economic development, applying quantitative research methods, examining cost-benefit relationships, and evaluating growth potential and productivity.

In contrast to instrumental value, cultural products also embody intrinsic cultural value, indicating that "something is valuable in and of itself" [Mair 2019: 22]. For example, in the context of art, intrinsic value is expressed through the creation of art as an end in itself [Snowball 2020: 207]. The measurement of intrinsic cultural value often relies on qualitative methods, based on the attitudes or opinions of stakeholders involved in the creation and experience of cultural products. This value is linked to the personal sphere of the cultural and creative product consumer, revealing the experiences and changes that cultural products can foster.

At the core of these debates lies a fundamental methodological complexity: the CCI is not fixed or uniform but a fluid, multilayered concept, making it difficult to establish universally accepted criteria for what should be measured and how. The boundaries between cultural, creative, and other knowledge-intensive sectors are increasingly overlapping. As a result, statistical classifications and measurement frameworks often lag the actual practices of cultural and creative actors, leading to inconsistencies in cross-country comparisons and long-term trend analysis. This mismatch between rapidly evolving creative practices and slower-moving institutional measurement systems underscores one of the central challenges in cultural economics – how to capture the full scope of cultural and creative value in a way that is both conceptually up to date and empirically comparable.

Challenges in social impact assessment

The social impact measurement approach offers an alternative perspective to economic impact assessment, focusing on the creation and evaluation of social value, and emphasizing the continuous influence of arts and cultural events on people's lives [Loots and Vermeulen 2022]. Social impact of culture usually may include such dimensions as health and well-being; people's engagement, participation and social cohesion; and urban and territorial renovation [Bonet and Calvano, eds. 2023].

Social impact measurement can be applied at the organizational level to understand the changes and effects generated by activities on the local community or the organization's direct target audience. This provides feedback on the social effectiveness of activities, enabling more informed decision-making. Measuring social impact in arts and cultural organizations involves tracking both quantitative data (attendance, demographics) and qualitative, long-term outcomes (wellbeing, social cohesion) to demonstrate value to stakeholders [Vermeulen and Maas 2021]. Methodological approaches offer a mix of general social impact methodologies and culture-specific evaluation tools. Theory of Change model is widely used to map how cultural activities lead to outputs, outcomes, and long-term impact [Ebrahim 2019]; Social Return on Investment (SROI) is a model for quantifying social value in monetary terms [Feor et al. 2023], while the Contingent Valuation Method (CVM) is an economic survey-based technique used to estimate the monetary value people place on non-market goods, such as cultural heritage or public art, which can be used to assess the social impact of culture [Noonan 2003]. Apart from these, numerous other approaches based on qualitative methods have been developed.

On the societal level, new approaches to measure broader imprint on society have been developed in several projects funded by European Union (EU) research and innovation programme *Horizon Europe*, making a significant contribution to the discussion. The project *Measuring the Social Dimension of Culture* (MESOC)

(2020–2023)[1] tested and validated an innovative and original approach to measuring the societal value and impacts of culture and cultural policies and practices, while the project *Understanding, Capturing and Fostering the Societal Value of Culture* (UNCHARTED) (2020–2024) aimed to identify, contextualize, understand, measure and analyse the emergence and conformation of the values of culture from an interdisciplinary, collaborative and pluralistic perspective[2]. These discussions are in line with the current debate on cultural policy, which focuses on increasing cross-sectoral overlaps between different policy areas, such as health, integration and sustainability (*State of Culture Report* [Polivtseva 2024]; *Culture and Health: Time to Act* [Directorate-General for Education, Youth, Sport and Culture (European Commission) 2025]).

Some of the challenges of social impact measurement of cultural interventions have occurred because the blurred boundaries of the research object (*culture*) that makes measurement inconsistent. Often, impact measurement frameworks for cultural organizations are criticized for focusing on outputs or acknowledge difficulties to measure intangible and subjective outcomes, such as identity, belonging, emotional experience, creativity or empowerment, and to quantify these impacts. Another criticism is aimed at focusing on the perception of the intended or expected impact instead of on the actual achieved impact [Vermeulen and Maas 2021]. Altogether, researchers acknowledge that there is a lack of culture specific measurement frameworks in comparison to environmental, social, or economic impact methodologies.

Previous impact assessment research tradition in Latvia

In Latvia, both economic and social impact studies in the cultural sector are mostly instrumental in nature – they are designed to demonstrate the impact of various cultural and artistic phenomena to the stakeholders, including justifying public investment in these sectors.

Several studies have been conducted in Latvia that examine the economic impact of culture in general, also highlighting the problems of measurement. The first studies were conducted in the late 1990s and beginning of 2000s by the Institute of Economics of the Latvian Academy of Sciences: *The Economic Significance of the Cultural Sector* [LZA Ekonomikas institūts 1999]; *Assessment of the Economic Importance of the Cultural Sector* [LZA Ekonomikas institūts 1998]; *Calculating the Contribution of the Cultural Sector to the Economy* [LZA Ekonomikas institūts 2003]. A significant study, integrating the latest international methodological

[1] https://www.mesoc-project.eu/

[2] https://uncharted-culture.eu/

approaches, was conducted some years later under the leadership of researcher Roberts Ķīlis: *The Economic Significance and Impact of the Cultural Sector in Latvia* [Analītisko pētījumu un stratēģiju laboratorija 2007]. The report begins with a theoretical section, offering analysis of the key concepts such as economic impact (direct, indirect, and induced), and defining the concept of the cultural sector. Describing the economic impact assessment methods used around the world, the choice of the input-output model was justified and its interpretation in the context of Latvia was described in detail.

Several studies on the economic impact of a specific sector have also been carried out, but these studies are fragmentary and situational in nature, driven by the need to justify EU Structural Fund investments or to study a specific sector within the framework of a particular project, for example: assessment of EU Structural Fund investments in the preservation of Latvia's cultural heritage and the development of the cultural environment [Enviroprojekts 2019]; *The importance of the cultural sector in Latvia's economy and the use of EU Structural funds for cultural purposes* [Baltic Project Consulting 2006]; *Economic value and impact of public libraries in Latvia* [Trešais tēva dēls 2012].

Economic impact studies are often associated with the need to justify significant investments in culture, which is why there is a wide range of studies on large-scale cultural events. Several studies have been conducted in Latvia to analyse one of the largest cultural phenomena in Latvia – the Nationwide Latvian Song and Dance Celebration. These studies examine both the economic and social impact of this phenomenon.

The beginnings of research into the festival's economic justification can be traced to the studies by the Institute of Economics of the Latvian Academy of Sciences titled *Song and Dance Festival in a Changing Economic Environment* [LZA Ekonomikas institūts 2008]. This study was dedicated to analysing the distribution of the festival's budget among the state, municipalities, and participant contributions. The researchers also examined the indirect income generated by businesses related to the festival and provided an assessment of economic efficiency based on a cost-benefit analysis. The greatest limitations in forming the economic justification stemmed from difficulties in obtaining data. These included inconsistencies in municipal financial data collection systems and shortcomings in the classification of business activities, which hindered the ability to gather data on specific types of enterprises. Although the study claimed that the costs associated with organizing the festival generate revenue for sectors of the Latvian economy that serve the festival, the exact amount and distribution of this impact were not calculated.

The issue of measuring the impact of large-scale events has been most directly addressed in the report published by *Marketing Practitioners Academia* on

the economic impact of the Song and Dance Celebration, identifying multi-level impact analysis – which includes indicators of direct, indirect, and induced economic effects – as the most suitable approach for evaluation [Mārketinga praktiķu Academia 2013]. As frequently noted, the authors of this study also emphasized the lack of comparable data. Moreover, the unique nature of the Song and Dance Celebration further complicated impact assessment, requiring customized measurement methods and in-depth, long-term research before and after the event.

More recent research has been developed by the Latvian Academy of Culture within the framework of the project *Cultural Capital as a Resource for Latvia's Sustainable Development* (CARD) [Judrupa and Zemīte 2022] and related studies on the Song and Dance Celebration's economic network [Zemīte et al. 2024]. These studies employed input-output models to estimate economic multipliers and the festival's contribution to GDP. The methodological discussion deepened the understanding of the analytical challenges in applying input–output (I–O) models to measure the economic impact of cultural sectors in Latvia. The I–O approach, used within the CARD project, underscores that the precision of this method is constrained by several structural and contextual factors. One of the key limitations lies in the ambiguous boundaries of the cultural and creative industries, where overlapping or loosely defined sectoral classifications hinder accurate attribution of economic effects. The reliance on Statistical classification of economic activities (NACE Rev.2)[3] codes at the first level of aggregation results in the inclusion of heterogeneous activities under broad categories, thereby diluting the cultural specificity of the analysis. Furthermore, the inclusion of activities like the gambling industry within the broader *entertainment* category distorts sectoral analysis, underscoring the inadequacy of current statistical classifications for capturing the specificities of cultural industries. Additionally, the model's reliance on national statistical input-output tables – updated only every five years (2015, 2020, 2025) – restricts temporal accuracy and forces researchers to assume that intersectoral relationships remain constant over time, even in a rapidly evolving cultural economy.

Similar to economic impact studies, the social impact of large-scale events, like Song and Dance Celebration in Latvia and European Capital of Culture (ECoC) events in Latvia have been assessed several times. Using network analysis, researchers of Latvian Academy of Culture have examined the impact of both the *Rīga 2014* ECoC and the *Liepāja 2027* ECoC: *Measuring social and economic impact of large scale cultural events: a social network analysis* [Laķe et al. 2015]; *Final/ex-post internal evaluation of the European Capital of Culture Riga 2014*

[3] https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/ks-ra-07-015

programe [Nodibinājums Rīga 2014 2015]; *Liepāja – European Capital of Culture 2027 assessment* [Latvijas Kultūras akadēmija 2025]. Song and Dance Celebration of Latvia is one of the most researched phenomena, also from social impact perspective. The monography *The Song and Dance Celebration. The Anatomy of Tradition* [Muktupāvela and Laķe, eds. 2018] discusses diverse aspects of social impact (see also Vinogradova and Laķe 2019).

Even though direct social impact evaluations have been carried out occasionally (e.g. *Study on the socio-economic impact of non-governmental organizations in the cultural sector* [Latvijas Kultūras akadēmija 2018]; *The socio-economic impact of culture and creative industries in Liepāja* [Latvijas Kultūras akadēmija 2019], social impact of cultural interventions have been a focus of several academic research projects of Latvian Academy of Culture. For example, there have been two research projects examining the impact of cultural and creative industries on the territorial development and well-being of communities: *Rethinking Creative Cities: Networks, Intermediaries, Development Prospects* (REPRINT)[4] (2022–2024), and *Creative Industries in Small Towns: Potential and Contribution to Sustainability* (CRISP) (2020–2021)[5]. Impact of cultural manifestations and especially films were studied in the project *The art of nationalism: Social solidarity and exclusion in contemporary Latvia* (2020–2021)[6] including a quantitative, representative Latvian resident survey to ascertain their opinions.

Overall, it can be concluded that neither social nor economic impact studies have been conducted regularly or longitudinally in Latvia. Economic studies are mostly commissioned studies aimed at demonstrating the economic impact of cultural interventions to stakeholders and policy makers. Large-scale event evaluations deserve a special mention. The most widely studied events are linked to the Latvian Song and Dance Celebration, including its diverse social impact.

Consequently, despite advances in quantitative modelling, these studies collectively underscore that reliable impact evaluation in cultural economics requires not only refined methodologies but also the development of coherent, continuous, and sector-sensitive data systems capable of reflecting the complex, hybrid nature of cultural sector performance and its socio-economic effects. Moreover, the question

[4] https://lka.edu.lv/en/research/research-projects/fundamental-and-applied-research-projects/re-print/

[5] https://lka.edu.lv/en/research/research-projects/fundamental-and-applied-research-projects/archive-fundamental-and-applied-research-projects/creative-industries-small-towns-potential-and-contribution-susta/

[6] https://lka.edu.lv/lv/petnieciba/petijumu-projekti/fundamentalo-un-lietisko-petijumu-projekti/realizetie-fundamentali-lietisko-petijumu-projekti/nacionalisma-maksla-sociala-solidaritate-un-atstumtiba-musdienu-/

of the most appropriate social impact measurement approaches remains open for future research.

The contribution of the special issue of *Culture Crossroads* to social and economic impact assessment

The contributions to this special issue also reflect the complexity of the matter at stake here, and demonstrate that assessing the social and economic impact of CCIs cannot be reduced to a single methodological framework. Instead, they articulate a set of recurring impact-assessment approaches that account for different epistemological positions, organizational contexts, and sectoral realities. These papers reveal how impact is made visible – or remains invisible – through specific evaluative logics, and why this poses persistent challenges also in the Latvian CCI context.

A recurring point of departure across the papers is the dominance of metric-based and audit-oriented evaluation approaches, particularly in public funding and cultural policy contexts. These frameworks privilege standardised indicators, quantitative outputs, and short-term results that can be aggregated and compared across projects. As demonstrated by Ranczakowska [2026], such audit cultures shape not only reporting practices but also organisational priorities, rendering relational, processual, and long-term cultural effects largely invisible. Bonilla Berrocal et al. [2026] similarly describe an approach to social impact assessment that focuses on measurable indicators and attempts to predict and explain change, sometimes by expressing social value in economic terms. While these approaches offer institutional legitimacy and comparability, researchers consistently point to their limited capacity to capture the complex social dynamics through which cultural meaning, cohesion, and agency emerge.

In response to these limitations, several contributions foreground participatory and learning-oriented approaches, in which impact assessment is embedded within practice and oriented toward collective sense-making rather than retrospective measurement. Here, evaluation functions as an ongoing process of reflection, adaptation, and organisational learning, often relying on qualitative or mixed methods such as stakeholder engagement, narrative inquiry, and iterative feedback. Bonilla Berrocal et al. [2026] explicitly frame impact assessment as a continuous cycle that supports strategic development rather than merely external accountability, while Ranczakowska [2026] documents the ways how cultural practitioners even develop their own parallel informal evaluation practices that reflect the experienced cultural value better than permitted by standard reporting templates. Across these accounts, participatory approaches (ones that involve those affected by an initiative in identifying relevant forms of impact and reflecting on change) are shown to

highlight forms of impact – such as trust-building, empowerment, and shifts in social relations – that remain structurally under-recognised within audit-driven systems.

Closely related to this topic is a shared critique of linear evaluation models that struggle to account for distributed, emergent, and long-term cultural effects, whilst seeking to isolate effects into directly traceable outcomes. Several papers argue that cultural and social change unfolds in non-linear, relational, and temporally dispersed ways that resist isolation into discrete outcomes. Ranczakowska's [2026] notion of rhizomatic impact evaluation conceptualises impact as a network of interconnected "ripples" that emerge across actors and over extended timeframes, rather than as direct causal effects of individual interventions. Bonilla Berrocal et al. [2026] similarly emphasise the emergent nature of social change in complex ecosystems, where impact is co-produced and difficult to attribute to singular actions. Such perspectives are particularly relevant in the Latvian CCI context, where many initiatives operate at small scales and rely on sustained relational work rather than immediate economic return.

Another important strand across the contributions to the special issue highlights the necessity of context-sensitive and multidimensional approaches to impact assessment. Sanul and Köse [2026] demonstrates how cultural impact in rural and regional contexts cannot be adequately captured through universal indicators, proposing instead a framework that integrates social, spatial, and ecological dimensions and combines qualitative and quantitative methods. Crucially, indicator development remains open and responsive to context as indicators are refined in response to local conditions and emerging insights. This approach acknowledges that cultural value is locally situated and differently experienced across communities. It also resonates with broader challenges in Latvia, where diversity of cultural practices across urban, regional, and rural settings differs considerably.

Finally, several contributions foreground the pragmatic realities of impact assessment under conditions of constraint. Kalēja et al. [2026] show that hybrid creative-social enterprises frequently rely on informal, experience-based assessment practices – such as observing participation, stakeholder responses, or social media engagement – due to limited resources and differences between formal reporting requirements and lived practice. Svempe's [2026] analysis of digital health interventions shows a practical approach, where effects are assessed using indirect measures such as how often people use a service and how they describe their experience. While such approaches may lack methodological rigour or comparability, they often align more closely with practitioners' understanding of value and change.

These accounts clearly indicate that the challenge of assessing social and economic impact in CCIs is not merely methodological, but deeply structural and epistemological in nature. The impact becomes visible – or remains invisible –

depending on which evaluative logic is mobilised, whose knowledge counts, and which timeframes are analysed. This difficulty is further reinforced as creative practices become more embedded and strategic, since their effects are increasingly indirect and dispersed across organisational processes rather than visible as discrete outcomes [Kaygan 2026]. Rather than pointing toward a single solution, the contributions suggest a plural and reflexive understanding of impact assessment, combining basic standardised measures with participatory and context-sensitive ways of observing change over time.

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BEYOND AUDIT CULTURE: A RHIZOMATIC APPROACH TO EVALUATING CULTURAL IMPACT

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Abstract

The dominance of audit culture in cultural policy has led to evaluating socio-cultural centres primarily through quantifiable metrics, obscuring their relational and process-based forms of impact. This study critically examines conventional assessment frameworks and proposes Rhizomatic Impact Evaluation, an anthropologically informed, qualitative approach inspired by Deleuze and Guattari's concept of the rhizome. Drawing on ethnographic research with the European Network of Cultural Centres (ENCC), including interviews, surveys, and participatory workshops, I show how practitioners strategically navigate and resist imposed evaluation models by developing informal, alternative assessment practices. Findings illustrate how cultural impact emerges non-linearly through community narratives, adaptive collaborations, and social transformations, dimensions largely invisible in standard reporting. Rather than advocating for a singular paradigm shift, this article offers Rhizomatic Impact Evaluation as a methodological alternative, integrating relational, participatory, and context-sensitive methodologies that can coexist with conventional metrics and align evaluation more closely with the lived complexity of socio-cultural practices.

Keywords: *audit culture, cultural policy, socio-cultural centres, qualitative evaluation, ethnography, rhizomatic methods, impact assessment.*

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CULTURE CROSSROADS

Introduction

Over the past decades, the industrialisation of culture under neoliberal governance has led to the proliferation of audit culture [Shore & Wright 1999; Power 1997], in which cultural work is primarily assessed through quantifiable metrics. Socio-cultural centres, community-driven spaces fostering artistic, social, and educational practices [Ranczakowska et al. 2024] are increasingly pressured to justify their value through attendance figures, revenue reports, and standardised performance indicators [Belfiore 2002]. This fixation on numerical evaluation obscures the relational and process-based nature of cultural impact [Throsby 2001; Appadurai 1996]. Rather than functioning as *cultural industries* producing measurable outputs, these centres operate within fluid networks of social exchange, identity formation, and local transformation – realities that conventional evaluation models fail to capture [O'Connor 2024; Belfiore & Bennett 2008].

This paper addresses the need to reconsider the frameworks used to assess cultural impact. Drawing on anthropological inquiry, I propose that socio-cultural centres be understood as dynamic, living entities, functioning more like *rhizomes* [Deleuze & Guattari 1987]. In this conceptualisation, impact is not a linear product of input-output calculations but an emergent quality unfolding across multiple, intersecting dimensions of community life. I examine the underlying assumptions of conventional impact assessments and articulate an integrative framework that foregrounds diversity, relationality, and the situated nature of cultural interventions. Furthermore, by incorporating insights from recent research on *reflexive and participatory methods* [Bergold and Thomas 2012], this study highlights how *community narratives* and co-created evaluative practices can capture the details that standard metrics may overlook. The aim is to develop and operationalise a rhizomatic approach to cultural impact in socio-cultural centres and to examine how practitioners navigate audit culture within European policy settings.

Building on these conceptual and empirical premises, emerging from field engagement rather than set *a priori,* the following questions oriented the analysis:

RQ1: How do socio-cultural centres navigate and negotiate the pressures of audit culture in their everyday evaluative practices?

RQ2: What alternative, informal, or emergent methods of assessing cultural impact are currently used by practitioners, and how do these reflect relational and process-based understandings of value?

RQ3: How can the principles of Rhizomatic Impact Evaluation be operationalised within cultural policy and funding systems without losing their interpretive and participatory depth?

These questions structure the analytical trajectory of the article. They are addressed empirically in Section 3, theorised further in Section 4, and revisited in the concluding discussion.

To this end, my research is grounded in empirical data collected from the *European Network of Cultural Centres (ENCC)* – including in-depth interviews, survey responses, and workshop narratives, which reveal the diverse ways socio-cultural centres contribute to community well-being, resilience, and transformation. Yet these contributions remain largely invisible within formal assessment practices that continue to prioritise economic and quantitative metrics. This paper seeks to bridge that gap by offering an interpretive, anthropologically informed approach to impact assessment that captures the full spectrum of socio-cultural dynamics.

Through ethnographic research with the ENCC, I have observed first-hand how practitioners navigate the constraints of instrumentalised frameworks [Bakhshi et al. 2013]. Many centres rely on ad hoc reporting methods to meet funder requirements, even though their most significant impacts arise from non-linear, participatory engagements, like fostering community resilience, facilitating social transitions, and creating spaces for cultural co-creation [White & Robson 2010; Matarasso 1997]. Such work challenges the dominant logic of audit culture [Shore & Wright 2015; Strathern 2000], which privileges quantitative indicators over embedded understandings of cultural value.

Building on these insights, I propose an alternative: *Rhizomatic Impact Evaluation*. Inspired by Deleuze and Guattari's [1987] notion of the *rhizome*, this framework diverges from hierarchical, top-down measurement models in favour of networked, multi-voiced, and relational approaches to assessing cultural impact [Belfiore & Bennett 2008]. Rather than reducing culture to predefined indicators, *Rhizomatic Impact Evaluation* embraces the situated and processual nature of cultural work [Geertz 1973], foregrounding decentralised, adaptive linkages between people, places, and ideas.

Although the examples in this paper primarily reflect the European context of ENCC-affiliated socio-cultural centres, the proposed framework has broader relevance for *community arts organisations, cultural institutions, and local initiatives worldwide* grappling with audit-driven funding regimes. This perspective aligns with *sustainability transition theories* and alternative sustainability models, such as the *X-Curve framework* [Hebinck et al. 2022] which highlight systemic non-linearity and plural transition pathways. By integrating insights from anthropology, cultural policy, and sustainability studies, *Rhizomatic Impact Evaluation* responds to the pressing need for methodologically coherent ways to value complex, adaptive cultural processes.

A common critique of qualitative or anthropologically informed approaches is their perceived incompatibility with funders' accountability requirements and policy demands for standardised data. While acknowledging the necessity of meeting certain basic metrics, this article demonstrates how a *rhizomatic approach* can coexist with, or even enhance conventional frameworks by offering richer, situated accounts of cultural transformation. Rather than positioning qualitative and quantitative methods as mutually exclusive, *Rhizomatic Impact Evaluation* incorporates multiple voices and practitioner-led strategies that can be adapted for different policy environments.

Structure of the article

This article moves from conceptual grounding to situated evidence and then to implications for cultural policy. Section 1 establishes the theoretical frame. I set audit culture within cultural policy debates and show why arborescent, linear logics do not account for relational and processual effects in socio-cultural practice. Section 1.3 then introduces Rhizomatic Impact Evaluation and states its principles, preparing the ground for operationalisation.

Section 2 presents the research design where I describe materials, sites and procedures, situate the study within European policy environments, and summarise ethical considerations. Section 3 turns to the findings. Section 3.2 identifies limits of conventional metrics. Section 3.3 describes hidden and adaptive practices that practitioners already use. Section 3.4 discusses the politics of evaluation and forms of strategic compliance. Section 3.5 documents instances where rhizomatic practice is already present. Section 4 brings these strands together. I synthesise the contribution, set out concise heuristics for policy and funding practice, and indicate directions for further inquiry. and the Conclusion summarises the insights, as well as notes scope and limitations.

1. Theoretical framework

1.1 Beyond industrial metrics: The cultural impact debate

Since the emergence of the *creative industries* paradigm [Hesmondhalgh 2013; O'Connor 2024], contemporary cultural policy has been shaped by the economic instrumentalisation of culture [Belfiore & Bennett 2008]. This paradigm justifies culture primarily through its contributions to economic growth, job creation, and other quantifiable outcomes [Throsby 2001]. However, this approach reflects broader neoliberal restructurings that frame culture as an industry, tethered to performance indicators and financial rationales [Belfiore 2002]. While such perspectives have

streamlined funding mechanisms, they often reduce the complexity of cultural work into reductive metrics.

In contrast, an anthropological approach emphasises the interpretive, relational, and context-dependent nature of cultural phenomena [Geertz 1973]. Culture is deeply embedded in symbolic and relational practices that inherently resist numerical capture. As Bourdieu [1984] argues, cultural value is inextricably linked to social and symbolic capital, which cannot be adequately measured through economic indicators alone.

By situating cultural impact within the lived experiences of communities, researchers can uncover layers of meaning that standard economic evaluations tend to obscure. This perspective aligns with the notion of *invisible work*, as articulated in feminist and postcolonial scholarship, which insists that contributions to social well-being are often unquantifiable yet significant [De Vault 2014; Daniels 1987].

Increasingly, scholars advocate hybrid models of evaluation, recognising that purely quantitative approaches neglect the emergent and non-linear features of cultural processes. Connell [2007] further argues that knowledge co-creation must embrace diverse perspectives, thereby supporting the need for pluralistic, context-sensitive evaluation models. This evolving debate raises questions about the fundamental goals of cultural policy: is cultural value best understood through measurable returns, or should we pivot to more qualitative, interpretive frameworks that accommodate the complexity of socio-cultural work?

1.2 The limitations of audit culture in cultural evaluation

Audit culture [Shore & Wright 1999; Power 1997] extends market-based accountability into public institutions, enforcing standardised templates, benchmarking protocols, and financially oriented key performance indicators (KPIs). In the cultural sector, such frameworks push organisations, including socio-cultural centres into performative compliance, presenting data that may not align with the realities of community-building, creative experimentation, or social transformation [Strathern 2000].

As participants from socio-cultural centres repeatedly note, tension arises when the relational and process-based nature of cultural impact is overshadowed by numerical measures. One interviewee from Cultural Centre D observed:

"We try to plan for a future that lasts decades, not just annual targets. But funders want standardised reports that reduce 'success' to attendance figures and financial data. Our real work – fostering critical thinking among youth – is harder to capture in numbers."

Similarly, while approaches like Florida's [2002] *creative class* theory promote economic narratives around creative industries, critics argue that such theories

underplay the less tangible, community-driven aspects of cultural work [Pratt 2008; Matarasso 1997]. The result is a hyper-instrumentalisation [O'Connor 2024] that marginalises local, participatory, and process-based forms of cultural engagement in favour of market-driven outputs.

Moreover, reliance on industrial metrics can distort institutional priorities. When socio-cultural centres must continually demonstrate growth such as audience expansion, they risk diluting the community-rooted ethos that defines their missions [White & Robson 2010]. Ultimately, audit culture not only shapes what counts as *impact* but also limits which cultural practices are deemed legitimate or fundable.

Critics have noted that such instrumentalisation imposes quantifiable standards on inherently qualitative creative processes. Foucault's [1977] analysis of modern disciplinary mechanisms further illuminates how institutional practices enforce conformity, mirroring the rigid demands of audit culture. These dynamics contribute to a system in which cultural work is reframed according to external, market-driven expectations rather than its intrinsic community value.

