

EUROPEAN AGENDA
FOR CULTURE

WORK PLAN FOR CULTURE
2015-2018

JANUARY 2018



THE ROLE OF PUBLIC POLICIES IN DEVELOPING **ENTREPRENEURIAL** AND **INNOVATION POTENTIAL** OF THE **CULTURAL AND CREATIVE SECTORS**

REPORT OF THE OMC (OPEN METHOD OF COORDINATION)
WORKING GROUP OF MEMBER STATES' EXPERTS



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The image features a hand holding two pencils, positioned over a hand-drawn sketch of a globe. The background is a teal color with faint, handwritten notes and diagrams. The text 'A VISION STATEMENT' is centered in white, bold, uppercase letters. The background text includes 'b6c change', 'Kurban Capital', and 'Prosit for the will'.

A VISION STATEMENT

Diagram technology shows that with transfer
of capital, business and the global economy
become more integrated

bbc change = digital economy



Market Capital

Low energy
Low energy
Low energy

Profit for the oil
firm



Business like
Energy and
Capital

Power
Market

it's getting more
difficult to find
oil - Saudi

Who is best?

Who is best?

NEW PERSPECTIVES FOR INNOVATIVE POLICIES FOR CULTURAL AND CREATIVE SECTORS – A VISION STATEMENT

The innovative power of the cultural and creative sectors is essential for the further development of European economies and societies, because it:

- generates well-being and cohesion;
- shapes the public space used by millions of Europeans;
- modernises industries and business sectors with new creative input and methods;
- provides meaning and a feeling of belonging;
- upgrades urban and rural areas;
- designs our products and services;
- produces and digitises content;
- enriches our visual experiences;
- provides content for debates.

Solutions for an inclusive and innovative society – a new vision for society

The cultural and creative sectors (CCS) perform well in terms of growth, jobs and crisis resilience. They are also a driver for innovation. It is therefore worth investing more in these sectors when building the future of Europe. In addition to their economic importance, the cultural and creative sectors have an additional asset: the potential to generate positive change, in and for society, by strengthening people's well-being. The European innovation policy framework needs to reflect further on the social and well-being aspects of the cultural and creative sectors as they are able to provide innovative solutions for problems in our societies. These solutions can be realised if people are willing to use the sectors' creative tools and methods.

- » The post-2020 EU Creative Europe programme should continue to finance cultural and creative projects while further boosting social innovation and international knowledge transfer.
- » EU support programmes (e.g. structural, investment, innovation, research, etc.) should further take into account the social and inclusive innovation¹ potential of the cultural and creative sectors and provide related research frameworks.
- » National, regional and local governance levels should enable discussion, as well as build support programmes and appropriate frameworks to measure the social benefit and well-being generated by the cultural and creative sectors.

The value of the small – a new vision for economic policy

In Europe, most companies in the cultural and creative sectors, as well as in other sectors, are micro-companies, with a significant number being self-employed workers. Although small in terms of company size, holistically, the cultural and creative sectors in Europe are as big as the German car industry. It is therefore crucial to find new business models and innovative ways to create new value for the companies themselves and their customers. The cultural and creative sectors contribute substantially towards creating intangible value for themselves and for other business sectors.

¹ **inclusive innovation** is the means by which new goods and services are developed for and/or by those who have been excluded from the development mainstream.

This quality should be better recognised and thus be fully reflected in all financial and non-financial support programmes. The focus of such programmes needs to be shifted to small and medium-sized enterprises (SMEs) and micro-companies and the value they create in the European economy. Innovation is needed in how support is offered to the cultural and creative sectors, so that all CCS target groups can participate in and have access to financial and non-financial support programmes.

- » The post-2020 EU Creative Europe programme should therefore include a new strand for using the innovative power of the cultural and creative industries, including innovation in managing support programmes.
- » EU support programmes (e.g. structural, investment, innovation, research, etc.) should systematically take into account the micro-structure of cultural and creative sector companies and the intangible value they create for the European economy, so that they can make use of the programmes. An integrated support programme framework should be created.
- » National, regional and local governance levels should create integrated ecosystems for the CCS to enable access to support structures and support programmes using a 'one-stop-shop' approach. The entrepreneurship and innovation support ecosystems should include combining measures for the CCS and other business sectors.

A culture of debate and experimentation – a new vision for dialogue and co-creation

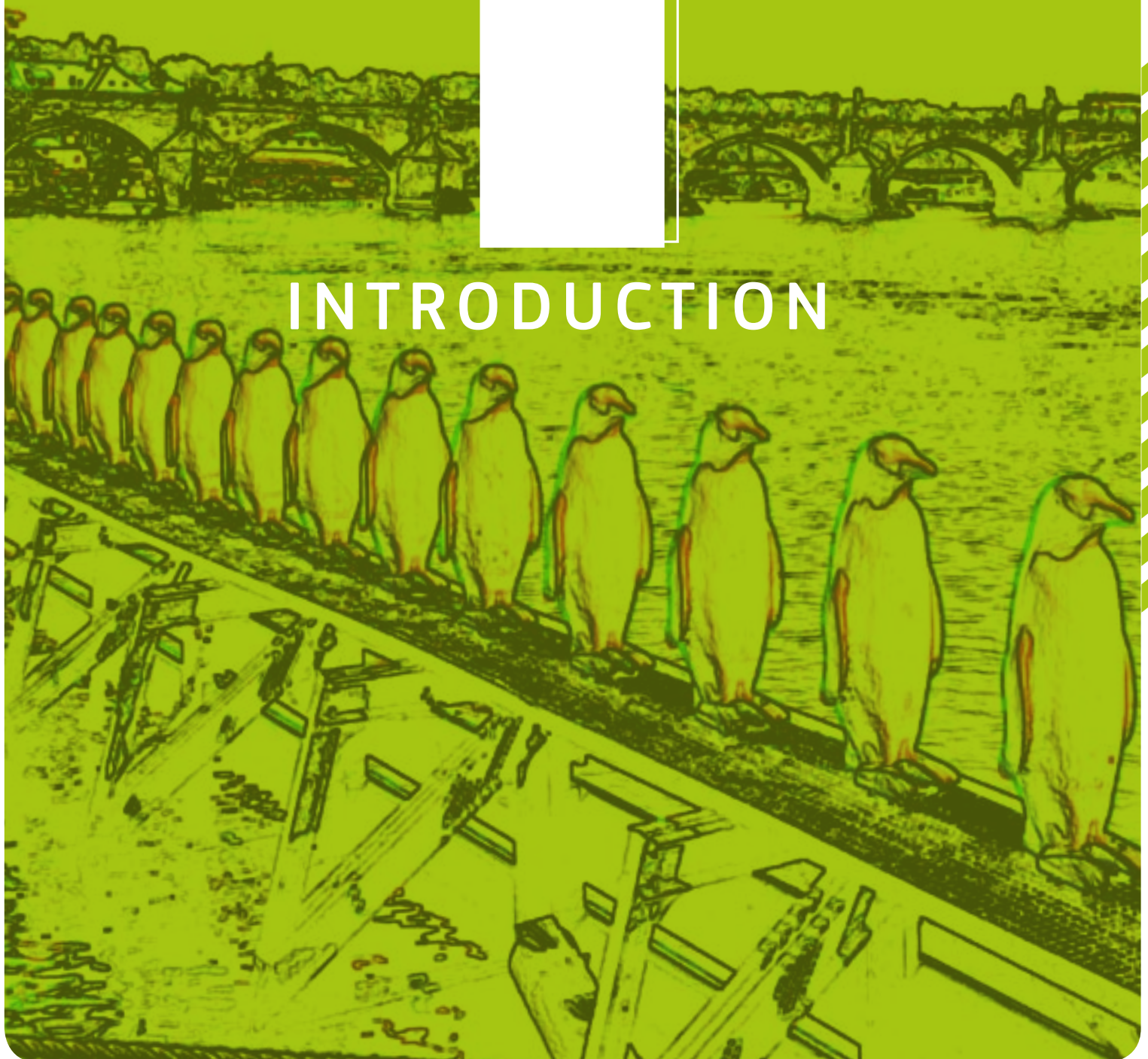
The main challenges of the 21st century are and will be largely cultural in nature as human values and rights are being questioned, democracy is endangered (including in the digital world), and people and organisations are looking for new direction. This situation requires exchanges and dialogue with and among as many citizens as possible, as well as innovative input from the cultural and creative sectors. These sectors provide space in which social dialogue can flourish, but they can also easily be hijacked to serve particular interest groups. A safe space for debate is required at all levels (supranational, national, regional and local), combined with cross-cutting cultural and creative sector policies to promote discussion.

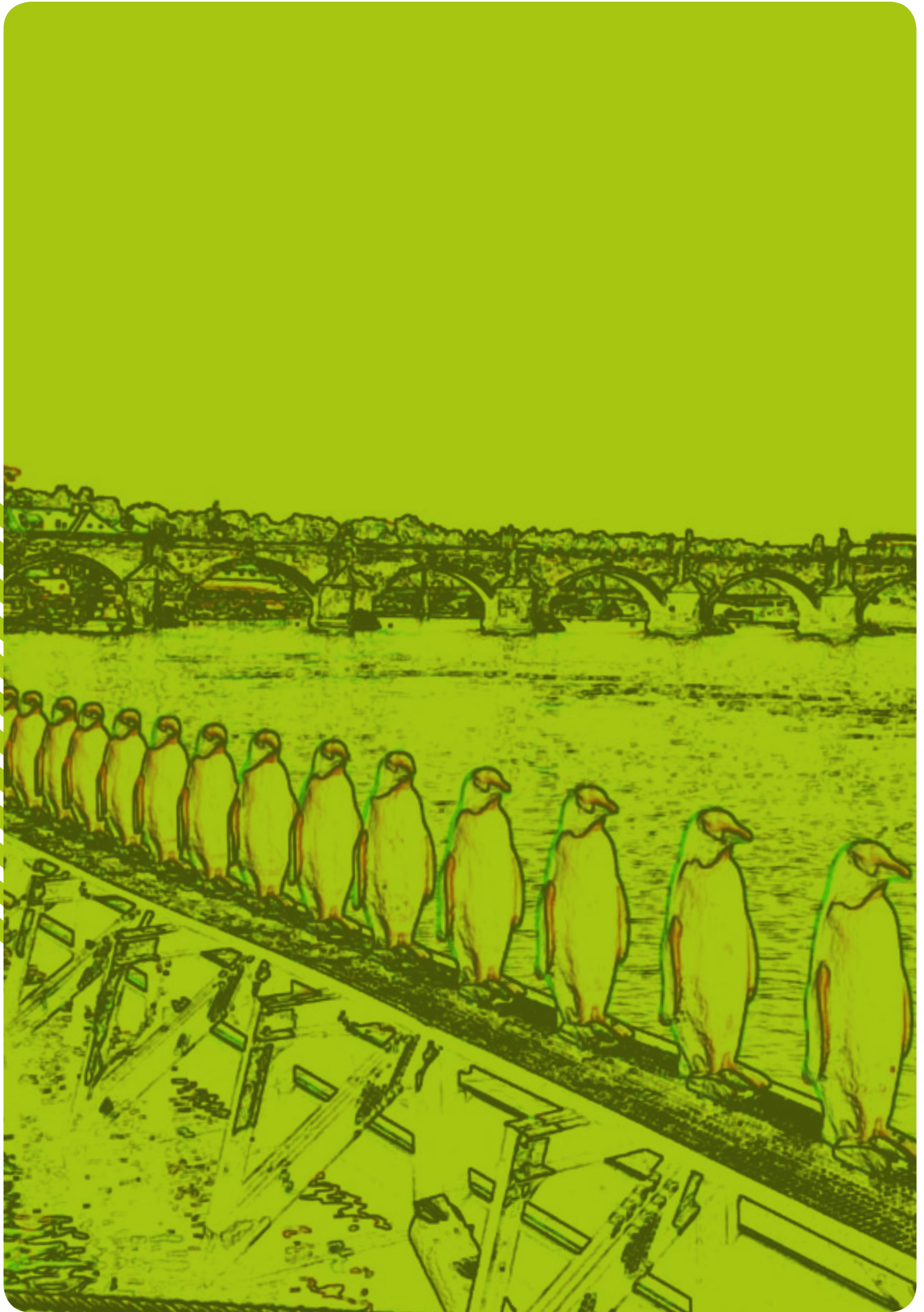
- » A post-2020 EU-Creative Europe programme should therefore be innovative in scope and outreach. It should include an additional strand for debate about universal human values and cultural exchange, philosophical discussions and also practical experimentation.
- » Such an initiative requires the full involvement of as many citizens and stakeholders as possible, of all ages and backgrounds. EU support programmes (e.g. structural, investment, innovation, research, etc.) should be co-created jointly with stakeholders and provide appropriate settings for experimentation and failure.
- » National, regional and local authorities should jointly design support programmes with stakeholders and users. In this way, they can address concrete needs that can be tackled through the innovative power of the cultural and creative sectors wherever appropriate.

This innovative policy approach will require further budgetary investment at all levels of government in order for these visions to become reality.

1

INTRODUCTION





1

INTRODUCTION

'If culture is not present in our commerce, commerce becomes our culture'²

The cultural and creative sectors have an important role to play in the continuous transition of our societies, and are at the heart of the creative economy. Knowledge-intensive and based on individual creativity and talent, they generate considerable economic wealth and form European identity, culture and values. They show above-average growth and create jobs – particularly for young people – while strengthening social cohesion. They are at the forefront of innovation and are also at the origin of spillovers to other sectors, as well as to society at large. With the emergence of more and more complex and intertwined value chains and business models, the cultural and creative sectors are increasingly becoming a decisive component in the value chain of almost every product and service.

The cultural and creative sectors are innovative and flexible enough to adapt to changing circumstances and lead the way for other branches of industry concerning new business models, changing the ways of doing management and communication (e.g. design thinking, storytelling). They also lead the way for society through, for example, social innovation and creative ways of working. Policy-makers are increasingly acknowledging and supporting the cultural and creative sectors. In addition to their intrinsic value, the sectors can be regarded as providers of:

- innovative and creative solutions for a large variety of societal challenges;
- contributing to employment and inclusion;
- boosting innovation in other business sectors;
- breathing new life into areas in decline or giving new impetus to urban planning and rural areas.

In today's collaborative world, the cross-sectoral approach with which the cultural and creative sectors operate is needed to tackle challenges and maximise on opportunities. In this respect, public authorities at all levels of government can learn from these sectors and from each other on how to best adapt and maximise the entrepreneurial and innovation potential of the CCS in Europe.

There are different global megatrends that affect the development of cultural and creative sectors. Digitalisation has already changed the value chains in some CCS subsectors (for example in the music industry). Digital technologies are more than a 'contextual factor'; they are often an 'enabling factor', or even a radical step in the context of the new industrial revolution, changing the way culture and CCS products and services are produced and accessed, and how knowledge is transferred.

There are other megatrends that have an impact on, or offer new possibilities to, entrepreneurship and innovation in the cultural and creative sectors. These include the sharing economy, new technologies (virtual reality, real-time data, smart home technology. etc.), changes in working life, and climate change.

²
Voices of Culture, 2016.

It is important to take into account the changing ‘value chain’ perspective when considering cultural and creative sectors and megatrends, especially in the new digital context. CCS value chains should be better grasped and appreciated for their real contribution to the economy and society at large.

EU policy context

The cross-cutting features of the culture and creativity sectors as (i) contributors to smart, inclusive and sustainable growth and (ii) catalysts for innovation in a wider economy have been recognised in different **EU policy documents**:

- the European Commission Green Paper on unlocking the potential of cultural and creative industries (2010);
- the Communication *Promoting cultural and creative sectors for growth and jobs in the EU* (2012);
- the European Parliament Resolution on promoting the European cultural and creative sectors as sources of economic growth and jobs (2013);
- the Communication *Towards an integrated approach to cultural heritage for Europe* (2014);
- the Digital Single Market Strategy (2015);
- the European Parliament Resolution on a coherent EU policy for cultural and creative industries (2016).

Innovation, entrepreneurship and the cultural and creative sectors are cross-cutting topics, as mentioned in the 2015 Council conclusions on *Cultural and creative crossovers to stimulate innovation, economic sustainability and social inclusion*. This is also reflected in different **EU policy initiatives and funding programmes**, such as:

- the EU innovation union within the Europe 2020 strategy;
- EU industrial policy actions, such as the EU Start-up and Scale-up initiative;
- the 2017 Commission communication *Investing in a smart, innovative and sustainable Industry: A renewed EU Industrial Policy Strategy*;
- the EU regional smart specialisation strategies and platform;
- EU cultural policy and the Creative Europe programme.

Other relevant EU-funding programmes supporting innovation and entrepreneurship are Horizon 2020, COSME (including Erasmus for young entrepreneurs), Start-up Europe, Erasmus+ and some of the EU Structural and Investment Funds (ESIFs), specifically the European Social Fund (ESF) and the European Regional Development Fund (ERDF).

Furthermore, the importance of cultural and creative sectors concerning innovation and entrepreneurship is also mentioned in:

- the 2016 communication on an EU strategy for international cultural relations;
- the 2017 Reflection Paper on harnessing globalisation;
- a report by the H2020 Expert Group on cultural heritage, which also mentions innovative business models for urban and rural landscapes and buildings.

In this context, the role played by European Capitals of Culture should be mentioned, as the cultural and creative sectors are an important driver for creativity and innovation for many cities and municipalities. Policy projects also play an important role in prototyping new and innovative solutions, such as:

- Culture for Cities and Regions;
- the European Network of Creative hubs;
- the CCS guarantee facility;
- Cultural and Creative Spaces and Cities, funded under the cross-sectoral strand of the Creative Europe programme.

The topic of CCS innovation and entrepreneurship has also been discussed with **civil society** representatives through the Voices of Culture structured dialogue between the European Commission and the cultural sector in 2016, which issued recommendations on developing the entrepreneurial and innovation potential of the cultural and creative sectors³.