1.3 Toward a rhizomatic impact evaluation framework

1.3.1 Rhizomatic epistemology in cultural evaluation

In *A Thousand Plateaus* [1987], Deleuze and Guattari distinguish between *arborescent* and *rhizomatic* knowledge structures, offering a useful framework for rethinking cultural assessment. In an arborescent model, knowledge or organisation radiates from a single trunk or centre, emphasising hierarchical flows of information. By contrast, a rhizomatic structure, much as an underground root system, lacks a singular origin and instead proliferates through multiple, interconnected pathways. Epistemologically, this approach foregrounds decentralised, non-linear growth; ontologically, it recognises that cultural phenomena emerge from a web of influences rather than from a fixed source.

Such a rhizomatic lens has been applied in educational theory and organisational studies but remains relatively underexplored in cultural evaluation. It challenges traditional, linear models that treat cultural impact as a product of discrete inputs and outputs. Instead, rhizomatic thinking suggests that impact unfolds through diffused networks, adaptive linkages, and overlapping relationships among diverse stakeholders. By mapping these dynamic, interwoven connections which might be called *rhizome-inspired mapping*, researchers can capture the ways in which influence, engagement, and meaning accumulate and disperse over time.

Longitudinal tracking of cultural initiatives reveals how they branch out in unpredictable directions, demonstrating an ongoing interplay of emergent processes rather than a simple cause-and-effect chain. This paradigm shift moves beyond an

exclusive focus on immediate, quantifiable results. Instead, it acknowledges that transformation often takes root in subtle, relational processes like community ties, evolving partnerships, or shifts in collective identity that cannot be distilled into linear metrics.

In many contemporary cultural policy frameworks, assessment tools reflect what Deleuze and Guattari would describe as an *arborescent logic*. Much like a tree's trunk and branches, these tools organise evaluation around a singular core, typically quantitative indicators such as audience numbers, revenue generation, or standardised performance metrics [Belfiore & Bennett 2008]. All subsequent measures derive from this central focus, establishing a hierarchical structure that privileges measurable outputs over processual, relational, or emergent dimensions of cultural work.

1.3.2 Key principles of rhizomatic evaluation

Drawing on the idea of the rhizome, cultural assessment can be reframed through five interconnected principles that emphasise multiplicity, emergence, and situated meaning. These principles challenge the linear, centralised assumptions inherent in many current evaluation models.

- **Multi-voiced participation**: Cultural value emerges through diverse forms of knowledge and experience, ranging from local traditions to artistic expertise, audience perspectives, and community insights [Bourdieu 1984; Connell 2007]. Instead of privileging a single authoritative viewpoint, multi-voiced participation ensures that all stakeholders shape both the goals and methods of assessment.
- **Adaptive emergence**: Culture is inherently dynamic and constantly evolving [O'Connor 2024]. Rhizomatic evaluation allows its criteria and methods to shift in response to changing community needs, socio-political environments, or collaborative developments [Matarasso 1997]. This flexibility contrasts with rigid, one-size-fits-all metrics.
- **Contextualised interpretation**: Rather than relying on decontextualised statistics, this approach prioritises qualitative evidence such as narratives, testimonials, and ethnographic observations [Geertz 1973]. These accounts reveal how cultural initiatives intertwine with local histories, identities, and social relationships.
- **Collaborative documentation**: Documenting impact is not merely a technical step but a co-creative process. By involving community members, artists, and programme organisers in crafting the narrative of what has transpired, collaborative documentation ensures that evaluation reflects the lived realities of those most affected [Shore & Wright 2024].

- **Networked and longitudinal tracking**: Just as rhizomes spread organically underground, cultural influence branches out in multiple, sometimes unseen directions. Rhizomatic evaluation encourages ongoing observation of how new ideas, collaborations, and audiences develop over extended periods [Strathern 2000]. Longitudinal tracking highlights how incremental, relational developments accumulate into substantial transformative effects – outcomes that may only become visible over time [Hebinck et al. 2022].

1.3.3 Implications for cultural evaluation

Taken together, these principles outline a more fluid, adaptive, and inclusive way of evaluating cultural impact. By moving beyond the hierarchical, linear assumptions of arborescent frameworks, rhizomatic evaluation underscores the interconnected, processual nature of cultural work illuminating aspects of value that standard metrics often fail to capture. This model does not necessarily discard quantitative methods; rather, it integrates them within a broader mix of participatory and qualitative inquiry. In aligns evaluation practices more closely with the actual complexity and non-linearity of socio-cultural endeavours, offering a potentially transformative lens for funders, policymakers, and cultural practitioners alike.

The arborescent structure of conventional cultural assessment risks overshadowing the complex networks of influence and engagement, which would be highlighted by approaches that are more rhizomatic.

2. Methodology

2.1 Research design

This study employs an ethnographically informed, mixed-methods approach, combining in-depth interviews, participatory workshops, and survey data collected within the framework of the European Network of Cultural Centres (ENCC). The rationale for this design lies in the limitations of conventional evaluation methodologies, which tend to privilege measurable outputs while overlooking relational, affective, and process-based aspects of cultural work. To foreground these dimensions, the research prioritises qualitative, participatory, and context-sensitive methods [Lincoln & Guba 1985; Fetterman 2010].

The research was conducted over a 12-month period (2023–2024) and follows a multi-sited strategy [Marcus 1995], engaging socio-cultural centres across diverse institutional, geographical, and policy contexts. Sites included centres from eleven European countries (Austria, Belgium, Estonia, Germany, Italy, Poland, Slovenia, Czechia, Latvia, UK and Spain), reflecting variation in size, funding structures, and territorial settings. Centres ranged from small, grassroots initiatives to long-

established organisations embedded within municipal cultural policy systems. This diversity was intentional: it enabled the study to observe how different organisational forms navigate the pressures and contradictions of audit culture.

The conceptual approach of Rhizomatic Impact Evaluation, outlined in Section 2.3, is embedded throughout the research design. Rather than positioning evaluation as a neutral or technical procedure, the study treats it as a situated cultural practice, shaped by institutional logics, historical legacies, and strategic acts of negotiation.

2.2 Data collection

2.2.1 In-depth interviews

A total of 32 in-depth interviews were conducted with practitioners occupying leadership, programming, and evaluation roles within socio-cultural centres. The sample included respondents from both urban and non-urban contexts and from centres with varying degrees of institutionalisation. Participants were selected through purposive sampling, with invitations extended via ENCC networks and partner projects. Interviews followed a semi-structured format, allowing for comparability across cases while maintaining the openness required to capture situated narratives [Charmaz 2006].

The explored themes included:

- experiences with institutional impact frameworks
- tensions and contradictions in applying industrialised metrics to cultural work
- emergent or informal practices that reframe the ways how impact is understood and communicated

Interviews were audio-recorded, transcribed, and thematically coded to identify recurring patterns of resistance, adaptation, and situated innovation in relation to cultural evaluation.

2.2.2 Participatory workshops

To complement the interviews and support the co-creation of knowledge, three participatory workshops were facilitated with a total of approximately 130 participants. Each workshop was designed to surface collective reflections on impact, challenge dominant assumptions embedded in evaluation, and explore alternative modes of sense-making.

- **Workshop 1** took place within the ENCC network and brought together 31 participants. Through facilitated group discussions, visual mapping, and short story-sharing rounds, participants identified structural and affective barriers to meaningful evaluation.

- **Workshops 2 and 3** were conducted as part of the FULCRUM project and gathered around 100 participants. These sessions used scenario-based backcasting exercises [Hebinck et al. 2022], collaborative network-drawing, and impact storytelling to imagine future-oriented, non-linear evaluation practices grounded in participants' own cultural settings.

All workshops were documented through fieldnotes, photographs, participant drawings, and live mapping outputs. These artefacts served as both data and interpretive tools. Rather than functioning as discrete research events, the workshops were integrated into existing participatory infrastructures and built upon practices already present in the field.

Alongside the interviews and workshops, I circulated a short, descriptive online survey via ENCC channels to gather contextual information on organisational profiles and evaluation routines; responses were used to orient sampling and triangulate the qualitative analysis rather than as stand-alone findings. The survey was administered to all ENCC members (at that time, sixty eight members), with twenty two responses.

2.3 Data analysis and rhizomatic framework

The analytic strategy follows an iterative, inductive logic consistent with grounded theory approaches [Charmaz 2006]. The starting point was not a fixed set of indicators or categories, but a commitment to let meanings and patterns emerge from the relational entanglements of fieldwork. Transcripts, fieldnotes, surveys, and workshop artefacts were reviewed multiple times to trace how practitioners talked about impact, legitimacy, and value.

The coding process unfolded in three phases. First, open coding was used to identify empirical anchors for broader dynamics: examples included strategic compliance, narrative bifurcation, and affective labour in documentation. Second, focused coding clustered these fragments into thematic categories that correspond with both the critiques of audit culture and the lived tensions described by practitioners. Third, these themes were interpreted through the lens of Rhizomatic Impact Evaluation, allowing the principles introduced in Section 2.3 to function as a conceptual scaffold rather than a deductive framework.

My decision to work with a rhizomatic analytic frame reflects a methodological and epistemological stance. Rather than seeking linear causality, the analysis follows the branching, recursive paths through which impact is enacted, made visible, concealed, or transformed. This includes attending to informal registers such as gossip, repetition, silences, and delayed effects. The final thematic structure is woven through sections 4.2–4.5, with anonymised excerpts integrated into each subsection.

2.4 Reflexivity and ethical considerations

Throughout the process, I worked as both researcher and situated participant. My ongoing collaboration with ENCC and direct engagement in related projects shaped both access and interpretation. Rather than framing this positionality as bias, I consider it part of a reflexive approach to research that foregrounds embedded knowledge production [Geertz 1973]. Being in conversation with practitioners over time allowed for a deeper understanding of the affective and political dimensions of evaluation work.

To maintain ethical rigour:

- informed consent was obtained from all participants
- anonymity was preserved, and centre names were coded
- workshop data was co-validated with participants to ensure interpretive alignment

The methodology reflects an epistemic intervention that resists the reductionist logic of audit culture. By prioritising relational evidence, embedded narration, and multiple temporalities, this approach seeks to offer an alternative way of understanding impact, that is co-produced, situated, and aligned with the lived complexity of socio-cultural practice.

3. Empirical findings: How socio-cultural centres navigate impact assessment

While this chapter is organised around the research questions, the analytical process that generated these insights did not follow a deductive or linear trajectory. The questions themselves emerged in dialogue with the data and served more as interpretive lenses than fixed frames. This reflects the iterative, multi-sited nature of the fieldwork, which unfolded through cycles of ethnographic observation, thematic coding, and collective reflection. Structuring the chapter in this way is therefore a matter of reader orientation rather than methodological choice. The presentation here supports clarity, while remaining grounded in a qualitative approach that privileges emergence, context, and the situated nature of knowledge production.

3.1 Introduction of the findings

The question of how socio-cultural centres assess impact reveals a persistent tension: the imposed logic of *audit culture* versus the lived realities of cultural work. While funding bodies and policy frameworks demand quantifiable, standardised evaluation metrics, practitioners describe their impact as relational, emergent, and processual embedded in the temporal, affective, and social infrastructures of community life.

Across my research with socio-cultural centres, practitioners articulated a fundamental misalignment between:

- **The epistemology of audit culture,** which frames cultural value through numerical indicators, economic return, and standardised KPIs.
- **The ontological realities of socio-cultural work,** where impact materialises through fluid, networked, and context-sensitive exchanges.

This misalignment reflects a system of power over cultural institutions, shaping which forms of impact are seen, valued, and legitimised. As this section demonstrates, socio-cultural centres:

- Struggle within imposed evaluation frameworks, navigating the pressures of compliance while resisting reductive metrics.
- Develop, often unintentionally, informal and alternative methods of impact assessment that remain largely invisible within funding regimes.
- Articulate a need for systemic change, positioning alternative evaluation methods as both a necessary methodological intervention and a political act.

By highlighting these dynamics, this research foregrounds evaluation not as a neutral technical exercise, but as a contested ideological terrain where cultural practitioners negotiate power, autonomy, and legitimacy.

3.2 The limits of conventional impact metrics

Despite the diversity of socio-cultural centres, nearly all participants described frustration with conventional impact assessment methods, which reduce cultural impact to attendance figures, ticket sales, and standardised KPIs. One director of a regional centre expressed this concern:

> *How do you measure transformation in a number? How do you prove a shift in someone's sense of belonging through a survey? The system requires numbers, but we deal in relationships.* (Centre P)

This sentiment was echoed across multiple centres, particularly those with a strong community engagement focus. While some centres attempt to comply with funding requirements by quantifying success, many describe these processes as distortions rather than reflections of their actual work. A coordinator from Centre K explained:

> *We fill in the reports, of course. But internally, we know they don't reflect our work. So, we keep parallel records like stories, narratives, feedback, things that actually tell us what's happening.* (Centre K)

This reliance on a dual documentation system, one for funders and one for internal reflection, illustrates how practitioners strategically reframe impact

narratives to maintain operational viability while safeguarding their actual values. In some cases, this parallelism became a form of resistance, a quiet insistence on defining value on their own terms. A practitioner from Centre I added:

> *We work in the in-between. We translate our values into funder-speak, but then we also keep the real story alive within our team. It's not ideal, but it's how we protect the work.* (Centre I)

Several centres described this process as laborious and ethically compromising. Reporting becomes an act of translation and sometimes self-censorship. As one team member noted in a workshop:

> *We do the reporting, but we always ask ourselves who are we doing this for? Because our participants don't care about how many 'engagements' we had. They care that they felt seen.* (Centre L)

The work of translation between lived realities and imposed metrics not only drains time and resources but also alienates practitioners from their own sense of purpose. This gap between official narratives and internal practices is the place where new forms of impact assessment, more informal, more embedded and relational, and largely invisible to institutional eye begins to take shape.

3.3 Adaptations: Hidden forms of evaluation

Since traditional metrics often fail to capture the realities of cultural work, many centres have developed alternative assessment strategies that exist alongside, or in resistance to, formal reporting structures. These include storytelling, embedded observation, and relational tracking. Together, they offer a counterpoint to audit culture's linear, extractive logic and instead reflect the processual, intuitive, and community-driven nature of socio-cultural practice.

3.3.1 Storytelling as impact assessment

Rather than relying on predefined indicators, some centres turn to narrative-based approaches to track transformation. A practitioner from Centre K reflected:

> *Our best 'data' comes from conversations with our participants. A funding report might say we had 200 people attend, but what really matters is the email someone sent us weeks later, saying the event changed how they see their own community.* (Centre K)

These narrative fragments are often informal, held in memory, email inboxes, or staff debriefs, and do not enter official evaluation documentation. Nevertheless,

they shape internal understandings of success and guide future programming. At Centre S, for example, a practitioner shared an observation:

> *The moment someone tells us, 'I finally felt like I liked it here,' that's when we know something worked. But there's no line for that in the form.* (Centre S)

This shift from numerical validation to lived testimony echoes anthropological methodologies that prioritise thick description, situated meaning-making, and embedded knowledge production [Geertz 1973]. However, these forms of assessment remain unrecognised by dominant policy frameworks, reinforcing the systemic devaluation of qualitative epistemologies.

3.3.2 Networked observation and reflexive evaluation

Some centres practise embedded, relational evaluation through informal tools such as fieldnotes, shared reflections, and mapping exercises that track how relationships evolve over time. A coordinator at Centre D described their internal method:

> *For us, impact isn't about 'how many people came' but 'who now collaborates that didn't before?' We map relationships, not numbers.* (Centre D)

Others described using reflective meetings or ongoing conversations as methods of evaluation. Rather than closing a project with a final report, some teams maintain open-ended dialogue with participants and partners to understand long-term effects. At Centre N, this practice is integrated into how programming is designed:

> *We don't think of evaluation as something you do at the end. It's ongoing. Every conversation is part of it. Every shift in someone's involvement tells us something.* (Centre N)

These reflexive and networked approaches often remain invisible in external reporting, but they are central to how centres understand change. While not formalised, they provide an infrastructure of care and accountability that is attuned to context, relationships, and the long arc of cultural engagement.

3.4 Tensions and resistance: the politics of evaluation

Despite the innovations described above, practitioners repeatedly emphasised the tensions they navigate when balancing funding compliance with the ethics and integrity of their work. Evaluation is not a neutral practice. It is a site of negotiation, often shaped by external pressures that require organisations to frame their cultural work in ways that obscure its actual meaning.

Three recurring tensions emerged across the interviews and workshops:

- The pressure to frame cultural work in economic or outcome-based terms in order to justify funding.
- Strategic compliance, where centres complete audit-friendly reports while maintaining parallel internal evaluation systems.
- A sense of cultural alienation, as practitioners feel that their work must be translated into bureaucratic language that fails to capture its relational, affective, or political dimensions.

A practitioner from Centre I captured this conflict:

> *Every grant application now asks us to prove economic impact. We resist that, but we also have to survive. So, we end up playing along, even if it undermines what we're actually doing.* (Centre I)

This sense of double consciousness – one face for the funders, another for the community – was echoed across multiple interviews. A coordinator at Centre L described their internal documentation practice:

> *We write what the funders want to read, but that's not how we talk about our work with each other. We have other ways of knowing what works. We share stories, we reflect, we feel it.* (Centre L)

While they may appear pragmatic, for many, these parallel systems are primarily political. Choosing to maintain internal languages and practices of evaluation that resist the imposed categories of audit culture is seen as a form of everyday resistance. A practitioner at Centre T reflected:

> *Sometimes I think the real impact isn't even visible. It's in what you can't really measure. The way someone comes back to volunteer. The way a new partnership happens. These things matter, but they're not part of the forms that we are given to fill in.* (Centre T)

Even within these constraints, practitioners insist on the legitimacy of their own ways of knowing. Through these informal practices, centres focus on forms of value that remain outside institutional recognition.

3.5 Signs of a rhizomatic approach in practice

Despite the dominance of industrialised evaluation models, many socio-cultural centres already engage in assessment practices that align with the principles of Rhizomatic Impact Evaluation. These practices emerge not from adherence to external models, but from lived experiences of cultural work. Rather than designing alternative evaluation frameworks in a top-down manner, these centres embed

impact assessment within their day-to-day practices, drawing from relationships, collective learning, and slow processes of change.

At Centre B, practitioners described how they trace the ripples of artistic residencies over time, mapping informal connections and long-term collaborations:

> *We don't measure impact by how many people came to the opening night. We look at what happened months later. Who kept in touch? What new ideas grew out of it?* (Centre B)

Rather than working within pre-defined timelines and indicators, Centre B focuses on how artistic encounters generate emergent networks of support, care, and future practice. This approach values the durational and affective dimensions of impact, even if they are difficult to report through standard forms.
A similar approach was described at Centre N, where evaluation is woven into everyday practice rather than treated as a separate task.

> *Instead of closing conversations around evaluation, we seek to sustain them, allowing feedback to be generative rather than judgmental.* (Centre N)

Evaluation, in this case, is ongoing and dialogic, shaped by shared reflection and mutual accountability between staff, artists, and communities.

This centre also practices a barter-based model, where artists offer workshops or performances in exchange for local contributions, rather than financial fees. This reciprocal framing of value displaces the dominant logic of cultural production as a transactional service and reframes it as a process of exchange and mutual commitment.

> *We want to shift from counting to connecting. If someone cooks for the artist, if someone offers a ride, that is part of the impact.* (Centre N)

These examples suggest that rhizomatic approaches are not only possible, but already present, albeit in fragmented and often unrecognised forms. They emerge from necessity, from care for community, and from the refusal to reduce cultural value to fixed indicators or simplified outputs. Importantly, they are rarely named as such by practitioners themselves, but they reveal a different language of evaluation, that is based on interconnection, lived meaning, and slow transformation.

4. Theoretical synthesis and future research directions

4.1 Reframing impact assessment: From audit culture to relational evaluation

The growing divergence between imposed evaluation frameworks and the lived realities of cultural practice presents an urgent challenge for policymakers and

cultural institutions. While socio-cultural centres continue to develop alternative ways of assessing their impact, these methods remain largely unrecognised within funding structures that prioritise measurable, outcome-driven models. Beyond being an administrative inconvenience, this disconnection has profound consequences for how cultural work is valued, legitimised, and sustained.

As shown in the previous sections, this divergence is not experienced uniformly. Centres shared different strategies for navigating it, often shaped by their organisational scale, histories, and funding dependencies. For some, resistance took the form of parallel evaluation systems: one for funders, one for themselves.

> *We fill in the reports, of course. But internally, we keep records that actually tell us what's happening.* (Centre P)

Others adopted hybrid strategies, blending compliance with creative adaptation, or embedding impact reflection directly into artistic and community processes. These variations signal that while the pressures of audit culture are shared, the responses remain context-sensitive, shaped by local relationships and institutional cultures.

A critical shift is needed to expand evaluation criteria beyond key performance indicators and embrace more participatory, process-oriented models. Funding bodies must acknowledge that relational, community-driven forms of assessment are not secondary to economic metrics but essential to understanding cultural impact. Without such recognition, the current system risks reinforcing a model where only what is quantifiable is deemed valuable, while deeper forms of cultural transformation remain invisible.

This research has shown that such transformations are often traced through informal observation, embedded feedback, and collaborative reflection. Centres described the value of noticing subtle shifts, how trust builds across projects, or how networks evolve over time.

> *It's not about how many people came, but who now collaborates that didn't before.* (Centre D)

These are not anecdotal details but integral parts of how impact is known and felt by practitioners themselves. Importantly, these methods do not seek to replace quantitative evaluation entirely, but to offer a fuller account of cultural work.

Cultural management and educational practices must also evolve to align with these realities. Training programmes should move beyond compliance-based evaluation models and incorporate methodologies that reflect the actual ways in which cultural practitioners assess their work. This means engaging with qualitative, ethnographic, and participatory approaches that emphasise lived experience over extractive measurement. Institutions, in turn, must rethink internal evaluation

structures, shifting away from rigid reporting requirements towards more flexible, evolving frameworks that allow cultural organisations to articulate their impact in ways that resonate with their missions and communities.

For socio-cultural centres, the implications of *Rhizomatic Impact Evaluation* extend beyond assessment itself. Resisting audit culture is a transformative intervention in how cultural work is understood and valued. These practices are not imposed from theory but emerge from situated experimentation. At Centre N, for example, evaluation is structured as an ongoing dialogue with community members, where artistic and social outcomes are discussed not only after the fact but throughout the process. This dialogic approach, sometimes taking the form of barter or reciprocal exchange, reflects a deeper commitment to accountability grounded in mutual recognition rather than institutional surveillance.

By continuing to document impact through relational, process-based methods, these centres contribute to a broader reimagining of evaluation in cultural policy, one that moves beyond instrumentalist logic and towards an approach that reflects the fluid, networked, and participatory nature of cultural production.

Ultimately, besides being a policy adjustment, rethinking impact assessment is an epistemic and political intervention. If only what can be measured is valued, entire ways of knowing and practising culture risk being erased from dominant discourse. Socio-cultural centres, which operate through relational, evolving, and embedded forms of engagement, find themselves navigating a system that often fails to recognise the very nature of their work. *Rhizomatic Impact Evaluation* offers a pathway towards reclaiming impact assessment as a process of meaning-making rather than control, ensuring that cultural practitioners are not only assessed but understood on their own terms.

4.2 Future research directions

The findings of this study open several critical avenues for further research. Comparative work could explore how alternative evaluation models operate across different cultural and policy contexts, tracing where and how non-linear approaches to impact assessment have been formalised or legitimised. It would be particularly valuable to examine cases where rhizomatic or relational methodologies have found resonance within institutional settings, without being co-opted or diluted by audit logics.

Another promising direction lies in the intersection of digital technology and relational impact assessment. With the rise of digital ethnography, participatory mapping, and decentralised knowledge-sharing tools, new ways of tracing and representing impact are emerging. These tools could support more dynamic, collaborative approaches to evaluation, expanding the space for cultural organisations

to articulate their own logics of value. The potential of digital methods to both surface and legitimise alternative impact narratives, especially in contexts shaped by policy silencing or institutional gatekeeping, deserves closer attention.

Further research is also needed to better understand the structural barriers that continue to marginalise non-linear and qualitative forms of evaluation. While practitioners already engage in relational forms of assessment, these often remain secondary to dominant reporting regimes. Without structural shifts in how evaluation is conceptualised at the policy level, these approaches will remain in the shadows – useful, meaningful, but ultimately unofficial. Future research could focus on the mechanisms of policy change that might enable the integration of rhizomatic approaches into funding logics, while preserving their situated and participatory character.

In this way, the aim is not only to document what exists, but to contribute to a broader field of inquiry that helps reimagine how impact can be understood, practised, and legitimised in the cultural sector.

Conclusion: Toward an evaluation framework that reflects cultural realities

Throughout this study, I have explored how socio-cultural centres navigate the contradictory demands of impact assessment. While dominant cultural policy frameworks continue to privilege linear, quantitative models of evaluation, socio-cultural practitioners are developing alternative methods that are processual, embedded, and relational. These practices are not framed as resistance in a confrontational sense but emerge through the daily work of doing culture under pressure. They are shaped by necessity, by care for communities, and by the long timelines of change that do not easily fit measurable outputs.

By staying close to the lived realities of practitioners, I traced how socio-cultural centres respond to the imposed logic of audit culture (RQ1), how they adapt or subvert dominant models (RQ2), and how relational, situated evaluation practices emerge in the absence of institutional recognition (RQ3). The findings show that although most centres still comply with funder requirements, many operate parallel internal, informal systems of evaluation, internal, grounded in trust, exchange, and long-term engagement.

This research does not aim to offer another normative, universal model, but rather to legitimise these alternative practices as forms of knowing that matter. By articulating the Rhizomatic Impact Evaluation framework, I wanted to bring visibility to an approach that is already present, even if rarely acknowledged. This framework helps conceptualise evaluation not as an external process of measurement,

but as a situated, evolving negotiation of value, meaning, and accountability within specific cultural and social contexts.

As long as impact continues to be defined through narrow metrics, the work of socio-cultural centres will remain undervalued and misrepresented. Yet the practices described throughout this paper suggest that another approach is both possible and already underway. This study invites a reframing of evaluation itself, – as a technicality of cultural policy, as well as a political and epistemic field where assumptions about value are negotiated and wherein different ways of knowing can be centred.

For cultural policy, this means recognising the legitimacy of plural evaluation practices, co-created with communities, and responsive to the specific missions of organisations. For researchers and educators, it calls for closer engagement with the situated knowledge of practitioners and with the ongoing work of building frameworks that reflect the reality of cultural life.

Rather than proposing one method, I have tried to stay with the complexity. If Rhizomatic Impact Evaluation is to be useful, it must remain open-ended, relational, and in motion.

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QUANTIFYING THE ECONOMIC IMPACT OF DESIGN: ASSESSMENT TOOLS BASED ON DESIGN MATURITY LEVELS

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Abstract

This article explores the topic of assessment of design's economic impact within organisations, with a focus on tools developed in the past decade to assess and quantify such impact in business terms. Despite the growing interest in the strategic role of design, isolating and quantifying its effect remain difficult due to the evolving and varied nature of design practice. The article examines three prominent tools, each of which develops a matrix exploring the relationship between the design utilisation at various design maturity levels and existing business metrics. While these tools offer valuable insights for companies, they also reaffirm significant challenges, such as the expanding scope of design practices, the difficulty of distinguishing design's impact from other business functions, and variations in organisational forms of design utilisation. The article concludes that a more nuanced approach is needed to assess the impact of design at different maturity levels, particularly at the strategic level. Additionally, considering the increasing interest in design utilisation in the public sector as well, which prioritises the social and environmental impact of design, the article underscores the importance of enhancing the assessment capabilities of individual companies in both private and public sectors by developing appropriate tools and methods for evaluating the full spectrum of design's impact.