The 2018 **European Year of Cultural Heritage** promotes cultural heritage as a source of inspiration and innovation. It also highlights the potential for cross-fertilisation and stronger interaction between the cultural heritage sector and other cultural and creative sectors. This group has also examined issues relating to creative spaces and the urban and rural dimension, often related to the new use or reuse of industrial (or other) heritage sites.

³ <http://www.goethe.de/mmo/priv/15247190-STANDARD.pdf>



Aim and focus of this report

As specified in the **Work Plan for Culture for 2015-2018**, one of the four priority areas concerns the cultural and creative sectors, in particular the creative economy and innovation. The work plan anticipates the establishment of cross-sectoral Open Method of Coordination (OMC) expert groups. The group focusing on access to finance for the cultural and creative sectors delivered a good practice report⁴ in November 2015, which also inspired the work of this group. Therefore, this report deliberately focuses primarily on non-financial support measures.

The **aim** of this OMC Group was to discuss the role of public policies in developing the entrepreneurial and innovation potential of the cultural and creative sectors, by identifying innovative measures to promote entrepreneurship and new business models. To do so, experts taking part in the working group mapped existing policies and programmes that promote innovation and create conditions for developing creative ecosystems in their respective countries. They also identified good practices in business and innovation support measures for cultural and creative entrepreneurs.

Concerning the **focus** of the group, there was a consensus that entrepreneurship and business models should be considered in a wider sense, including not only profit-making organisations, but also not-for-profit cultural organisations and self-employed individuals in the cultural and creative sectors. Business models should be seen in a broader context of value creation, which also includes the effects of cultural and creative sectors on other sectors and on society's well-being. The OMC group decided to follow an ecosystem approach⁵, while describing entrepreneurship at different stages of the creative value chains. The group also paid particular attention to young creative entrepreneurs, start-ups and creative hubs. The group work looked at the role of public policies in supporting entrepreneurship and business cooperation that promotes innovation, as well as at governance models at different levels (EU, national, regional and local). The group also followed an inclusive approach, paying due attention to the social, economic, cultural and environmental value of CCS entrepreneurship. Finally, the group discussed challenges related to supporting innovation, as well as obstacles to the development of cultural and creative sectors and lessons learnt.

This report presents the results of lively debates and discussions, convened by the European Commission in 2016, among the EU Member States' experts appointed to the OMC group on the topic of the role public policies play in developing the entrepreneurial and innovation potential of the cultural and creative sectors. It provides a collection of good practice for advancing further policy learning and development and recommendations to public authorities.

The second chapter of the report describes the context and definitions concerning entrepreneurship and innovation in the cultural and creative sectors. The report includes an executive summary, which presents the topic of innovation and entrepreneurship in the cultural and creative sectors for the target groups of the report.

4 <https://publications.europa.eu/en/publication-detail/-/publication/f433d9df-deaf-11e5-8fea-01aa75ed71a1/language-en/format-PDF/source-31403779>

5 Identifying the complete cycle of an undertaking operating in the creative and cultural sectors, and highlighting the different needs at different stages.



Target groups of this report

These are primarily:

- policy-makers at European, national, regional and local level, as well as the cultural and creative sectors;
- entrepreneurs and start-ups active in different fields;
- creative hubs;
- academics;
- others interested in innovation and entrepreneurship aspects of the cultural and creative sectors.

The report's content and recommendations should provide decision-makers, public policy-makers and entrepreneurs with guidance for priority actions, fresh ideas and inspiring examples.

The OMC group's composition and working methods

The OMC group worked in a cross-sectoral way and brought together a mix of experts in the field of **culture** as well as in the field of **economic/business development**. The OMC group consisted of representatives from **26 EU Member States⁶ and Norway**. The group met six times between March 2016 and September 2017.

To move away from tradition, this OMC group selected meeting **venues** that were more conducive to innovation and creativity in different countries (Belgium, Cyprus, Sweden). This helped the group in their discussions, and they benefitted directly from case studies and study visits organised by the hosts. These study visits were positive in bringing the group members closer together when exchanging views in a concrete and practical way.

In addition to presentations and discussions in plenary, it was decided to use the **'world café format'**, splitting members into four sub-groups rotating around discussion tables for in-depth conversations on particular themes.

Before the beginning of the OMC process, a background paper by the European Expert Network on Culture and Audiovisual (EENCA) was provided by the European Commission to help the group with its work⁷. Guest speakers on specific topics were invited from different fields, including the creative industries, support organisations and researchers, and from the European Commission's Directorates-General for Education and Culture (EAC), Internal Market, Industry, Entrepreneurship and SMEs (GROW), and Research and Innovation (RTD). The group also invited a representative of the Voices of Culture structured dialogue with the European Commission to present and discuss their brainstorming paper⁸ on innovation and entrepreneurship in the cultural and creative sectors.

6
The following EU-MS participated in the OMC group: Austria, Belgium, Cyprus, Czech Republic, Germany, Denmark, Spain, Estonia, Finland, France, Greece, Croatia, Hungary, Ireland, Italy, Luxembourg, Latvia, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden, plus Norway.

7
The role of public policies in developing entrepreneurship and innovation potential of the cultural and creative sectors, EENCA, https://cultureactioneurope.org/files/2016/07/VoC-Cultural-and-Creative-Sectors-Executive_Working-Document_2016.07.11.pdf

8
<http://www.voicesofculture.eu/developing-entrepreneurial-innovation-potential-of-ccs/>

A brainstorming session took place on 25 and 26 February 2016 in Berlin, and a dialogue meeting with the European Commission took place on 26 April 2016 in Brussels.

The OMC group was co-chaired by Kirsi Kaunisharju (Counsellor for Cultural Affairs, Ministry of Education and Culture, Finland) and Sylvia Amann (consulting expert, Inforelais, Austria).

The group expresses its gratitude to the drafting team including the linguistic revision⁹, all experts from the Member States, the European Commission and the participants from the cultural and creative sectors, academia and civil society for their valuable contributions. Special thanks go to the fantastic hosts of our meetings in Malmö, Leuven, Brussels and Helsinki who enabled study visits and facilitated some hands-on and very inspiring discussions, as well as the Ministry of Education and Culture of Cyprus and the European Capital of Culture Paphos 2017. Very special thanks to Barbara Stacher at the European Commission for good support and help.

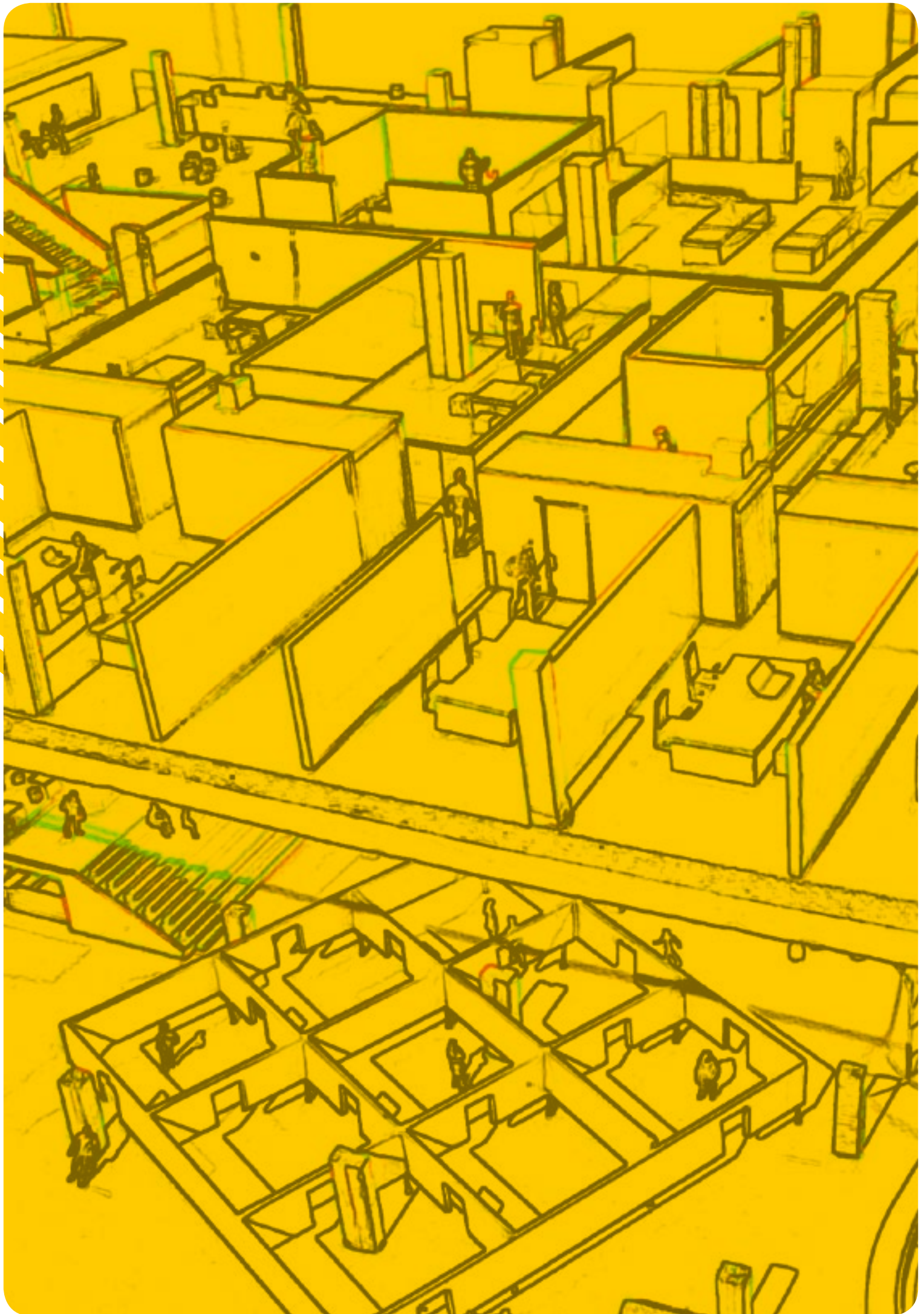
With our report, we aim to provide an innovative contribution to the current discussions about innovation and entrepreneurship in the cultural and creative sectors, in particular how the public sector can support them, as well as recommendations for the way forward. We also hope that the examples provided will have an inspiring effect and will help to build an innovative, creative and inclusive environment for the cultural and creative sectors.

⁹ The drafting team consisted of Sylvia Amann, Kirsi Kaunisharju, Rita De Graeve, Petra Tarjanne, Cristina Farinha, Monika Tsiliberti, Anu-Maaja Pallok, Julia Köhn, Klas Rabe and Barbara Stacher. The linguistic revision was carried out by Frances Catherine Cassar Farrugia and Caldon Mercieca.





DEFINITIONS AND CONTEXT



2

DEFINITIONS AND CONTEXT

2.1 Definitions

In the following section, we would like to give the definitions of the main concepts used in the discussions of this OMC group.

Cultural and creative sectors

The cultural and creative **sectors** are defined in EU Regulation No 1295/2013 on the Creative Europe Programme as follows:

'All sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management. The cultural and creative sectors include inter alia architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts.'

The definition in the Creative Europe Regulation is based upon Eurostat's work as part of European Statistical System (ESS)-net Culture¹⁰ and its work in further coordinating the harmonisation of statistics on the cultural and creative sectors¹¹.

The term 'cultural and creative **industries**', on the other hand, has a wider definition, focusing more on the further stages of the value chain (see below), including the production/dissemination stages of industrial and manufacturing operations (for example, fashion textile products and jewellery).

Entrepreneurship

According to the definition given by the Oxford Dictionary, an entrepreneur is 'a person who sets up a business or businesses, taking on financial risks in the hope of profit'¹². An entrepreneur can be seen also as a legal entity, sole proprietor, or any other person engaged in economic or professional activities in any stage of value chain.

In the context of cultural and creative sectors, a model that also contributes to societal well-being is often inherent, which means that (along with receiving an income) the objectives include increasing cultural diversity, improving the living environment, etc. Significant motivators for operating are frequently non-monetary factors such as the importance of independence and self-realisation. The greater

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https://ec.europa.eu/eurostat/cros/content/essnet-generalities_en

11

<http://ec.europa.eu/eurostat/web/culture>

12

Interestingly, the Oxford Dictionary draws the root from the early 19th century, from 'denoting the director of a musical institution' (the word comes from French, from *entreprendre*, to undertake) and refers to an entrepreneur as 'a promoter in the entertainment industry'.

environmental consciousness of companies in the cultural and creative sectors as compared to other companies has also been observed.

The group agreed that entrepreneurship and business models are to be considered in a wider sense as new organisational models, including not only profit-making organisations, but also sustainable not-for-profit cultural organisations and self-employed individuals in the cultural and creative sectors. Business models are to be seen in a broader context of value creation, which also includes the cultural and creative sectors' effects on other sectors and on the well-being of society.

The group described entrepreneurship at different stages of the creative value chains with the ultimate task of looking at how public policies support cooperation between entrepreneurship and innovation and governance models at different levels: EU, national, regional and local. The group also followed an inclusive approach, paying due attention to the social, economic, cultural and environmental value of entrepreneurship in the cultural and creative sectors.

The level of entrepreneurship and its nature vary widely between Member States. As a result, the reasons for low enthusiasm for an entrepreneurial career are diverse. In countries with high unemployment rates, particularly for young people, the decision to become 'self-employed' or an 'entrepreneur' is not always a primary choice or one made out of freewill. Creators often also live under precarious conditions. The group also briefly discussed this issue.

Innovation

General definition by the EU Innovation Union:

Innovation can be defined by two elements. The first introduces the aspect of novelty: innovation is a new idea in relation to something that is established. This idea must find its way from theory to practice. As such innovation does not only relate to technical or scientific novelties, but may also pertain to processes and organisational change across sectors. The second contains a teleological criterion: a technical novelty or a new approach can only be regarded as innovative if it brings economic and societal benefits. Against this backdrop, an innovation is to be understood as a process through which the novelty has to win social recognition and acceptance over time.

European Expert Network on Culture and Audiovisual (EENCA):

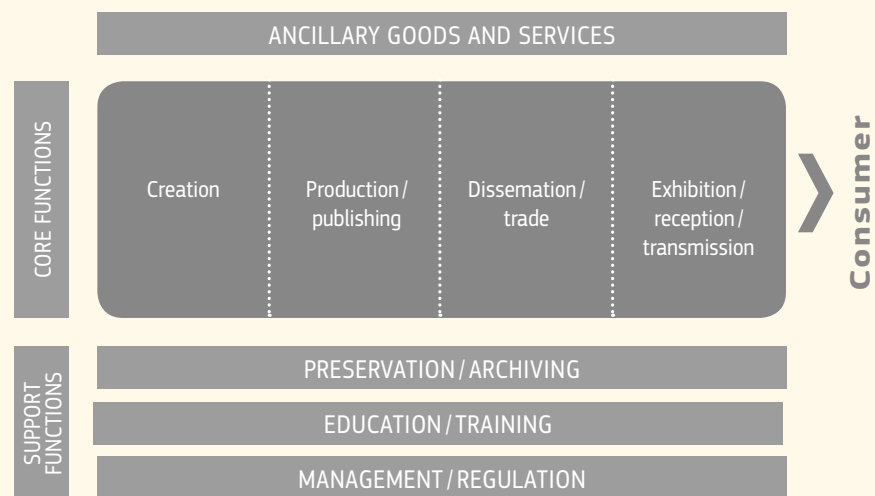
Specifically for cultural and creative sectors, one can observe a phenomenon of innovation for innovation's sake. Just like one incentive from the artists' point of view is the so-called 'art for art's sake' (Caves, 2000, p. 4). Some innovators innovate because they want to avoid routine or to fulfil some taste for novelty or they think some innovation is appropriate to express something new. This motivation for innovation is arguably specific to cultural and creative sectors, in relation to the importance of creativity in the artistic process. Besides, digital technologies play a crucial role as a contextual factor fostering innovation in the cultural and creative sectors: most if not all innovations rely on such technologies, from improvements in the definition of audio and video formats to crowdfunding.





Creative value chains

Creative value chains consist of an initial creative idea, which is usually combined with other inputs to produce a cultural work, which then moves through a series of interlinked stages before it reaches the final consumer. Within one value chain analysis, all relevant activities and actors that play a role in creating, producing, disseminating, exhibiting and preserving the creative product or service (as well as other functions such as education/training, and management/regulation) should be taken into account, as well as the interrelation between the actors. Recently the European Commission carried out such an analysis in the study *Mapping the creative value chains: A study on the economy of culture in the digital age*¹³, published in May 2017.

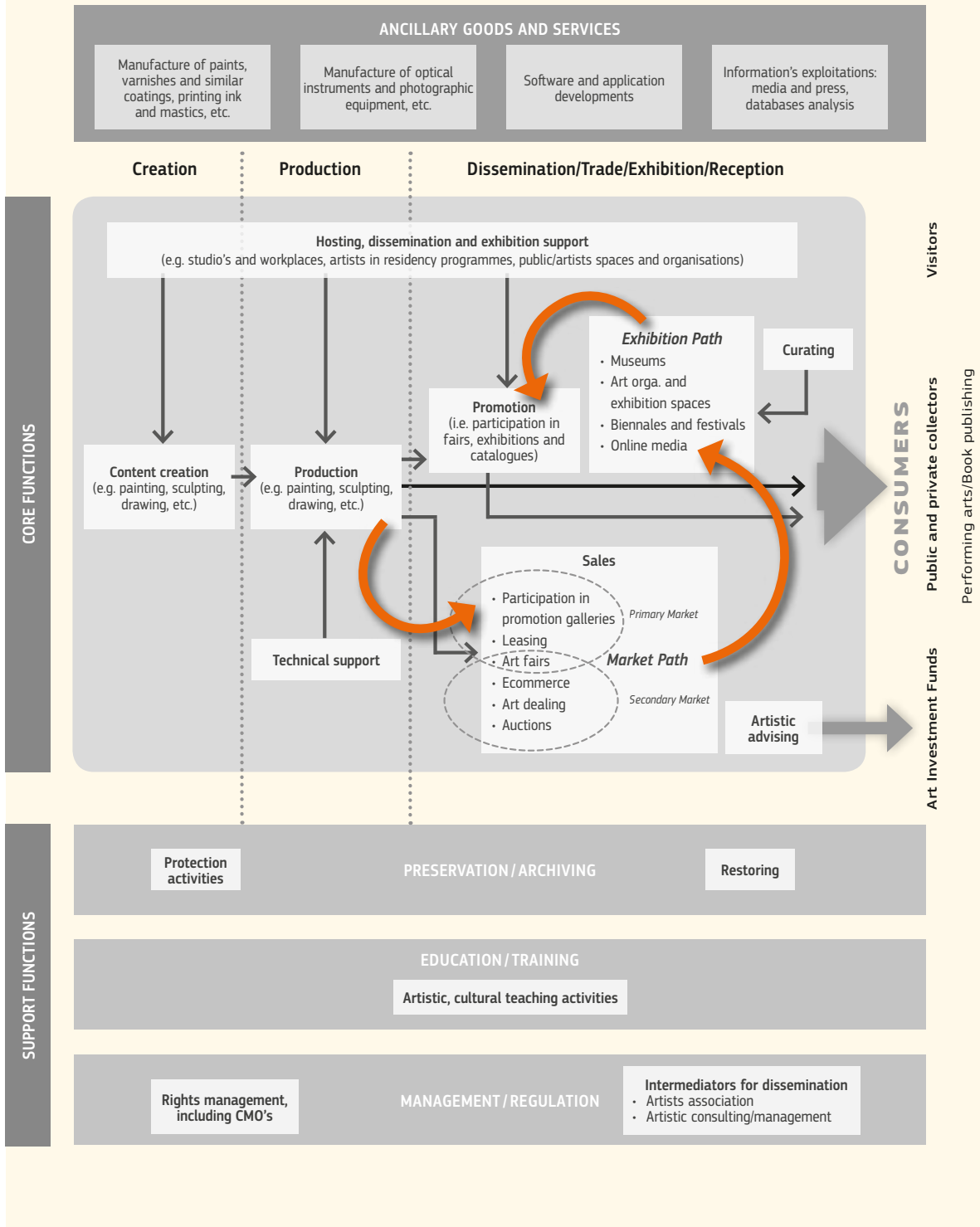


In the context of this report, the value chain angle of cultural and creative sectors is important to highlight: these sectors play an important role, which is often not appropriately reflected in terms of the creator's income and reputation. This is particularly the case as cultural, creative and innovative input occurs at the beginning of the value chain (i.e. at the conception and creation stage), but is often not appropriately reflected in the economic value-added in the stages following creation, in particular in production and dissemination. This leads to problems with value gaps/income.

13

<https://publications.europa.eu/en/publication-detail/-/publication/4737f41d-45ac-11e7-aea8-01aa75ed71a1/language-en>

Example of a value chain mapping: visual arts value chain¹⁴



14 Ibid., from the study *'Mapping the creative value chains: A study on the economy of culture in the digital age'*, see link of the previous footnote. (Clarification of abbreviations used in the picture: Art.orga = art organisations, CMOs = Collective Management Organisations.)

2.2 Context – The life cycle in the cultural and creative sectors

The life cycle in the cultural and creative sectors relates very much to the careers of professionals in these sectors. Their careers and socio-economic position are vulnerable, yet at the same time they show the direction in which the future labour market is developing. The right innovation and entrepreneurship support incentives can push CCS careers forward and give inspiration to the traditional economy on how to deal with future labour market challenges within Europe.

Support for entrepreneurship and innovation in the cultural and creative sectors should relate to the careers of professionals in these sectors. It should focus on all stages of the life cycle, and not only on the start-up phase, which is one of the most supported phases in a European context. Lifelong focus on both entrepreneurship and innovation can strengthen the entire cultural and creative sectors' life cycle.

Professional careers in the cultural and creative sectors

Many professionals in these sectors combine several jobs to make a living. As careers in these sectors are often project-based, the professional moves from one project to another in an ongoing flow that sometimes stops because of a lack of new opportunities. During these pauses, the professional has to seek different opportunities and take on an additional job. When they are lucky, they can have a combination of cultural/creative jobs but this is not always the case, therefore they work in both the creative and the traditional economy.

As stable jobs are still the norm in the traditional economy, CCS professionals symbolise the future labour market. Social systems very often overlook these difficult and vulnerable circumstances. Careers in the cultural and creative sectors are not linear as in the traditional economy and this impacts the traditional life cycle. CCS careers are constantly moving forward and backwards, which implies that the CCS professionals should be very conscious about the choices they make.

Professionals in these sectors are mainly organised as self-employed or as micro-companies and SMEs. Within these groups, big companies are a minority but they do exist, e.g. in the publishing, audiovisual sector and game industry. The bigger companies tend to be more growth-oriented but many of them, e.g. large media and publishing companies, have been struggling during the past 10 years with digitalisation, changes to the media environment and other global challenges. One key feature of companies in the cultural and creative sectors is often intangible capital, usually the expertise of the owner(s) and the people working in the company.

The CCS life cycle

In the traditional economy, the life cycle of traditional businesses is mostly described as a fluent passing of several stages. These stages or phases are called (i) the seed stage, (ii) start-up stage, (iii) growth stage, (iv) expansion stage, (v) established stage, (vi) maturity stage and (vii) exit stage¹⁵. Some models identify five stages instead of seven. In this case, the growth and expansion stages are considered as one, as are the established and maturity stages¹⁶.

The analysis of the traditional life cycle stages cannot be generalised for all actors within the cultural and creative sectors' ecosystem because many individuals are self-employed. Some of their careers are shorter¹⁷ because of physical limitations at a certain age but some careers may last longer as they are not affected by age and can continue beyond retirement age.

A constant threat during the life cycle is bankruptcy. At that point, some have to redirect their professional activity and start over again developing a different career. They return to the beginning of the life cycle before having even reached the point perceived as the highest stage in the traditional economy. On the other hand, careers in the cultural and creative sectors may happen by chance and often beyond rational planning. Sometimes a steep career path (e.g. in music) shows that initial stages are skipped and professionals in these sectors reach the highest stage within a very short period of time. This all has severe implications on the cultural and creative sectors' life cycle.

Another major difference with the traditional economy is that the focus on economic growth or economic added value is not always a goal on its own for CCS professionals. The main focus of the business is often on the cultural or creative core and not so much on economic growth or economic added value. There is value for the user – although in the cultural and creative sectors the terms participant, audience or public are preferred, especially in not-for-profit ones, rather than clients in the market. There may be market failures because the people the added value is directed at are not always able or willing to pay a fair price. This also impacts the cultural and creative sectors' life cycle.

The above-mentioned specific characteristics of careers in the cultural and creative sectors have to be taken into account when reading the description of the different stages in the CCS life cycle.

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<http://www.justintimemanagement.com/en/The-7-stages-of-business-life-cycle>

In other models, less stages or cycles are identified.

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No matter which model is used, the traditional typology can be used to identify the stages of the CCS life cycle but other models are more suitable for cultural and creative sector careers. This is definitely the case for the typology by Giep Hagoort, who distinguishes the idea stage, the structure stage, the strategy stage and the festival stage in a language that better suits professional careers in the cultural and creative sectors. Traditional typologies have a dominant economic focus whereas the alternative models (cf. Giep Hagoort) focus more on organisational and strategy matters. The OMC report will make a combination of both terminologies to give more depth to the specific DNA in the cultural and creative sectors.

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E.g. professional dancers whose careers very often end at the age of 35 and have to restart in a different career.

Stages within the CCS life cycle

- **Seed/idea stage**

The seed or idea stage is the period during which the CCS professional develops an idea that he/she wants to turn into goods or a service. Very often this stage already starts during school, meaning that the successful implementation of this idea depends on the sector being presented as interesting, and how schools and universities provide the necessary assistance to foster entrepreneurial and innovative skills. This stage is characterised by enthusiastic entrepreneurship behaviour.

Though, as long as there is no proven market or customers/public, the student and/or entrepreneurs will have to rely on budgets provided by the 3Fs¹⁸. Other potential sources include suppliers, customers, government grants and banks.

When starting a company in a cultural and creative sector, at the seed stage it will have to overcome the challenge of market acceptance and pursue a niche opportunity. At this stage the focus is on matching the business opportunity with entrepreneurial skills, experience and passion. Other focal points include deciding on a business ownership structure, finding professional advisors and business planning.

During this phase, it is crucial to develop entrepreneurial skills and to experiment. Success in this stage following education depends on how helpful the educational programmes on entrepreneurship and innovation were at school/university. If helpful, the young professional will be in a better position to identify suitable intermediary public or private organisations to assist him/her in completing his or her business plan, and to have a better understanding of the financial means needed for marketing the CCS product or service.

If the educational system did not provide the necessary focus on entrepreneurship and innovation, the young professional will have to find his/her own way in an often very complicated environment of public and private players and a multitude of good ideas in a rapidly moving market. In any case the young professional will have to be a visionary and a flexible entrepreneur with skills to dynamically adapt the business model to market changes. The right support schemes can provide information on market research, business plan design, coaching and consulting on the right financial products, without it being a guarantee for success, as CCS investments in particular remain highly unpredictable in terms of rates of return. Risk taking and a passion for the cause thus remain the main assets of an entrepreneur in the cultural and creative sectors, particularly at this stage.

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"The three Fs are friends, family and fools - the people to talk to first when pitching an idea" -

Source <http://lexicon.ft.com/Term?term=3-Fs>

- **Start-up/structure stage**

After the seed or idea stage, the professional in the cultural and creative sectors has established his/her product or service, found his/her clients (e.g. participants or audience) and a workflow has been planned. A mission and vision are developed but the need for a strategic approach is, although perhaps identified, not yet put into action.

Not all activity is organised in a business/organisation and many professionals still work on a self-employed basis; some of them establish a business at this stage. However some will choose to work for a not-for-profit organisation, while others will always remain self-employed.

When the CCS professional decides to start a business, it can become a legal body, offering a variety of products or services. If the business is in the start-up life cycle stage, the professional is likely to have overestimated the cash flow and to have been too optimistic about the marketing opportunities. Access to finance is often a problem. Traditional suppliers of loans and/or capital are reluctant to take risks because they are inexperienced at understanding the value added of cultural and creative products and services. Consequently, the necessary funding is usually raised by the CCS professional and some immediate supporters (like family members or fans). However, public support, e.g. grants or financial instruments offered by public investors, can help these start-ups. Although less probable, it is possible that fast growing start-ups attract venture capitalists (e.g. in technology) but this is a minority of cases as venture capitalists focus on fast-growing business.

Knowledge of the ecosystem and the place the professional has within it is crucial within this phase. Active and intensive one-to-one coaching and consulting are needed on both innovative and entrepreneurial aspects, but such coaching is often expensive, as it has to be done mainly by niche specialists. Public support schemes targeting this type of coaching and consulting would be an asset. Support can consist of an active matchmaking programme between the cultural/creative professional and the niche specialists and/or a grant scheme to (partially) cover consultancy costs. Without support, this type of advice is simply too expensive.



- **Growth stage**

In this stage, the CCS professionals can still be self-employed and choose to remain so on a permanent basis because it provides the necessary freedom and autonomy to reach their goals. Others choose business structures or not-for-profit organisations, yet in both cases the daily activities have to be organised in a more formal way, a bigger audience/market is needed and activities are planned to reach that goal.

However, as mentioned above, growth is not to be narrowed down to mere financial growth but has to include in-depth cultural/creative growth. This process of maturity does not necessarily correspond with sales growth.

Innovation support is often organised by grants or project-based support for non-industrial or technological R&D.

Access to finance remains a constant concern for the CCS professional (please see the OMC report on Access to finance for cultural and creative sectors¹⁹). Suitable instruments are of great help in this period. The CCS subsector determines whether the financial need has to be either situated within the field of micro-credits or rather in the field of debt financing or venture capital. Public schemes with a wide range of financial products including guarantee schemes for both commercial and non-commercial company are crucial in this phase.

Additionally, in this phase it is crucial to have a clear view of the strengths and weaknesses of the company itself and knowledge to tackle challenges and opportunities. CCS professionals need to stay ahead of the competition, including in non-commercial niches where the public/audience has to be convinced about their unique selling proposition (USP).

In business, at this stage, revenues and customers are increasing with many new opportunities and obstacles. Profits can be strong, but competition is fierce. Growth life cycle businesses are focused on running business in a more formal way to deal with increased sales and customers. Financing typically comes from banks, profits, partnerships, grants and loans.

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Good Practice Report (2016): *Towards more efficient financial ecosystems: Innovative instruments to facilitate access to finance for the cultural and creative sectors (CCS)*. See <http://bookshop.europa.eu/en/towards-more-efficient-financial-ecosystems-pbNC0416091/>

- **Established/strategy stage**

During this stage, professionals in the cultural and creative sectors can still be organised as self-employed and can establish their activities accordingly to allow them to work on a project basis under ever-changing arrangements. Others have developed businesses or not-for-profit organisations with investment in an increasingly stronger professionalisation.

In this phase, professional activity is in a mature state; the place within the ecosystem is clear and daily activity has become strategically oriented. Although the professional has found and knows his/her customers/audience, continuous adaptation to the changing tastes of both society and one's clients/audience is required. During this phase, long-term thinking and quality management become important.

Entrepreneurial behaviour reaches a higher level and what used to be intuitive has turned into a more mature strategically based entrepreneurial outlook. A sound financial basis is indispensable and the professional has a better understanding on how to attract investors. In the traditional economy, the focus is very much on economic growth, yet in the cultural and creative sectors it is not always the number one driver. If the professional wants to grow, (s)he needs to find investors, even if economic growth is not the goal in this phase. It is essential to rethink the business model as in many cases the organisational circumstances would have changed significantly since the idea was developed. Competition in an established market requires better business practices along with automation²⁰ and outsourcing to improve productivity.

What was informal before has now become more formal. What was achieved with a handful of people is now achieved with a larger staff, requiring more complex communication channels and some delegation of authority. Staff motivation also changes and the ambitions/expectations of veteran employees are not always identical to those of newcomers.

Typically, financing comes from profits, banks, investors and/or government. Yet even in this phase, investors are still wary of the implied risks – this clearly indicates that the role of governments as public investors is essential to attract private investors such as venture capitalists.

During this phase, public support schemes for developing entrepreneurial skills, access to finance and innovation are also important and governments should experiment with mixed models to see what works best in national and regional areas.

The business's greater challenge is to stay focused on the bigger picture, and to keep abreast and ahead of any changes in the operating environment (economy, competitors or changing customer tastes).

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Automation is only possible in the case of the production of products. Automation of services is hard to handle if the service is delivered by the professional himself.

- **Expansion stage**

The expansion stage is a common phase in the traditional economy but not always within the life cycle of the cultural and creative sectors. A new period of growth and expansion into new markets is not a common phase in these sectors but is possible in bigger organisations. This stage is not commonly identified in all models and can be included as part of the growth stage. Additionally, the new expansion should ideally complement the existing experience and capabilities of the business.

During this phase, investment money is necessary in combination with innovation support – similar to support measures during the start-up phase. Innovation support is necessary both for new products/services as well as innovating processes.

Once more, access to finance is crucial in order for the business/organisation to attract more stable investments and have easier access to debt financing. Therefore, public support schemes remain a very important factor to obtain an ideal multiplier effect.

- **Maturity/festival stage**

In this stage, the activities of a professional in the cultural and creative sectors can be described as having reached a stable, consolidated phase during which content becomes increasingly important and strategic management stronger.

The business/organisation has a supporting network and innovative strategy development. While this is the ideal stage, it still remains vulnerable as it requires a continuous development of new products/services in order to remain successful and move on to a new growth stage.

Innovation and investment support are required to ensure the business/organisation's future. The objective is to maintain this phase by making the right decisions and remaining innovative and entrepreneurial. The right innovation and entrepreneurship support can avoid transition to the last phase, i.e. the exit phase.



- **Exit stage**

There are different reasons why a company ceases its activities. For a traditional business, after a long life, the business can be sold and the activity continues under different ownership or the owner may opt to cash out. In the cultural and creative sectors, this phase is less common because they are mostly made up of self-employed professionals or micro and small companies, with little likelihood of profits in the case of an exit. Very often, the professional individual behind a cultural/creative SME is intertwined with the organisation, which means that there is no continuity without the presence and talent of that individual.

Selling a business requires a realistic valuation, support and coaching of the vendor and a plan for the next steps. It is of utmost importance to identify intellectual property rights (IPR) and enter into agreements concerning their future.