Keywords: *impact assessment, design, design thinking, design maturity, design ladder.*

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CULTURE CROSSROADS

Introduction

As the scope and depth of design utilisation in organisations increase, so does the interest in measuring its economic effect. However, isolating and quantifying the impact of design is a challenging endeavour due to the moving boundaries of design, which encompasses various types of practices, areas of expertise, business or contractual structures, and forms of employment [Kimbell et al. 2021]. The aim of this article is to present a review of prominent tools developed in the last decade to assess, quantify, and thus translate the economic impact of design into business terms within organisations. The development of such tools concurrently reveals gaps in existing approaches and metrics, which need to be redressed through new and more nuanced assessment tools, particularly when design is used at the strategic level in organisations. The second aim of this article is to elaborate on these gaps, pointing out directions for future studies on impact assessment in design.

The article begins with a review of the design management literature on the value and impact of design, in order to provide a background for the presented assessment tools. It then introduces the selected tools, explaining the research studies on which they are based. The article continues with a discussion on the challenges faced in evaluating design, and concludes by highlighting the key points and suggestions derived from the review.

Background to impact of design

The question of how to measure the impact of design has been a longstanding issue in design management for over three decades. In the 1990s, early arguments aimed at demonstrating the *value* of design, which refers to its potential or perceived benefits, focused on increasing design awareness among managers and promoting more strategic roles for designers within organisations [Gorb 1990; Oakley 1990; Cooper and Press 1995]. These arguments largely concerned the integration of design as a managerial and innovation capability within companies, emphasising its potential to enhance competitiveness, product development, and service delivery. As interest in design grew within national and regional economies, attention increasingly shifted from explaining its value to assessing its actual *impact* – the measurable effects that design has on business performance, economic growth, and societal outcomes. Particularly in the 2000s, there was a significant rise in the number of reports aimed at showcasing the broader economic impact of design, based on surveys conducted at the national or regional levels [Whicher et al. 2012; Julier 2014]. These efforts were primarily driven by government bodies and independent professional design associations, such as the Association of Dutch Designers (BNO), the Swedish Industrial Design Foundation (SVID), the Design

Council in the UK, the Research Institute of the Finnish Economy, and the Danish Design Centre (DDC) in Europe.

National studies conducted by these associations in the first decade of the 2000s sought to demonstrate the relationship between design and economic performance of companies. Among these, the first study by DCC [2003] analysed the economic effects of employing design. The study consisted of a survey based on 1000 telephone interviews with private Danish companies, and examined their total investment in design, turnover, job provision, and export share of turnover, comparing companies that invest in design to those that do not. The survey results identified a 22% higher growth in turnover among the former compared to the latter. Additionally, companies with consistently increasing investments in design had an additional 40% turnover growth compared to the companies with constant or declining design investment. DDC's study also ranked the companies on the Design Ladder, a framework developed by DDC in 2001 to rate companies' use of design. The Design Ladder consists of four steps, each describing a maturity level of design utilisation within organisations: (1) non-design, lacking systematic use of design; (2) design as form-giving to merely improve the appearance; (3) design as an integrated development process; and (4) design integrated into the company's strategy. By placing interviewed companies on the Design Ladder, the survey indicated a correlation between high economic performance and high design maturity. Companies at steps three and four achieved more favourable turnover and export shares than those at steps one and two. The greatest differences were observed in the share of exports out of turnover [DDC 2003].

Another national study conducted in Finland by the Research Institute of the Finnish Economy in 2005 adopted quantitative methods, drawing on key figures provided by individual companies. The study found out that companies that had invested in design showed better sales growth, export shares and market value compared to the companies that had invested less [Pitkänen et al. 2012]. Likewise, the Design Council [2007] carried out the *Value of Design Factfinder* study, drawing on a number of sources, primarily two surveys: the *Design Council National Survey of Firms 2005*, and *Added Value Research 2007*. The former, based on phone interviews with 1500 companies, evaluated the tangible impact of design on business by examining companies' attitudes towards design and an its application in their operations. The latter, based on phone interviews with 503 companies, assessed whether companies had observed a direct impact from of design on several business performance measures, including new products and services, new markets, market share, and competitiveness, as well as direct performance indicators, such as profit, turnover, and employment. The study suggested that design directly and significantly improves sales, profits, turnover, and growth. In numerical terms, it

showed that for every GBP 100 invested in design, companies' turnover increases by GBP 225. In 2010, BNO conducted a similar study, in which the factors that influence design efficiency were examined through telephone interviews with directors of 163 Dutch companies [Gandi and Gemser 2012]. These factors include freedom offered to the designer in the product development process, innovativeness of the project, and client participation. The study concluded that investing in design, along with the involvement of designers in the product development process, increases a product's chance of success and improves the company's image, both of which contribute to a positive impact on the company's financial performance.

As the importance of design for national and regional competitiveness has been recognised at the European Union (EU) level, design has entered the European policy agenda [European Commission 2009; 2013], becoming part of national innovation policies across Europe [Whicher 2017]. The recognition of design's role in economic competitiveness raised the question of how to measure the impact of design in quantifiable and comparative ways. In particular, the Design Ladder model proposed by DDC, and the studies undertaken by the Design Council – two leading professional design organisations in Europe – have formed the basis for various impact assessment tools and frameworks developed in the last decade [see, for example, DDC 2018; Kimbell et al. 2021; Costa et al. 2020].

The growing efforts to develop frameworks and tools, however, have concurrently underlined the difficulty of quantifying the impact of design activity. A review of the existing literature identifies three key challenges. First, due to the expanding scope of design, traditional classifications of design professions, such as product, graphic, and interior design, are increasingly insufficient to capture contemporary design work. Emerging digital and interdisciplinary fields, such as UX and service design, have created hybrid practices and opened new economic sectors to designers, including finance and public services [Ramoğlu and Coşkun 2017]. This expansion complicates the alignment of designers with national occupational classification codes, which are used in impact assessments [Kimbell et al. 2021]. While traditional design roles could be easily matched to established categories, identifying appropriate classifications for designers producing more intangible outcomes has become increasingly difficult. Secondly, design has always been a practice that closely interacts with other disciplines. For example, in manufacturing companies design departments often collaborate closely with marketing and production departments. Because the design function cannot easily be separated from such a network of expertise, measuring its disciplinary contribution and impact becomes challenging [Kimbell et al. 2021]. The third key challenge concerns data gaps regarding design and designers. For example, measurement of the capability of national design sectors typically relies on indicators such as the number of design graduates, designs

registered, and design firms, as well as employment statistics in the design services sector [Moultrie and Livesey 2009]. However, the availability of such data is closely related to the maturity of a national design culture. In contexts with slower design maturity, design information is often scattered, and institutional databases are unreliable, as they do not focus solely on design [Costa et al. 2020].

While existing studies redress significant gaps in demonstrating design's impact at the national level, similar efforts within organisations have been lacking. However, measuring the effect of design on the business success of individual companies is just as important as measuring the impact of national design policies. In fact, the two are interrelated [Whicher 2011]. Previous research has attested that most companies do not measure the impact of design, even when they perceive its effects, often due to a lack of necessary resources [Scmiedgen et al. 2016; Mayer 2021]. Despite compelling arguments for design's impact on business performance, the specific role of design, separate from other disciplines, such as marketing and engineering, within organisations remains open to question. Motivated by this challenge, design management scholars have started to develop tools for internal use by organisations. There are significant parallels between these tools, especially in terms of the analytical models they draw on, i.e. design maturity. However, the design management literature lacks an effort to compile, discuss and establish links between them. The current article addresses this gap by reviewing and comparing these tools.

Tools to assess the economic impact of design in organisations

Two criteria determined the selection of the tools reviewed in this article: first, a focus on examining design as a separate function, and second, an attempt to quantify the impact of design within the organisation via the use of business metrics. Thus, studies that consider design an aspect of innovation, such as European Commission's *Innobarometer* [2016] and the report by The Bureau of European Design Associations [2017], both of which compile various surveys about the impact of design on innovation, were not included. Likewise, studies that offer ways to measure design's value and impact without proposing a structured methodology, such as Lockwood's [2010] well-known paper defining 10 categories of design measurement, were not incorporated into the review.

Tools that are implemented externally by professional organisations are also excluded from the study. One example is the *Design Delivery* study by DCC [2018], which investigates various contributions of design to an organisation's bottom line at different levels of the Design Ladder. Since the survey primarily aims to establish a broad, national picture of design's value and impact from the perspective of the companies, it quantifies the perception of design's potential or expected

contribution to business success, regardless of whether systematic and quantified impact assessment activities are actually carried out in the surveyed companies. Moreover, the review draws on the studies from the second decade of the 2000s to set an up-to-date picture of impact assessment efforts.

In the design management literature, three tools that match these criteria were identified, each of which develops a matrix exploring the relationship between the design utilisation level of organisations and existing business metrics. These tools are, first, the Design Value Scorecard by the Design Management Institute (DMI); second, the Design ROI Tool developed through the collaboration of the Finnish Design Business Association, Aalto University, and the Finnish Funding Agency for Technology and Innovation; and third, the study by Björklund et al. [2018], which builds on an extensive review of the relevant metrics. Examining these tools in detail, the analysis comparatively explores their conceptual and structural characteristics, underlying assumptions, and methodological limitations.

1. Design Value Scorecard by DMI [Westcott et al. 2013]

As a key design organisation in the US, DMI initiated the *Design Value Project* in 2012, in response to the ongoing debates about how to assess the economic value and impact of design in businesses. An outcome of this project is the Design Value Scorecard, an assessment tool for design managers to determine how and where design creates value in their organisations. The scorecard identifies five levels of design maturity: 1) initial/ad hoc; 2) repeatable; 3) defined; 4) managed; and 5) optimised. It is structured in the form of a matrix, which tracks the organisation's level of design maturity on the vertical axis against three zones of design utilisation on the horizontal axis:

- Zone 1. Development and delivery of aesthetics and functionality of products/services;
- Zone 2. Creating organisational value by connecting and integrating customer experiences with the organisation;
- Zone 3. Creating design-driven organisational strategy and business models.

In each zone, as the maturity level increases from 1 to 5 (from ad hoc towards optimised and proactive utilisation of design), the design team becomes more productive, and the quality of design outcomes improves. As design utilisation extends beyond the value created through aesthetics and functionality towards strategy and business models, the influence and impact of the design team on the business broadens.

Westcott et al. [2013] define the measurable impact for each zone, and propose corresponding metrics. In Zone 1, where design is involved in the aesthetic and functional development and delivery of products and services, the impact of design

can be demonstrated through the assessment of the return on investment (ROI). For example, if the redesign of a product leads to an increase in sales, design can be recognised as a major factor in generating that new revenue, and the cost relative to the return can be assessed. Using cost-related metrics, companies can track efficiency gains and cost savings that result from design utilisation, shortened time to market, and streamlined product development cycles [Liedtka 2018].

In Zone 2, design's contribution to creating organisational value is assessed by evaluating improvements in customer experiences, especially in areas where the organisation previously lacked a connection with customers. Westcott et al. [2013] provide an example of a financial services company, where design, marketing and sales elements of a software product (e.g. the software itself, sales descriptions, customer service scripts, and marketing materials) are integrated into a cohesive, user-centred narrative. The impact of design utilisation in offering a better-integrated, customer-focused experience can be measured by using metrics such as customer conversion rates [e.g. Schmiedgen et al. 2016], lifetime customer value [e.g. Kumar and Rajan 2020], brand loyalty [e.g. Kuchinke et al. 2019], and market share.

In companies where strategic design practices of Zone 3 are present, design, often in the form of design thinking, is recognised as a core competence. Westcott et al. [2013] suggest that in such design-led companies impact assessment should draw on larger metrics, such as profit margins and stock performance, while considering the fact that design investments at the strategic level have long-term effects. Using these larger metrics, as expected, requires companies to gather longitudinal data over time.

The main promise of the Design Value Scorecard as an impact assessment tool can be interpreted as providing practical guidance to managers, helping them, first, to identify the design maturity level in their organisation, and second, to select the appropriate metrics to evaluate the contribution of design at the relevant maturity level, answering what metrics are possible and most practical for them to measure. The scorecard answers the question of which metrics are possible and most practical for them to measure. It should be viewed as a starting point for managers who have not previously engaged in formal or structured evaluations of design's effects in their organisations.

On the other hand, the scorecard is one component of a broader initiative, the *Design Value Project*, whose goal is "to reveal the best practices of design-led companies and offer tools and models that can be used as guideposts within DMI member organisations" [Westcott et al. 2013: 12]. Thus, it focuses on design-led organisations where a structured progression of maturity is assumed, which can be considered a limitation in the scope. Such a focus also tends to overlook informal

design practices that may exist in less mature companies, where design activities are often embedded within other functions such as marketing, engineering, or product development, without formal recognition or management structures. Moreover, the scorecard's linear model of maturity implies that organisations advance predictably from ad hoc to optimised design utilisation, an assumption that may not apply in practice, as design integration often develops iteratively and non-linearly depending on contextual factors such as leadership support, market dynamics, or organisational culture [Erichsen and Christensen 2013].

From a methodological perspective, the scorecard relies largely on qualitative assessments of maturity and assumes that appropriate metrics can be readily identified for each level and zone. However, empirical validation of these relationships remains limited, and the applicability of the proposed metrics, especially those at the strategic level (Zone 3), depends on the organisation's capacity to collect longitudinal data and to isolate design's contribution from other business variables. Consequently, the effectiveness of Design Value Scorecard depends heavily on managerial interpretation and contextual adaptation. Two other studies, which proposed the Design ROI Tool [Pitkänen et al. 2012] and the matrix of organisational maturity and metrics classifications [Björklund et al. 2018], provide a more comprehensive categorisation of metrics for different design maturity levels. The following two sub-sections will review these frameworks.

2. Design ROI Tool [Pitkänen et al. 2012]

The Design ROI (Return on Investment) is a digital platform developed to provide a set of metrics for measuring the return on investments in design projects. It is the outcome of a collaborative project involving the Finnish Design Business Association, Aalto University, and the Finnish Funding Agency for Technology and Innovation. The tool was intended to be used by design agencies to demonstrate the financial benefits of design to their target groups, in both qualitative and quantitative terms [Pitkänen et al. 2012].

The background for the tool stems from previous surveys with the Finnish industry, as well as the surveys and meetings conducted with the clients of design agencies involved in the project. The research team concluded that the companies measured business profitability using various tools and metrics such as key performance indicators (KPIs), sales and profit figures, and software such as Excel and SAP (System Applications and Products in Data Processing). However, it was less common to track the profitability of design activities, although companies expressed their interest in tracking the effect of design in projects [Pitkänen et al. 2012]. To address this need, the tool was developed to offer a structured approach for

evaluating the impact of design, providing businesses with a clearer understanding of the value that design brings to their bottom line.

In order to define what is to be measured, the study begins by preparing a comprehensive list of the benefits achieved through design. A *design benefit* refers to the positive impact of a design activity that generates value, such as creation of new markets, differentiation, eco-friendliness, among others [see Pitkänen et al. 2012: 91 for the full list]. The identified benefits are classified based on the organisational level at which design is utilised: operational, tactical and strategic. For example, on the strategic level, measurable benefits include brand strengthening, access to new markets, and expandability/repeatability; on the tactical level, benefits include increased process efficiency, shortened time to market, and differentiation; and on the operational level, benefits include usability, life cycle optimisation, and increased occupational health and safety. These classified benefits are then placed into a matrix, where they are matched with the qualitative, quantitative, and financial indicators that can be used to measure each benefit.

For example, for the design benefit of *increased efficiency of external communications* (at the operational level), the qualitative metrics could be customer feedback/satisfaction survey; the quantitative metrics might include sales development, number of customer service contacts, and website visits/registrations; and the financial indicators could include sales development. Making use of the tool's matrix, a company can determine, for example, what benefits a service design project implemented at the strategic level might bring, and what indicators might be used for tracking the achievement of those benefits.

The Design ROI Tool operates in five stages: initial data entry, background calculations, forecasting, monitoring, and database maintenance. At the first stage, the user specifies the benefits they seek and provides information about the company (e.g. level of design competence, sector classification, target market) and the project (e.g. degree of novelty, context of use, object of design). At the second stage, the tool offers a calculation of the expected results of the project as well as a list of factors that may influence the results. The calculation includes estimate changes in margin, turnover, operating profit, and market share. Thirdly, the tool guides the user in selecting the most suitable metrics for tracking the intended benefits. The forecast also lists typical benefits achieved in similar past projects stored in the tool's database. The fourth stage provides the user with the evaluation of the project using financial key figures such as sales, operating profit, return of investment, and a comparison of these outcomes with the initial goals. At the final stage, results are recorded in the tool's database.

The primary users of the Design ROI Tool were intended to be design agencies, which would benefit from a tool that quantifies the benefits of design services to their clients. The design of the tool was therefore targeted to meet the needs of these agencies. Additionally, managers in small and medium-sized enterprises (SMEs) were considered another user group, as they often lack a comprehensive understanding of how design can enhance their companies' financial performance. In this sense, the promise of the Design ROI Tool parallels that of the Design Value Scorecard. However, one major difference between the two tools is that the latter considers design-led companies, whose best practices would be invaluable sources to learn from, as an essential target group and stakeholder. In contrast, The Design ROI Tool is likely to be less relevant for the companies that already have functioning in-house design tracking systems and mature design management practices. Pitkänen et al. [2012] acknowledge that such companies might find it challenging to integrate this external, database-based tool to their internal systems. Moreover, as the tool primarily relies on user-entered data and database comparisons, its methodological robustness depends heavily on the quality, consistency, and representativeness of the stored project data. Furthermore, by foregrounding ROI calculations, the tool implicitly privileges short-term, tangible results over longer-term or more intangible benefits of design, such as organisational learning and cultural change.

From a methodological perspective, the Design ROI Tool provides a structured, data-driven approach to assessing design impact; however, its prescriptive format may limit flexibility in capturing context-specific or emergent dimensions. While the tool effectively supports agencies and SMEs in communicating design's economic contribution, it risks reinforcing a narrow understanding of design impact that may not resonate with organisations employing design as a strategic or transformative capability.

3. Matrix of organisational maturity and metrics classifications [Björklund et al. 2018]

The study by Björklund et al. [2018] is grounded in the increasing use of service design and design thinking within organisations, where the complexity, interdisciplinarity, and intangibility of design call for new ways to measure its impact separately from other functions. The study is based on a literature review, and follows several steps. First, it reviews existing metrics used in the context of design in general, using keywords such as "impact", "metrics", and "measurement". Next, the identified metrics are mapped onto the four levels of the Design Ladder [DCC 2001], namely, (1) non-design; (2) design as form-giving; (3) design as process;

and (4) design as strategy. For each level on the Design Ladder, corresponding metrics are divided into two categories: external and internal metrics, depending on whether the performances or operations they assess are internal or external to the organisation. These internal and external metrics are then further grouped thematically based on the business aspects they measure. This results in two groups of external metrics, which are (1) financial performance and valuation of the company; and (2) customer-related metrics; as well as four groups of internal metrics, which are (1) indicators of the extent of design usage within the organisation; (2) evaluations of the project outcomes; (3) development process metrics; and (4) employee outcomes. The outcome of the analysis is the matrix of organisational maturity and metrics classifications [Björklund et al. 2018: 506].

On the first maturity level (non-design), where there is no systematic use of design, its impact is not likely to be assessed. Instead of assessing the company's own benefits from design, impact measurement at this level primarily focuses on benchmarking companies that have already invested in design and have higher levels of design maturity. For example, studies on the business performance of design-centric organisations, such as the 16 companies analysed in DMI's 2015 Design Value Index [DMI 2015], provide quantified evidence showing how design positively impacts on the turnover growth, amount of innovations, etc. of these companies.

On the second level (design as form-giving), where design is used primarily to improve the styling of products and services, it becomes relevant to compare the use of design with specific financial key performance indicators (KPIs). Both external metrics groups are used to compare existing KPIs within the company between products and services that have utilised design and those that have not, assessing the change in sales, revenue, ROI, customer satisfaction and feedback. External recognition in the form of design awards is also considered an indicator of impact at this level. Internal metrics related to the extent of design usage and project outcomes are suggested to be relevant for this level of maturity. With regard to the design usage, for example, the ratio of designers to developers, and the growth in the design can be measured, while with regard to project outcomes, calculating cost savings and reductions in time-to-market through redesigns can quantify the impact of design utilisation.

On the third level (design as process), design becomes an integral part of product and service development processes, where designers are involved from the beginning, and customer experience is a central focus. While traditional KPIs from the second level are still applicable, new financial measures such as market valuation, market share, and growth profitability become apposite at this level. As the significance of the customer's point of view increases, so does the variety of customer-related metrics. Relevant external measures include lifetime customer value, net promoter

scores, brand loyalty, brand perception, brand equity, and conversion rates. Internal metrics linked to customer satisfaction are also used at this stage (under the second group, evaluations of the project outcomes, and third group, development process metrics) to measure customer the amount and frequency of contact with users (e.g. number of days without interaction with user, users and user categories interacted with, etc.), value and novelty of resulting service or product, and usability. As design utilisation shifts towards design thinking within the organisation, metrics related to the number of projects, concepts finished, or people trained in design become crucial to understanding the internal impact of design thinking.

On the fourth level, design is integrated into company's strategy. Design (thinking) is utilised to identify new business opportunities or models and reshape the organisation's structure to be more customer-centric. The focus of design thus expands beyond just products and services. As a result, the metrics relevant to the previous three levels do not provide much insight into the effect of design at this strategic level. Although the authors suggest that external metrics such as entering new markets may be linked to strategic design, and that the seniority of design positions within the company can indicate a shift in the status of design, they note that at this level it becomes difficult to isolate the impact of design. They recommend internal metrics to assess the impact of design thinking on employee satisfaction, motivation, engagement, team collaboration, and effectiveness. While companies may be ready to connect design to employee engagement and satisfaction at this level, the lack of appropriate metrics makes it challenging to explore this connection comprehensively.

Overall, the matrix of organisational maturity and metrics classifications shows that, as companies progress through the steps of the Design Ladder, a shift from using external to internal metrics is needed. On the first two levels of the ladder, the main goal of impact assessment is to legitimatise investments in design, first, by benchmarking against external companies, and then – by tracking the benefits gained through initial design investments. However, at the third and fourth levels, metrics are required to evaluate organisational transformation via design thinking. An important conclusion derived from the matrix is that while showing the impact of design is possible to a considerable extent at the lower levels of design maturity, once design becomes an integrated element of the organisation's processes and strategy, existing metrics fall short of isolating its impact. Thus, significant gaps remain at the most advanced levels of design utilisation, where design is deeply embedded in the organisation.

The matrix by Björklund et al. [2018] differs in two key ways from the two previously reviewed matrices, Design Value Scorecard and Design ROI Tool, both of which also analyse the relationship between design maturity levels and existing

business metrics. Firstly, unlike the other two, this matrix does not aim to be a practical tool to be used by design managers. Instead, it serves as an analytical framework for design management researchers interested in developing new tools and metrics for impact assessment. Despite this, it remains useful for companies, as it provides a thorough and well-discussed overview of the metrics suitable for different levels of design maturity, comparing the needs of each level in terms of what can and should be assessed about design to advance design utilisation further within organisations. Secondly, the matrix highlights the significant gap between existing business metrics and the assessment of design at the strategic level. This gap remains implicit in the previous two tools, and it points to a future research direction focused on to developing new tools for assessing the impact of design at the highest levels of organisational maturity, as will be discussed in the conclusion section.

The strength of the matrix proposed by Björklund et al. [2018] lies in its comprehensive synthesis of existing metrics across different maturity levels. By systematically mapping internal and external metrics to the Design Ladder, the framework makes explicit indications how the focus of measurement must evolve as organisations advance in their utilisation of design, from externally oriented, performance-based measures to internally oriented indicators of organisational transformation. However, the framework does not fully capture the diversity of design adoption pathways across industries and organisational cultures. Furthermore, because the matrix is derived from a literature review rather than empirical testing, it remains largely theoretical and unvalidated in practice.

Methodologically, the matrix exposes a significant limitation in the current field of design impact assessment: the inadequacy of conventional business metrics to evaluate design's strategic and systemic contributions once it becomes embedded in organisational processes and culture. As such, the study by Björklund et al. is best understood as a meta-framework, an analytical foundation that articulates the problem space for future research, rather than a prescriptive tool for practitioners.

Challenges involved in the systematic impact assessment of design in organisations

While the reviewed tools intend to inform and guide companies in selecting the most relevant metrics matching their level of design utilisation, they concurrently highlight various challenges in implementing systematic and sustainable assessment practices, some of which have previously been acknowledged in the literature, as discussed earlier in this paper. One major challenge is the expanding scope of design, covering various types of practices and areas of expertise [Kimbell et al. 2021]. The multiple definitions of design practice are further complicated as companies

progress through the steps of the Design Ladder and thus "design" becomes "design thinking", with its scope expanding from designing products and services to delivering strategies and supporting organisational transformation [Schmiedgen et al. 2016]. Assessing the success of design thinking in organisations usually relies on validation from external experts, empirical evidence from success stories, and context-specific project-based metrics. Moreover, individual perceptions of managers based on their experiences differ on the effects of design thinking in achieving the strategic direction, organisational change, and market innovation goals [Magistretti et al. 2022]. Therefore, as organisations progress from traditional design to design thinking, obtaining measurable evidence of design's impact becomes an increasingly challenging endeavour [Carlgren and BenMahmoud-Jouini 2022]. This challenge was encountered in the studies by Pitkänen et al. [2012] and Björklund et al. [2018], when trying to identify the most relevant metrics for assessing the impact of design at the strategic level.

The second challenge lies in how to isolate the impact of design, as design is not a distinct activity that can be easily separated from other business functions such as research, marketing, and production. Within the broader organisational context, design is often seen as an aspect of innovation, making it difficult to differentiate from traditional innovation metrics [Scmiedgen et al. 2016]. Furthermore, as design operates differently in various industries and organisations, its boundaries with other functions also change [Mesa-López and Ruiz-Arenas 2023]. As a response to this challenge, Westcott et al. [2013: 13] suggested that impact assessment activities in organisations should begin by answering the following questions to clarify how the contribution of design can be measured for specific business outcomes:

Step 1: What are business's strategy and priorities to compete? What does business track to monitor its progress?

Step 2: What is design's role in delivering the results? How does design create value?

Step 3: Based on the activities design does, what could be tracked?

Step 4: Which metrics are most important and feasible to track?

Step 5: How to implement the metrics system?

A third challenge is that design is utilised in various organisational forms, including consultancy, in-house teams within companies, and combinations of both. As a result, there is no unified approach to assessing the impact of design on the projects within a single organisation, let alone across organisations and sectors [Kimbell et al. 2021]. Pitkänen et al. [2012] established that when design services are external to organisations, access to the necessary data is often limited. For instance, since the Design ROI Tool was primarily developed for design agencies, the authors encountered situations where agencies lacked access to information on investments

and costs related to the other parts of the project, leaving them with partial data to evaluate the impact of design.