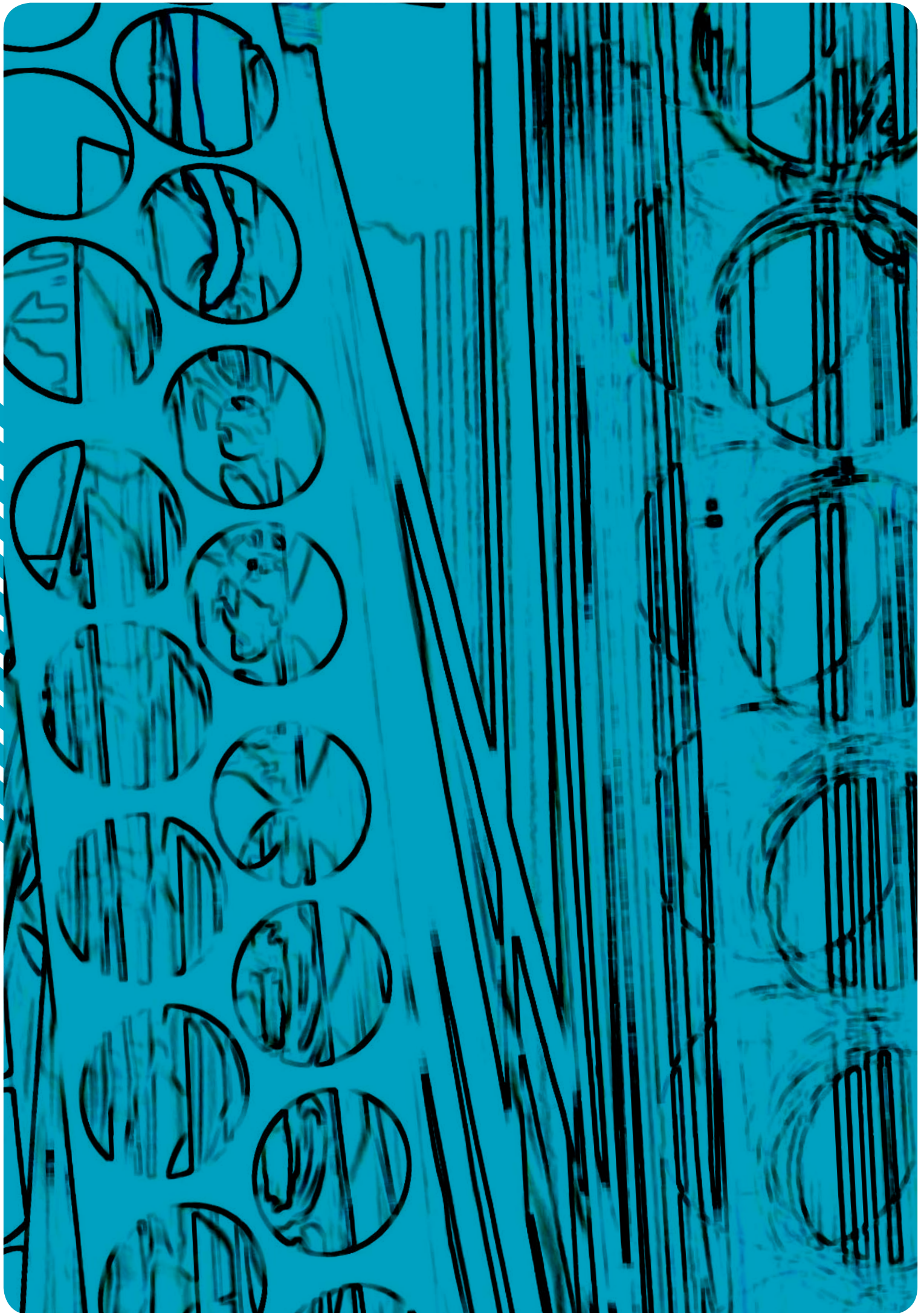
Businesses with an opportunity to cash out welcome support on how to handle this exit stage successfully, but a profitable exit is still very rare for creative companies. There should be more knowledge on possibilities for mergers and how to go through a successful process that keeps the important elements of the business alive.

If there is no possible cash out, the exit phase can still be an important one as many not-for-profit organisations gather considerable assets, such as infrastructure, during the lifecycle. If this activity stops, it is important that the assets and the activities continue in a specially designated organisation. Unless an exit is a deliberate choice, it is obvious that this phase should be avoided.





SUPPORTING
INNOVATION
AND
ENTREPRENEURSHIP



3

SUPPORTING INNOVATION AND ENTREPRENEURSHIP

3.1 THE FRAME –

Policy frameworks and strategies

Innovation in Europe often happens with the support of public policies and subsidies. As economic literature²¹ shows, the private sector often invests after the public sector has made the high-risk investments. In the best-case scenarios, this leads to a mutually supportive relationship between innovators and public policy, often integrating critical contributions from research and academic institutions. Proactive public policies and support measures are vital for the cultural and creative sector's development and can not be replaced by private sector financing. And as stated in the context of *Voices of Culture*, the structured dialogue between the European Commission and the cultural sector: *'If culture is not present in our commerce, commerce becomes our culture'*²².

The importance of the wider picture

The relationship between innovation and entrepreneurship on the one hand, and the cultural and creative sectors on the other needs to be seen within the wider context that sustains it. This ecosystem of values must be grounded in the universal access to culture, in the capacity for critical thinking, in the celebration of diversity, and in the promotion of social justice and human rights.

Co-creation and the availability of open source data have enabled the emergence of a 'sharing economy'. This co-exists with such disparate phenomena as the 'internet platforms' economy', 'Uberisation'²³ and precariousness in the labour market. New business models have emerged in digital society as well as new approaches to marketing, financing and community development facilitated by social media or crowdfunding.

It is widely recognised that culture and innovation are crucial factors in fostering entrepreneurship and resilience, improving well-being, and sustaining economic recovery and job creation. This is reflected, to some extent, in the policy frameworks and initiatives adopted by the EU and its Member States. The cultural and creative sectors are strategically positioned to promote smart specialisation as well as sustainable and inclusive growth throughout Europe's regions and cities, thus fully contributing to the Europe 2020 Strategy.

Nevertheless, the crucial role of these sectors for the innovation process is often underestimated and not sufficiently understood, especially when designing innovation strategies and programmes at European, national or regional levels. Innovation is often perceived as a digital or technological issue and the cultural and creative sectors are often overlooked or even excluded from most of the initiatives designed to promote innovation. Integrated policies are needed that

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Mariana Mazzucato,
The entrepreneurial state, 2013;
[https://marianamazucato.com/
entrepreneurial-state/](https://marianamazucato.com/entrepreneurial-state/)

22

<http://www.voicesofculture.eu>

23

Uberisation is a transition to an operational model where economic agents exchange under-utilised capacity of existing assets or human resources (typically through a website or software platform), while incurring only low transaction costs (<https://en.wikipedia.org/wiki/Uberisation>)

take into account the specific features of these sectors and encourage and facilitate an inter- and cross-sectoral partnership between all stakeholders. This has been highlighted repeatedly by all the participants of the OMC group.

Cultural and creative professionals can meet and cooperate with various stakeholders in multi-disciplinary environments and this should be reflected in the policy frameworks designed at European, national and regional levels. However, policies and initiatives in the cultural and creative sectors are still often organised and structured in silos. In order to overcome this and to promote crossovers, there is a need for a comprehensive strategic approach involving all actors, possibly through a structured dialogue. There is a strong need for a greater openness towards a broad and more inclusive meaning of innovation – beyond its technological aspects – that highlights the role of culture and creativity in its process. This would also empower professionals in the cultural and creative sectors with the necessary mix of required skills, provided through specifically designed capacity-building programmes.

There is an enormous lack of innovation strategies and policy frameworks specifically addressed at not-for-profit cultural institutions (such as museums). This is due to such strategies being mainly focused on SMEs and the private sector. Since most cultural institutions are geared towards generating knowledge rather than profit, they do not recognise their potential as innovation actors. Furthermore, they are often omitted from European or national innovation policies. As a result, cultural institutions and not-for-profit organisations are, in many cases, unaware of the innovation potential they have, neither are they given the chance to contribute and take advantage economically and socially from this process.

All members of the OMC group agreed that, together with a dedicated cultural and creative programme such as the Creative Europe programme, other EU programmes and funding mechanisms, such as Horizon 2020 and COSME, could promote innovation through a more creative and cultural perspective rather than a technological one. This could have a very significant impact on important social and societal issues, such as youth unemployment, social inclusion, migration and environmental issues.

3.1.1 Policy framework challenges

Lack of adequate CCS involvement in innovation policies and processes

The main challenge, as highlighted by the OMC group of experts, is that most of the existing European, national and regional innovation strategies refer to the role of the cultural and creative sectors but they do not sufficiently acknowledge their needs and specificities. As a result, most operators in these sectors, especially the not-for-profit players, feel excluded from the opportunities offered by these policies. A more systemic approach and broad-based cooperation could lead to the development of holistic policy frameworks where the cultural and creative sectors would feature as prominent contributors to innovation strategies, and where general policy lines could be turned into concrete actions.

Lack of clarity regarding the role of the CCS in the innovation process and skill deficiencies

The clarification of the role of the cultural and creative sectors in the innovation process is absolutely crucial. Often professionals in these sectors are insufficiently trained to fully exploit their innovation potential. As many of these sectors' policy-makers fail to keep up-to-date with new practices and innovative developments, the route to building capacity for culture and creativity-driven innovation in SMEs is not always clear. A major challenge is to acknowledge and clarify the role of all stakeholders in the process that links the cultural and creative sectors with existing or planned innovation policies. For this purpose, capacity-building policies are absolutely necessary in order to familiarise professionals in these sectors with innovation processes and how they can benefit from them. Alongside capacity building, it is essential to identify new policies and instruments that support the creation of a productive setting for creativity and innovation (e.g. incubators, venture capital, etc.). Traditional instruments designed to support technology firms have not worked well with regard to culture-based companies, mainly due to a discrepancy in the skills and capacity of professionals in the cultural and creative sectors, and to creativity not always having its grounding in market dynamics.

Fragmentation of cultural policies and multilevel governance gaps

In most EU countries, cultural and creative sectors' policy is dominated by sectoral or sub-sectoral policies focusing on specific issues (e.g. audiovisual, performing arts, literature, etc.). This fragmentation of cultural policies prevents integrated policies being realised for cultural and creative sectors, and there is often a lack of cooperation or even communication between ministries. The horizontal policies for entrepreneurship and innovation (e.g. of the Ministries of Education, Economy, Foreign Affairs and Regional Development) in a multilevel governance framework make it even harder to design an integrated policy tailored to the specific needs and demands of the cultural and creative sectors. Furthermore, different government levels (EU, national, regional, local) respond to different priorities, and the lack of an established structured dialogue among them is more than obvious.

Lack of qualitative measuring instruments for the wider impact of the CCS

Usually the estimated economic impact of any policy framework is the most critical factor for it to be adopted. Assessing innovation and entrepreneurship policies is often based on economic performance indicators. Unfortunately, the use of qualitative measuring and assessment instruments, especially for social innovation, is extremely rare. In any case, impact assessments and evaluations

of existing cultural and creative sectors and innovation policies have been limited in number. Despite the wide recognition of the positive impact of these sectors on social and societal issues, trying to measure their contribution remains complex.

Difficulties in professionally handling intellectual property rights in the CCS

Intellectual property rights in the cultural and creative sectors are essential as a reward and an incentive for creativity and innovation. Therefore, IPR enforcement remains important to provide these sectors with incentives to invest in innovative activities. On the other hand, the IPR of the cultural and creative sectors in most Member States are not sufficiently rated and evaluated in order to provide access to finance for innovative projects. At the same time, IPR face challenges, particularly since copying is easy and cheap in the digital era. For the cultural and creative sectors there is also potential for open source and other creative commons types of licences, of which there is not always sufficient awareness and use.

Lack of social security coverage for many CCS professionals

Despite awareness of the positive effects that the cultural and creative sectors are able to generate for innovation, social cohesion and 'inclusive growth', these sectors face challenges concerning:

- an increase in non-standard jobs;
- low and irregular income;
- relatively inappropriate social security cover;
- exclusion from conventional banking services;
- difficulties in accessing lifelong education.

A characteristic feature of the sector, which is dominated by non-standard forms of employment, is 'project-based' working conditions, which makes it hard to benefit from social security coverage, given that paid working periods are limited, while income is not continuous and often low.

Low consideration for creative entrepreneurship

The level of entrepreneurship and its nature vary widely between Member States, which means that there are diverse reasons for low enthusiasm in attaining an entrepreneurial career. In countries with high unemployment rates, and in particular for young people, being 'self-employed' or an 'entrepreneur' is often not a matter of choice and creators often live under precarious conditions. Creative start-ups may have a difficult time attracting a similar amount of attention and subsidies as, for example, technological start-ups, which, on the other hand, are not always more successful in terms of scale-up or sustainability.

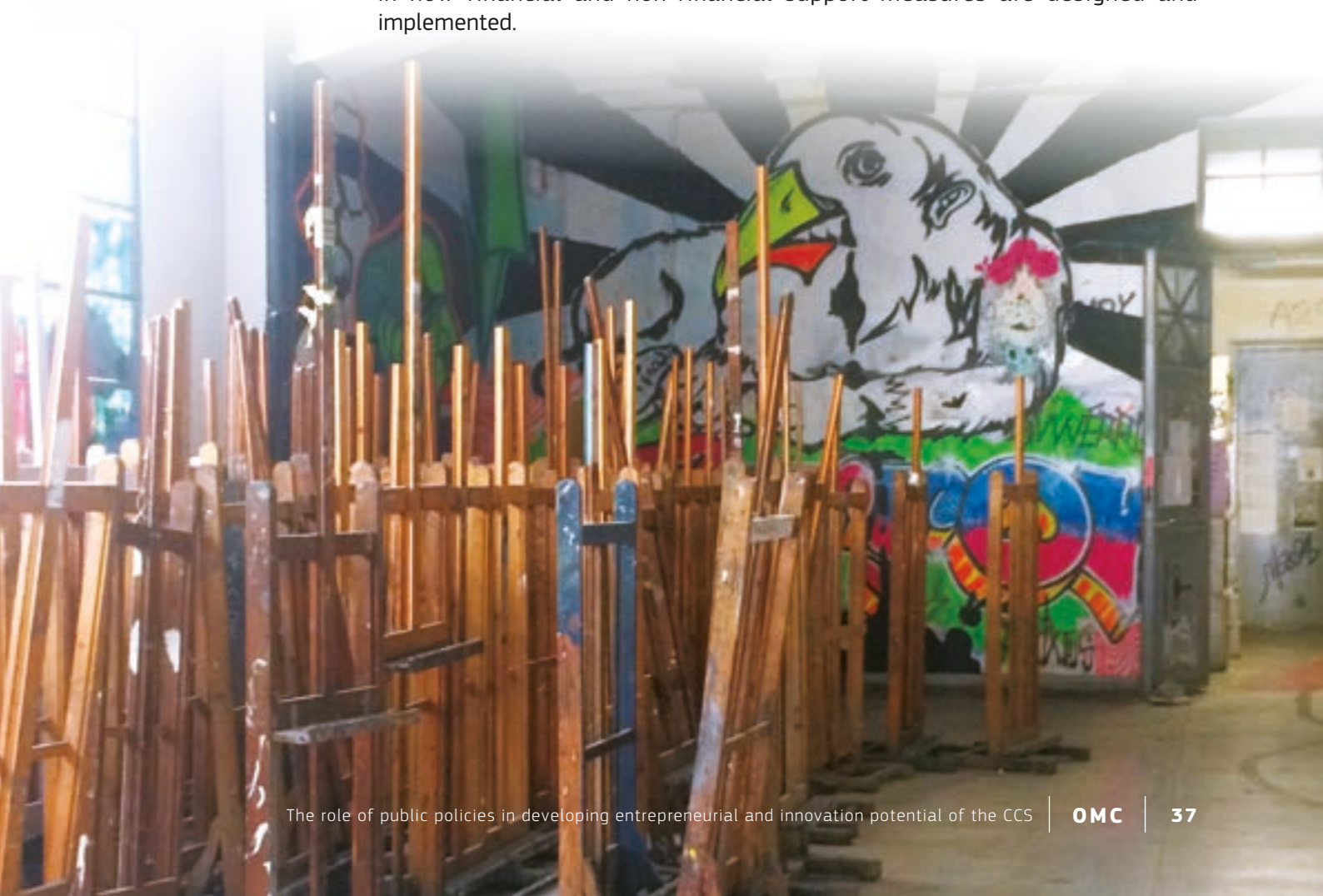
3.1.2 Policy framework recommendations

Ensure a broad definition of innovation beyond technology in all support actions

Experience shows that far too many stakeholders in Europe's innovation system still have a narrow understanding of the category of people who enable innovation. In most cases, innovation is perceived as being inherent or restricted to technology, especially through the digital revolution. Design, process and content innovation are not widely discussed and sufficiently taken into account. This limitation harms the full use of innovative and creative potential in Europe. Innovation support programmes, whether targeted to the cultural and creative sectors or not, should encompass a broad definition of innovation.

Take into account the specific features of the CCS, especially micro-sized enterprises and the self-employed

Most of the enterprises in the cultural and creative sectors are micro-sized, while self-employed individuals largely carry out the professional work. It is crucial that this is taken into account when designing all kinds of innovation and entrepreneurial support instruments. Micro-companies, due to their limited numbers of staff and the lack of specialised departments, are especially affected by the heavy administrative burdens of public programmes, which they might find difficult to handle. Support programmes that put a large demand on administrative and managerial resources of enterprises lead to these being *de facto* not accessible for these entrepreneurs, even where they would technically be able to fulfil the content-related requirements. This situation requires a radical change in how financial and non-financial support measures are designed and implemented.



Ensure all stakeholders hold a structured dialogue concerning the CCS innovation system

For policymaking to respond to the needs of the target groups, a suitable involvement from all stakeholders is required. Europe-wide studies and a wealth of good practice examples demonstrate the considerable impact of the cultural and creative sectors on innovation in the private and public domains. At the same time, many European innovation policies are still elaborated without full involvement of the cultural and creative sectors. This harms the quality of innovation programmes as a full component of innovation is excluded. Therefore, the OMC group urges that all innovation stakeholders are involved on equal terms.

Recognise the innovation potential of the CCS for the economy and society

The cultural and creative sectors are important innovation enablers. This is becoming increasingly recognised by European policy-makers. These sectors also have the potential to generate a considerably positive impact for society and for the well being of people. Therefore, advancing creativity should be a central concern for all policy-makers in Europe. Equally important is the more optimised use of the cultural and creative sectors to address social issues and, concurrently, the engagement of citizens to be creatively involved in the pressing questions of the 21st century.