Conclusion

One major conclusion derived from the review of the three tools is that assessing the impact of design requires the development of distinct tools for lower levels of design maturity and for strategic level. Each tool provides a more accurate proposal of what is measurable and through which metrics at the lower levels, although the Design Value Scorecard does not present a comprehensive list of metrics as the other two tools do. However, when it comes to the strategic level, which obviously refers to design-led organisations, the tools offer general suggestions about what to assess regarding design's contribution, and in what ways. In the case of the Design ROI tool, these suggestions may be less relevant, as the tool primarily addresses design agencies and managers in SMEs, who often lack experience in linking design utilisation to business success.

Therefore, evaluating the impact of design at the strategic level necessitates a focus on the unique needs and processes of this level, alongside the development of more nuanced assessment tools and methods. In other words, a distinction should be made between the "impact of design" and the "impact of design thinking" in organisations, recognising that the "how" and "what" of the latter remain unclear [Mayer and Schwemmle 2024]. As design thinking has gained popularity as an innovative mindset and approach not only within organisational studies but also in fields like education and engineering, numerous studies have been concerned with its measurement, the definition of design thinking constructs [Schweitzer et al. 2016; Dosi et al. 2018; Nakata and Hwang 2020], and the development and validation of design thinking scales [Blizzard et al. 2015, Vignoli et al. 2023]. This growing body of work can serve as an inspiration and a solid ground for efforts to create impact assessment tools that enable design managers to quantify and demonstrate the impact of design thinking at the strategic level in their organisations.

This article has primarily focused on the economic impact of design in private-sector organisations, typically measured using economic indicators, which has been the central concern in design literature regarding the value and impact of design since the 1990s. However, there has been a more recent recognition of the need to assess design's impact beyond economic measures, with efforts expanding to include social and environmental domains [see, for example, Design Council 2020; 2021]. This broader perspective places the evaluation of design investments in the public sector in policymakers' agendas. Consequently, this shift implies the development of new measures to capture social and environmental changes, as well as the need to isolate design's contribution to creating change within the wider context. As a future

research direction, it underscores the importance of enhancing the assessment capabilities of individual companies in both private and public sectors by finding appropriate tools and methods for evaluating the full spectrum of design's impact.

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BEYOND METRICS: SOCIAL IMPACT, ASSESSMENT FRAMEWORKS, AND ALTERNATIVE EVALUATION METHODS APPLIED IN ORGANIZATIONS

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Abstract

In the growing discourse on social impact assessment, traditional evaluation frameworks have been widely adopted to measure the economic and social value generated by purpose-driven organizations. However, many of these methods are highly technical, resource-intensive, and often inaccessible to smaller enterprises or organizations with a limited capacity. Furthermore, the emphasis on quantifiable outcomes tends to oversimplify the complexities of social impact, failing to capture intangible, long-term, and systemic changes.

This paper explores alternative and participatory approaches to social impact assessment that go beyond rigid metrics, focusing on more participatory and adaptive evaluation methodologies more inherent to social phenomena and social innovation, proposing a new evaluation framework that integrates insights from multiple participatory methods. By examining the limitations of the most used impact assessment frameworks and highlighting their challenges in capturing social value effectively, the authors discuss the need for more context-specific and inclusive methodologies that integrate qualitative narratives and a more creative and

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participatory perspective on evaluation. Approaches such as participatory evaluation and creative evaluation are some options that offer potential alternatives by engaging stakeholders in co-defining impact and creating more **flexible, meaningful, and adaptive** evaluation processes. These methods allow for a deeper understanding of impact and value in the social realm beyond purely economic indicators, fostering a **learning-driven and context-sensitive** approach to evaluation.

Building on these methodologies, the paper presents an on-development step-by-step evaluation framework designed to offer small organizations a more flexible, meaningful, and social-driven approach to assessing their impact. The framework provides insights into how hybrid evaluation models, combining qualitative and quantitative approaches, can be more effective in reflecting the true value of social innovation initiatives. This paper identifies the key gaps in conventional methodologies and explores the ways how alternative models can enhance their applicability, particularly in organizations that prioritize social purpose but lack the infrastructure for complex impact assessment tools and aims to contribute to the ongoing debate on impact assessment by advocating for a shift towards participatory, adaptive, and contextually relevant evaluation methodologies, arguing that redefining impact assessment beyond rigid metrics is essential for organizations seeking to measure their contributions in a more holistic, inclusive, and sustainable manner.

Keywords: *social impact, evaluation, assessment framework, social innovation, design-driven evaluation.*

Introduction

For certain organizations, initiatives, and projects, the impact they generate on a social sphere can be the most important consideration, the main asset, and differentiator. Negative social impacts can reduce the intended benefits of an initiative and threaten its viability. In such cases, a social impact assessment is carried out to analyse the impacts of an initiative on individuals and communities to mitigate the adverse effects and enhance the positive effects, to in a near future visualize a framework to predict any form of social change.

There is no single definition of social impact that is widely agreed upon, as its scope differs from country to country, depending on the national arrangements or, more specifically, on the institutional aims of an organization. Many practitioners of social impact assessment and evaluators of social phenomena have tried to pinpoint and define the context, indicators, and general considerations of what could influence social impact; however, there is still a lack of understanding of what the scope is and what are its boundaries in relation to other social phenomena.

For the purposes of this paper, and to convey a better understanding of social impact, a more precise definition would be considered, as follows: "the consequences to individuals of any proposed action or initiative that changes their way of living and their quality of life". [Cucino et al. 2025] Following this definition, and in addition to the factors that need to be considered to establish impact measurement, it is important to note that not all impacts, especially in the social realm, are easily quantifiable or measurable. Instead, they require further analysis in external and, in some cases, more complex variables.

Social impact is a significant aspect of many purpose-driven projects, small and large initiatives, and often the attention predominantly is focused on high-profile issues, where the results are expected to be the most visible on economic and environmental data. However, in reality, the actual effects and values are often found in more subtle areas, notably, community relationships, personal development, and civic engagement.

In the specific case of purpose-driven organizations and enterprises that are compromised in having a tangible impact, most of the process is taken by conventional and widely used instruments for social impact measurement, which tend to focus on metrics, outputs, and clear quantitative indicators that are easily translated into return on investment. These traditional approaches, while accepted and useful for some companies in capturing some aspects of social impact, leave behind and overlook important data on social issues.

The increasing interest in further understanding and reporting on social impact initiatives has led organizations, especially small nonprofit and purpose-driven ones, to adapt and transform a variety of frameworks and methodologies, usually performed by a small number of people, into a participatory assessment and evaluation, beginning at the earliest stage and continuing throughout the life of the intervention. Many practitioners are placing increasing consideration in monitoring, managing, and understanding the impact of the initiatives, in contrast to the performance of more established impact assessment tools, where practice, implementation, and follow-up are not being undertaken systematically and are often taken as a practice that cannot be grounded in the context of the organizations.

In this context, the current paper is dedicated to analysis of some participatory practices for evaluation that emerged as a need to monitor and understand the real meaning of social impact beyond traditional measures and related data, and to propose a framework that could offer considerable guidance in social impact evaluation, with specific reference to social innovation processes established by small organizations. The step-by-step guidelines outlined in the paper are sufficiently adaptable and aim to address the principles and main steps of social innovation, social impact processes

and evaluation to indicate how common issues around evaluation, measurement, and monitoring practices can be addressed and improved.

1. Rethinking social impact assessment needs, challenges and limitations

Social impact assessment can be performed using a variety of tools, methods, frameworks, and approaches. Many orientations in this field can be identified, there is a polarization between the rational-scientific approach, which focuses on the prediction of change, quantitative indicators, and measurable outcomes, and the socio-political approach, where the impact assessment prioritises stakeholder participation, empowerment, and context-sensitive processes oriented towards community development [Sadler et al. 2002]. Both approaches draw on different sources, such as data on the initiative being evaluated, previous experience with related initiatives, census or statistics on the target population, conditions, trends, surveys, and field research.

The rational-scientific approach is usually preferred by organizations and institutions that require quantifiable metrics and data-driven evidence to assess the impact of their initiatives. This approach prioritises prediction, quantification, and standardised metrics. It relies heavily on tools that convert social change into measurable indicators, drawing on statistical data, surveys, performance metrics, and cost-based calculations. Approaches such as Cost-Benefit Analysis (CBA), Cost-Effectiveness Analysis (CEA) or Social Return on Investment (SROI), summarized in Table 1, fall within this paradigm. These tools provide structured and comparable

Table 1. Most frequently used social impact assessment tools in for-profit organizations. *Elaborated by the authors.*

Tool	*Strenghts*	*Limitations*
SROI	Assigns monetary value to social outcomes, easy to communicate to funders	Difficult to monetize intangible outcomes; prone to oversimplification
B Impact Assessment	Standardized framework; certification-based; includes governance, workers, community, environment, and customers	Risk of impact-washing; limited transparency on scoring process
Theory of Change	Focus on causality and mapping of change; useful for planning and evaluation	Can be abstract and subjective; lacks standardized indicators
Balanced Scorecard	Aligns organizational goals with performance metrics; helps strategic planning	Mainly designed for internal strategy, less suitable for social impact

forms of evidence (strengths), yet tend to privilege outcomes that can be monetised or quantified (limitations), restricting their ability to capture intangible or emergent changes such as trust-building, community relationships, empowerment, or cultural value [Arvidson et al. 2010; O'Flynn & Barnett 2017].

In contrast, the socio-political approach is more commonly used by community-oriented organizations and initiatives that aim to engage stakeholders more actively in the evaluation process. This approach emphasises participation, context, and collective meaning-making. Rather than predicting change, it seeks to create understanding from the perspectives of stakeholders, communities, and beneficiaries. It typically uses qualitative or mixed-method tools such as stakeholder mapping, participatory workshops, community consultations, and narrative-based evaluations. These methods are valuable for revealing complex dynamics and locally meaningful forms of impact, yet they can be difficult to standardise or compare across contexts and often require substantial time or facilitation expertise [Manohar et al. 2016; Christou et al. 2021].

Table 2 below provides an overview of commonly used assessment tools aligned with the prediction of social change. These sets of tools consider qualitative and quantitative data, tool typology, complexity of application, and year of introduction.

However, both approaches come with their own limitations when applied to the complex nature of social impact. Depending on its scope, the tools and methods can help address the problem of incomplete data or highlight the variations of information from different data. However, the reliance on quantitative data and prediction-oriented models tends to limit the scope of what is considered as *impact*, often overlooking the more intangible, and emergent aspects of social change and value that are difficult to measure. Rational-scientific tools risk reducing impact to measurable outputs, overlooking relational and process-based outcomes. Meanwhile, socio-political tools, although participatory and context-sensitive, can lack comparability, strategic focus, or clear indicators to guide decision-making [Boni et al. 2023]. Generally, an integrated approach that combines the two perspectives and has the flexibility to adapt to different contexts could yield a more meaningful and holistic assessment of social impact. In practice, this often remains a challenge, and frequently no more than one or two tools are used in an evaluation process [Sadler et al. 2002].

It is increasingly recognized [Antadze & Westley 2012; Owen et al. 2022] that there is a need for a new approach in social impact measurement, in particular, one that is more participatory, contextual, and focused on understanding change from different stakeholders' perspectives, as well as one that understands change as a complex and emergent process, not only as a monetary outcome, recognising social change as an uncertain, non-linear, and multi-dimensional phenomenon.

Table 2. Most frequently used social impact assessment tools in for-profit organizations. *Elaborated by the authors.*

Tool	*Purpose*	*Time frame*	*Orientation*	*Length of time frame*	*Perspective*	*Approach*
	1	2	3	4	5	6
Acumen Scorecard	Screening	Prospective	Input	Short Term	Meso (corporation)	Process methods
	Monitoring	Ongoing		Long Term		
	Reporting					
Atkinsson Compass Assessment for Investors (ACAFI)	Monitoring	Prospective	Input	Short Term	Micro (Individual)	Process methods
	Reporting	Ongoing		Long Term	Meso (corporation)	
Balanced Scorecard (BSc)	Screening	Prospective	Output	Short Term	Meso (corporation)	Impact methods
	Monitoring	Ongoing			Macro (society)	Process methods
	Reporting	Retrospective				
	Evaluation					
Best Available Charitable Option (BACO)	Screening	Prospective	Input	Short Term	Meso (corporation)	Process methods
	Monitoring	Ongoing			Macro (society)	Monetisation
	Reporting	Retrospective				
BoP Impact Assessment Framework	Screening	Prospective	Input	Short Term	Micro (Individual)	Process methods
	Monitoring	Ongoing			Meso (corporation)	Impact methods
	Reporting	Retrospective			Macro (society)	
	Evaluation					
Center for High Impact Philanthropy Cost per Impact	Screening	Prospective	Input	Short Term	Micro (Individual)	Process methods
	Monitoring	Ongoing		Long Term	Macro (society)	
	Reporting					
	Evaluation					

Table 2 (continued).

Tool	*Data type*	*Type*	*Main objective*	*Com-plexity*	*Year*	*Source*
	7	8	9	10	11	12
Acumen Scorecard	Quantitative Qualitative	Scorecard	Track and manage performance of social ventures across outcome milestones and strategic benchmarks.	Mid	2001	Acumen Fund and McKinsey (2001)
Atkinsson Compass Assess-ment for Investors (ACAFI)	Quantitative	Scorecard	Assess and communicate sustainability performance across five domains (Nature, Society, Economy, Well-being, and Synergy) in alignment with CSR and investment reporting standards.	High	2000	AtKisson Inc. (2000)
	Qualitative	Framework				
Balanced Scorecard (BSc)	Quantitative	Scorecard	Align organizational activities to the vision and strategy by measuring performance across financial, customer, internal process, and learning-growth dimensions.	High	1992	Kaplan, R., & Norton, D. (1992)
	Qualitative	Framework				
Best Available Charitable Option (BACO)	Quantitative	Compara-tive frame-work	Compare the projected social returns of an investment against the best available charitable alternative for the same social issue.	High	2006	Acumen Fund (2006)
BoP Impact Assessment Framework	Quantitative Qualitative	Framework	Assess who is impacted by BoP ventures and how, by articulating well-being changes and supporting strategic decision-making and investment.	High	2007	Ted London (2007). William Davidson Institute.
Center for High Impact Philan-thropy Cost per Impact	Quantitative	Ratio/ Indicator	Assess how much social good is achieved per dollar invested by evaluating both the cost and impact of philanthropic initiatives.	Mid	2007	University of Pennsylvania, Center for High Impact Philanthropy (2007)
		Framework				

While monetary outcomes are fundamental for organizations and are unavoidable to initiatives that are part of a larger system, for many purpose-driven enterprises, social organizations, and social innovators, it is critical to go beyond metrics and to highlight the relational aspects of social impact. Equally important is the follow-up process, where monitoring, learning, and adapting initiatives are critical to improving the effectiveness of the desired social impact.

Evaluation and assessment paradigm

Evaluation and assessment literature is still underexplored, presenting a lack of conceptualization and theory. The most-used tools for social impact measurement were not designed for that purpose, but rather for more traditional performance management or financial accounting and reporting, – they originated in conventional accounting practices [O'Flynn & Barnett 2017]. On this basis, the greater part of those methods and tools are unable to reflect the social impact and its value.

The needs around evaluation and assessment practices are diverse, and with tools that are not fully appropriate for this task, limitations, and challenges are frequent. The challenge of developing approaches in line with social impact, social innovation needs and characteristics is continuously growing, becoming the current focuses adopted by organizations in social phenomena and contexts. The recent surge of interest in social reporting has raised the number of policymakers involved in the process, but this has not yet translated into a significant focus on developing evaluation frameworks that could adequately capture and represent the nuanced changes occurring at the social level [Gray et al. 1988; Raucci & Tarquinio 2020]. Furthermore, the tendency to attribute monetary values to *soft* outcomes is leaving unresolved many concerns about the appropriateness and feasibility of most tools used in the short term.

A missed opportunity in the topic is related to the ways how these tools behave around innovation possibilities, offering little (if any) insights into the conditions that are leading to the success or failure of initiatives, and the processes behind them, results, and data that could help organizations and individuals in general to learn, improve and take the required measures. Softer and contextual data are absent from any assessment, analysis, or prioritization.

As the purely summative evaluation-related approaches are falling short of the target [Impact House 2025], more profound research on conditions and contextualities of different effective social interventions and parameters is becoming crucial to foster a more tailored approach to the development of social impact assessment tools. New evaluation models that are breaking with traditional impact assessment structures are not only incorporating economic, environmental, and social considerations but also observing the inherent dynamics of social innovation

as nonlinear, uncertain, and unpredictable phenomena that need to be understood as a process instead of a one-time outcome [Antadze and Westley 2012].

2. Alternative approaches to social impact assessment

Evaluation and assessment require other than financial indicators and perspectives, it should be a comprehensive analysis and process in line with the non-existent standard for social impact measurement [GECES 2014]. Since it is neither possible nor desirable to establish rigid indicators and 'one-size-fits-all' measures for social impact, introducing pre-determined, highly quantitative measures risks organizations to maximize their own performance rather than actually maximizing their social impact [Boni et al. 2023].

Given the wide diversity of impacts, qualitative aspects are underrepresented when relying heavily only on quantitative indicators. The process of measuring social innovation and impact needs flexible, participatory, creative models that are contextually appropriate and that spark reflectivity around the mechanisms, strategies, and ways of maximizing the effectiveness of social initiatives.

On this basis, adaptive assessment approaches (Table 3), such as creative evaluation and participatory evaluation, are increasingly being adopted for assessment

Table 3. Evaluation typologies favouring adaptive approaches.
Elaborated by the authors.

Empowerment Evaluation	***Evaluate through stakeholder empowerment***	***Builds capacity in stakeholders***	***Requires high stakeholder involvement***	***Fetterman (1994)***
Feminist Evaluation	Evaluate with a focus on gender and power imbalances	Focus on inclusivity and gender issues	May not always be applicable to all evaluation settings	Podems (2010)
Creative Evaluation (CE)	Apply creative methods in evaluation processes	Increases engagement and innovative thinking	Often lacks standardized methods	Patton (1981)
Collaborative Evaluation	Engage multiple stakeholders to create collective knowledge	Inclusive and builds stakeholder relations	Hard to manage with large groups	Cousins & Earl (1992)
Sustainability-Ready Evaluation	Evaluate projects with sustainability metrics	Focused on long-term environmental and social outcomes	May not capture short-term business outcomes	Fitzpatrick (2012)

purposes in fields like social sciences and the arts, presenting an opportunity for investigating social value in a broader context [Manohar et al. 2016]. Creative evaluation presents itself as a synthesis of evaluative methodologies that employ creative thinking, tools, and techniques to generate diverse perspectives, knowledge, and comprehension. As indicated in Table 2, less rigid frameworks are constantly emerging from practitioners in the area, academics, and individuals engaged in social practices in search of evaluating and monitoring the expected impacts of larger organizations or community-based initiatives.

This shift in the evaluation landscape has also been driven by funders, who are increasingly open to more participatory and qualitative assessment methods, as a result of frustration with the lack of meaningful data from more conventional quantitative impact measurement approaches. This opens up space for considering fewer tangible forms of value creation and offers a distinct and holistic approach to examining and articulating the various forms of value produced by social innovation initiatives, extending beyond just economic advantages [Owen et al. 2022].

In participatory approaches to assessment, evaluation is not something that is 'done to' an initiative or a focus group, rather, it represents a collaborative, mutually beneficial shared process. By involving the community, stakeholders, and participants directly in the evaluation of an initiative developed by any organization, the assessment process itself can become a vehicle for learning, reflection, and the co-creation of knowledge. Approaches to evaluation, as reflected in Table 3, such as participatory evaluation, collaborative evaluation, empowerment evaluation, inclusive evaluation, developmental evaluation, democratic evaluation, post-normal evaluation and learning evaluation, feminist evaluation, and sustainability-ready evaluation, are just a few examples of contextual evaluation needs [Christou et al. 2021].

3. The need for creativity and participation in assessment and evaluation processes

Applying creativity to evaluation processes is important when considering how practices have evolved to respond to contextual circumstances. Transdisciplinary nature of evaluation has evolved and fragmented in approaches, methods, theories, becoming more and more diverse [Patton 2002]. As increasingly more diverse actors are involved in evaluation practices, from the public sector to private companies, the evaluation has, likewise, been adopting practices from diverse disciplines by borrowing from strategic management, education, health, and design, presenting some common points in exploratory processes, co-design and co-creation approaches, emphasizing the need for involvement of various stakeholder groups in allowing a more holistic practice of evaluation.

Adaptability, flexibility, applicability, contextuality, receptiveness and multidisciplinary are key elements that make the plurality and diversity of evaluation methods, frameworks, theories, and practices a welcomed environment for participation and creativity [Christou et al. 2021]. Table 4 examines creative and participatory principles, which promote a learning, participative, inclusive and responsive environment for evaluation journeys. Creativity and evaluation are strongly linked by both aiming at discovery, generating new knowledge, and encouraging reflection. When applied to innovation, as a process immersed within a complex-multidimensional-uncertain system, it presents to be accurate as a strategy

Table 4. Principles of creative and participatory evaluation. *Elaborated by the authors*.

Creative & participatory evaluation principles	***Description***	***Promoting***	
Inter/Cross/Multi/ Transdisciplinarity	Utilising tools, methods, and methodologies across sectors/philosophies producing methodologies, methods and tools that can be applied across disciplines.	Learning	New opportunities for learning and new knowledge to emerge.
Context Specificity	Creating evaluation designs that are relevant and responsive to the context they are conducted in.	Collaborative Participation	Working together with team members, participants, stakeholders and communities from developing ideas to actions and objectives.
Receptiveness	Open and responsive to ideas, impressions and suggestions.	Inclusivity	Aiming to increase participation of different stakeholder groups and address any imbalances in power dynamics.
Pluralism	Recognising and seeking contributions from more than one voices/sources and the sharing of power amongst participants/actors.	Responsiveness	Actively making changes in light of emergent information.
		Reciprocity	Exchanging knowledge, resources and participation for mutual benefit.

for its assessment, not being easily captured through more conventional approaches [Milbergs & Vonortas, 2004].

Social innovation and social impact demand a relationship between complex and abstract phenomena, social processes, and multiple outcomes. Evaluation enhances innovation processes, especially when dealing with social innovation. Evaluation and assessment practices for social impact need to implement characteristics that are able to fully represent the value behind the object of study, demanding an inclusive, creative, flexible, collaborative, relationship-building, and transformative approach.

4. On-development evaluation framework for social innovation impact

Based on preliminary findings from the literature review, this paper presents an on-development evaluation framework for social impact to be applied in small and medium, purpose and socially driven, organizations (Table 5). This framework is based on principles, stages and evidence collection tools recovered from creative and participatory approaches, and was conceived as a conceptual structure that guides practice, informs theory, and shapes evaluation, could vary depending on the practitioner's goals and intentions and often rely on the developed framework methodologies and tools that influence how the framework is used and adapted [Edmonds & Candy 2010].

In the present framework, evaluation practice aims not only to look at the final outcome (achieving goals), but also at which tools and approaches have been most effective (what worked, what did not, how efficient they were), as well as the softer, more qualitative elements, such as the benefits of increased trust, collaboration, and participation, also considering the process of incremental change (how this occurred), focusing on adopting a creative and participatory approach to develop evaluation instruments.

Aiming at developing evaluation processes that are more engaging, so that participants can actively participate in the evaluation, the research proposes six stages of evaluation, – not as an audit process, but rather as a learning process that informs future improvements. This evaluation framework emerged from a thorough review of existing social impact assessment tools mentioned above, and their application in various contexts.

The evaluation framework is structured into six phases with specific objectives and proposed methods, and tools to guide the process of implementing and evaluating social innovation initiatives.

The **exploratory mapping phase** aims to identify key areas, initiatives, and projects within the organization and its broader context that could benefit from a social innovation approach. This phase employs participatory workshops with

Table 5. On-development evaluation for social innovation impact.
Elaborated by the authors.

Stage	*Purpose*	*Indicators*	*Evidence Collection*
1. Exploratory Mapping	Identify key areas for design-based social innovation within the company.	- Opportunity Identification	- Co-creation workshops with employees and managers
		- Stakeholder Mapping	- Stakeholder maps and resource analysis
		- Capacity Diagnosis	
2. Strategic Co-Design	Develop and co-design strategies that integrate design into social innovation.	- Creative Solution Generation	- Documentation of co-design sessions
		- Implementation Planning	- Prototypes and conceptual models of design solutions for the company
		- Strategic Alliances	
3. Change Activation	Implement the co-designed strategies and solutions to activate change within the company.	- Change in Internal Operations	- Observation of new practices
		- Adoption of New Social Practices	- Satisfaction surveys and staff acceptance
		- Training and Capacity Building	
4. Mid-Term Impact Evaluation	Conduct an intermediate evaluation of the impact, focusing on qualitative impact and stakeholder feedback.	- Effectiveness of Solutions	- Qualitative interviews and focus groups
		- Stakeholder Feedback	- Case studies of implemented solutions and their effects
		- Behavioral and Cultural Shifts	
5. Sustainability & Scaling	Assess the long-term sustainability and explore the potential scalability of the initiatives.	- Long-Term Sustainability	- Longitudinal analysis of social impact
		- Scalability	- Progress reports on replicability and scalability of initiatives
		- Continued Community Impact	
6. Organizational Learning & Reflection	Foster continuous learning within the company and ensure lessons learned are applied.	- Strengthened Internal Capabilities	- Interviews with management and staff
		- Ongoing Feedback	- Qualitative assessments of organizational and cultural change
		- Cultural Evolution	

employees and key actors inside the organization, along with activities related to stakeholder mapping and resource analysis, to explore the organization's capacity and identify opportunities for social innovation.

The second phase, **strategic co-design**, focuses on developing and co-designing strategies and solutions that integrate design participatory and creative perspectives into the company's social innovation practices. Through co-design sessions and prototyping, stakeholders collaborate to generate creative solutions and plan their implementation. Prototypes serve as practical tools to visualize how these innovations can be applied within the company's operations and planning. The goal of this phase is to ensure that the co-designed solutions are aligned with the company's needs and goals.

In the third phase, **change activation**, the solutions developed during the co-design process are prototyped to be implemented as a pilot, activating change within the company. This phase employs planning the implementation of training programmes, capacity-building initiatives, and related activities to equip staff to integrate social innovation initiatives into daily operations. Observation of new practices, satisfaction surveys, and creative materials towards the initiative evaluation helps monitor how these changes are being adopted and evaluate their effectiveness. The objective is to ensure that social innovation practices are integrated into the company's operations.

The fourth phase, **mid-term impact evaluation**, focuses on evaluating the effectiveness of the implemented design evaluation practices and adjusting strategies toward the improvement of the social innovation initiative as necessary. This phase will be evaluated by performing qualitative interviews to get a first-hand view of the effectiveness perceived of the implemented initiatives; and through case studies, where a complete analysis and documentation of the initiatives are revised if more than one initiative. This phase also focuses on gathering feedback from stakeholders so the company can clearly see the impact of the initiatives. This phase is critical for understanding whether the solutions are generating the desired social impacts and identifying areas for improvement.