Ensure social protection for CCS professionals

Policy frameworks designed to foster innovation in the cultural and creative sectors should make special provisions to enable all the professionals of these sectors to be creative and innovative. This can be done by ensuring that those who work on a project or other unconventional basis have access to appropriate employment rights and labour rights.

Public bodies should engage as reliable and long-term partners for innovation in the CCS

Tailor-made support schemes for the cultural and creative sectors have a lot of potential; however their impact will be even more significant where government shows genuine interest in the value that these sectors generate. This makes the existing support even more effective and is guaranteed to attract private investors and other interest in sustaining support.

3.1.3 Inspiring policy framework examples



Germany's Federal Government's Centre of Excellence for the cultural and creative industries as part of the Federal Government's cultural and creative industries initiative (Germany)

The Federal Government's Centre of Excellence for the cultural and creative industries is part of Germany's Federal Government's initiative for the cultural and creative industries (CCI) – a collaborative effort of the Federal Ministry for Economic Affairs and Energy and the Federal Government's Commissioner for Culture and the Media. The cross-ministerial CCI initiative was put in place in 2007. The main objectives were to strengthen the competitiveness of the cultural and creative industries; enhance work opportunities for the sector; and better inform the public about the sector and its importance. The Centre of Excellence, which was launched in 2010, provides a broad range of services and expertise, which aim to increase the visibility of the sector's potential, and position the CCI as a core economic sector and enabler for innovation and positive societal change. The project's key activities include: (i) enabling collaborations between the cultural and creative industries and other industries, (ii) promoting its innovative potential and (iii) providing a networking platform. As an advocate, translator and match-maker, the Centre of Excellence promotes the cultural and creative industries as a dynamic, innovative, highly adaptive and flexible sector. Small and micro businesses especially benefit from the centre's continuous communication, transfer and networking activities, as well as from the incentives for developing entrepreneurship and creative business activities.

WEBSITES

<http://kreativ-bund.de/>

<http://www.kultur-kreativ-wirtschaft.de/>



Estonian Entrepreneurship Growth Strategy 2014-2020

Development of the cultural and creative industries (CCI) in Estonia is based on the Estonian Entrepreneurship Growth Strategy 2014-2020, which is its most important strategic document on economic development for the 2014-2020 period. The strategy focuses on three main challenges in order to increase the wealth of Estonia: increasing productivity, stimulating entrepreneurship and encouraging innovation.

In drawing up the strategy, the Estonian Ministry of Economic Affairs and Communication consulted extensively with partners (including the Estonian Ministry of Culture) from public as well as private sectors and non-profit bodies, including the cultural and creative sector. As a result, developing the creative industries became a part of the strategy under the competitive positioning section.

Before drafting the cultural and creative industries' measures for the 2014-2020 period, their study and mapping was carried out and the following aspects were highlighted: the cultural and creative industries have low export capacity; there is poor cooperation between the cultural and creative industries and other sectors; and the services of the cultural and creative industries' support structures must become more competitive and sustainable.

Based on the Estonian Entrepreneurship Growth Strategy 2014-2020 and building on previous experience of implementing measures to develop the sector and on the results of the study, the current measure was designed, focusing on the following aspects:

- Supporting incubators, business accelerators and CCI development centres;
- Increasing the export capacity of the cultural and creative industries;
- Initiating joint development projects between the cultural and creative industries and industries in other sectors;
- Developing cultural and creative industries' infrastructure and technological capacity;
- Increasing awareness about the creative economy and developing knowledge and skills.

As a result of implementing this measure, the following objectives are being targeted: (i) cultural and creative industries shall have increased income generated from different markets; (ii) other sectors will engage with cultural and creative industries in order to increase their value added; (iii) cultural and creative industries contribute more to the development of regions (employment, tourism, foreign investments); and (iv) there shall be bigger tax contributions generated by these industries. Previous measures implemented during the 2009-2014 period focused on raising awareness about the cultural and creative industries and developing support structures for them.

Indicators for measuring the impact of implementing this measure are in line with the indicators stated in the strategy, which are:

- the number of exporting cultural and creative industries;
- the value added per employee in the cultural and creative industries;
- the income per enterprise and per employee in the cultural and creative industries compared to the average in Estonia.

WEBSITE

http://kasvustrateegia.mkm.ee/index_eng.html

Creative Industries Strategy for Austria (Austria)

Austria was among the first movers to recognise the importance of creative industries with regard to innovation policy and has incorporated the creative industries into the national strategy for research, technology and innovation.

Back in 2008, the Federal Ministry of Science, Research and Economy (BWF) started with 'evolve', a scheme to promote innovation in and by the creative sector. The present creative industries strategy is to continue on this successful path. The strategy was devised in a co-creative process of several months in spring 2016, led by the BWF in cooperation with Kreativwirtschaft Austria (KAT), Austria Wirtschaftsservice GmbH (aws) and the Austrian Federal Economic Chamber (WKO). About 100 creative entrepreneurs and experts from many disciplines participated together in devising the strategy and contributed substantial input during a stakeholders' workshop.

The objectives of the creative industries strategy are:

- to strengthen the Austrian innovation system;
- to strengthen the competitiveness of the creative industries;
- to strengthen the creative industries' transformative impact on other economic sectors;
- to enhance Austria's international image as a creative, innovative and cultural nation.

WEBSITE

<https://www.en.bmdw.gv.at/Innovation/Innovationandtechnologypolicies/Seiten/Creative-Industries-Strategy-for-Austria-.aspx>



Creative Expertise 2014-2020 (Finland)

The Creative Expertise European Social Fund (ESF) programme is implemented under the coordination of the Ministries of Education and Culture and Employment and the Economy.

The programme's objective is to integrate the various growth sectors and sectors facing structural change, educational institutions and the public sector, improving the opportunities of the creative workforce to earn an income through their work. The expertise of professionals and teachers in the creative industries meets the needs of working life and internationalisation, which improves the quality of education and makes its content more relevant. Creative expertise is applied in novel ways to develop working life, leadership and innovation activities. The programme is based on the cultural and creative sectors' strategies at national level.

The innovation and entrepreneurship challenges are addressed by the following concrete measures:

- Multidisciplinary skills programmes;
- Making the content of education more relevant for the development of new products and services;
- Expertise of professionals and teachers;
- Creative expertise in working life;
- Generation of information and communication.

There has been a coordination and activation project called Creative and Inclusive Finland, which stimulates interest and coaches different organisations before the calls.

The new coordination and activation project will be started in 2018.

WEBSITES

https://www.rakennerahastot.fi/web/valtakunnalliset-teemat/luovaa-osaamista#WjA18csw_IU

<http://www.cifinland.fi/en> (Creative and Inclusive Finland)





Creative Ireland Programme 2017-2022

Creative Ireland is the Government's legacy programme for Ireland 2016. It is a 5-year all-of-government initiative, from 2017 to 2022, which at its core is a well being strategy that aims to improve access to cultural and creative activity in every county across the country. This focus in such a coordinated way on culture will encourage and support entrepreneurship and innovation across communities and businesses. It is focused on placing culture at the centre of people's lives for the good of the population and the betterment of society. It puts culture and creativity at the centre of public policy.

Creative Ireland will boost coordination, focus and leadership in existing policies and initiatives across national and local government, encouraging entrepreneurship within the arts and culture sector, and providing linkages to the private business and non-governmental organisation (NGO) sectors.

Creative Ireland is built around five pillars:

- Enabling the creative potential of every child with the publication of a 5-year Creative Children plan. Through this innovative measure, every child can access tuition in music, drama, art and coding, fuelling entrepreneurship for the teachers working in these spaces.
- Enabling creativity in every community – coordinating innovation initiatives across many state bodies. Growth in the cultural and arts sectors supports existing and new businesses working in the cultural sector at local and community levels.
- Investing in Ireland's creative and cultural infrastructure, including the national institutions.
- Ireland as a centre of excellence in media production – funding the continued development of the film, television and animation production businesses, encouraging entrepreneurship and technical innovation through many state support programmes.
- Unifying the country's global reputation – promoting Irish arts worldwide, thereby creating opportunities for Irish artists and companies to develop and grow their businesses and reputations, sponsoring attendance at key international festivals and creating platforms to showcase Irish artists and businesses at key global events.

WEBSITE

<http://www.chg.gov.ie/an-taoiseach-launches-creative-ireland-a-major-cross-governmental-initiative-and-legacy-project-of-ireland-2016-centenary-programme/>



White Paper on *Unlocking the Economic Potential of the Cultural and Creative Sectors* (Romania)

Romania's White Paper, *Unlocking the Economic Potential of the Cultural and Creative Sectors* started as an initiative of the Prime Minister's Office, in February 2016, following the *Proposal to Unlock the Economic Potential of the Cultural and Creative Sectors* in Romania, which was approved by the Government in February 2017.

The White Paper marks the zero point of a process of planned capitalisation on the cultural and creative sectors' potential; put simpler, making the process of capitalising on creativity the most important Romanian resource.

The objectives of the initiative target the definition and identification of the status quo of the cultural and creative sectors while also highlighting their economic and social potential. Specific types of interventions are identified for each CCS, which provide the general guidelines for action.

The White Paper aims to unlock the potential of the economic and creative community in Romania towards articulating a mechanism designed to provide creators with a complete set of opportunities with respect to:

- free and stimulating cultivation of the creative potential;
- building credible institutions, capable of handling circulation, reception and evaluation of creative and cultural products;
- the functioning of a mechanism to encourage fair and satisfactory rewards and compensation for the creative work.

WEBSITE

<http://www.culturadata.ro/wp-content/uploads/2014/05/White-Paper-EN.pdf>



Package for Creative Industries (Poland) (2017-2020 with perspective until 2030)

The Package for Creative Industries is one of the strategic projects of the horizontal document for Poland's Strategy for Responsible Development in the area entitled Development of innovative companies. The Strategy was launched by the Ministry of Development and the Ministry of Culture and National Heritage coordinates the Package for Creative Industries. This so-called Package for Creative Industries includes several actions and mechanisms for supporting the creation and development of innovative products in creative sectors. It enables building more competitive creative sectors and secures creative capital within the sector.

The package includes such activities as:

- Establishing the granting mechanism for CCS with a focus on cross-sectoral and interdisciplinary activities – the Development of Creative Sectors. The programme includes all creative areas and results in creating favourable conditions for the establishment of a well-functioning ecosystem for creative sectors. Projects supported by the granting mechanism should contribute towards boosting innovation through interdisciplinary and cross-sectoral activities by means of art, culture, technology, science and business. The programme supports activities such as education, building platforms and networks of cooperation, studies and analyses, product development and export;
- Financial incentives for audiovisual sectors;
- Creation of a so-called 'fast tax track' for foreign audiovisual productions in Poland;
- Establishment of an intermediary body linking creative sectors with financial institutions (in a one-stop-shop model);
- Developing a mechanism for a CCI product brands valuation based on its IP.

WEBSITES

<https://www.mr.gov.pl/media/42169/SOR072017.pdf>

<http://www.mkidn.gov.pl/pages/strona-glowna/finansowanie-i-mecenat/programy-ministra/programy-mkidn-2017/rozwój-sektorów-kreatywnych.php>

3.2 THE STRUCTURES – Support structures

Innovation and entrepreneurship in the cultural and creative sectors can benefit greatly from support structures that act as intermediaries to promote, facilitate and integrate its diverse stakeholders into a wider favourable ecosystem. The CCS value chain is based on creating, producing and distributing unique content that results in intended as well as unexpected collaborations, partnerships and crossovers. These processes entail various resources to be suitably developed and put into place. These resources are of a diverse kind, spanning knowledge and skills as well as funding and infrastructures. In order to access and gather all these forms of capital, it is essential to engage and develop a community of peers, interested partners and funders, users, customers and audiences.

The members of the OMC group have decided to apply a broad definition of innovation and entrepreneurship support structures and networks to best cover the diverse realities in the cultural and creative sectors. 'Support structures' in these sectors, and for the sake of this report, include among others: clusters, incubators, accelerators, creative hubs, networks, digital platforms, professional organisations, co-working spaces, creative labs, 'makerspaces' and fabrication labs. The focus of this chapter is on those support structures and networks that specifically address the promotion of innovation and entrepreneurship for the culture and creative sectors.

The cultural and creative sectors are composed of a myriad of self-employed professionals as well as micro-, small- and medium-sized enterprises and organisations (including not-for-profit) in various disciplines and professional sub-sectors. This rich diversity, however, also translates into complex coordination as well as fragile and uncertain working and social conditions. Therefore, there is an increasing need for physical and digital structures and networks to facilitate mutual acknowledgement, interaction and collaborations, as well as to foster the sustainability of their projects and enterprises.



New types of hubs serve as innovative venues and organisations for the cultural and creative sectors as they are multi-purposed, versatile, and allow experimentation and cross-collaborations. They serve as flexible places in the digital era to work, prototype, showcase, interact and participate in training sessions and events. Moreover, they also set the scene for planned and surprising encounters, peer-to-peer learning and informal knowledge transfer, as well as partnerships and community building.

Governments in various Member States, from local to regional and national levels, have acknowledged this emerging reality that reflects and responds to current market and societal needs. Some governments have been supporting and implementing policies and tools to create, facilitate and support these new structures. Professionals in the cultural and creative sector have also started establishing networks, hubs and co-works, to name a few bottom-up initiatives, in order to sustain their project and business development, and to form their own communities.

Furthermore, these structures have proven their potential to connect and impact on other professional and industrial sectors – which creative professionals may relate to and work with – and also other sectors of society. Several creative hubs have notably been contributing to (i) education and training as well as research and development (R&D); (ii) engaging with schools and research centres; (iii) influencing city regeneration; (iv) giving new functions to abandoned industrial areas or derelict buildings in city centres, as well as building attractive and distinctive territorial settings. Their role and links to the surrounding communities and territories can be manifold and are still to be further explored.

3.2.1 Challenges for support structures

Designing policies to create innovation and entrepreneurship support structures and networks requires a careful analysis of status, current bottlenecks and future trends.

The potential and characteristics of the CCS are not acknowledged by innovation and entrepreneurship support structures

Policy-makers and private funders rarely target cultural and creative sectors when planning and funding support structures and networks for innovation and entrepreneurship. They particularly have difficulty integrating into or benefitting from these support structures when projects are experimental and/or not-for-profit. Clusters and laboratories, policies, R&D grants and business incubator programmes are commonly generic or dedicated to only one sector. The cultural and creative sectors are often not considered a priority or are deemed as non-eligible since they do not satisfy the required minimum of quantitative outputs, turnover or financial capacity necessary to be included in and for responding positively to public calls and opportunities. Additionally, from the aspect of professionals in these sectors, many do not identify with these traditional support structures. This is sometimes due to these professionals not being aware of the importance of improving their entrepreneurial capacity or even not recognising their capacity and ability to contribute to innovation processes.

Weak promotion of crossovers between CCS and other industrial and societal areas in support structures

The designing and funding of support structures often enclose the cultural and creative sectors in silos without fostering the necessary links and interactions. The sector is already highly fragmented and actually needs to share and pool resources instead. Clusters and other network platforms as well as hubs (which actually function as integrative ecosystems) are meant to foster coordination and cooperation, as opposed to competition or atomisation. Clusters, networks, hubs or digital platforms involving different sectors, including the cultural and creative sectors as well as citizens/users on a level playing field, have not been sufficiently considered nor applied.

CCS support structures are not given a strategic role within urban and territorial development plans

Support structures often operate as islands without proper links and acknowledgment from surrounding communities or territory. Citizens, authorities and institutions are also not aware of the potential for collaboration and learning from and with these intermediaries. Moreover, the current overlapping and duplicating roles and missions among stakeholders at different geographical and policy levels often create difficult frameworks for these structures to be able to integrate into holistic development processes.

Deficient qualitative and quantitative economic and social impact measurements of support structures

The potential impact of support structures and networks may go beyond direct beneficiaries and may affect whole communities and territories. However, these structures are often evaluated and their continuation decided solely upon their achievements in terms of number of jobs or companies created. Indeed, the beneficial effects that come from belonging to a community are complex to measure, especially in the early years. Furthermore, in the specific case of clusters and networks, the value of building up ties among peers, making contacts and links, promoting matchmaking events and discussions is also of an immaterial and social sort. Their impact on economic growth is mainly indirect, and there is still a lack of valid measurement indicators and methodologies to acknowledge their contribution. As a result, professionals often mistrust and undervalue the benefits of membership to these 'structures', which hinders stakeholder's engagement and funding.

Shortage of integrated culture and economic settings in support structures

Support structures and networks have a much greater impact than business development and knowledge transfer. These focal points nurture the creation of communities of practices and interest. Yet they are often managed by:

- business professionals who are not fully aware of the specific features and dynamics of the cultural and creative sectors;
- cultural sector professionals who are not competent in strategic and entrepreneurial skills.

In the specific case of clusters and networks, the diversity of skills demanded makes their management a complex task for which few hold the necessary skills mix. Moreover, time, competences and other resources required to develop and connect the community, as well as foster innovation processes, are often disregarded in the management and planning of these structures.

Complex framework to establish long-term sustainability of support structures

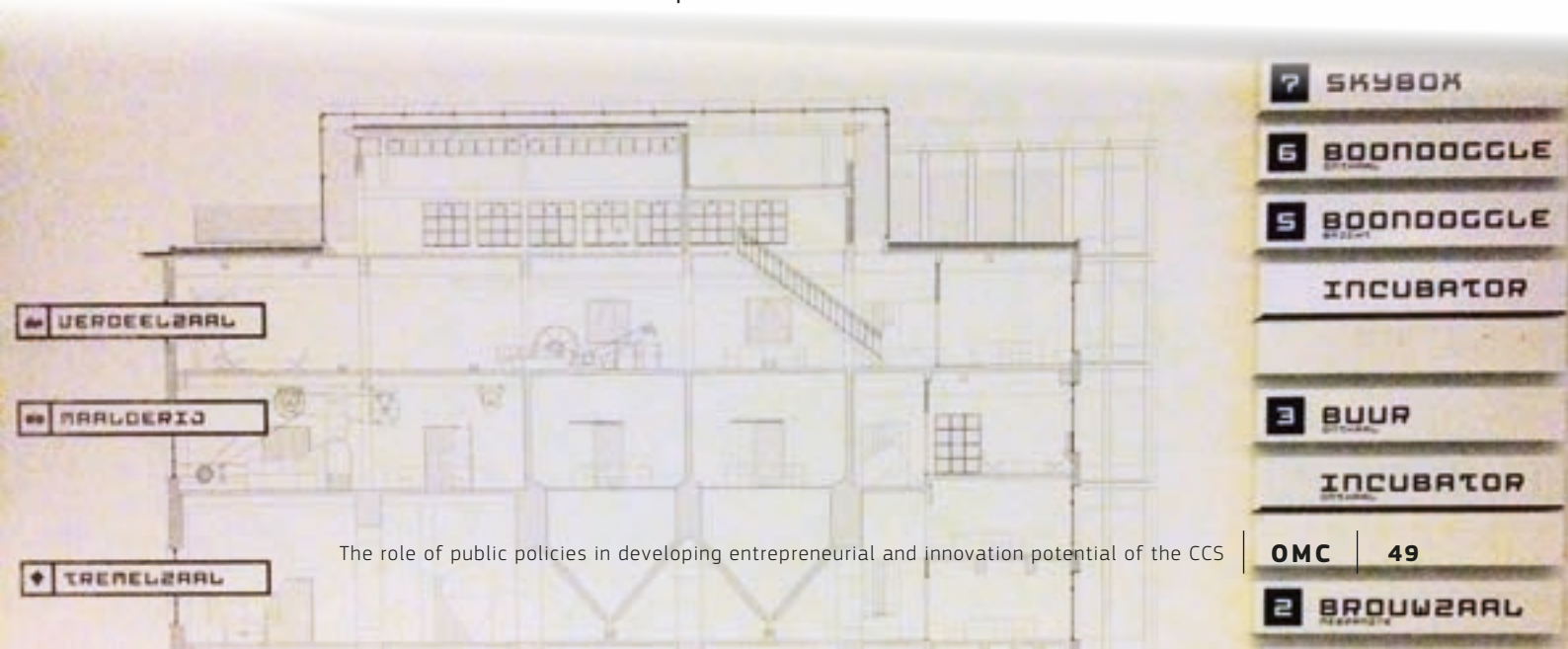
Support structures, such as hubs, clusters or networks, are costly to sustain over the years – in particular in the case of physical structures (rents and maintenance of venues and equipment). It is also a challenge to avoid potential gentrification issues where creative activity could lead to property appreciation in some areas. Stakeholders' engagement concerning financial and material contributions is normally dependent on their first outcomes (new products, services, projects). Yet these structures need to mature in order for benefits to become more visible. Furthermore, in the case of cultural and creative sectors, breaking through their practitioners' customary fragmented way of working and their lack of awareness of the benefits of common platforms is a complex challenge. Community building and entrepreneurship and innovation promotion are long-term investments that require endurance and, consequently, resources.

Non-promotion of support structures as focal points for the internationalisation of cultural and creative sectors and cooperation across borders

The fragmentation of these sectors into a myriad of micro and small enterprises and self-employed entrepreneurs makes positioning in the international market scene complex and costly. CCS professionals need to go beyond their national borders to enlarge and diversify their markets as well as their horizons. They look for opportunities to learn, get inspired, to share and exchange in the same way as they want to increase their audience and users. Yet without the necessary entry points to identify partners and funding opportunities, they are often lost. Support structures, such as intermediaries, may be best placed to connect to fellow peers and enable entry to other markets for entrepreneurs and projects. Yet the mobility and networking of support structures and networks, crucial to building up these international ties, is often disregarded and lacking due support.

Clusters and other networks lack a clear mission, hindering actual impact and evaluation

Networks, notably clusters, are often formed out of the wider objectives and goals of simply getting together and creating a community, or even taking advantage of existing funding schemes. However, they need to set a clear and specific mission, aims and strategic objectives, so that a dedicated action plan and governance model is drawn up. In fact, this lack of strategic focus also prevents their achievements and effects from being clearly acknowledged, consequently making measurement complex.



3.2.2 Support structures recommendations

Target and include the CCS in innovation and entrepreneurship support structures

Cultural and creative sectors may benefit greatly from being included and supported by common structures that promote entrepreneurship and innovation. Even when their main objective is not generating profit, projects and organisations have a lot to gain from developing their skills and improving their sustainability. Moreover, support structures and networks may facilitate interactions and promote crossovers of cultural and creative sectors together with other sectors and societal areas. This is crucial to reduce CCS fragmentation and to help overcome the limitations of operating on a small or micro scale. Therefore, policy-makers as well as private entrepreneurs and funders when planning and designing support structures should take into account the sectors' specific features so as to ensure that they are included and organisations benefit from networking opportunities and created infrastructures. Eligibility, funding and evaluation criteria should therefore take into consideration the business profiles and development features. Structures and networks that target and include different sectors, among them cultural and creative sectors, should be favoured so that crossovers are supported.

Provide financial support for the operational costs of CCS innovation support structures and networks

The sustainability of support structures requires a long-term path and investment so that their benefits become visible and pay off. It is particularly difficult for start-up initiatives to survive their initial years. While funding for projects is often more widely available across Member States, it is still rare to find financial support for the operating costs, notably for team development and other core activities, networking and peer-to-peer learning across borders. The format and logics of these schemes should be discussed with the sector to ensure that they respond to their needs. Subject to regular public calls, the activities and outcomes should be monitored so that practices can be continuously reflected upon and procedures improved.

Better integrate creative hubs and networks into social and economic innovation challenges at all governance levels

Policies for city and regional development, spanning from the promotion of innovation and entrepreneurship to including cultural and creative sectors in their smart specialisation strategies, should support the development of creative hubs and other support structures, not only clusters, fab labs, 'makerspaces', co-works but also networks and digital platforms. These structures should be connected and given a role to play alongside surrounding territorial institutions and communities, notably schools, academia and R&D centres, civil society organisations, business communities and authorities. Support structures may act as city/regional laboratories, functioning as pools of expertise that test and experiment with innovative and integrated solutions for territorial as well as social or economic challenges.

Facilitate access to empty non-used spaces and support bottom-up approaches for creative innovation initiatives

Access to spaces for operators and stakeholders in the cultural and creative sectors to gather, create, rehearse and showcase has always been a major obstacle for the development of their activities. Nowadays, the spread of digital means and the consequent increase in the number of professionals working as freelancers has completely changed the way we work. Creative hubs, 'makerspaces', fab labs, and

co-works have started to emerge in cities and towns so that people not only have a space to work but also to meet, discuss, learn and form partnerships. Clusters, networks and digital platforms are also virtual ways of gathering, but people might also need physical spaces to meet up and organise joint events. Therefore access to space is vitally important to these structures. Moreover, these ‘creative hubs’ have actually been able to contribute to rehabilitating city neighbourhoods and disused areas by providing new functions and opportunities, and attracting parallel services and businesses. Giving professionals in the cultural and creative sectors access to space encourages bottom-up approaches. This allows the sector itself to come up with their preferred solutions, notably participatory governance models and the enabling of socially inclusive private-public partnerships (PPPs). Easing access is not only a clear investment in the sector’s development but also in a city’s regeneration.

Develop new tools to measure the progress and impact of innovation on support structures

Further development is needed regarding the study and measurement of the quantitative and qualitative impact of support structures and networks on innovation and entrepreneurial development in the cultural and creative sectors, as well as on the overall economy and society. From data collection to analysis and systematisation, investment is needed, notably involving academia and research centres as well as statistics offices. To capture the effects that go beyond economic growth indicators, it is essential to include other methods when gathering information, such as storytelling and interviews, as well as new digital tools to visualise and give accounts of findings.

Develop CCS support structures as hubs for international innovation knowledge transfer and mobility

Support structures in the cultural and creative sectors function as knowledge-based intermediaries that gather expertise and are a huge network of valuable contacts. Consequently, they are ideally positioned not only as entry points to all those foreign investors, cultural operators and programmers interested in getting to know and working with the sector in each country, but also to promote it across borders and contribute to its internationalisation. In this way, for policy-makers as well as private stakeholders, support structures should be considered as active players and partners when trying to attract foreign investment, as well as promoting CCS across borders. Furthermore, these structures alongside all the enterprises and projects they host have a much to gain in meeting, exchanging and cooperating with fellow peers and structures in other countries.

In view of the above the following should be considered:

- Include support structure representatives within economic and diplomatic missions abroad;
- Include visits to support structures whenever there are international guests;
- Provide support schemes for international mobility and cooperation;
- Give support structures specific mandates via PPPs to further develop cooperation, provide mobility information and distribute travel grants.

3.2.3 Inspiring examples of support structure policies

To overcome challenges with support structures in the fields of innovation and entrepreneurship, policy-makers might refer to the following good practice examples identified by the OMC group.

Schemes promoting entrepreneurship within the CCS (Norway)

The Norwegian Government aims to emphasise the economic value of the arts and culture, and to strengthen opportunities for entrepreneurship within the cultural and creative sectors. In 2015, the Ministry of Trade and the Ministry of Culture appointed a policy council for cultural and creative industries (CCI) to provide input on how the Government can facilitate increased revenues and private investments in these industries.

The Government implemented a targeted action plan in 2017, largely based on input from the policy council. The action plan includes measures that target self-employed artists, SMEs and enterprises. The main schemes are explained below.

Schemes provided by Innovation Norway:

- Innovation loans and guarantees: this scheme aims to trigger private capital for investments in cultural and creative industries by relieving risk (NOK 10 million).
- Go Global programme: the scheme aims to promote and boost the commercial potential of CCI enterprises through increased access to capital and international expertise (NOK 10 million).
- Corporate networks: the scheme aims to contribute to professional strategic cooperation within the CCI field, boosting competitiveness and the foundation for further growth (NOK 4 million).
- Investor programme Angel Challenge: the scheme aims to increase knowledge and expertise for businesses and investors, and increase private investment in the CCI (NOK 0.6 million).
- Competence programme: the scheme aims to provide knowledge about economics and business development to SMEs within the CCI. (NOK 2 million).

Schemes provided by the Norwegian Arts Council:

- Greater audience: the scheme aims to give the arts and cultural expressions a greater audience and to strengthen artists' opportunities for increased revenues. The scheme targets artists and SMEs that make up the intermediaries within the CCI field. (NOK 7.4 million).
- Regional industry development: the scheme aims to strengthen the intermediaries in the regions. The scheme targets organisations that provide knowledge and which otherwise support and facilitate the SMEs that make up the intermediaries within the cultural and creative sectors. (NOK 10.1 million).

Schemes provided by Norwegian Arts Abroad:

- Various schemes that aim to strengthen the intermediaries that work in promoting and exporting Norwegian arts and culture (NOK 6 million).

Research and development:

- The Ministry of Culture will initiate a commissioned study and research on the effects of the schemes in the action plan, beginning in 2018. In 2017, the Ministry initiated commissioned studies about the film and the music sector's value chains and cash flows.

WEBSITES

Schemes provided by Innovation Norway:

<http://www.innovasjon Norge.no/no/kreativ-naering/>

Schemes provided by the Norwegian Art Council:

<http://www.kulturradet.no/kreativ-naering>

Schemes provided by Norwegian Arts Abroad:

<https://www.stikk.no/reisestotte/index.php?lang=nb>



UPTEC PINC – Creative Industries Centre of the Science & Technology Park, University of Porto (Portugal)

This is an active creative industries centre integrated alongside other technology, biotech and sea centres within a wider university science and technology park (UPTEC). This complex was established to enable knowledge transfer, promote the creation of new start-ups and the development of innovation by fostering relationships with researchers and becoming involved in academic activities.

Focusing on knowledge-based projects, the centre assesses their needs and skills, identifies possible partnerships at the university and among its network of companies and partners, and fosters the continuous relationship between business and university. Furthermore, it works very closely with other universities (national and international) and also with public authorities and institutions like city councils and the national innovation agency (ANI), as well as the national trade and investment agency (Portugal Global). Internally it develops and hosts many events and initiatives that contribute to strengthening its companies, like the School of Start-Ups, and it promotes a strong network culture. It actively promotes internship programmes for students in their companies, and develops new models of collaboration with the university, like the active participation in the PhD Design programme. Through its four centres, UPTEC easily promotes cross-sector and cross-disciplinary projects, involving technology, creative and scientific experts in most of its programmes.

WEBSITE

<https://uptec.up.pt/#>



Lodz Art Incubator – Art Factory Lodz (Poland)

This is a city initiative that has provided space for grassroots management. The art incubator is integrated into an artistic and cultural centre, the Art Factory.

The Art Factory in Lodz is a cultural institution located in a former 19th century factory. It was jointly created by Lodz Art Centre, Chorea Theatre Association and the City of Lodz Office in January 2007. Its activities are mostly focused on theatre, modern art and art education. It prepares a series of lectures and meetings with artists and leading culture and art experts, as well as seminars and workshops. It also carries out music projects and concerts. Another vital element is the development of large international artistic projects. The Art Incubator aims to provide support for entrepreneurship in culture and to develop creative industries, offering co-working space, meeting rooms and conference halls.

WEBSITE

<http://www.artinkubator.com/#>

European Creative Hubs Network (Europe-wide)



The European Network of Creative Hubs is a 2-year project funded by the European Commission under the cross-sectoral strand of Creative Europe, supporting creative hubs in their development and networking across Europe and beyond. They are shown as innovative models in supporting the creative economy. It has worked with a community of creative hubs, carried out peer-to-peer hub exchanges, training sessions and meetings, as well as sessions on learning policy. Through empowering players to work cross-sectorally and tackle digitisation, these have a direct local impact and contribute to wider societal challenges.

Running from 2016 to 2018, the project was led by the British Council in partnership with six European creative hubs – Bios in Greece, ADDICT in Portugal, Betahaus in Germany, Nova Iskra in Serbia, Creative Edinburgh in the UK and Factoria Cultural in Spain – as well as the European Business and Innovation Network. In addition to the above-mentioned activities, the project also put in place an online platform that maps and profiles hubs, gathers information and different experiences, and provides a common stage for these support structures across Europe to share and learn from each other.

WEBSITE

<http://creativehubs.eu/>



Sociale Innovatie Fabriek/ The Social Innovation Factory (Belgium)

The Social Innovation Factory is a networking organisation that strives to solve societal issues in a creative way. It intends to help companies and associations design and launch their innovative concept (often a concept that provides answers to societal challenges such as poverty, climate change, aging and loneliness). The network has been set up by civil society organisations and social entrepreneurs with the aim to promote and guide social innovation and social entrepreneurship, leading towards (co-)financing or partnerships. They provide associations and companies with access to expertise in order to bring concepts to life in an effort to ensure that social innovative projects are launched successfully.

The Factory offers services such as face-to-face assistance by process managers, enrichment sessions with experienced innovators, workshops and boot camps. It also runs broader communication and awareness campaigns, and organises numerous networking opportunities for all the stakeholders involved.

WEBSITE

<http://www.socialeinnovatiefabriek.be/nl/english#sthash.IIjMKJT.dpbs>



Vienna Business Agency – Social Entrepreneurship (Austria)

The Vienna Business Agency started addressing social entrepreneurship for the first time in 2015, the goal being to find solutions to social challenges with new products and services from creative industries. A dedicated call for projects on social entrepreneurship in the context of the creative industries was therefore launched with a budget of around EUR 1 million ('creative focus Social Entrepreneurship'). Of the 36 projects which applied, 9 have been funded.

A best practice example is the project 'Joadre' from the Rolemodelx Impact group GmbH. The Joadre network aims to prevent human trafficking through fashion. Joadre offers African-inspired fashion produced under fair trade conditions by women at risk of human trafficking. Furthermore, women with low incomes can work as Joadre presenters and sell products within an affiliate system, thereby increasing their income.

The Vienna Business Agency is the first point of contact for national and international companies in Vienna and Austria. It offers financial support, real estate and urban development incentives, as well as free service and advice. In principle, all of the Vienna Business Agency's funding programmes are now open for project applications in the area of social entrepreneurship.

WEBSITES

<https://viennabusinessagency.at/funding/programs/social-entrepreneurship-8/>
<https://joadre.com/de/product-category/clothes/>



Puglia Creativa – Creative Apulia Cluster Association (Italy)

Puglia Creativa is an association recognised in 2012 by Apulia Region, according to Regional Law 23/2007. It represents more than 100 Apulian cultural and creative enterprises. The sub-sectors are:

- performing arts (theatre, dance, music, festival);
- cultural industries (cinema, media, audiovisual, gaming, software, publishing);
- creative industries (design, 'Made in Italy', architecture, communication agencies);
- heritage (visual arts, cultural hub, cultural heritage, entertainment places);
- creativity-driven (social innovation, services, training).

The network is also composed of universities, public and private institutions active in education, research and vocational training, institutions and public companies, trade associations and regional trade unions.

The mission of this cluster is to:

- create a network with and for cultural and creative industries;
- raise awareness of the economic and social value of the sector;
- support associates through exchanges of best practice;
- provide and share expertise;
- provide services for cultural and creative industries;
- keep associates updated with information on dedicated calls for tenders, EU programmes, financing instruments, etc.