In the fifth phase, **sustainability and scaling**, the long-term sustainability of the implemented innovations is evaluated, and the potential for scaling these practices to other areas is explored. Through participative longitudinal analysis, observation, and scalability assessments and planning, the company can evaluate whether the initiatives are not only effective in the short term but also capable of being replicated or expanded. Collaborative progress reports will be provided to document the outcomes and insights into the scalability of the initiatives.

The sixth phase, **organizational learning & reflection**, fosters a culture of continuous learning and initiative evaluation within the company. Through

interviews, qualitative assessments, and ongoing feedback participative formats, the company documents lessons learned and apply them to future social innovation projects. This phase ensures that the company strengthens its internal capabilities and embraces a culture of social innovation and constant evaluation of initiatives, taking a participative and creative approach. By fostering continuous learning and reflection, the evaluation framework helps organizations sustain long-term social impact, scalability, and evaluation of their innovation initiatives.

Following the framework process, the initial prototypes were developed to support the application of the framework, serving as a foundation for preliminary interviews and workshops. These prototypes aim to explore key themes related to monitoring social innovation initiatives and identify participatory evaluation design possibilities. The application of the prototype aims to provide valuable feedback that will refine the framework and tools further. Participatory sessions aim not only to validate the evaluation processes but also to engage organizations in co-creating methods that suit their specific needs for social innovation evaluation.

This process is still under development and refinement by the authors, members of Polimi DESIS Lab, the research lab at Politecnico di Milano working on design for social innovation and sustainability and is in course of preliminary testing on 10 purpose-driven organizations in Italy on the course of 2025. The application of the framework is expected to provide promising results in terms of bridging the gaps separating the design, implementation, monitoring, and evaluation of social innovation, as well as social impact initiatives.

Conclusion

This paper offered examination of the limitations of traditional social impact assessment frameworks and highlighted the increasing need for more participatory, adaptive, and context-sensitive approaches. Conventional evaluation models, shaped largely by rational-scientific methodologies, prioritize quantifiable metrics and financial indicators, rendering them inaccessible and often inadequate for smaller organizations, purpose-driven enterprises, and initiatives operating within social innovation ecosystems. While these methods provide structured means of measurement, they tend to oversimplify the complexities of social impact, failing to capture emergent, relational, and systemic changes that play a fundamental role in social transformation.

In response to these challenges, this study proposes a new evaluation framework that integrates the insights from participatory and creative evaluation methodologies. Unlike traditional frameworks that emphasize rigid quantitative indicators, the proposed model offers a structured, yet flexible approach designed to accommodate the diverse needs of small organizations and social enterprises. By

embedding participatory evaluation methods, qualitative assessments, and iterative learning processes, the framework positions impact assessment as a continuous process of reflection and adaptation rather than a one-time measurement exercise.

The framework, by incorporating participatory co-design sessions, qualitative narratives, stakeholder reflections, and iterative adaptation, aims to foster a more holistic and actionable understanding of social impact. This shift in evaluation methodology is particularly relevant for social innovation initiatives, where the value generated often extends beyond immediate and quantifiable outcomes to include process-oriented transformations such as changes in organizational culture, stakeholder empowerment, and long-term systemic change.

The findings of this paper contribute to the ongoing discourse on impact assessment by bridging the gap between theory and practice. The paper reflects on the argument that participatory and creative evaluation methodologies serve as viable alternatives to conventional assessment models, particularly in contexts where social change is complex, nonlinear, and embedded within broader ecosystems of transformation.

This paper presents certain limitations. The proposed framework, while theoretically grounded, requires empirical validation through further application in real-world settings. Future research should focus on piloting and refining the framework across different organizational contexts, exploring the scalability of participatory evaluation methods. Additionally, further studies could examine the ways how participatory impact assessment can be effectively integrated into policy-making processes and funding structures, ensuring that evaluation practices align with the realities and needs of organizations engaged in social innovation.

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CREATIVE NEWCOMERS AND RURAL TRANSFORMATIONS: RETHINKING CULTURAL IMPACT ASSESSMENT

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Abstract

As rural areas increasingly attract creative professionals seeking alternatives to urban living, understanding how these movements reshape rural territories has become a critical concern for both research and policy. While rural creativity scholarship has demonstrated the importance of arts and culture for rural development, existing approaches often rely on narrow or urban-centric understandings of cultural value and offer limited tools for understanding how creative newcomers shape rural areas. This article addresses this gap by proposing a conceptual and methodological framework for assessing the cultural impact of creative newcomers on rural areas. Drawing on a systematic literature review, comparative analysis of cultural policy frameworks, and existing research on rural creativity, the study identifies three interrelated dimensions of Cultural Impact Assessment (CI-Assessment): sociospatial, socioecological, and social. These dimensions are operationalised through community-oriented, place-based, and eco-cultural approaches that recognise cultural value as relational, locally embedded, and often expressed through less tangible forms of social and cultural capital. The framework advances current debates by highlighting how creative newcomers contribute to cultural vitality, socio-economic change, place-making,

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rural–urban relations, and eco-cultural resilience. By proposing a set of context-sensitive indicators aligned with these themes, the article offers a flexible tool for capturing the qualitative dimensions of cultural impact alongside quantitative and other measurable indicators. It concludes by outlining directions for future research, emphasising the empirical testing and validation of CI-Assessment indicators capable of accounting for the mobility of creative newcomers, the social heterogeneity of rural communities, and the place-specific dynamics of rural transformation.

Keywords: *Cultural Impact Assessment, creative newcomers, urban-to-rural mobility, rural creativity, cultural indicators.*

Introduction

In recent years, rural areas have increasingly become destinations for creative professionals seeking an alternative to urban living. This trend, often referred to as counterurbanisation, involves individuals relocating from densely populated urban centres to less populated rural regions in search of improved quality of life, natural amenities, and a slower pace of living [Silva, Marques & Galvão 2024]. The influx of creative newcomers – such as artists, designers, and creative entrepreneurs – has introduced new cultural practices, socioeconomic strategies, and dynamics that can significantly reshape local identities, community cohesion, and socio-economic structures. These newcomers often bring innovative approaches to work and lifestyle, contributing to the diversification of rural economies and the revitalization of local cultures [Roberts & Townsend 2016].

However, this mobility also presents challenges. New cultural norms and economic practices may create tensions with established rural communities. This can result in gentrification and sociospatial divides [Matarrita-Cascant et al. 2017; Dragan 2024]. Additionally, creative newcomers can influence ecological sustainability and land use practices as new residents may advocate for environmental conservation and sustainable development, which may differ from traditional land-use practices [Dragan 2024]. Understanding the cultural impact of urban-to-rural migration is therefore crucial for advancing academic knowledge on rural transformation. It systematically analyses its effects on rural identities, community cohesion, local economies, and environmental practices, while also informing practical strategies. By evaluating both the positive and negative effects of this mobility trend, policymakers and community leaders can implement informed, context-specific interventions that foster inclusive, sustainable growth.

Cultural Impact Assessment (CI-Assessment) emerged in the 1970s as a method for evaluating the effects of policies, projects, and developments on cultural practices, heritage, and community life. Initially rooted in environmental and social impact

assessments, its scope was relatively narrow, focusing primarily on Indigenous and heritage-related concerns. Over time, however, the framework expanded in response to evolving policy priorities, including sustainable development, creative economies, and social cohesion. Today, CI-Assessment is employed by a diverse range of actors – including governments, cultural institutions, urban planners, and private enterprises – to assess the socio-cultural dimensions of urban regeneration, tourism, and large-scale infrastructure projects. CI-Assessment takes different forms depending on the institution conducting it and the specific changes being evaluated. This diversity raises questions about its methodologies, effectiveness, and potential instrumentalization [Partal & Dunphy 2016]. In response, this paper argues for a more flexible, context-sensitive approach, rather than relying on standardized measurement systems that may overlook contextual differences [Häyrynen 2004]. The paper next presents the methodology, outlining data collection and analysis processes that inform key concepts, themes, and indicators. It then reports the findings of a systematic literature review (SLR), a detailed analysis of three policy documents, and an examination of the In-Situ Project report on socioeconomic contributions of cultural and creative industries on non-urban regions. This paper combines these reviews with a, theme-oriented review that highlights the specific role of creative newcomers in community formation and rural development. These combined insights inform the development of a Cultural Impact Assessment framework tailored to creative newcomer communities. This framework provides a foundation for further empirical research while highlighting practical applications and the development of relevant indicators.

The SLR shows that CI-Assessment is structured around three interrelated dimensions of cultural impact in rural areas: sociospatial, socioecological, and social. The sociospatial dimension emphasizes the embedding of cultural processes in rural development and community contexts. The socioecological dimension highlights resilience and the integration of cultural values into environmental governance. The social dimension focuses on community well-being. Policy reports indicate that these dimensions are implemented through community-oriented, place-based, and eco-cultural approaches to evaluating rural cultural dynamics. These findings highlight the importance of context-driven, multidimensional assessments that capture both measurable socio-economic and environmental impacts, as well as the intrinsic cultural values embedded in communities and landscapes.

1. Methodology

Because of its abstract and multidimensional character, culture is often difficult to analyse. This limitation becomes even more apparent when assessing the cultural impacts of creative newcomers, whose creative practices span across urban and

rural areas. A systematic literature review (SLR) was therefore essential to establish a transparent and comprehensive overview of how CI-Assessment has been approached in rural and non-urban contexts. At the same time, to address the limitations of the SLR's general mapping, we aimed to concretize how the main frameworks identified in the literature are applied in practice. For this purpose, we conducted a detailed analysis of three cultural impact assessment reports produced at different institutional and spatial levels. These reports include those of the International Network for Cultural Diversity (INCD), United Cities and Local Governments (UCLG), and the Mackenzie Valley Review Board. This was followed by an examination of the In-Situ Project report, which – unlike the other three– directly demonstrates the influence of creative activities in non-urban areas by documenting how cultural and creative workers contribute to ecological sustainability, heritage revitalization, and community resilience. Finally, we complemented this with a more narrative, theme-oriented review that highlights the specific role of creative newcomers in community formation and rural development.

Using the PRISMA protocol, a systematic literature review (SLR) analysed cultural impact assessment (CI-Assessment) in non-urban and rural areas. The review aimed to identify definitions, tools, and application domains of CI-Assessment. Searches in the WOS database up to 14 August 2025 using *non-urban areas*, *rural areas*, and *cultural impact assessment* yielded 94 records. After applying inclusion criteria (peer-reviewed English articles, online access) and excluding duplicates, book chapters, and conference papers, 59 abstracts were screened. Full-text review for relevance to rural CI-Assessment narrowed the set to 43 records. Studies addressing creative newcomers, migrants, or ex-urbanites in rural contexts were included, resulting in 30 records. Data were analysed in RStudio, with co-occurrence analysis mapping the conceptual structure of CI-Assessment in rural studies.

The SLR, based on a co-occurrence analysis, revealed three primary clusters. The core cluster (blue) links culture, rural development, and assessment. The environmental-resilience cluster (green) highlights issues such as adaptive capacity and revitalization, while the weaker-connected public-health cluster (red) focuses on well-being, risk, and quality of life. This initial step offered an identification of the reoccurring themes and key dimensions (sociospatial, socioecological, social) related to cultural impact assessment while also highlighting their relations. In the second stage, we turned to a detailed analysis of three cultural impact assessment reports produced at different institutional and spatial levels in order to examine how the emerging clusters are translated into practical applications.

- INCD: operates at regional and national scales, engaging international organizations, policymakers, and development agencies to preserve and promote cultural diversity.

- UCLG: targets cities and local governments, integrating cultural sustainability into urban governance while placing communities at the centre.
- Mackenzie Valley Review Board: focuses on town and community scales, with particular emphasis on indigenous groups and culturally embedded values.

These reports were examined with a particular focus on the indicators they mobilize to assess cultural impacts. The analysis confirmed the emphasis on cultural diversity, sustainable development, and the integration of multi-scalar perspectives ranging from town (local) to city (urban) and regional/national scales – into assessment frameworks.

While initial reports revealed limited attention to the cultural impacts of creative activities by creative newcomers in non-urban areas, the In-Situ Project report offered a place-based perspective on cultural change in rural European communities and creative industries. A targeted literature review on creative newcomers further highlighted several themes essential for the framework. These include cultural vitality, cultural value, entrepreneurship, innovation, digital

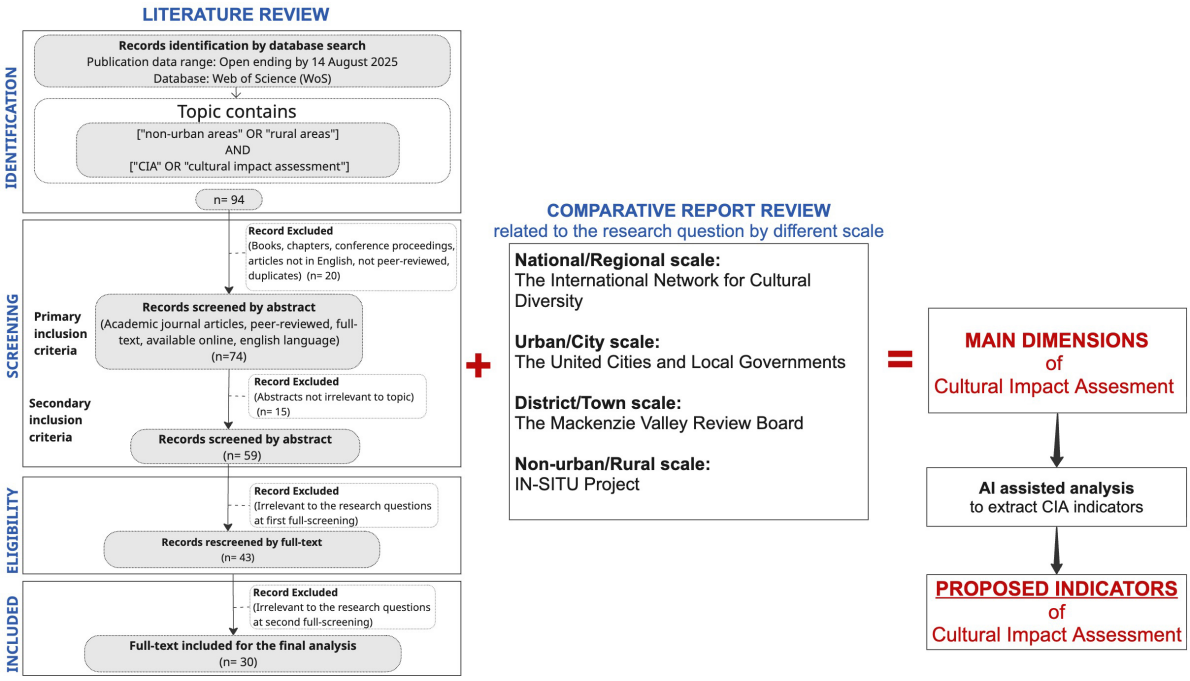

Figure 1. Methodology of the study

infrastructure, and the contribution of creative practices to social cohesion and well-being. Together, these stages enabled the identification of key themes and keywords for indicator development. AI (GPT-5 mini) facilitated the systematic organization, categorization, and refinement of indicators, proposing both qualitative and quantitative measures, detecting overlaps or gaps, and ensuring coverage of socio-cultural, economic, and place-based dimensions. The authors then critically reviewed and refined these indicators by merging overlaps, clarifying ambiguous terms, adding missing measures from field insights, removing irrelevant items, and prioritizing a balanced representation of qualitative and quantitative dimensions relevant for rural contexts.

2. Results

2.1. From key dimensions to core approaches in cultural impact assessment

This section presents the findings of the systematic literature review, which identified three relational clusters corresponding to sociospatial, socioecological, and social dimensions (see Figure 2). The blue cluster (sociospatial) centres on terms like ''locality'', "rural", "culture", "assessment", and "development". It highlights how cultural impact is often framed within sustainability and rural development contexts, linking culture to spatial settings, community, and socioeconomic transformation.

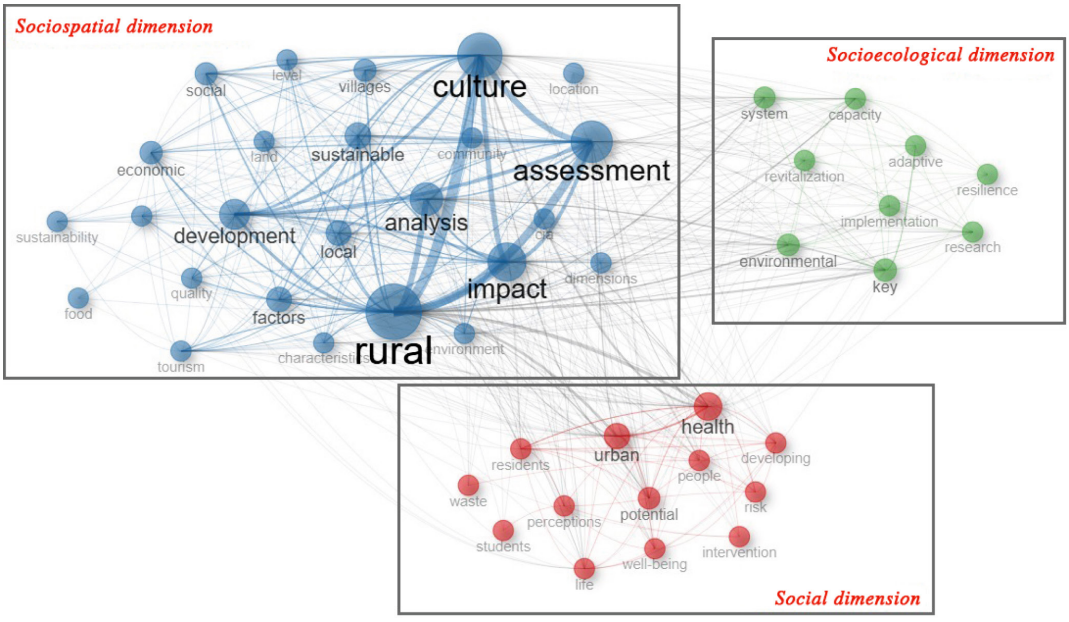

Figure 2. Result of the co-occurrence network analysis based on articles' abstract

The green cluster (socioecological) emphasizes "environmental", "revitalization", "resilience", and "adaptive", reflecting systemic approaches where cultural impact is integrated into environmental governance and resilience thinking. The red cluster (social) revolves around "health", "residents", "perceptions", and "well-being", showing a focus on human-cantered outcomes and quality-of-life impacts, often in urban contexts.

To better understand how these dimensions are applied in practice, we examined CI-Assessment reports. This analysis shows that the social dimension is operationalized through community-oriented approach, the socioecological dimension through eco-cultural approach, and the sociospatial dimension through place-based approach. These operationalizations guide thematic priorities and the development of relevant indicators.

Community-oriented approach: All three frameworks place local communities at the centre of cultural impact assessments, emphasizing participation and engagement in the evaluation process. As outlined in Appendix B, the INCD Framework examines the cultural life of local communities by assessing verbal, musical, performative, and visual expressions, as well as broader cultural practices and value systems. This ensures that community voices, experiences, and traditions are prioritized. Similarly, the UCLG Framework frames culture as a central domain of social life, highlighting key aspects such as local identity, creativity, engagement, and well-being. The Mackenzie Valley Review Board Framework focuses on Indigenous communities, incorporating marginalized groups including women and youth, and assessing cultural impacts of environmental developments on these communities. Across these frameworks, the evaluation of cultural impacts is grounded primarily in the social and cultural dimensions of community-making.

While these frameworks prioritize community voices and social dimensions, debates around the definition and measurement of cultural value reveal tensions between intrinsic, community-centred approaches and advocacy-driven, outcome-oriented perspectives. Belfiore [2016] distinguishes between a humanities-based perspective, emphasizing the intrinsic socio-cultural value of culture, and an advocacy-driven perspective, which prioritizes measurable outcomes aligned with economic or policy agendas. The latter approach gained prominence during the late 1990s and early 2000s with neoliberal development policies, linking cultural interventions to urban regeneration and economic growth. As a result, CI-Assessments often focused on organizational or economic benefits rather than community-centred outcomes. Early assessments tended to measure visitor numbers and economic contribution [Formica & Uysal 1994; Crompton & McKay 1994], whereas by the 2000s, there was a growing recognition of multidimensional approaches that consider social inclusion, community well-being, and urban identity

[Richards & Wilson 2003; Langen & Garcia 2009]. Balancing advocacy-driven and humanities-based perspectives remains crucial to ensure that CI-Assessment supports policy goals while fostering a holistic understanding of culture's role in communities.

Place-based approach: All three frameworks emphasize assessing cultural impacts within the unique geographical and territorial conditions of each community, ensuring cultural identities and practices are understood in their proper environmental and social contexts. As shown in Appendix B, the INCD Framework is inherently place-based, using qualitative methods like oral history and storytelling to document tangible and intangible cultural assets linked to local landscapes and heritage sites. The UCLG Framework adapts global frameworks to local contexts, balancing broad applicability with the specificity of each town or city, emphasizing place-specific cultural sustainability through tailored indicators. The Mackenzie Valley Review Board Framework integrates cultural landscapes and spiritual sites into environmental assessments, respecting the close connection between people and land and preserving traditions amid development. This approach is reinforced by recent research linking cultural policies to local environmental and social structures [Duxbury & Jeannotte 2012; Soini & Birkeland 2014] and by the widespread adoption of cultural mapping [Duxbury 2021].

Eco-cultural approach: The frameworks also highlight the interconnection of cultural and environmental sustainability within CI-Assessment, often grounded in Environmental Impact Assessment (EIA) practices. The INCD Framework emphasizes cultural heritage in local environmental policy, while the UCLG Framework links cultural vitality to ecological, social, and economic systems. The Mackenzie Valley Review Board Framework prioritizes traditional land use and heritage sites, considering development impacts on both natural and social-cultural systems. This approach aligns with recent literature that increasingly integrates ecological and cultural perspectives [Bernard et al. 2022] and emphasizing eco-cultural resilience and civilization, which advocate for better integration of human and natural systems and an ecological turn in understanding sustainable development [Soini & Birkeland 2019].

We argue that all three approaches – community-oriented, place-based, and eco-cultural – illustrate a context-driven framework for CI-Assessment by embedding cultural evaluation within the social, geographical, and ecological contexts of local communities. The community-oriented approach prioritizes local experiences and participatory assessment of cultural values and well-being. The place-based approach highlights the influence of landscapes, heritage, and spatial dynamics and the eco-cultural approach integrates cultural and environmental considerations to the cultural impact assessment. Together, these approaches underscore the need for

situated CI-Assessments that move beyond generic indicators to capture the diverse ways culture manifests in specific communities and places.

2.2 A thematic literature review of creative newcomers' impact on rural areas

In the previous section, an in-depth analysis of three policy documents identified three key approaches – community-oriented, place-based, and eco-cultural – that shape CI-Assessment guidelines in line with the contemporary cultural policy debates. Although these approaches provide a conceptual foundation for assessing the cultural impact assessment, they do not recognize creative urbanites' pathways within rural cultural impact assessment. To address this gap, we first analyse the outcomes of In-Situ Project Report, then we review the literature specifically addressing the creative practices of urban newcomers and their role in rural development.

To begin with, the In-Situ Project prioritizes local communities and workers in cultural and creative industries, highlighting their capacity to sustain cultural life and strengthen resilience in non-urban and rural areas. Accordingly, the In-Situ Project adopts a place-based approach in non-urban and rural European regions, highlighting cultural change in the practices of local communities and worker in cultural and creative industries. 12 case studies that have been investigated across Europe demonstrated how cultural transformations emerge in non-urban and rural areas. The examples include Art in Gort in Ireland, which embeds artistic practice within community life; The Voice of Youth in Portugal, which foregrounds youth participation in cultural decision-making; and Transmalhar, also in Portugal, which links agricultural traditions with community identity and sustainability. These case studies show that cultural impacts in non-urban areas cannot be reduced to single indicators (like attendance or heritage preservation). Instead, they cut across community-oriented (youth, identity, well-being), place-based (livelihoods), and eco-cultural (landscape stewardship, sustainability) dimensions. They also foreground the agency of creative newcomers who often bring new networks, skills, and practices that catalyse these transformations. Building on these insights, this section reviews the literature on the cultural and creative practices of urban newcomers. It examines how the previously identified approaches (community-oriented, place-based, and eco-cultural) are manifested in this literature and how the scope of these approaches is further extended. This review not only broadens the conceptual and empirical content but also helps identifying more specific themes and keywords, which will guide the assessment of their cultural impact on rural communities.

Rural creative migration – community building at the intersection of cultural and socioeconomic values: The mobility of creative professionals to rural areas has attracted growing scholarly attention for its role in reshaping rural

communities through intertwined cultural, social and economic processes . Rather than viewing creative activities solely as individual artistic pursuits, this body of work emphasises their collective dimensions and their capacity to foster local engagement, social interaction and community development. From a community-oriented perspective, creative practices are understood as relational processes that connect people, places and forms of labour, generating socio-cultural as well as socio-economic impacts.. A key insight emerging from this literature is that the sustainability of creative practices in rural areas depends not simply on the presence of artists, but on how artistic labour is recognised, valued and supported within local communities [Mahon 2018]. This recognition is closely linked to what is often conceptualised as cultural vitality: the community's capacity to sustain and engage with cultural practices thereby reinforcing collective identity, social bonds and quality of life [McHenry, 2011; Duxbury & Campbell, 2009].Empirical studies illustrate how cultural vitality is generated through shared creative practices embedded in everyday rural life. For example, Gibson and Gordon's [2018] analysis on community-based music initiatives illustrate how cultural vitality in rural areas is generated through shared creative practice. They argue that such initiatives contribute to regional development in two ways: by enriching cultural life, strengthening social relations, and supporting newcomers in establishing social ties and longer-term attachments to place.

Beyond these social and cultural contributions, research has also examined the socioeconomic dimensions of creative mobility. Studies show that the mobility of creative professionals fosters hybrid cultural expressions that blend urban and rural traditions [Bell & Jayne 2010] and can lead to the formation of artistic clusters in non-urban areas, which act as hubs of cultural production and innovation [Markusen 2006]. Unlike urban agglomerations, however, rural creative economies tend to rely on dispersed networks, multi-sector collaborations and inter-regional connections that facilitate knowledge exchange and economic resilience [Roberts & Townsend, 2015]. Entrepreneurship, often led by women, has been highlighted particularly important in sustaining cultural and social networks in rural areas and translating creative practice into viable livelihoods [Herslund 2012; 2019]. Balfour et al. [2018] emphasise that creativity and entrepreneurship are deeply intertwined: sustaining artistic practice often requires entrepreneurial skills, while creative ventures can play a key role in reinvigorating rural development. Arts-based development initiatives in rural areas can strengthen local entrepreneurship and community capacity, but their effects depend on how they are organised and accessed.

Crucially, these creative and entrepreneurial practices are contingent on access to enabling infrastructures. Broadband access, for example, supports remote work, entrepreneurship, and market access [Bowles 2008; Malecki 2003]. Meanwhile,

the access to such infrastructure remains uneven, and digital disparities can limit economic opportunities and undermine community resilience, reinforcing existing inequalities within and between rural places [Wilson 2012].

Creative practices, place-making, and rural cohesion – negotiating identities and exclusions: Community formation in rural areas aligns with place-making, whereby people shape and give meaning to environments through social, cultural, and economic practices [Tuan 1977; Massey 2005]. Within this context, creative practitioners can strengthen ties to their new environments, influencing social and cultural landscapes, reinforcing local identities, or introducing external influences [Graugaard 2012; Harvey et al. 2012]. Through cultural events and artistic activities, they foster shared cultural environments and community cohesion [McHenry 2011; Duxbury & Campbell 2011; Brouder 2012]. At the same time, the literature cautions that the impacts of creative place-making are not uniformly positive. Influxes of urban creative newcomers may raise property values and create tensions between newcomers and long-standing residents, reflecting critiques of neoliberal place-making where external investments overshadow local needs [Gibson & Klocker 2005]. In such contexts, creative practices, particularly when originating externally, can also generate social divides and uneven forms of participation, rather than inclusive community-building [Roberts & Townsend 2015; Warren-Smith 2009; Herslund 2012].

In response to these tensions, the creative economy plays a crucial role not only in local economic revitalization but also in fostering new forms of communal organization through socially engaged art practices and the repurposing of local assets [Crashaw and Gkartzios 2016]. Place-based approaches emphasize inclusive, community-driven creative practices that respect local identities, histories, and aspirations. Correspondingly, scholars warn against transferring urban-centric models to rural contexts, advocating recognition of rural creativity as an intrinsic strategy for economic adaptation, identity negotiation, and alternative cultural expression [Gibson & Klocker 2005; Woods 2012; Duxbury & Campbell 2009].

Yet, not all cultural initiatives succeed in realising this inclusive potential. As Balfour et al. (2018) argue, when cultural initiatives function primarily as commodities for culturally privileged locals or visiting urban audiences, they risk reproducing barriers to participation similar to those associated with elite urban cultural institutions. Such dynamics can obscure the collective and inclusive potential of rural creative activity. To foster community well-being and an enhanced sense of belonging in rural areas, creative initiatives must therefore be accessible to a broad cross-section of the rural community from the earliest stages of planning.

Creative practices and eco-cultural resilience in rural areas – place-based pathways to sustainability: Creative activities in rural areas intersect with eco-

cultural resilience, which refers to the capacity of cultural and ecological systems to co-adapt and persist amid environmental and social change [Berkes et al. 2003; Folke 2006]. Scholars highlight that ecological and cultural diversity are deeply interconnected, with cultural practices shaping sustainable resource use and environmental stewardship [Maffi & Woodley 2010]. While eco-cultural resilience has been explored in Indigenous knowledge systems and traditional land-use practices, its relevance to rural creativity remains underexamined [Jeannotte 2003; Duxbury et al. 2017; Sesana et al. 2020; Zou et al. 2021]. Extending this discussion, Brady [2025] calls for a broader understanding of ecological interdependence that connects local environments to planetary systems, suggesting that creative and ethical sensibilities can foster care across multiple ecological scales. Conceptualizing the commons in this expanded sense, challenges the idealization of the local often found in site-specific art, while acknowledging the importance of emotional and cultural ties to particular places [Kwon 2002; Brady 2025]. This multi-scalar perspective complements the notion of eco-cultural resilience by situating rural creativity within wider processes of global environmental change and shared ecological responsibility.

Within this framework, place-based transformative learning becomes a means of translating planetary awareness into local practice. Sustainability-oriented art projects, community gardens, and artist residencies encourage participants to develop sustainable habits and collective environmental care rooted in their immediate surroundings, yet informed by a consciousness of global ecological interconnection [Pisters et al. 2021]. Eco-art and community-led environmental initiatives further merge artistic expression with activism, advancing sustainability while strengthening community bonds [Miles 2014]. By linking creative production with ecological awareness, such practices reinforce eco-cultural resilience as both a conceptual and practical approach to navigating cultural and environmental transitions [Pisters et al. 2021].

Drawing upon the literature review, Figure 3 outlines the key themes and corresponding keywords that will inform our approach to cultural impact assessment. Cultural value is captured through key words such as creativity, social cohesion, and hybrid cultural expressions. Socio-economic value focuses on creative entrepreneurship, digital infrastructure, and multi-sectoral collaborations that shape rural-urban dynamics. Place-making considers aspects like local identity, place-attachment, and sociospatial transformations, including gentrification. Rural-urban community relations are assessed through cultural and economic interdependencies, social divides, and territorial tensions. Lastly, eco-cultural resilience highlights sustainability initiatives, ecological awareness, and community-led environmental projects. We propose to link the identified themes – cultural value, socio-economic

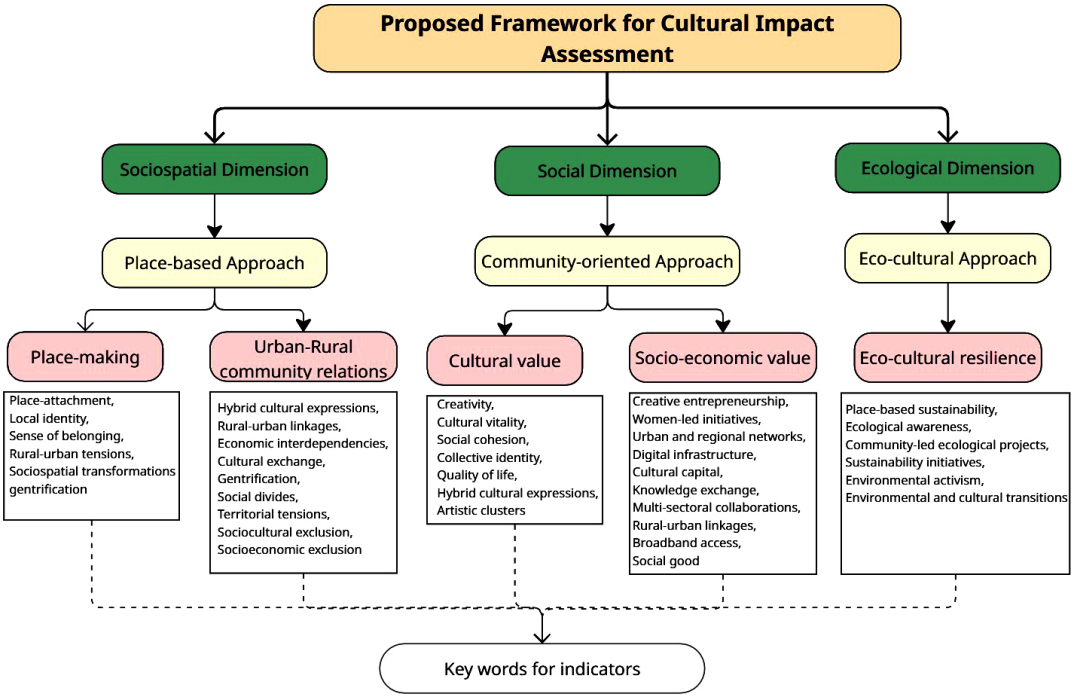

Figure 3. Proposed framework derived from three distinct literature reviews

value, place-making, rural-urban community relations, and eco-cultural resilience – to the approaches drawing upon the previous SLR and policy reports. Accordingly, we link the community-oriented approach to socio-economic and cultural value because it focuses on the ways in which local communities generate and experience value through creative activities, social cohesion, and local entrepreneurship. The place-based approach aligns with rural-urban relations and place-making, emphasizing spatial dynamics, local networks, and territorial specificities, where cultural value is considered in relation to the sociospatial context. Finally, the eco-cultural approach corresponds to eco-cultural resilience, highlighting the interdependence of cultural and socioecological processes and the role of communities in fostering sustainable and adaptive practices. These themes and key words underscore the importance of a context-sensitive approach, which enables a nuanced understanding of local dynamics and challenges. By focusing on factors such as community relationships, sociospatial development processes, and environmental transitions, a more tailored CI-Assessment framework can be developed, addressing the unique influences of creative newcomers on rural communities. After addressing the relevant debates on assessment techniques, we will use these themes and keywords as the foundation for developing our set of indicators, ensuring a context-sensitive framework.

3. Towards a set of measurement: Key debates around cultural value and indicators

Cultural value stands as a key concept in cultural impact assessment, shaping debates on the selection of indicators by questioning what aspects of culture should be measured and how. Belfiore and Bennett [2010] argue that CI-Assessment should not be limited to economic assessments but should also take into account culture's broader socio-cultural value. Their critique highlights the limitation of a toolkit mentality mentioned above, which simplifies complex cultural dynamics into easily replicable models, often overlooking the diversity of impacts that culture has on different communities. They stress that cultural activities and objects, while they may generate economic value, can simultaneously have negative impacts on marginalized groups. This highlights the need for CI-Assessment methodological frameworks that can reflect the values and norms of different community groups and the nuanced ways that culture can affect them.

Occurring debates in CI-Assessment literature about quantitative versus qualitative methods are also addressed by Partal and Dunphy [2016], pointing out one of the methodological weaknesses of cultural impact analysis. This weakness relates to "a fundamental problem for CI-Assessment that if culture is defined as pertaining to the values and norms of specific groups, seemingly similar cultural phenomena or institutions can have completely different meanings for different groups of people" [Keating et al. 2003]. Duxbury and Jeannotte [2015] also argue that cultural value cannot be fully captured through conventional economic or bureaucratic measures, as it often includes non-use values – intangible aspects that are not directly quantifiable. The authors draw a parallel to environmental valuation, noting that assigning a monetary value to a forest does not truly compensate for its loss. Similarly, assessing culture's role in sustainability through its economic impact alone fails to reflect its full value. In addition, Zemite et al. [2022] find that rooted in local community life and values, entrepreneurs in cultural and creative industries report practices aligned with all four pillars of sustainability. While most of these practices primarily contribute to economic sustainability, many also generate benefits for the environmental, social, or cultural dimensions. Therefore, previous research highlight that cultural impact extends beyond economic measures underscoring the importance of employing qualitative methods together with quantitative methods in designing CI-A frameworks.

Rural creativity debates increasingly challenge narrow, economically driven understandings of cultural value by emphasising the concept of locally retained "value-added" [Manon et al. 2018]. Rather than referring solely to measurable economic growth, value-added denotes the ways cultural activities contribute to broadening

and strengthening rural livelihoods through social and cultural capital, community vitality, and place-based meanings [Marsden, 2006; Van der Ploeg et al., 2008; Sonnino et al., 2008]. As highlighted by Manon et al. [2018], the central challenge lies not in demonstrating that arts and culture matter for rural development, but in identifying and articulating how these contributions materialise in less tangible yet consequential ways for rural places and communities. This key methodological challenge calls for assessment frameworks capable of capturing qualitative, relational and context-specific forms of cultural value, rather than relying on narrowly defined economic indicators.

When selected CI-Assessment frameworks are analysed regarding their methodology, we observe that they all combine quantitative and qualitative methods to ensure a comprehensive and nuanced understanding of cultural impacts (see Appendix). Both types of data are crucial to fully capturing the multifaceted nature of cultural change enriched by community-centred, cultural sustainability and place-based approaches. INCD Framework utilizes a mix of qualitative methods (e.g., focus groups, oral histories, participant observation) and quantitative data (e.g., census data). The UCLG Framework combines quantitative surveys and statistical measures with qualitative participatory evaluations and public feedback. The use of comparative analysis between soft and hard data ensures that cultural participation is assessed from multiple angles. The Mackenzie Valley Review Board Framework uses a combination of qualitative methods (e.g., land use studies, oral histories, ethnographic studies) and quantitative data (e.g., statistical analysis of community wellness, demographic data). This combination allows for a rich understanding of how development projects affect both the tangible and intangible aspects of cultural identity.

Building on the discussions surrounding cultural value and the dual use of quantitative and qualitative indicators, the following tables present an example of a structured overview of potential indicators for measuring various aspects of cultural impact. These indicators are categorized under key themes such as cultural value, socio-economic value, place-making, rural-urban community relations, and eco-cultural resilience. They will form the foundation for a context-sensitive cultural impact assessment framework. This framework draws on three interlinked approaches: community-oriented, place-based, and eco-cultural. The tables emphasize both quantitative and qualitative measures, offering a balanced approach that captures the tangible impacts as well as the deeper, more subjective community experiences and perceptions. Crucially, the proposed indicators are designed to remain sensitive to the mobility of creative newcomers, the social heterogeneity of rural communities, and the place-specific dynamics of rural transformation.

Table 1. Proposed quantitative indicators and measurement methods

Approach	*Theme*	*Quantitative Indicators*	*Methods*
Place-Based Approach	Place-Making	- Number of community-led place-making initiatives - Percentage of residents expressing a strong sense of place-attachment - Number of heritage sites, public spaces, or cultural landmarks preserved or revitalized by urban newcomers - Number of local identity-based projects - Gentrification rate	- Spatial analysis of revitalization projects - Heritage site monitoring - Survey on local identity and belonging - Real estate price tracking - Population displacement analysis
	Rural-Urban Communities' Relations	- Number of cultural exchanges between rural and urban communities - Number of hybrid cultural expressions documented - Economic transactions between rural creative businesses and urban markets - Number of projects engaging in local cultural activities - Number of projects addressing social divides or exclusion - Number of projects engaging in cultural and natural heritage sites - Rate of gentrification-induced displacement in rural areas, Women-led programs fostering social cohesion and cultural participation	- Monitoring cultural exchange programs - Business transaction analysis - Migration and census data - Cultural impact surveys - Housing and displacement tracking, Focus groups with residents on women's leadership impact
Community-Oriented Approach	Cultural Value	- Number of cultural events, festivals, and projects per year - Percentage of residents participating in cultural activities - Number of creative businesses and artistic clusters - Funding allocated to cultural initiatives	- Surveys/questionnaires - Analysis of funding records - Business registry data - Event attendance records - Cultural mapping

Table 1 (continued).

Approach	*Theme*	*Quantitative Indicators*	*Methods*
Community-Oriented Approach	Socio-Economic Value	- Number of creative entrepreneurs and startups in the region - Percentage of employment in creative and cultural sectors - Income levels of creative entrepreneurs compared to other sectors - Digital infrastructure coverage - Number of knowledge exchange programs, workshops, or training sessions - Number of multi-sectoral partnerships involving cultural and creative industries, Number/ Percentage of women-led initiatives	- Cultural mapping - Business and employment statistics - Economic impact assessments - Digital infrastructure data collection - Survey on creative sector wages - Network analysis of collaborations, Surveys on women's contributions to community development
Eco-Cultural Approach	Eco-Cultural Resilience	- Number of community-led ecological and sustainability projects - Percentage of cultural initiatives incorporating ecological awareness - Funding allocated to eco-cultural sustainability programs - Participation rate in environmental activism within cultural communities - Number of traditional ecological practices revived through cultural projects	- Project documentation review - Participation rates in sustainability programs - Funding and grant allocation analysis

Table 2. Proposed qualitative indicators and methods

Approach	*Theme*	*Qualitative Indicators*	*Methods*
Place-Based Approach	Place-Making	- Narratives on sense of belonging and place attachment - Role of cultural initiatives in strengthening local identity - Community discussions on gentrification and its social effects - Perceptions of sociospatial transformations	- Oral histories with long-term residents - Photovoice (residents documenting spatial changes) - Ethnographic fieldwork
Place-Based Approach	Rural-Urban Communities' Relations	- Local perceptions of rural–urban linkages and economic interdependencies - Impact of urban newcomers on local culture and economy - Stories of social divides and territorial tensions - Narratives of inclusion/exclusion from both rural and urban perspectives - Evolution of hybrid cultural expressions due to rural–urban interactions	- Focus groups with both rural and urban stakeholders - Life histories of both communities - Ethnographic studies of community interactions - Analysis of local media discourse on migration
Community-Oriented Approach	Cultural Value	- Perceived impact of cultural activities on social cohesion and local identity - Narratives from artists and creative practitioners on cultural vitality - Community engagement in cultural decision-making - Perceived changes in collective identity and quality of life through cultural participation	- In-depth interviews with artists and cultural organizers - Focus groups with community members - Ethnographic observations
Community-Oriented Approach	Socio-Economic Value	- Perceived barriers and opportunities for creative entrepreneurship - Impact of digital infrastructure on cultural production and creative businesses - Case studies of rural–urban creative collaborations - Influence of cultural capital on local economic development - Stakeholders' perspectives on the role of cultural industries in social good	- Semi-structured interviews with entrepreneurs - Policy analysis on cultural capital investments - Participant observation in creative business hubs - Case study analysis of rural–urban projects

Table 2 (continued).

Approach	*Theme*	*Qualitative Indicators*	*Methods*
Eco-Cultural Approach	Eco-Cultural Resilience	- Perceptions of environmental and cultural transitions - Case studies on place-based sustainability initiatives - Narratives on integration of ecological awareness in cultural practices - Impact of sustainability initiatives on community well-being	- Storytelling and oral histories of environmental changes - Community workshops on sustainability practices - Interviews with environmental and cultural activists - Media and policy review on eco-cultural initiatives

Conclusion

The systematic literature review identified three core dimensions of CI-Assessment – sociospatial, socioecological, and social – while the analysis of policy frameworks (INCD, UCLG, Mackenzie Valley Review Board) demonstrated their operationalization through community-oriented, place-based, and eco-cultural approaches. These models emphasize incorporating local voices, acknowledging territorial specificities, and recognizing the interdependence of cultural and ecological systems, underscoring the need for multidimensional, context-sensitive assessments. Furthermore, insights from the In-Situ Project and related research on rural creativity illustrate how rural cultural change unfolds through youth engagement, community identity, livelihoods, and sustainability. They also highlight the catalytic role of newcomers in introducing networks, skills, and hybrid practices that reshape rural life.

The thematic literature review on rural creativity furthermore enabled the translation of community-oriented, place-based, and eco-cultural approaches into five interrelated thematic clusters (cultural value, socio-economic value, place-making, rural–urban community relations, and eco-cultural resilience) and to propose both qualitative and quantitative indicators across each dimension. By combining qualitative and quantitative indicators within each thematic cluster, the proposed framework captures both measurable and less tangible cultural impacts, while remaining sensitive to local dynamics and community-specific factors. Taken together, this context-sensitive framework demonstrates that cultural impacts cannot be adequately captured through narrow indicators like participation rates

or economic output but require attention to processes of rural community-building, place-making, and eco-cultural resilience.

Future research should focus on the empirical testing and validation of the proposed CI-Assessment framework and indicators in different rural contexts, particularly in ways that account for the mobility of creative newcomers, the internal social heterogeneity of rural communities, and the place-specific dynamics of rural transformation. This includes examining how newcomers' seasonal, circular, or long-term mobility shapes local cultural economies; how indicators capture differences across social groups such as long-term residents, return migrants, youth, and marginalized populations; and how locally specific dynamics such as tourism-driven change, environmental crises, or agricultural restructuring mediate cultural impacts.

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Appendix

In-depth analysis of CI-Assessment Guidelines: Scope, focus, and methodology

Toolkit name, location, publishing year		*Framework for Cultural Impact Assessment, Global Context, 2004*	*Assessing Cultural Sustainability, Spain-Barcelona, 2014*	*Developing Cultural Impact Assessment Guidelines: A Mackenzie Valley Review Board Initiative, Canada-Northwest Territories, 2009*	*In-Situ Project, Portugal-Coimbra, 2022*
1		2	3	4	5
Publishing organization		INCD (International Network for Cultural Diversity)	United Cities and Local Governments	Mackenzie Valley Review Board	University of Coimbra
Scope & Application Area	**In what context?**	In the context of development policies and projects particularly in relation to environmental and social impact assessment	Fundamentally in the context of urban policy-making and sustainable development to help cities develop indicators, protocols, and tools to measure cultural impact. It aims to be applicable across different towns and cities worldwide.	In the context of environmental impact assessments to identify and minimize any adverse cultural impacts of developments. It is used to ensure that the development projects align with the cultural needs of indigenous communities.	In the context of cultural and creative industries in non-urban and rural areas, to assess their role in local development, community resilience, and cultural sustainability.
	By whom is it used? (e.g., local governments, NGOs, researchers)	Local and national governments, NGOs, international organizations (UNESCO, the World Bank, the United Nations etc.), private sectors and developers, local communities, academic researchers	UCLG, Municipalities and Local Governments, Urban Planners and Policy Makers, Academics and Researchers, Cultural Organizations, Global Organizations	Mackenzie Valley Environmental Impact Review Board, Developers and Industry Stakeholders, Indigenous Communities, Government Agencies, Researchers and Environmental Consultants	Local governments, NGOs, cultural organizations, researchers, EU institutions, policymakers

Appendix (continued)

1		2	3	4	5
Cultural Impact Assessment (CI-Assessment) Focus	**Key themes on which CI-Assessment is built**	Cultural diversity, identities, norms, values, beliefs, social institutions, cultural heritage	The framework is based on the 'Circles of Social Life' approach (used by Metropolis and the UN Global Compact Cities Programme) and adapted as 'Circles of Cultural Life' for CI-Assessment The framework approaches culture as a primary domain of social life, alongside ecology, economics and politics. Key themes include cultural vitality, resilience and sustainability	The key themes include cultural values, heritage resources, community wellness, and the involvement of local communities, especially marginalized groups like women and youth. The process focuses on cultural change, vulnerability, resilience, and how these elements can be monitored and respected during development	Cultural and creative industries, local communities, social innovation, place-based development, heritage and identity
	Entity affected	Local communities	Local communities	Local communities and places, particularly Aboriginal groups, populations vulnerable to cultural changes due to development and their places	Local communities, creative professionals, cultural organizations

Appendix (continued)

1		2	3	4	5
Methodology & Data Collection Tools	**Variables / Set of Indicators (if available)**	**Cultural Life:** Verbal expressions, musical expressions, performative expressions, visual expressions, religions and ritual ceremonies, cultural practices, beliefs and value systems **Cultural Institutions and Organizations:** Political organizations, social organizations, social networks, power relations and decision making structures **Cultural Resources and Infrastructure:** Indigenous knowledge systems, historic documents, systems of natural resources use, traditional architecture, historic and cultural sites	Identity and Engagement, Creativity and Recreation, Memory and Projection, Beliefs and Ideas, Gender and Generations, Enquiry and Learning, and Wellbeing and Health	1. Heritage and Physical Cultural Resources (archaeological sites and heritage buildings) 2. Cultural Landscapes and Spiritual Sites (traditional place names and meanings of landscapes) 3. Traditional Knowledge (hunting, fishing, trapping, and land-based practices essential to cultural identity) 4. Local Cultural Values 5. Change in Social Structures (including language) 6. Well-being and health	Number of CCI enterprises, employment levels, turnover, business survival rates, community participation, social inclusion, networks and collaborations, cultural identity, distribution of CCI activities in non-urban areas, accessibility to cultural infrastructure, new business models, digital adoption, cross-sector collaborations, ecological awareness in CCI, use of local resources, resilience of rural/remote areas, integration of CCI in regional development strategies, level of support from local/national government, contribution of CCI to quality of life, local pride, mental and social wellbeing
	What methodological approaches does it use? (i.e. surveys, cultural mapping, etc.)	Focus groups, oral histories and storytelling, participant observation and interviews, analysis of policy documents and census data	Surveys, public engagement feedback, participatory evaluations, statistical measures related to cultural participation, comparative analysis between soft and hard data	Traditional land use studies, traditional ecological knowledge studies, physical anthropology and archaeology studies, oral histories, linguistic and kinship studies, place name research and ethnographic studies, commemoration studies, land use planning, focus groups, interviews, analysis of statistical data, community wellness surveys	Case studies in non-urban regions, participatory action research (PAR), stakeholder workshops and co-creation lab, interviews and focus groups with cultural and creative workers, policymakers, local communities, surveys on cultural and creative industries (CCI) needs and impacts, mapping of CCI ecosystems and networks, policy analysis and benchmarking

THE ROLE OF CULTURAL AND CREATIVE INDUSTRIES IN IMPROVING ADHERENCE IN DIGITAL HEALTHCARE

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Abstract

Cultural and Creative Industries (CCIs) are an important sector in the European Union (EU) economy, recognized for their spill-over effect in promoting innovation and driving growth across various other sectors. This paper examines the impact of CCIs on digital health interventions (DHIs), addressing the critical problem of low therapy adherence. Poor adherence undermines therapy effectiveness, increases healthcare costs, and leads to premature deaths. By focusing on the role of CCIs in increasing user engagement, this study highlights their potential to improve therapy outcomes and thus public health. Through a systematic literature review, five domains were identified where CCIs directly influence DHIs: interaction experience, design, delivery formats, narrative, and gamification. The paper demonstrates how CCIs contribute to creating user-centric, accessible, and engaging DHIs by refining usability and design, tailoring content delivery, and crafting compelling narratives. These elements play a critical role in motivating users and sustaining engagement. Evidence highlights that CCIs hold great potential to influence engagement in digital health tools in both positive and negative directions. The findings underscore that by leveraging CCI expertise, DHIs can be optimized to enhance user experience, mitigate risks of disengagement, and improve therapy outcomes, ultimately contributing to better public health.

Keywords: *adherence, cultural and creative industries, digital health, engagement.*

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CULTURE CROSSROADS

Introduction

Cultural and creative industries are among the 14 key industrial ecosystems in the EU, encompassing various subsectors, such as audiovisual (including video games and multimedia), design, music, literature, performing arts, visual arts, and others. It is recognized for having a spill-over effect of driving innovation across other industries [European Commission 2021]. While art therapy, music therapy, and drama therapy are well-established healthcare domains that harness culture's healing power [de Witte et al. 2020; Berghs et al. 2022; Xu et al. 2024], CCIs also play a significant role in digital health, particularly in developing digital health interventions – specific digital technologies that are used to achieve health objectives [World Health Organization 2019: 5]. Although their influence is less explicitly recognized, it is both substantial and far-reaching. Creative writing is essential for crafting compelling narratives to increase content engagement, while thoughtful interface design can determine whether a digital product is used or abandoned. The quality of videos used in therapy exercises relies on effective staging, proper recording angles, lighting, and suitable colour schemes. Voice talent's performance skills determine whether the audio will be listened to until the end. These are just a few clear examples of how CCIs can influence the quality and effectiveness of digital health interventions.

One of the major challenges in healthcare nowadays is the low medication and treatment adherence, directly affecting treatment outcomes and increasing healthcare costs [Stewart et al. 2022; Walsh et al. 2019]. It is estimated that 20% to 50% of patients do not take their medication as prescribed, which leads to increased morbidity and inefficacy of therapies [Pérez-Jover et al. 2019]. For chronic illnesses, medication adherence is around 50% [Baryakova et al. 2023], while in cardiovascular health, it is slightly higher at 57–60% [Chowdhury et al. 2013; Naderi et al. 2012]. Among individuals with chronic obstructive pulmonary disease, non-adherence rates vary widely, ranging from 22% to 93% [Bhattarai et al. 2020]. Non-adherence is estimated to contribute to nearly 200 000 premature deaths annually in the EU and imposes additional healthcare costs of approximately 125 billion EUR on European governments [Khan, Socha-Dietrich 2018].

Digital health technologies have demonstrated promise in addressing these challenges by enhancing patient engagement and promoting adherence when developed effectively [Pérez-Jover et al. 2019; Al-Arkee et al. 2021; Ridho et al. 2022; McBride et al. 2020]. Moreover, achieving optimal treatment outcomes often requires behaviour changes in addition to pharmacological therapies. Digital tools can play a vital role in providing daily guidance and accountability, supporting behaviours such as regular exercise and improved nutrition, and reducing unhealthy

habits. Research shows that such solutions not only improve adherence but also promote the lifestyle changes essential for managing and preventing various health conditions [Khan et al. 2017; Sheng et al. 2024; Wu et al. 2023].