WEBSITE

<http://www.pugliacreativa.it/>

Kultur- und Kreativpiloten Deutschland (Germany)



The award Kultur- und Kreativpiloten Deutschland is a project commissioned by Germany's Federal Government's Cultural and Creative Industries Initiative. Since 2010, 32 creative and innovative businesses and projects have received this award each year. The winners enter a 1-year programme of individual coaching, group workshops, networking, mentoring and the public attention gained from an award from the Federal Government. The awarded businesses, ideas and projects are at various stages of the life cycle, ranging from the seed phase to businesses in the mature stage. The design of the individual coaching sessions directly corresponds with the challenges and issues of the particular business. Peer learning and benefiting from each other's experiences is a key point in the programme, especially in the group workshops. Developing the entrepreneurial approach and entrepreneurial personality of the artists and creators is at the core of the programme's measures and activities. The alumni and awarded businesses and projects in the current classes make up a best practice collection from all areas of the cultural and creative industries, which conveys the innovation potential of the sector to the economy and society as a whole.

WEBSITE

<http://kultur-kreativpiloten.de/>



Further practices of interest

gi-Cluster (Gaming and Creative Technologies & Applications Cluster) (Greece)

<http://www.gi-cluster.gr/en>

Tartu Centre for Creative Industries (Estonia)

<http://loovtartu.ee/en/>

Factoria Cultural (Spain)

<http://factoriaculturalmadrid.es/en/>

Matera Hub (Italy)

<http://factoriaculturalmadrid.es/en/>

Creative Kosice (Slovakia)

<http://www.cike.sk/>

De Hoorn (Belgium)

<http://www.dehoorn.eu>

La Vallée (Belgium)

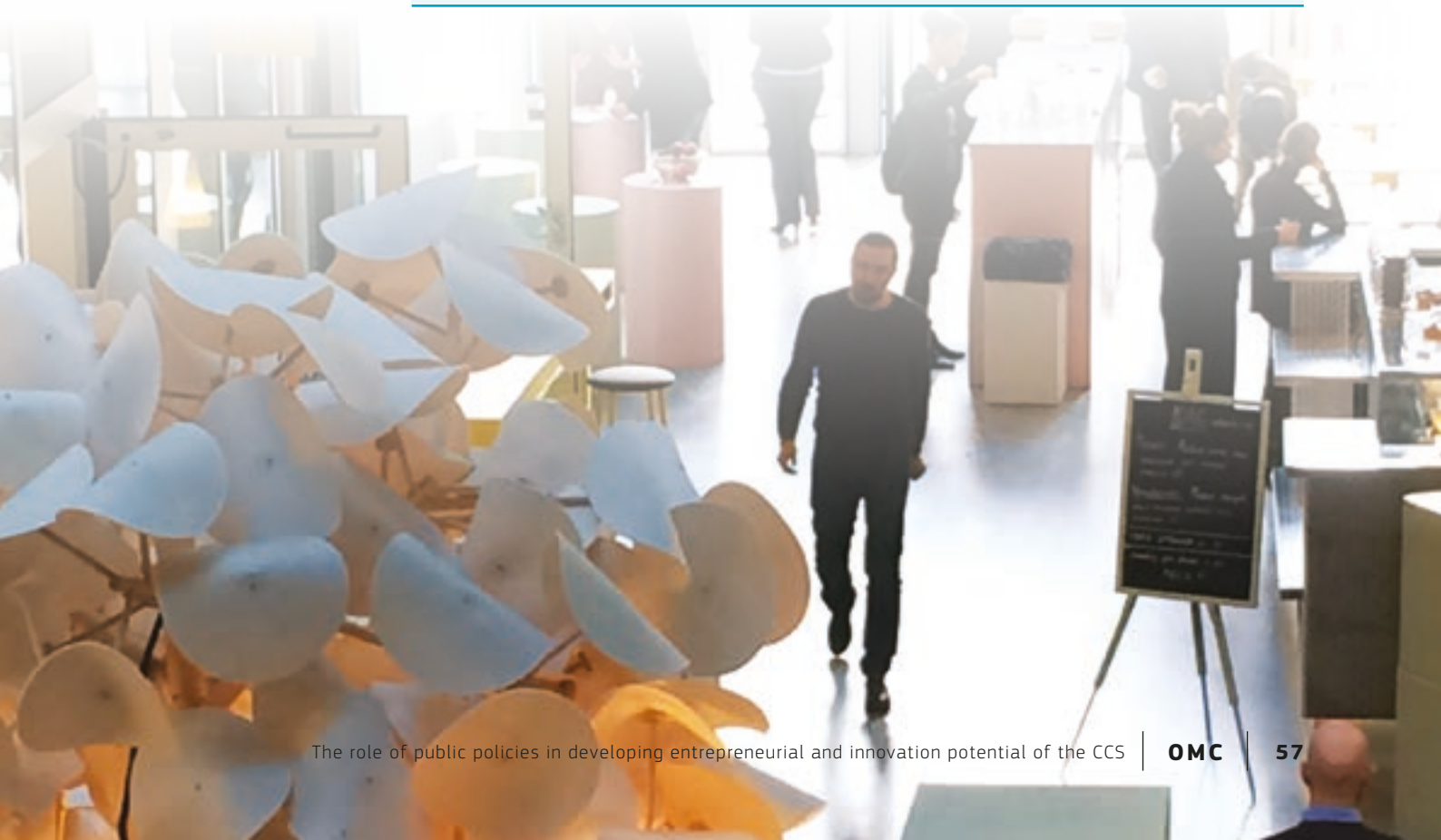
<http://www.creativespot.be/spots/Lavallee>

Pepibru (Belgium)

<http://www.pepibru.be>

RCIA – Regional Creative Industries Alliance (Austria/INTERREG Europe partnership BE/DK/RO/GR/LV/IT/PL/ES)

<https://www.interregeurope.eu/rcia/>



3.3 THE COOPERATION –

Cross-sectoral innovation

Cross-sectoral innovation with the participation of the cultural and creative sectors has been widely discussed in Europe over the past years. The European Creative Industries Alliance chose this topic as one priority in the area of ‘spill-overs’²⁴. A European research partnership on cultural and creative spillovers²⁵ has been created and different Member States launched research and support programmes in the field. For example, Austria published its seventh creative industries report in 2017 focusing particularly on innovation and crossover effects²⁶. The main focus of these ongoing initiatives is how to better use the innovation potential of the cultural and creative sectors for other parts of the economy and society. The Dutch Government, for example, published a series of good practices under the title ‘Cross-over Works – Innovating with the Creative Industry’, highlighting cross-sectoral cooperation between the creative industries and sectors like health, life sciences, logistics and construction. The support measures launched included different creative voucher schemes²⁷ aimed at promoting collaboration with the sector in innovation projects.

The OMC group sees great opportunities for different countries to positively develop their societies and economies by using the cross-sectoral innovation potential that the cultural and creative sectors have. However, it demands a strengthened visibility and awareness for the positive effects and the value that these sectors provide. Furthermore, the group agrees that to sustainably benefit from the cross-sectoral potential of the sector, a supportive and encouraging policy framework and business environment which accounts for the large number of small and micro enterprises in the sector is necessary. In 2015, the European Commission encouraged cross-sectoral strategies and the implementation of a favourable environment to strengthen cultural and creative crossover effects. The Council of the European Union (2015) understands the crossover between the cultural and creative sectors and other sectors ‘as a process of combining knowledge and skills specific to the cultural and creative sector together with those of other sectors in order to generate innovative and intelligent solutions for today’s societal challenges’²⁸.

As previously emphasised in this report, the cultural and creative sectors are highly innovative. The positive effects that derive from the innovative nature of these sectors are not limited to benefitting the practitioners and stakeholders of these sectors alone but are highly cross-sectoral. Based on its unique perspectives and approaches, these sectors are able to positively influence other economic sectors by connecting industries. Their products and services make other sectors more attractive and competitive, improve processes and help with a successful transformation to a digitised world. Of course this goes both ways. The businesses, projects, institutions and organisations (both for profit and not-for-profit) in the cultural and creative sectors can also largely benefit from engaging in cross-sectoral work. Access to new audiences, customers and markets, professionalisation of processes, operations and services, as well as the development of new products and services are only some of the positive effects which cross-sectoral innovation projects can have for the cultural and creative sectors.

The experts of the OMC group emphasise that the potential of cross-sectoral innovation with the participation of cultural and creative sectors goes beyond the fact

24
<http://eciaplatform.eu/project/cross-sectoral-innovation/>

25
<https://ccspillovers.wikispaces.com/Events>

26
<https://www.kreativwirtschaft.at/siebenter-oesterreichischer-kreativwirtschaftsbericht/>

27
https://ec.europa.eu/culture/news/2016/new-good-practice-report-innovative-financing-instruments-cultural-and-creative-sectors_en

28
<http://data.consilium.europa.eu/doc/document/ST-8346-2015-INIT/en/pdf>

that these sectors contribute to the innovation efforts and competitiveness of other economic sectors. Innovative projects in the cultural and creative sectors have the potential to generate positive effects for regional and urban development, public service and society as a whole. Many of these projects tackle the large societal challenges that Member States face, such as the transformation of the labour market, environmental issues, questions of social and cultural inclusion, migration, health and educational issues. Therefore the social and societal impact of the cultural and creative sectors is a key theme that the group believes must be further addressed.

3.3.1 Cross-sectoral challenges

The experts of the OMC highlighted the following main challenges regarding cross-sectoral innovation:

Lack of frameworks for cross-sectoral collaboration in the public sector

The public sector is not sufficiently transversal to develop integrated policies from different perspectives. While, for example, it is normal for economic ministries to focus on innovation, culture ministries often have different objectives. Innovation is rarely mentioned in cultural policies and culture is rarely mentioned in innovation policies. Budgetary frameworks are strict and form a further obstacle for cooperation across ministries and public institutions in cross-sectoral support programmes. The current situation in many countries leads to an excessively wide range of diverse small support programmes instead of larger integrated approaches across ministries. In addition, the policy-making process is usually much slower than the transformative dynamics experienced in the cultural and business environments it aims to address. It should keep up more up to date with the rapid and volatile changes and developments, and include more participatory and open elements.

Measuring the qualitative benefit and success of projects with a specific focus on economic impact

Public innovation support policies aim to make an impact. The definition of impact, however, tends to focus almost exclusively on quantifiable and limited economic aspects. To date, most of the support measures do not sufficiently take into account the wider impact that innovative projects in the cultural and creative sectors can have. Impact measurement instruments falling into the category often deemed as 'soft' are not sufficiently elaborated on, and the evaluation of social impact is not discussed intensively enough in the societal context. This leads to many innovation support programmes not being appropriately evaluated in order to better understand the full cross-sectoral benefits they generate.

Lack of understanding and awareness of the innovative potential of the CCS on other sectors

So far, the cultural and creative sectors themselves and their respective support institutions have not sufficiently informed and convinced other sectors and the public about their innovation potential and track record. Systematic research that demonstrates the innovation potential of the cultural and creative sectors is missing. Also, there is still a low degree of acceptance and mutual understanding between sectors. Mutual understanding and sharing a 'common language', however, are crucial prerequisites for successful cross-sectoral collaboration and innovation.

Parts of the CCS are reluctant to innovate and are often stuck in traditional concepts

Like other sectors, cultural institutions in both the for-profit and not-for-profit categories also struggle to embrace change and progress. The cultural and creative sectors may be equally conservative and protective; also innovation obstacles might include a lack of readiness and willingness to change and to reach out to new audiences. Other obstacles may also include a lack of capacities and competencies to develop and implement innovative projects and adopt new processes. Challenges may, in addition, reflect a lack of understanding of the potential benefits of cross-sectoral cooperation within and beyond the cultural and creative sectors.



3.3.2 Cross-sectoral recommendations

The experts of the OMC Group identified the following recommendations for policy-makers to support cross-sectoral innovations, including the cultural and creative sectors:

Public bodies should take on a pioneering role in cross-sectoral innovation and the integration of cultural and creative sectors

Public structures should set an example for cross-sectoral work in order to be credible and function as role models for other sectors. To do so, it is advisable to create a strategic framework for cross-sectoral work at the policy-making level. Policies should be created with the intention of being implemented across different sectors. The group recommends making cultural and creative sectors a priority and a field for ministries in which they can integrate their efforts. For example, in Germany the Federal Government's Cultural and Creative Industries Initiative is a joint initiative of the Ministry for Economic Affairs and Energy and the Commissioner for Culture and the Media. Besides cross-ministerial work and initiatives, the group advises engaging individuals from the cultural and creative sectors in ministries (for example, employing service designers) and applying tools and approaches from these sectors in ministerial processes and projects. Tools such as design thinking, lean project management, gamification, crowdsourcing, co-creation and open innovation could prove valuable for developing the public sector and the policy-making process. The cultural and creative sectors are pioneers in applying and developing all of these tools. In Finland, the project Design for Government offers courses for public servants and provides them with design tools to address the complex challenges of the government and the public sector. By making use of the cross-sectoral innovation potential in the cultural and creative sectors, the public sector can set an example and also improve its services, its communication and interaction with the public and generally become more innovative.

Take into account size, time and IPR of CCS when designing cross-sectoral innovation programmes

In order to make the cultural and creative sectors an integral part of policy-making and to maximise the economic and societal benefits from cross-sectoral innovation including the CCS, it is important to account for the sectors' specific features. The particularities and frameworks of micro-enterprises and self-employed creators are especially vital for successful cross-sectoral support schemes. Keeping in mind that cross-sectoral work can be very time consuming, particularly for the self-employed and micro-enterprises, specific frameworks (i.e. paid time, direct calls, etc.) should be created. Protection of intellectual property rights is an area especially relevant for cross-sectoral innovation projects. Among other sectors, awareness of the importance of protecting intellectual property is often not sufficiently developed. Policy-makers should include measures that take account of this and help to protect IP. Seeking expert advice from and collaborating with actors and structures close to CCI businesses, such as clusters and chambers of commerce, will help to effectively and efficiently develop integrated policies that take into account the specifics of the cultural and creative sectors.

Measure cross-sectoral benefits, considering also the non-economic effects

The group is aware that identifying meaningful non-financial indicators can be problematic and measuring non-economic impacts (i.e. social and societal) can be difficult. But when the impact is too narrowly defined, the measurement and evaluation of projects will fall short of representing a well-rounded picture of the positive effects. To grasp and convey the full innovation potential of the sector, the economic impact of support schemes and projects shouldn't be isolated but should be considered within a broader context of the effects. This is particularly important for cross-sectoral innovation projects where one or more partners are from sectors in which results and evaluations are traditionally expressed entirely in quantitative terms. The group wants to raise awareness about the fact that the social and societal impact is in many cross-sectoral innovation projects at least as important as direct economic benefits. Policies should aim to have both direct and indirect economic effects. As mentioned previously in the report, this requires a broad definition and understanding of innovation in frameworks, policies and support/funding criteria, which reach beyond the traditionally very technology-focused concept.

Encourage innovation policies for experimentation and risk-taking

Innovation, and especially cross-sectoral innovation, usually happens through a process of experimentation, trial and error, and prototyping. Therefore, in order to support and foster cross-sectoral innovation in the cultural and creative sectors, frameworks that allow for experimentation, uncertain outcomes and the possibility of failure are vital. Supporting and creating both physical and non-physical spaces for experimentation, prototyping and cross-sectoral experiments can help to nurture cross-sectoral innovations. Fostering a culture that supports the principle where the only failure is not to try is also needed for policy-making structures. Not only measures and projects, but policies too should be tested and evaluated. The group also strongly believes that policies should not be rigid but rigorous while remaining flexible so that they can incorporate the rapid changes happening in the field.

Develop incentives for all industries to engage in cross-sectoral work and promote good practices

Policies should strengthen networking and collaboration between the CCS and other sectors and encourage crossovers. To overcome the reluctance to engage in cross-sectoral projects, especially with micro-enterprises and self-employed creators in these sectors, the group considers incentives as a valuable measure. Innovation voucher schemes such as the one implemented in Austria for cross-sectoral projects involving enterprises in the cultural and creative sectors can, for example, help to increase cross-sectoral innovation and reduce scepticism. Furthermore, if incentives increase the number of successful cross-sectoral projects, then best practice examples are being created. Promoting good practice examples will increase the visibility of the sector and raise awareness for the innovation potential and added value of cultural and creative sectors in public entities, in other economic sectors and among policy-makers.

3.3.3 Inspiring cross-sectoral policy examples

In order to address the challenges in the field of cross-sectoral innovation, policy-makers may consider the following good practice examples identified by the OMC group:

Design for Government (Finland)

Design for Government (DfG) is an advanced studio course, which is part of the Creative Sustainability Masters Programme in Aalto University. DfG designs solutions to address the complex challenges faced by government and the public sector.

The course responds to projects suggested by the ministries based on their current issues and needs, and is targeted at students and civil servants/ministry employees within interdisciplinary teams. It involves:

- an empathic approach to identify stakeholder needs;
- a systems approach to analyse the wider context of policies;
- the application of behavioural insight to identify and design relevant solutions.

The course builds on best practices in Finland and around the world. Some examples include:

- Design Lab and Design Driven City in Helsinki;
- Policy Lab in the UK;
- MindLab in Denmark;
- Public Policy Lab of New York.

DfG is a project-based course, in which projects are proposed by governmental stakeholders. Projects are formulated as briefs, which then serve as the basis for in-depth and practical development by interdisciplinary student teams. Each year there are 25 to 30 master students in DfG, with backgrounds in design, arts and architecture, business, engineering and other relevant disciplines. In 2014, the programme worked with the Ministry of Environment. In 2015, with the Finnish Prime Minister's Office and with the Ministry of Agriculture and Forestry.