The goal of this paper is to investigate how CCIs may contribute to improving engagement with digital health tools, consequently improving adherence, therapy outcomes, and overall public health. It begins by defining "engagement" as a term in the context of technologies and proceeds with a systematic literature review identifying domains where CCIs can influence targeted behaviours. Additional research, healthcare perspectives, and examples of digital health tools are incorporated throughout the review to further enrich the discussion and broaden the perspective on each domain.

Engagement

The term "engagement" has several definitions depending on the context, however, having a shared definition and understanding of the term is still a challenge due to its multidisciplinary nature. Yet it is agreed that it consists of subjective and objective dimensions [Yeager et al. 2018]. Perski et al. [2017] have proposed an integrative definition specifically for engagement with health technologies – digital behaviour change interventions (DBCIs) – which combines both objective and subjective measures: "Engagement with DBCIs is (1) the extent (e.g. amount, frequency, duration, depth) of usage and (2) a subjective experience characterized by attention, interest and affect". The objective part of the engagement is commonly assessed using metrics like the number of daily logins, weekly or monthly active users, time spent in the app per day, the number of completed activities, and others. The subjective experience is often measured through metrics such as the Net Promoter Score (NPS), in-app reviews, various usability scales, and other tools. The choice of metrics depends on the product characteristics and the strategic goals of the company developing it.

Although Perski et al. use the term "digital behaviour change intervention", which refers to "a product or service that uses computer technology to promote behaviour change" [West, Michie 2016], most DHIs are designed to encourage or support behaviour change to improve health. Since this paper focuses on behaviours related to increasing adherence, the term "digital behaviour change intervention" will be used interchangeably with "digital health intervention".

Furthermore, Perski et al. [2017] suggest a conceptual framework of direct and indirect influences on engagement with health technologies, impacted by specific mechanisms of action. According to the scope of this article, only the factors influencing the DBCIs are explored (see Figure 1) – content and delivery. Through

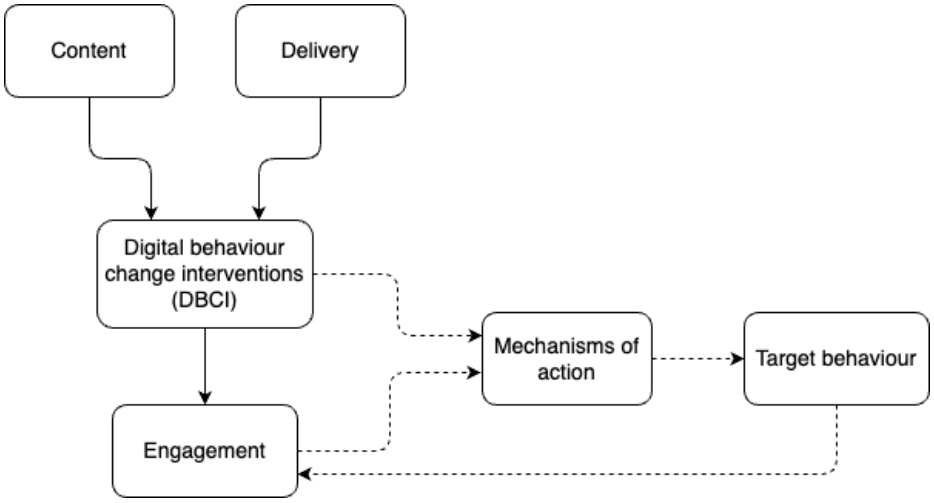

Figure 1. Conceptual framework of influences on engagement with DBCIs [Perski et al. 2017]

specific mechanisms of action, they can initiate the target behaviour. For instance, a notification displayed on the screen (content item) nudges the patient to open an app and perform a specific task (e.g., completing an exercise – the target behaviour), which means that the patient has engaged with the therapy.

Of the two influences, content is typically tailored to the specific tool, user needs, and the condition it addresses, meaning CCIs likely have limited impact in this area. However, the delivery factor is deeply intertwined with CCIs, offering significant opportunities for influence. As the research by Perski et al. was published in 2017, most of the proposed attributes for this factor were largely hypothetical at that time. Since then, rapid technological advancements have introduced new tools and capabilities, and numerous studies have generated evidence with actual data. This article provides a novel overview of the latest insights, highlighting how the CCIs can contribute to delivery mode impacting engagement.

Methods

In January 2025, the author conducted a systematic literature review of studies examining the impact of CCIs' contributions on engagement in digital health solutions. The research process and study selection results are presented following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines, primarily designed for systematic reviews evaluating the effects of health interventions [PRISMA].

The Scopus database was selected for its renowned credibility and comprehensive coverage. The search strategy included two strings:

1) terms "digital" OR "mobile" OR "technology" AND "health" in the title, AND
2) terms "engagement" OR "adherence" in the title.

The author conducted a database search for literature published since 2021, limiting the document type to articles, reviews, or conference papers. Only English-language publications were considered. Results were then filtered for relevance to the topic and the scope of this paper.

To be eligible for inclusion, papers had to identify and analyse factors impacting engagement, either positively or negatively. Only factors that could be influenced by CCIs were considered, while others – such as demographics, purely technological aspects, or contextual parameters – were not considered. However, these parameters can still play a role in shaping decisions, whether related to design choices, the selection of the narrator, or other elements, therefore those are mentioned in the discussion where relevant. Papers exploring DHIs and/or their components without any analysis of their impact, or research on their clinical efficiency were excluded. The author also excluded protocols and papers that provided theoretical knowledge in the domain or studied the related processes, such as patient involvement, design processes, etc. Papers that were related to engagement in clinical trials or research settings were ineligible, as well.

Results

The search returned 298 items (see Figure 2). The first step involved screening titles based on the exclusion criteria, resulting in the removal of 67 papers (22.48%). Then abstracts were reviewed, leading to the exclusion of an additional 177 papers (59.4%). Throughout both these steps, caution was exercised to avoid premature exclusion. If there was any uncertainty regarding a paper's eligibility, it was moved to the next stage for further screening.

A total of 54 articles (18.12%) were included in the full-text review stage. Four articles (0.01%) were excluded due to lack of open access, and the author was unable to retrieve them by contacting the authors of those papers. The full-text review was conducted on 50 papers (16.78%) to assess eligibility, resulting in the exclusion of 28 papers (9.4%), and leaving 22 papers (7.38%) deemed applicable for this study.

Most of the included studies were conducted in the United States (n = 8) or Europe (n = 7), followed by Australia (n = 3). Additionally, one study was conducted jointly in Canada and the United States, another in the United States and Israel, and one each in Malaysia and Thailand.

During the full-text review process, the author used content analysis to identify factors influencing engagement and to determine whether these factors were attributable to CCIs. The identified factors were then grouped into five thematical domains: interaction experience, design, delivery formats, narrative, and gamification. Each of these domains is discussed in the following sub-chapters.

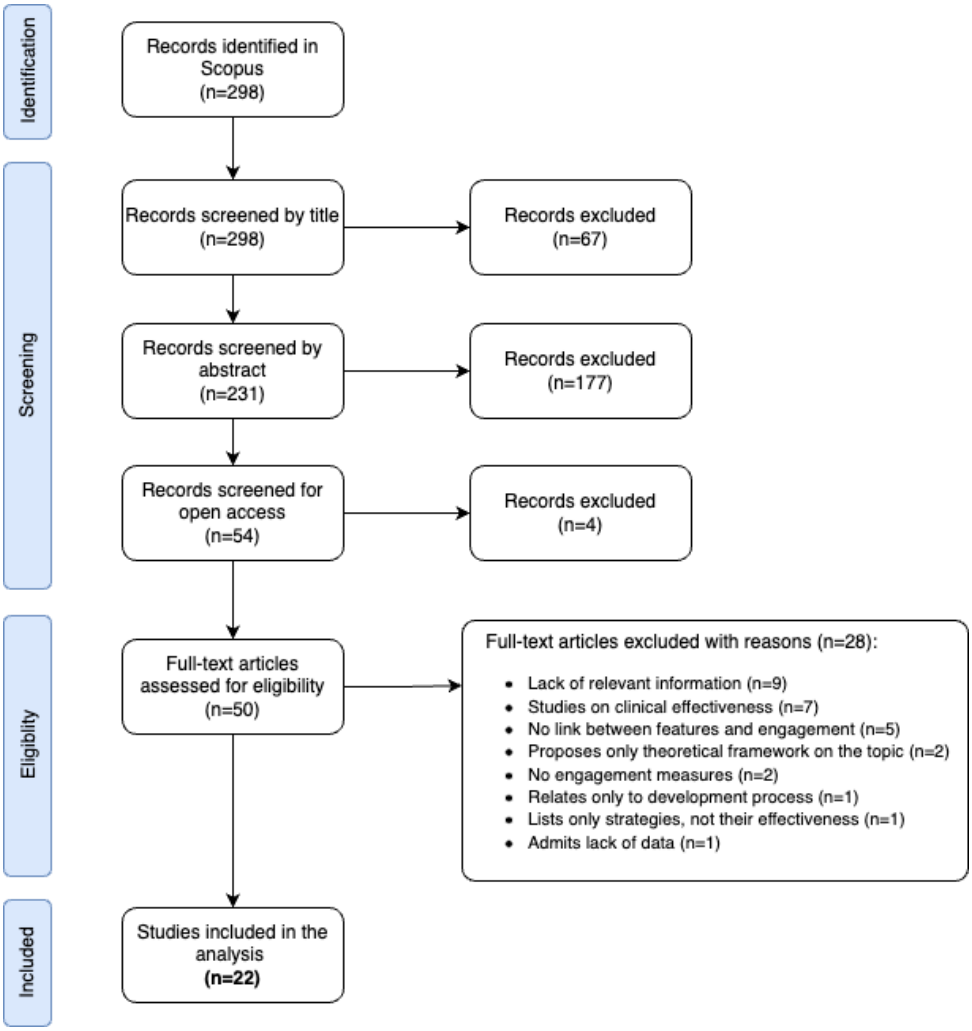

Figure 2. Flowchart illustrating the inclusion and exclusion of studies

Interaction experience

Ease of use was one of the most frequently cited factors influencing engagement, appearing in 11 of the 22 included papers. In general, it is considered that ease of use has a positive effect on engagement, while difficulty in usability deteriorates it. Research proves that better usability leads to greater improvement in treatment [Graham et al. 2021]. Studies suggest that feature convenience has a positive correlation with engagement [Zainal et al. 2024], and that clear, simple, intuitive content delivery with visual components is preferred, whereas unclear, textual content delivery decreases engagement [Schwarz et al. 2023]. Flexibility and ease of navigation are also considered positive factors [Gan et al. 2023; Saleem et al. 2021]. Even reducing the number of manual operations can increase engagement [Sheng et al. 2024]. However, if the interface is too complicated, not user-friendly, and the information is difficult to access and understand, it can negatively affect engagement [Chadwick et al. 2024]. Usability issues [Borghouts et al. 2021] and navigation difficulties [Van Kessel et al. 2024] are also viewed as negative factors. Ease of use is additionally defined as being simple enough to be usable by non-tech-savvy individuals [Xiang et al. 2024; Hasnan et al. 2022]. A good example of how usability impacts engagement is Headspace app, which improved its onboarding process by reducing the number of steps, incorporating more suitable delivery formats, and streamlining the overall flow. These changes led to a measurable increase in user engagement [Bilham 2021].

However, this attribute is vague enough and lacks specificity, often encompassing several interconnected elements that collectively shape the overall ease of use. Moreover, the identified factors do not translate into specific actionable activities. Generally, to improve ease of use, developers should focus on enhancing design, narrative, and delivery modes, where CCIs can greatly contribute. More specific factors are discussed in the following sections.

Design

Design is undoubtedly one of the primary areas where CCIs can make a significant contribution, and it plays a crucial role in driving engagement. User-friendly interfaces and visually appealing aesthetics are key factors that increase engagement [Elkefi et al. 2024; Gan et al. 2023]. Positive impacts can also result from specific interface attributes, such as large buttons and clear visual components [Xiang et al. 2024]. Even a platform's high level of realism has been found to positively influence the user experience [Ferreira-Brito et al. 2024]. The specifics of content delivery are explored in the next section.

It is also essential to consider the target audience for the DHI, as demographic factors heavily influence design preferences and an appealing design can drive

individual engagement. For example, younger audiences tend to favour clear, concise messages with a positive and personal tone, as well as interface designs that differ significantly from those preferred by older generations [Schwarz et al. 2023]. While younger users may appreciate sophisticated and visually appealing interface features, older users tend to prefer minimalist designs [Hasnan et al. 2022].

Research further highlights that poor design and unappealing aesthetics negatively affect engagement, often resulting in lower user interaction and engagement [Van Kessel et al. 2024; Gan et al. 2023].

Delivery formats

Delivery formats refer to the methods used to present content to the user. Although closely linked to overall design, this area requires its own detailed exploration. While design encompasses the broader user experience and aesthetic appeal of a DHI, delivery formats represent the specific components through which content is conveyed. Even with an appealing overall design, the choice of content delivery format can significantly influence engagement, underscoring its critical role in the process. This domain was the second most frequently discussed, appearing in 9 of the 22 papers included in this review.

Research shows that users tend to prefer a multimodal approach [Xiang et al. 2024], incorporating multimedia elements such as emojis, GIFs, and videos [Langdon et al. 2021]. Combining text with audio or video formats is also highlighted as creating a more engaging experience [Andrade et al. 2023; Borghouts et al. 2021]. Preferences include bright graphics, large colourful icons, and easily understandable content [Saleem et al. 2021], as well as data visualization [Lipschitz et al. 2023] instead of plain numerical data. Even the inclusion of images or references to famous artists and actors can drive engagement [Andrade et al. 2023].

It is also crucial to consider the demographics of the target audience and tailor the design to their specific preferences, as each generation has distinct priorities. For instance, younger users prefer interfaces with more images, symbols, videos, and enhanced or realistic visuals, avoiding excessive text or large blocks of text [Schwarz et al. 2023]. At the same time, older users highlight other parameters to focus on as they may struggle with complex menu bars, small fonts, tightly spaced buttons, blurred illustrations, similar colour shades, and low contrast [Hasnan et al. 2022].

The health condition of the target audience also plays a significant role in shaping the design of a digital health tool. Different health conditions require specific, tailored design choices and solutions. While simple adjustments, such as font size (larger fonts for older users), are common, the possibilities for customization are extensive. For example, colour blindness can be congenital or result from diseases or injuries, such as stroke, Alzheimer's, multiple sclerosis, or eye degenerative diseases.

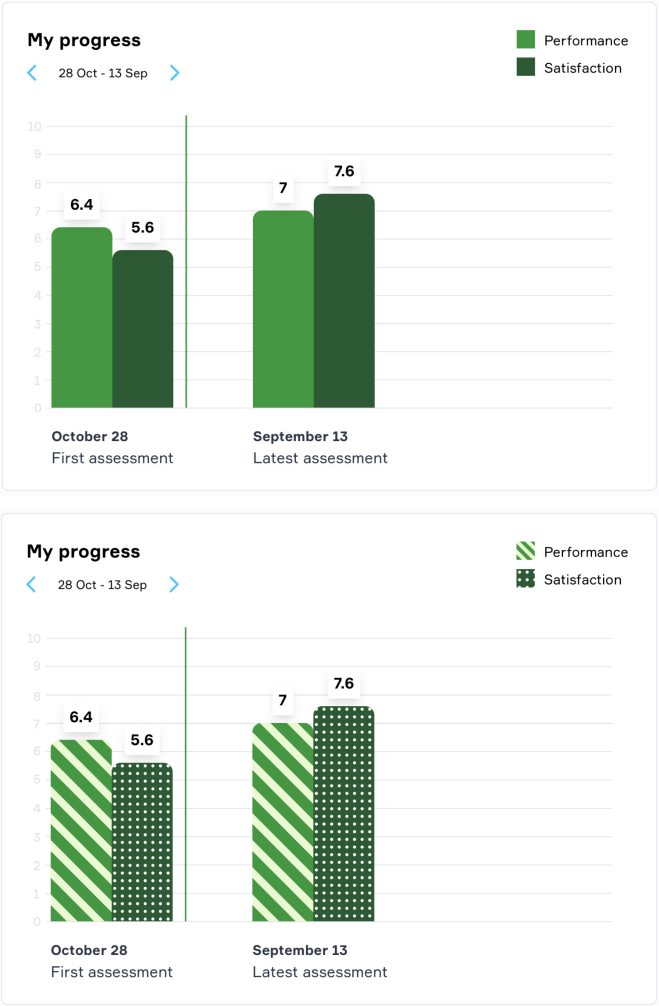

Figure 3. Vigo app screenshots. On the left: standard design of a chart. On the right: design tailored for users who have selected having colour blindness

Adjusting design elements to accommodate colour blindness is an essential step in making the tool accessible and easier to use for these individuals. Vigo app for stroke patients [Vigo Health] is a great example showing how the design of a graph can be tailored by using patterns instead of shades (see Figure 3).

Another example is ADHD, where symptoms can include having difficulties in reading comprehension [Miller et al. 2013]. Delivering content in a text-heavy format would not be an effective choice for these users. Instead, more engaging formats, such as video or a combination of audio and transcripts, should be prioritized to better capture and maintain their attention.

These examples illustrate that the choice of delivery format is not merely a matter of preference but often a necessity tailored to the specific needs of the target audience. There are accessibility standards, such as the "Web Content Accessibility Guidelines" (WCAG) [World Wide Web Consortium], but the final design for the optimal benefit may need to exceed these minimum standards.

Selecting the appropriate voice for audio formats is equally important, as research shows it can significantly influence engagement. Younger users prefer sounds that are associated with their movements or game activities, and they dislike robotic or monotonic voices and click-like noises [Schwarz et al. 2023]. Older users, however, exhibit mixed preferences regarding voice monotonicity [Hasnan et al. 2022]. Another study on meditation voice qualities found that human-like voices enhanced users' enjoyment and the relaxing effect of the exercise, compared to synthetic voices [Menhart, Cummings 2022]. This insight is particularly relevant given the rapid evolution of AI services, which offer tempting solutions for quickly generating audio. However, despite advancements, AI still has limitations, and the resulting quality can fall short of a studio recording performed by a professional voice actor. Research further supports the notion that a lack of images and audiovisual tools negatively impacts engagement [Van Kessel et al. 2024].

To summarize, selecting the appropriate delivery formats is a critical step in developing a DHI. The right choices can significantly boost engagement, but predicting the most effective approach for each situation can be challenging. Therefore, developers should begin with thorough user discovery, followed by surveys, user testing with prototypes, and A/B tests to determine the best solutions. Depending on the specifics of the DHI and its target audience, personalization options are highly valued, such as the ability to adjust the colour scheme, select font size, and customize other settings to enhance the user experience.

Narrative

The narrative is seemingly closely tied to the content which is inherently health-related and not influenced by CCIs. However, it is important to distinguish that the manner in which the content is presented significantly affects engagement. For instance, boring content has a negative impact on user engagement [Gan et al. 2023], or if the content is hard to translate into real life [O'Brien et al. 2024]. This is where CCIs can play a crucial role, as creative professionals have the power to transform a dull, monotonous text into an engaging and captivating narrative that encourages users to return.

Firstly, users tend to favour a supportive and non-judgmental tone [Borghouts et al. 2021]. Heavy and complicated language is generally disliked, particularly among younger users [Schwarz et al. 2023]. Interestingly, even the gender of the narrator

can influence outcomes. Research indicates that female conversational agents have more adherent users compared to their male counterparts, with a relatively higher proportion of long-term adherence among users engaging with female agents [Jakob et al. 2024].

A recent innovation enabled by technological advancements is the availability and use of avatars, which have been shown to positively impact engagement. Research indicates that users respond well to the content presented through animated, character-driven approaches [Xiang et al. 2024]. Younger audiences, in particular, enjoy interacting with avatars, and offering a range of character options further enhances content delivery [Schwarz et al. 2023]. However, the use of avatars requires caution. If the avatar is not convincing or appears unrealistic, users may not respond positively, and such avatars might receive mixed reactions [O'Brien et al. 2024].

Personalization is a key aspect to consider, as content should be tailored to the individual [Xiang et al. 2024; Saleem et al. 2021]. For example, a storyline featuring a young Caucasian woman may not resonate with an Afro-American senior man, which could reduce engagement. However, the wide range of technological possibilities for personalization can also be leveraged in this context. Users could have the option to select their narrator, avatar, and other parameters for their DHI. For example, allowing users to choose their age during the onboarding process can help tailor the available content to the individual. Some DHIs incorporate peer stories into their therapy programs, so these stories could be prioritized based on the user's age or a specific condition.

Gamification

Gamification is widely recognized as one of the top strategies to enhance engagement in digital tools, including health-related applications [Saleem et al. 2021]. While some researchers view it as a promising tool for engagement in the future [Amagai et al. 2022], there are mixed results, yet some studies indicate that gamification does increase engagement [Lipschitz et al. 2023]. It has been shown to improve or at least maintain optimal adherence [Tran et al. 2022]. Additionally, when implemented correctly, gamification has been proven to increase physical activity [Intawong, Puritat 2021]. However, the effectiveness of this domain also depends on the user's age: while younger generations tend to prefer gamification, this may not be the case for older generations [Hasnan et al. 2022].

The effectiveness of gamification certainly depends on its structure and narrative. Users generally enjoy earning both tangible and intangible rewards, but it is crucial to offer a variety of challenges, along with the regular addition of new ones and special events. Repetitive challenges or a lack of progression and goals

can diminish motivation and decrease engagement [Schwarz et al. 2023], and also the preferences for gamification types can differ between generations [Gan et al. 2023]. However, it is important to keep in mind the user and their condition. For instance, research in the mental health domain shows that users tend to dislike streaks [Burns, Voida 2023]. This aligns with the theory that losing a streak can induce unpleasant emotions [Kamei et al. 2018], which may enhance the negative feelings users already experience due to their mental state and therefore should be implemented with caution. As a result, gamification, in this case, could have a detrimental effect on engagement and users' mental health in general.

Limitations

The review has several limitations that should be considered when interpreting the findings. First, there was heterogeneity among the studies, some being systematic reviews and others focusing on specific DHIs. The latter may raise questions about the generalizability of findings to broader digital health contexts. Another limitation is the sample size of some studies, which may not accurately represent target populations.

The search was conducted using only one database, Scopus, which is a credible source that covers high-quality research. Nevertheless, relying on a single database may have led to the exclusion of relevant studies available elsewhere. Furthermore, the review was limited to English-language publications, meaning that relevant research in other languages may have potentially been overlooked.

It is also important to acknowledge that a significant portion of digital health research, including usability tests and engagement experiments, is conducted by developers and not published in academic literature. As a result, valuable insights remain inaccessible. Moreover, specific scientific studies on the role of CCIs in DHIs are scarce. The data gathered in this paper primarily comes from broader engagement studies rather than research explicitly focused on this intersection.

Another limitation is the potential for author bias, as this review was conducted by a single researcher. However, to mitigate this, studies with exclusion concerns were moved to the next review stage to avoid premature dismissal. The included papers were carefully examined, and in cases of uncertainty, reviewed twice to ensure accuracy and consistency.

Finally, many aspects of engagement remain underexplored. There is a limited number of studies that investigate engagement by considering the specific needs and preferences of different user groups, such as variations by age, gender, or medical condition. Addressing these gaps in future research could provide a more nuanced understanding of how CCIs influence DHIs and contribute to more effective interventions.

Conclusion

This paper expands current knowledge and provides evidence on how CCIs can contribute to increasing engagement with DHIs, thereby improving adherence and therapy outcomes. It presents the findings from 22 studies, complemented by other research, healthcare perspectives, and digital health tool examples.

The results demonstrate that a range of design features, both general and specific, can positively impact adherence. Key elements that enhance engagement include ease of use, visually appealing design, appropriate design elements, engaging delivery formats and narratives, and gamification. Conversely, poor design, complex navigation, usability challenges, inappropriate design elements, and boring content are negatively associated with engagement and should be carefully considered during DHI development.

The context is also crucial and must be carefully considered, as different health conditions may require specific design adaptations to ensure usability. For instance, standard design systems and principles may not work for visually impaired users, who would need alternative formats such as screen readers, high-contrast visuals, or simply larger fonts and buttons. Similarly, individuals with Attention-deficit/hyperactivity disorder (ADHD) may engage more in video and audio formats rather than in text-based content. Tailoring the design to meet the specific needs of users based on their health conditions is essential for increasing engagement and ensuring the tools' effectiveness.

An important feature to consider is personalization, which involves tailoring the DHI to the specific preferences of the user. While much of personalization depends on technical capabilities, CCIs play a key role in developing appropriate and engaging designs and narratives for different audiences. The review findings underscore the significant differences in preferences across age groups, and even genders, and races, highlighting the impact of creating engaging content tailored to each demographic. Compelling stories, engaging videos, personalized avatars, and captivating gamification challenges are just a few examples where CCIs make a crucial contribution to enhancing user engagement and adherence.

To summarize the results, CCIs have the potential to significantly influence engagement in both positive and negative directions. By leveraging CCIs' expertise, DHIs can be optimized to drive engagement, and consequently improve therapy outcomes and public health in general. However, the author suggests further research on the specific domains, as currently the scope and depth of the research is limited.

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HYBRIDITY, ACCOUNTABILITY, AND SOCIAL IMPACT: A STUDY OF CREATIVE SOCIAL ENTERPRISES IN LATVIA

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Abstract

This research enhances understanding of creative and social entrepreneurship by exploring the nature of creative social enterprises (CSE) in Latvia to better understand their hybrid goals, which affect their ability to account for social impact. The research employs a qualitative approach, utilizing one case study and legal document analysis, to examine the CSE from practitioners' perspectives on navigating enterprises and conducting impact assessment. Findings show that while CSEs offer innovative models for connecting creativity and social value, they encounter challenges in formalizing impact assessment due to limited resources, competing goals, and a hybrid organizational structure. The research enhances understanding of accountability in hybrid organizations and underscores the need for more tailored approaches to impact assessment.

Keywords: *creative social enterprises, cultural and creative industries, social entrepreneurship, social impact.*

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CULTURE CROSSROADS

Introduction

This research focuses on the creative social enterprise (CSE) business model by examining social enterprises (SE) in cultural and creative industries (CCI), referred to as CSE in this context. SEs in Latvia are becoming prominent in the creative industries sector. The second most popular business sector for nascent SEs is arts, entertainment, and recreation, comprising 27.8% of organizations, reflecting a strong interest in creative and cultural industries [The European Social Enterprise Monitor 2025]. This highlights an opportunity to understand the scope of activities and operational nature, as well as the challenges in justifying their actions within the specific local regulatory context. Furthermore, there is a lack of comprehensive literature describing the complexities and processes involved in impact assessment for hybrid organizations, especially for those enterprises engaged in developing the creative economy [Esposito 2021; Wells 2024].

The article aims to reveal the unique and complex nature of CSE and their accountability problem in justifying their social impact externally, which is a crucial aspect of the business model these organizations have adopted. This research examines the ambiguity and challenges faced by these organizations in their ongoing efforts to achieve various goals – creative pursuit, social mission, and economic viability. The research question is framed as follows: how do the unique characteristics of the CSE organizational structure and its operational goals shape the accountability challenge arising from the need to generate and assess social impact?

1. Theoretical framework

1.1. Multifaceted value creation in CCI

Entrepreneurship in CCI is an ongoing topic of discussion concerning artistic creativity, innovation, social impact, and financial contribution as an economic sector. Nonetheless, entrepreneurship is still concerned with the duality and tensions between creativity and money and how companies frequently navigate these competing interests [Loots 2023]. Therefore, the debate on creativity versus money concerns the discussion about the value of art and cultural products, focusing on the cultural importance of entrepreneurs' creative efforts and the financial returns their products generate.

In cultural economics, perspectives on the connection between cultural and economic value are open for several scholars. Economic value encompasses cultural value; for others, cultural value and economic value are separate, even though cultural value influences economic value, or the two values can be evaluated independently [Angelini, Castellani 2019]. To elaborate further, various theoretical works illustrate the interconnection of cultural and economic values.

Cultural economics mostly consider cultural and creative products within the framework of economic principles [Dekker 2015]. The cultural and creative products are discovered through an economic perspective, putting emphasis on consumer preferences in constituting the value. With the rise of empirical studies evaluating the contributions of creative and cultural goods to society, economic impact studies and contingent valuation methods have become widely recognized for assessing the value of these goods [Frey 2008]. Frey formulates these valuation approaches as *impact studies* and *willingness-to-pay studies,* but the underlying logic remains consistent: impact studies measure the economic effects of artistic activities, while willingness-to-pay assesses the external effects that can't be captured through market mechanisms [Frey 2008]. These approaches help to extend the idea of the value of the creative and cultural good to be justified by political authorities and gain its role in cultural policy. Nonetheless, Frey and Dekker argue that these perspectives are not sufficient to capture the potential and value of goods. They emphasize the need for a broader and more beneficial approach by building and combining the strengths of both studies and suggest that there is a difference between what is consumed and what is believed to be a value [Frey 2008; Dekker 2015]. Therefore, the valuation of cultural and creative goods needs to be re-examined by broadening the view on how to perceive cultural goods, not solely from an economic perspective.

In recent decades, there has been a notable intersection of multiple sectors, where non-profit organizations are adopting business practices. This trend has given rise to social entrepreneurship, and a new business sector referred to as the Fourth Sector [Sabeti 2009]. This sector primarily consists of organizations that seek social goals while participating in business activities, embodying key traits like social purpose and business approach. There is potential for interdisciplinary collaboration and new policy development, but social entrepreneurship presents a more complex landscape within the CCI in general. The CCI organizations that define their social goals and pursue creative practices and business thinking (CSE) as an emerging phenomenon require more profound analysis, as they serve as a junction for two seemingly disparate sectors: SE and the Creative Industries [Wells 2016]. There is an overlap between the values of both that can be expanded to consider the valuable aspects of CSE, its creative process, its activities toward social initiatives, and its context in entrepreneurship.

Social enterprises enter the market with a novel approach to conducting business, which places them under complex tensions as they adapt to predetermined market conditions while competing with commercial enterprises [McQuilten 2020]. SEs have the potential to redirect the business field and commerce sectors. More importantly, they provide an opportunity to explore CSE and their value formation

and goal balancing by blending the social enterprise and creative industries sectors, impacting them through unique business models and strategies they employ.

1.2. Conceptual foundation of creative social enterprise

The definition of CSE in this research mainly relies on the theoretical foundation of CSE established by Jaleesa Renee Wells. She extensively explores the idea of the enterprise as a two-sector blend of social entrepreneurship and creative industries while using a hybridity perspective to define the organizational structure of these enterprises [Wells 2019].

The distinctiveness of SEs lies in their dual nature, where social and economic goals are intertwined. For CSE, the dual role of the SEs creates a threefold nature where social and economic goals are accompanied by a creative objective. Wells proposes an initial definition of CSE as "organizations concerned with the valuable effects of enterprise intentions on creative and social activities" [Wells 2016: 4]. The priority of CSE is to carry out artistic and creative projects that benefit the social community and tackle social challenges whilst pursuing their business intentions, which corresponds with the duality element faced by hybrid organizations. Similarly, Wells highlights these organizations as those that exist between organizational structures, serving their communities (charities, nonprofits, etc.) and those that focus on a fiscal bottom line (for profits). [Wells 2019: 57]. The coexistence of different organizational logics is another aspect of CSE that makes it difficult to maintain one particular business model.

The hybridity perspective captures enterprises' organizational structure and management processes. The SE research has a strong emphasis on how social and economic values work together to support the social, environmental, and financial goals as hybrid organizations [Doherty, Haugh, Lyon 2014]. SEs, as hybrid organizations, do not possess traditional institutional forms; therefore, it is challenging to determine their business logic and associate them with one organizational form. For them, social value creation happens through market-based methods and innovative manners are applied to ensure the sustainability of the organization [Saebi et al. 2019]. Similarly, for CSE, the combination of social and financial elements requires adapting unique organizational forms and management. Additionally, there is a strong emphasis on positively impacting beneficiaries' lives.

The hybridity perspective proposed by Wells offers a more specific definition of value than previous literature, identifying three values: creative, social, and enterprise. These values are essential for maintaining the hybrid nature of CSE and the organizational structure from the perspective of organizational practitioners, as well as how they experience and interact with these values [Wells 2019]. Wells views these values as unevenly distributed and interconnected. Creative value serves

as the foundation for the existence of the hybrid organization, and social and enterprise values are employed within this creative field to sustain the organization's activities on the individual and community levels, additionally also serving as a chance for experimenting with organizational structure and hybrid form [Wells 2019].

Due to CSE's operational scale and diverse activity planning, it requires various goal balancing, which often leads to conflicts. While pursuing artistic and creative intentions, CSEs also need to achieve economic goals to sustain their business and commercial practices. The core of these enterprises emphasizes the challenge of maintaining creative pursuit, social engagement, and economic growth [Wells 2016]. As SEs, these organizations must possess both intrinsic and external motivation to fulfil their social missions and contribute to societal changes. Therefore, the previously mentioned aspects are essential to consider within the hybridity of CSEs, and achieving these goals leads to the generation of the aforementioned values.

The proposed conceptual outlook on CSE captures the nature and complexity of these organizations, further depicting the problems of accountability and impact assessment that can enhance the emphasis on and evaluation of the unique attributes of CSE. Therefore, combining the creative goods valuation problem and hybrid organizational notions uncovers the possibility of a more substantial framework for assessing the impact while acknowledging the heterogeneity of CSE.

1.3. Accountability and social impact assessment in creative social enterprise

Organizational accountability is primarily linked to the policies and government structures that shape the SE field. There is a significant gap in researching the role of SEs in fostering social well-being in a broader context; the focus remains narrowly confined to evaluating their economic performance [Mcquilten 2020].

14.8% of the SEs in Latvia lack technical knowledge of impact assessment tools and frameworks, which hinders their successful implementation of social impact assessment management and impact management systems [The European Social Enterprise Monitor 2025: 34]. This underscores the need for support and investment in social impact assessment and management to enhance the capabilities of SEs in their planning and assessment practices for external stakeholders at a macro level. This also involves knowledge transfer and capacity building.

The accountability issue is related to the impact assessment process, which reveals how it contributes not only to measuring value but also to creating value. The pragmatic approach to impact assessment illustrates the wider landscape of the complexity of impact assessment rather than just striving for standardization and specific metric development by shifting the focus from social value metrics

to the social valuation process [Barinaga 2023]. The topic of SE assessment and accountability has been focused on defining the values to measure and finding the most suitable approaches to assess them. However, the noteworthy problem is that "most studies conceive value as external to the evaluation process, observable, and independent of the assessment, more or less static and measurable" [Barinaga 2023: 2]. It is necessary to redirect the focus from the *performance of evaluation* to the perspective of *valuating as performative* as the actual process and implemented assessment practices to understand how the value is created [Barinaga 2023]. In this perspective, value becomes dynamic and is created and shaped by the assessment process because the assessment influences the value itself. This perspective could enhance CSEs' accountability discourse by offering insights into the impact assessment process. It not only seeks the most suitable approach to justify its actions using specific metrics but also acknowledges the value generated within the assessment itself and engages with it.

There is an argument that the social impact of cultural and creative goods is immeasurable, and intangible outcomes such as community strengthening or the growth of professional artists cannot be captured by a standardized approach [Ebrahim 2014]. Since CSE is a hybrid venture that creates non-monetary value while pursuing financial goals for its sustainability and operational activities, its impact assessment approach should also be hybrid. Organizations need to utilize a combination of various social impact assessment methods, as relying on a single standardized approach cannot fully capture the total impact an organization creates [Pedro 2021]. Therefore, the accountability problem should be viewed from the perspective of value creation and assessment within the organization, shifting the focus from the status quo of impact assessment to a rethinking of practices that revolve around impact assessment and the capturing and construction of value.

2. Research design and methodology

A qualitative research design is used for the collection and analysis of primary data in the empirical part of the research. As this research explores perspectives on managing the enterprise, reflects on the social impact assessment process and approaches, a qualitative design is necessary to capture the subject within the study and examine the context in which the studied phenomenon exists [Neergaard, Ulhøi 2007]. The qualitative approach enables a comprehensive understanding of the complexities of the primary research problem. Additionally, in the SE research, a qualitative approach is most often used through case study methods that involve interviewing key participants, specifically entrepreneur-managers, to explore the entrepreneurial orientation of SEs along with the goals and missions pursued [Ridder 2017].

To shed light on the context and institutional environment for CSEs in Latvia, content analysis is employed to review political and legal documents from the main stakeholders in the social entrepreneurship field in Latvia. This involves examining legislation related to the definition, status, support, and expert interview from the field to enrich the discussion on the development of social entrepreneurship and the potential contributions of CSEs to SE in Latvia.

The case study method is employed to gather perspectives, viewpoints, and experiences on navigating CSE, thoughts on its multi-goal nature, and their impact on the planning and assessment approach. While this approach provides valuable insights into CSE experiences and institutional context, its limited empirical scope restricts generalizability, as empirical results are collected from a single in-depth interview with a CSE practitioner. The organization in the interview has chosen to remain anonymous; therefore, in this article, the views and perceptions of the experience will be described from a *CSE practitioner's* viewpoint.

Choosing the case study method is beneficial for generating knowledge in areas where theory is lacking and where cases can provide insights into the phenomenon of interest [Ridder 2017]. In this research, where there is a limited scientific discussion on the development of CSE in relation to their specific business model approach and objectives, the analysis of a case study could shed light on the intricacies of this topic by examining the lived experience of an entrepreneur and contributing to theoretical development.

The CSE analysis provides insight into the specific operational nature of CCI enterprises that have freely chosen to also be legally recognized as SE. The case study was selected based on its field of activity, the social mission statement, and organizational goals based on the theoretical outline of CSE. To identify SEs, the register of SEs in Latvia was used, which is updated by the Ministry of Welfare. This register is publicly accessible and includes all registered organizations that hold SE status according to the Social Enterprise Law. The latest registry, updated with data as of 28 February 2025, contains 242 enterprises [Labklājības ministrija 2025]. The classification of enterprises within the CCI is based on their type of economic activity in the Statistical Classification of Economic Activities (NACE) 2nd revision.[1] Moreover, the approved methodology of the EU research and innovation support program Horizon Europe project "IN SITU: place-based innovation of cultural and creative industries in non-urban areas" applies NACE classification with set categories of CCI such as Creative industries (21 code classes), Cultural industries (23 code classes) and Crafts (58 code classes) [Collins, Murtagh 2018]. Although

[1] In the context of this research, the NACE Rev. 2 classification (valid until 31 December 2024) was used during the selection of case studies. In 2025, the NACE Rev. 2.1 is in effect.

this classification has the advantage of encompassing a wide range of organizations in the CCI by their economic activity, it is inadequate for the specific focus of this research, which necessitates defining enterprises not only by their field of activity but also by their organizational goals.

CSE organizational characteristics are described as hybrids that encompass multiple goals. Therefore, the aspects of the CSE, particularly their aspirations for creative, social, and economic goals, are considered in selecting the case study. This framework is applied in selecting the case study by examining whether the enterprise has defined its activities to ensure cultural diversity and implement actions that create a lasting positive social impact. This information is formalized in the regulations of the enterprise according to the Social Enterprise Law. Based on the criteria of determining CSE for a case study, only 7 CSE can be found on the SE registry. Given the narrow scope of the CSE field, this particular case study could provide valuable insights, as there are not many enterprises in Latvia that can be classified as CSE within social entrepreneurship.

3. Research results and discussion

The empirical part of the research begins with an overview of the SE situation in Latvia, analysing the legal framework and reports on sector development from institutional stakeholders. This is followed by a case study that explores practitioners' perspectives on narratives and complexities involved in operating the CSE.

The results of the empirical part are organized into four topics:

1) Overview of social entrepreneurship in Latvia;
2) The perceptions and experiences of CSE practitioner navigating CSE;
3) Experienced multi-goal nature of CSE;
4) The perceived social impact assessment in CSE, revealing the role of social impact planning and assessment at the organizational level.

3.1. Overview of social entrepreneurship in Latvia

An overview of social entrepreneurship development in Latvia includes an analysis of the legal framework and regulatory environment that impacts these enterprises. The institutional perspective provides a theoretical lens for examining how political rhetoric and institutions shape the social entrepreneurship context [Ferreira et al. 2023]. Applying this perspective to political document analysis, it is possible to emphasize dominating narratives in social entrepreneurship discourse in Latvia, its definition, and its operational purpose.

The SE is defined in Social Enterprise Law, section 2 "Concept of a Social Enterprise", and under this law, a SE can engage in various activities, including work integration, providing services to socially excluded groups, or initiatives designed

to benefit society as a whole, generating a positive long-term social impact [Social Enterprise Law, Section 2, 2018]. However, there is a trend in social entrepreneurship toward providing services to target groups defined by the enterprise or to groups at risk of social exclusion. In 2021, 54% of registered SEs operated within these areas of activity [Labklājības ministrija 2022]. Although the focus of the SEs is shifting more toward education and the arts and entertainment sectors, the importance of social welfare remains significant within SEs [The European Social Enterprise Monitor 2025]. The particular emphasis on work integration social enterprises (WISEs) is common not only in Latvia but also on the wider European level. In many countries, employment for individuals who cannot be fully integrated into the labour market – a target group that includes a significant portion of SEs – is a crucial criterion for legally qualifying as an SE [Dupain et al. 2022]. Additionally, society's attitude toward social entrepreneurship is strongly related to the assumption that the primary purpose of the SEs is work integration [Ūlande, Līcīte 2018]. This indicates the need to improve communication about social entrepreneurship practices from institutional stakeholders and to enhance cross-sector cooperation in enriching the understanding of the social economy on a wider scale.

Regarding social impact assessment, SEs must submit activity reports as tools for accountability to justify their actions related to their social mission and to be formally responsible for contributing to impact generation. However, according to the Social Enterprise Law, SEs that have defined their social mission of creating long-lasting positive impacts are constrained by the requirement to demonstrate their impact within a specific time frame (one year) and framework [Labklājības ministrija 2024]. These activity reports allow analysis of only one level of impact: mission-related. This impact refers to the effects directly aligned with an organization's mission statement and captures the effectiveness. The other level, assessing public good impact, is more complex, as it requires accounting for all intended or unintended positive or negative changes occurring at a broader societal level, often outside the organization's control [Liket, Rey-Garcia, Maas 2014]. It requires organizations to be adaptable in their impact assessment process and reporting forms to comply with specific stakeholder requirements.

Additionally, the rhetoric of impact assessment, sector growth, and innovations toward societal issue resolution relates to the work integration and inclusion of socially vulnerable groups. Consequently, this is linked to social entrepreneurship overseen by the Ministry of Welfare, which focuses on integration issues. Moreover, Regita Zeiļa, head of SEAL, emphasizes the need for more focus on SEs in the creative industries within policy planning, but the underrepresentation of these enterprises is shifting the focus towards the WISEs:

> *We (SEAL) are also very interested in trying to find ways to have a more meaningful discussion about the impact discourse and that cultural industry organizations are just as or even more important in generating impact. In fact, it is an opportunity for cultural organizations and creative industry organizations to change public opinion, raise awareness about various issues, and create some kind of change in the long term.* (Regita Zeiļa, SEAL)

Furthermore, there is a need for enhanced support mechanisms to facilitate not just the assessment of social impact, but also the associated planning and management processes for social entrepreneurs.

The legal framework and regulatory environment for social entrepreneurship place strong emphasis on WISEs and support for work integration. Enhancing political recognition and support mechanisms for SEs in the CCI sector would significantly promote social entrepreneurship in this area. Furthermore, social impact accountability underscores the necessity for capacity building at both enterprise and sector levels. This transformation is essential to alter the perception that social impact assessment serves merely as a tool for maintaining status.

3.2. The perceptions and experiences of CSE practitioner navigating CSE

The CSE covers various operational activities, including enhancing the local community, developing a local cultural space, ensuring cultural diversity and education through different activities, and promoting local farm products along with ecologically conscious production. The organization's multiple goals are examined by analysing the frictions and challenges involved in sustaining creative practices alongside social mission and economic activities. Although it is legally defined as SE, its actions and commitment go beyond the specified social mission, demonstrating distinct perspectives on social impact.

The first topic outlines the operational specifics and activity directions to illustrate how the CSE functions to better understand social impact assessment and management, the establishment of multiple goals, and attitudes toward accountability. The respondent reveals that the purpose and existence of the CSE are closely related to the field in which the practitioner is passionate and professionally connected throughout their lives. The practitioner describes a strong sense of mission in their work, striving for positive change in the local community and ensuring cultural diversity through multidisciplinary projects. Activities are mostly project-based and dependent on stakeholder involvement, especially in attracting financial support, requiring flexibility and adaptation in shaping and diversifying their activities. The organization is open to local community involvement and

participation as well, and through their operations, they are building a community or networks that foster new collaborations and initiatives.

The practitioners' experience illustrates the constant need for commitment and adaptation in navigating the economic and artistic tensions of the CSE. Additionally, one essential aspect of the SE business model is not only providing goods and services within the market but also generating enough financial capital to sustain the organization and create social value [Portales 2019]. Moreover, in producing cultural goods and services, CSE seeks authenticity and distinctiveness in shaping its identity, values, and contributions to society. There is a constant learning and experimentation process and reflexivity to gain key focus areas and reconsider the business activities they want to prioritize.

> *Because of the intensity, different formats, because of the environment itself, it requires adaptation and exploration in general and experimentation, to understand what it is we do and how to do it better, and therefore in this area too, we are establishing clearer guidelines, but precisely through experiments.* (CSE practitioner)

The dynamic nature of CSE and the different institutional logics affecting the organization from outside forces it to balance its needs while complying with the set vision. There is a strong presence of balancing self-sufficiency and a mix of different business activities. This thought continues in response to the question of envisioning the future and long-term goals of the organization for the next 5 to 10 years, where the practitioner suggests adopting a more strategic approach, given that the cultural place is still in its nascent stage. The organization needs to establish clearer organizational and business priorities.

Discussing the viewpoints on obtaining the SE status and its importance for the organization, it can be noted that the status provides an opportunity for attracting additional funding that is aimed at supporting such organizations. The organization acknowledges that acquiring SE status establishes them as contributors to society and adds value, legally legitimizes their efforts in generating social change, and distinguishes them from commercial businesses.

> *For example, when applying for different projects, referring to the fact that we are a social enterprise is much more valuable than being an LLC that would be commercially driven. Because that is often easy to misunderstand, and therefore, this serves as proof of our social mission – what we do, our status. It gives us greater legitimacy.* (CSE practitioner)

The perspectives on navigating the CSE illustrate the complexity of legitimizing the enterprises not only for others but also for the CSE. While SE status enhances

the sense of mission, it also brings complexities in managing various activities and the organization, underscoring the necessity for an internal evaluation of work priorities and strategies.

3.3.Experienced multi-goal nature of CSE

The theoretical literature emphasizes the multigoal nature of CSE, where creative, social, and economic perspectives must be balanced and accounted for as an essential attribute of these organizations. However, the practitioners' perceptions and attitudes towards the expected goal-achieving remain largely unexplored. Exploring how the organization values performance in creative, social, and economic aspects is essential. It is important to determine whether the organization pursues all these goals equally or prioritizes one over the others and to acknowledge their significance in entrepreneurial growth. Although this analysis considers the subjective perception of CSE practitioner, the attitude towards the three goals showcases the first impression of what is valued and what the organization moves towards from one point of view.

The organization aims to achieve its artistic aspirations and promote cultural diversity through various activities. However, the key element in pursuing these activities is maintaining business logic and ensuring economic viability. In the case of the particular CSE, all three goals are simultaneous and mutually supportive of the organization's viability and sustainability. Their source of profit comes from providing a marketplace for producers, but as this place also has a social function and its concept is embedded in the social dimension to ensure the cultural life for the local community and others, the creative goal for sustaining cultural diversity is very important. It ensures the authenticity and uniqueness of the place.

> *It has always been important for us to combine these three dimensions, and we have learned how to grow in these directions. We have our team members who work simultaneously in all these spheres. I think that's why these dimensions coexist so successfully.* (CSE practitioner)

Working in social and creative dimensions contributes to the development of entrepreneurship; they strive to fulfil these dimensions to become self-sustaining. This sustainability is ensured by stakeholder involvement, who aim to contribute to the development of the place by co-creating cultural activities and initiatives connected to the space. However, achieving creative and social goals often conflicts with economic objectives, as maintaining CSE activities requires financing and profitability. Consequently, there is an ongoing struggle in the cultural and creative sector, where pursuing a creative goal constantly necessitates seeking financial support.

In this context, it is up to the CSE team and practitioners to acquire essential skills in project application writing and to continually seek opportunities for financial allocation. Although SE status opens up possibilities for attracting funds, CSEs focus on securing financing for their creative and artistic endeavours while establishing strong cooperation with government institutions for additional financial resource acquisition.

3.4. The perceived social impact assessment in CSE, revealing the role of social impact planning and assessment at the organizational level

As the research object is the CSE and holds the legal status of SE, its mandatory task involves social impact assessment and accountability for achieving its social mission. As discussed through the theoretical framework, social impact and its assessment are multifaceted and comprehensive elements. Additionally, social impact assessment serves as an accountability tool for governmental monitoring. It is essential to explore practitioners' perspectives on what social impact is and how it is realized for the CSE, as well as how they manage to capture it.

The overall discussion on social impact assessment primarily relates to the expressed challenge of how to understand and practically implement the process. The practitioner suggests that they do not consistently utilize any social impact assessment planning or measurement methods, including specific methodologies that are unfamiliar but seen as potentially useful if they had more time and resources to explore these methods. CSE practitioners have adopted a qualitative approach to assessing their impact, primarily utilizing surveys, interviews, and focus groups to gather qualitative data and insights from relevant stakeholders regarding the immediate outcomes of their activities.

The assessment of long-term changes is a challenge for the organization, and there is no specific strategic planning involved in it. The OECD report on policies for social entrepreneurship highlights the need to acknowledge SEs that are operating with intangible outcomes [Noya 2015: 15,16]. To promote financial support for these enterprises, impact measurement could emphasize interim goals (informed outputs) while also considering the long-term objective. Therefore, for strategic purposes and the organization's growth, assessing interim goals would enhance accountability by focusing on the changes made through implemented activities that contribute to overall progress over the long term. However, the CSE views social impact as fulfilling their mission, demonstrating this with their socially oriented activities, rather than by ensuring formal impact assessment practices. The formal method of communicating their impact assessment consists of mandatory activity reports submitted to the Ministry of Welfare.

Another issue a CSE practitioner mentions is the conflict between stakeholders and their perceptions of the changes the organization implements. The practitioner recognizes the necessity for a more effective method of formal accounting for their social change, while also overlooking the advantages of formal documentation for internal purposes, viewing the social impact assessment primarily as a means to meet funders' requirements.

> *And it was actually the fact that it (impact) might not be visible from the outside, and we haven't successfully shown it yet. We are simply an organization where all this already happens; we don't need it for ourselves, we don't make such reports, but most often, such institutions need them to get funding.* (CSE practitioner)

This illustrates the ambiguity around social impact assessment and tensions of social account validity between stakeholders such as funders operating from self-interest and entrepreneurs having unique information about their daily experiences [Molecke, Pinske 2017]. Considering the project-based nature of CSE and the constant need to attract funds from different stakeholders, the friction between viewpoints on impact assessment is relevant and has to be considered on the organization's strategic level, where social impact management could be beneficial in reducing the tensions.

Another issue is that the neglect of impact assessment may be linked to CSE's competing multi-goal nature. Tensions between different goals often relate to allocating human resources and current priorities [McQuilten 2015]. In the case of CSE, the lack of resources for formally reporting their impact could be seen as related to their goal and task prioritization.

Although the CSE does not follow formal impact assessment practices, it has a different perspective on the changes it makes. For the organization, social impact lies at the core of their endeavours – activities, projects, and products integrated into their life and work throughout the years, with active engagement in every aspect.

> *We are there always; we don't have strategic plans for measuring social impact because we are there; we see it and experience it. I record the responses, and because of it, it happens intuitively. Further decisions and improvements are also made based on their (visitors) direct experiences, for example, at events.* (CSE practitioner)

Social impact is measured intuitively by participating in activities, observing outcomes, and deciding on future actions and improvements. The entrepreneurs assess the environment they create and the engagement of their target audience and relevant stakeholders, often on social media. They are already engaging in impact

assessment practices to some extent, even if they do not formally recognize or label them as such.

CSE employs a unique approach to its impact assessment management, revealing the opportunity to explore more informal practices that such organizations might utilize and to initiate a discussion on how formal impact assessment approaches and perspectives could be aligned with the needs of these organizations.

Conclusion

The research illuminated the unique characteristics of the CSE regarding their organizational structure and operational goals, in relation to the accountability challenge of generating and assessing social impact as part of the business models these enterprises employ. Drawing from the theoretical and empirical aspects, this research illustrates the complex nature of CSE, its operational dynamics, accountability challenges, and perspectives on navigating the hybrid nature of enterprises. The theoretical framework discusses the rise of CSE by evaluating the unique value creation and multifaceted goal achievement issues involved in balancing creative and monetary needs and goals. The CSE must balance three goals in conducting its business: creative pursuit, social mission, and economic viability. The challenge of balancing these goals leads to an exploration of the accountability aspect of enterprises in justifying their value to the outside world. This presents an opportunity to develop a more suitable impact assessment framework, considering that these organizations are not familiar with assessment instruments and methodologies. It highlights tensions from competing goals influencing priorities and resources for social impact assessment, as well as intangible outcomes that formal assessments often cannot assess.

The empirical part illustrating the perspectives of practitioners reveals the experience and challenges of navigating the CSE toward multi-goal achievement. The unique challenge for these organizations is also to achieve creative goals, which are the main drivers for organizations' activities seeking distinctiveness and authenticity. The CSEs have their own practices and approaches to impact assessment, which are heavily based on stakeholders' perspectives and experiences. Organizations experience and capture changes through active engagement and being present with their target audience. Formal accounting for social impact stays at the activity report level, which is a mandatory task for these organizations and serves as a policy tool to track the accountability of SEs.

Although this research focuses on CCI organizations that are SEs *de jure*, the results and insights gained from both the theoretical and empirical components can aid in analysing and understanding CCI organizations that have not obtained the legal status of SE but operate *de facto* in compliance with the principles of social

entrepreneurship. This can foster the growth of CSE, contributing to both the CCI and social entrepreneurship fields.

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