WEBSITE

<http://dfg-course.aalto.fi/2015/about-design-for-government/>



CLICKNL and the creative industries top sector (Netherlands)

CLICKNL is the Dutch creative industries' knowledge and innovation network, connecting interested researchers and creative entrepreneurs. Together they work on sustainable solutions to societal and economic challenges. CLICKNL is part of the Dutch creative industry's top sector. CLICKNL brings people and resources together with the aim of making the Dutch creative industries an international leader. It develops a national knowledge and innovation agenda for the creative industries, monitoring the progress and quality of its implementation. It identifies and initiates highly promising forms of cooperation and creates crossovers. CLICKNL acts as the national and international point of contact for all those players that want to innovate in and with the Dutch creative industries. It also stimulates the smart use of practical policy instruments. It provides value to the sector by acting as an intermediary, which enables cross-sectoral activities and promotes the potential of the cultural and creative sectors for other economic sectors and society. The connection between research and creative entrepreneurs is in itself cross-sectoral and this is reflected directly in the objectives of CLICKNL.

WEBSITE

<http://www.clicknl.nl/?lang=en>

Hamburg's platform for interdisciplinary solutions with creative industries (Germany)



The ERDF-funded project by the Ministry of Culture and Media in Hamburg is carried out by the Hamburger Kreativ Gesellschaft, a municipal institution founded to promote Hamburg's creative industries. The platform strives to support interdisciplinary work between creative people and enterprises from other economic sectors through various events and formats. This 5-year project was launched in 2017 and aims to match the cultural and creative sectors with other economic sectors to develop new solutions, products, services and business models. The platform's main objective is to open up new markets, mobilise innovations and raise public awareness for services in the creative industries.

WEBSITE

<http://kreativgesellschaft.org/en>



Millepiani – Roma (Italy)

The Millepiani Association is more than a co-working space. It is a non-profit association that aims to provide associates and citizens with services. As required by law, it is not allowed to share earnings generated by its activities.

Millepiani is structured to protect workers and micro-enterprises from the negative impacts of the market, placing them in a collaborative ecosystem. The association enables micro-enterprises, start-ups and freelancers to find consultants, suppliers, customers, partnerships and training providers who are looking for mutually beneficial opportunities. Spaces are provided to develop the business.

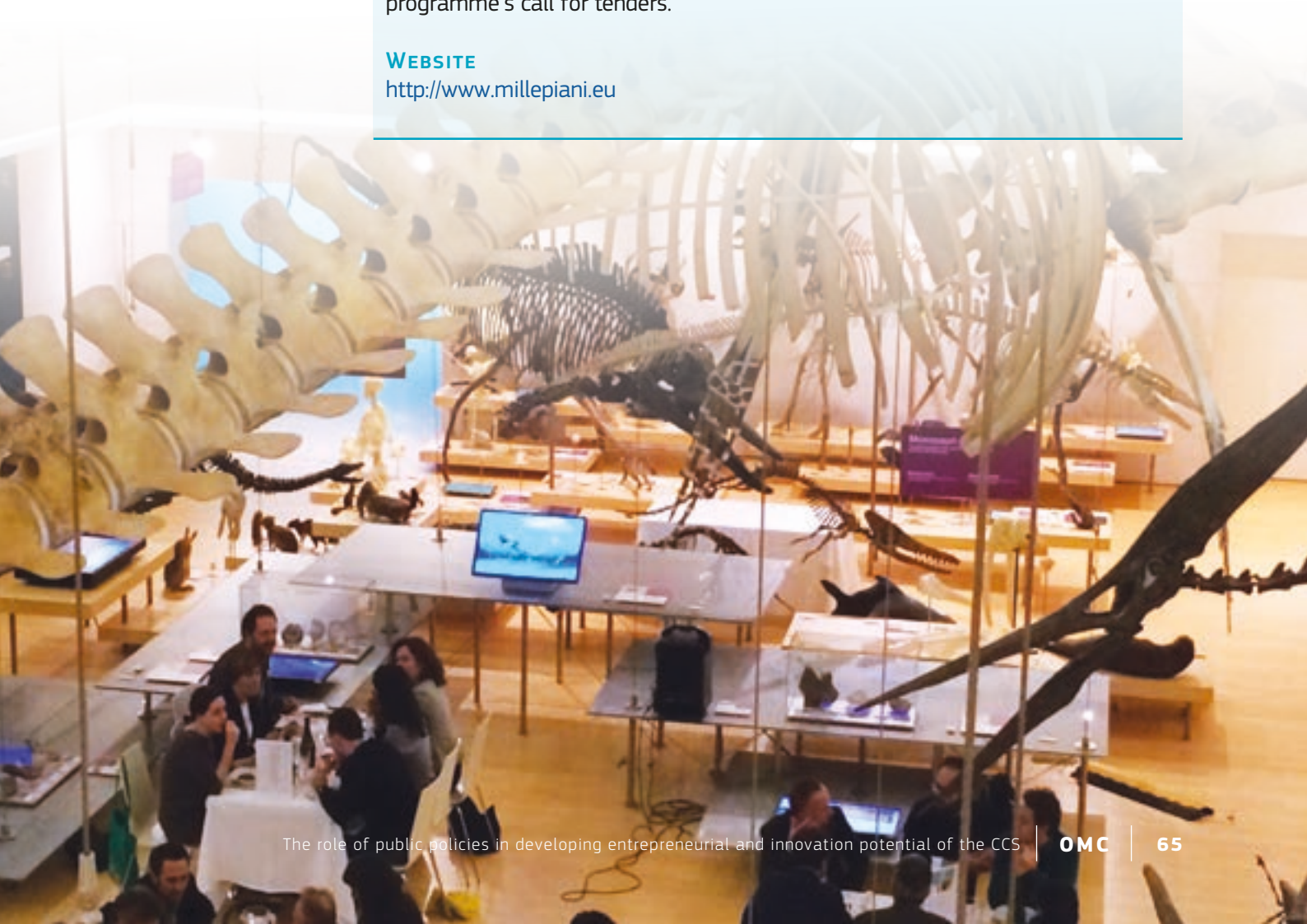
The institutional and private partners are the Municipality of Rome, the Chamber of Commerce of Rome, universities and public/private research centres, the National Confederation for Craftsmanship and SMEs.

Millepiani participates in the CoRETE network. Along with co-working spaces, fab labs and co-living facilities, the network built the first bottom-up collaborative urban ecosystem. In addition, it has designed common services, created purchasing groups and held dissemination events, while also providing a single large community of experts who help start-ups and companies, participatory maps, and co-design practices. It is an example of self-government of independent participants working in new economies that produce mutualism and socialisation.

The network has also produced guidelines on co-working for the ESF 2014-2020 programme's call for tenders.

WEBSITE

<http://www.millepiani.eu>





Pixel, Bytes & Film – Support and training for experimental film in the context of transmedia (Austria)

Pixel, Bytes & Film is a project under the Federal Chancellery of Austria, Arts and Culture Division/Film Department in cooperation with ORF III, ARTE Creative and the Academy of Fine Arts Vienna. The support programme has been running since 2015 following a pilot action, which started under the label 'New film formats' in 2011. It is implemented on the basis of annual calls. The programme's objective is to promote Austrian film-makers in the areas of new media technologies and the related creative possibilities. The focus is on:

- experimenting with new digital media;
- developing a new 'language' for a new media world by exploring innovative ways of engaging with form, content and technology.

Each innovative art project is funded with EUR 15 000. The films are broadcast on the linear channel ORF III and published on the ORF II and ARTE websites. Each year, several training units organised by the *Zentrum für Wissenstransfer* (Centre for Knowledge Transfer) are offered to the selected artists. Here, the artists are trained in new media formats, production techniques and exploitation of rights. The film-makers learn about new media and develop new artistic forms of expression and transmedia formats, and during the production process can exchange their ideas and approaches with experts. The TV stations involved, as well as their audiences, benefit from innovative and non-conventional audiovisual content.

WEBSITES

<http://www.kunstkultur.bka.gv.at/>

<https://vimeo.com/pixelbytesfilm>



InnovAthens (Greece)

Giving priority to the young unemployed, InnovAthens is addressing people who have the ambition to become entrepreneurs and seek to get connected with the ecosystem of innovation and groups of students, graduates and researchers with creative ideas that they want to transform into sustainable businesses. It also addresses start-ups and ventures that have already made their first steps into the market, innovative companies that want to expand in the international market and everyone who wishes to develop her/his (soft technical) skills. InnovAthens organises events with key representatives of the start-up and entrepreneurial scene, for the exchange of ideas, best practices and information in several fields of innovation and entrepreneurship, and high-level, certified training on technical, soft and entrepreneurial skills through workshops, seminars and hackathons. There have been five cycles of business acceleration (BA) through seminars, personalised tutoring and intensive mentoring in a total of 92 groups (200 people). The fields of activities and/or innovative ideas have included mainly high-tech applications, CCIs, gastronomy and tourism. A makerspace in the centre of Athens will facilitate the interaction and evolution of traditional craft with digital innovative techniques.

WEBSITE

<https://www.innovathens.gr/>

Further good practices of interest

STDPN, Malmö (Sweden)

STPLN in Malmö was the first makerspace to be founded in Sweden, and the OMC group carried out a study visit there. STDPN is also part of the European Network of Creative Hubs (see previous section in this chapter). Makerspaces are places where individuals develop cross-sectoral skills in technology, crafts, programming, culture, sloyd²⁹ and invention – by making products and meeting other makers. STPLN operates as a membership-based community; members are families, micro enterprises, retired people and youth. The approach is entrepreneurial, social and inclusive, for example, introducing girls to technological skills; activities with refugee families; or inter-generational skills transfer (older people teaching woodworking or sewing to young people). STPLN is a cross-sectoral place for innovation, developing creative competences and entrepreneurial minds with the motto ‘let’s do it!’.

WEBSITES

<https://stpln.org>

<https://vimeo.com/165114183>

BENISI – Building a European Network of Incubators for Social Innovation

The partners of this EU project sought to build a Europe-wide network of incubators for social innovation by working with impact hubs in different countries. The network identified 300 social innovations with a high potential for scaling-up. Networks are structured in a collaborative manner and are better able to spread knowledge and practice across various sectors and contexts. The project ended in 2016 and produced a wealth of interesting case studies and a scaling guide for social innovation incubators, as well as other material, which is available at:

WEBSITE

www.benisi.eu

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Sloyd: Handicraft-based education system
(<https://en.wikipedia.org/wiki/Sloyd>).



RESEARCH – CREATE – INNOVATE (Greece)

The Single RTDI State Aid Action RESEARCH – CREATE – INNOVATE support measure is funded by the Operational Programme 'Competitiveness, Entrepreneurship and Innovation 2014-2020' (EPAnEK). This measure aims to support research and innovation, technological development and demonstration at operating enterprises by:

- developing new or improved products;
- developing synergies among enterprises, research and development centres and the higher education sector;
- supporting the patentability of research results and industrial property.

The first cycle of the call for project proposals ended in June 2017.

<http://www.antagonistikotita.gr/epanek/prokirixeis.asp?id=26&cs=>

Czech cultural calculator (Czech Republic)



This is an online application for calculating the economic impacts of cultural organisations and events in the Czech Republic and is a good example of a wider economic view of societal development.

WEBSITE

<http://www.kulkal.cz/?lang=en>



Slovenia's Competence Centre for Design Management KCDM (Slovenia)

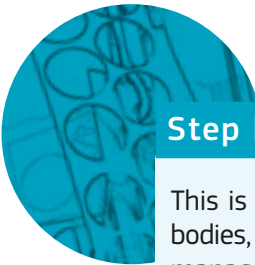
KCDM's primary objectives are to:

- introduce design and design management to participating companies;
- systematically connect the design and business communities;
- provide and organise training sessions;
- create a professional network;
- increase public awareness in general.

The pilot project, which ran from 2013 until 2015, was financed through the ESF and bolstered design management knowledge in 16 companies. The follow-up project, running for 2 years until 2019 will gather 37 companies in 2 competence centres.

WEBSITE

<http://www.design-management.si/>



Step Ri (Croatia)

This is a project that involves civil servants from city, municipality and cultural bodies, providing them with, among others, training on IPR protection and innovation management support. RI-HUB (Rijeka, Croatia)

WEBSITE

<http://www.step.uniri.hr/en/>

European Social Innovation competition

The European Social Innovation competition was launched in 2012 with different topics for each year ('new forms of work', 'the job challenge' and 'new ways to grow'). The 2017 Social Innovation Competition aims to make technological change and digital transformation more inclusive.

WEBSITE

http://ec.europa.eu/growth/industry/innovation/policy/social/competition_en



3.4 THE USERS –

User-driven innovation and co-creation

User-driven innovation and co-creation approaches have already been included in EU innovation policy, together with references to demand-driven innovation³⁰ and open innovation³¹. For example, user-driven innovation has been referred to in several parts of the EU Innovation Union Communication 2010, which states that companies base their innovations on existing technologies or develop new business models or services driven by users and suppliers. Design, in particular, is recognised as a key discipline and activity that brings ideas to the market, transforming them into user-friendly and appealing products.

User-driven innovation refers to innovation by intermediate users or customer users, rather than by suppliers (producers or manufacturers). User-driven innovation research has its origins in the Massachusetts Institute of Technology, USA. Eric von Hippel and others observed that many products and services are developed or at least refined by users at the site of implementation and use. User innovations are also often socially distributed innovations and/or invented by user communities. User innovation has a number of terms and expressions: innovation of use, innovation in services, innovation in configuration of technologies, etc. New technologies and channels of communication help user innovation to take place and to have an ever-increasing impact. Recent research on user innovation has focused on web-based forums that enable user (or customer) innovation.

There are various methodologies applied in user-driven innovation and their central aim is to uncover the users' recognised and unrecognised needs. The key is to focus on the customers' demand – the qualities that create value for the customers. In the case of market-oriented innovation, companies are able to attain increased loyalty among existing customers, as this facilitates customers' needs being met.

Co-creation is the process by which groups of people from different backgrounds come together with a shared purpose to create value through improving or developing services, processes and products. A particular feature of co-creation is boundary-spanning cooperation. For instance, this process can span across functions, businesses or customers of the company. Co-creation can also be defined as a management initiative, or as a form of economic strategy, that brings different parties together (for instance, a company and a group of customers), in order to jointly produce a mutually valued outcome.

Co-creation has been recognised at EU-level in different actions, for example in the Horizon 2020 work programmes related to inclusive, innovative and reflective societies and digitising and transforming European industry and services, or in the Digital Single Market.

The aim of user-driven innovation is not based these days on the innovation activities, user needs and experiences, but more on how companies could add and create value for users. Products and services should often be unique to the customers but newness is not enough to make a product unique. It must also contain the aspect of value and be appropriate for a specific person in a specific situation³². The research findings suggest that treating customers as more equal partners in

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<http://eciaplatform.eu/publication/thematic-paper-promotion-of-demand-driven-innovation-in-ci/>

31

https://en.wikipedia.org/wiki/Open_innovation

32

Per Kristensson, Anders Gustafsson and Trevor Archer (2004). Harnessing the Creative Potential among Users. *The Journal of Product Innovation Management* 2004, Vol. 21, pp. 4-14.

a user-driven innovation process increases the chances of product and market success³³. The user-driven and co-creation processes are often beneficial, both to the companies using user-driven methods and to users and customers. They both aim to see the provision of better services and products. Depending on the methods used, questions regarding the protection of users' personal data and intellectual property rights issues can arise, e.g. in co-creation processes.

User-driven innovation is important in processes leading to intangible value creation. Companies are able to create value through, for example, artistic and creative work, intellectual capital, crowdsourcing, ideas, organisations and networks without large investments. This is especially crucial for practitioners in the cultural and creative sectors, given that their strength is oriented more towards the production of artistic and creative work rather than in the harnessing of large investments. By investing in their intangible assets, such as training, skills and R&D, enterprises in these sectors are able to develop more value.

Research is also available on using customer co-creation in traditional industry. Findings have shown that new offerings developed through market research techniques based on customer co-creation are more profitable than those developed with traditional market research techniques³⁴. Financial rewards from obtaining customer information for goods are highest in the early phases of the new product development process and decline in later phases³⁵.

Currently, the success factors in growth are global markets, scalability, niche markets, digitalisation and especially to focus on fulfilling customer needs. In order to build successful businesses, companies need to better understand customers' needs, and their cultural preferences and values, as well as the sustainability and usability of their products/services. Innovation can appear from the margins and user-driven approaches can help in finding such margins. Web-based forums and platforms that engage with so-called lead customers who do not yet represent the mainstream can help companies to identify 'weak signals' and, subsequently, come up with successful products and services. Many companies are also using customer data analysis for their R&D.

Traditional business models are changing as users and customers are becoming more important in the value chain. In the traditional business models, major brands were the prominent parts of the value chain; in new kinds of business networks, users play a much more prominent role.

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Anders Gustafsson, Per Kristensson and Lars Witell (2012). Customer co-creation in service innovation: a matter of communication?. *Journal of Service Management*, Vol. 23/3, pp. 311-327. <http://dx.doi.org/10.1108/09564231211248426>

34

Ibid.

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Lars Witell, Anders Gustafsson and Michael D. Johnson (2014). The effect of customer information during new product development on profits from goods and services. *European Journal of Marketing*, Vol. 48/9/10 pp. 1709-1730. <http://dx.doi.org/10.1108/EJM-03-2011-0119>

3.4.1 User-driven and co-creation challenges

The experts of the OMC group highlighted the following main challenges for user-driven innovation and co-creation:

Lack of understanding the demand-side in some CCS and the skill deficiencies of customers

Artistic and creative experiments are crucial for innovation in the cultural and creative sectors. It is fundamental that these sectors can turn these experiments into business opportunities and create value. The challenge is that the cultural and creative sectors often concentrate on offering cultural and creative content from their point of view, which does not always match the interest of the customers or users. Enterprises in the cultural and creative sectors may have difficulties in understanding the needs of users and the value they could create for their business-to-business (B2B) partners or end-users. It is essential that companies in these sectors recognise their own expertise and strengths, and are able to market and sell their expertise. The maturity and skills of the B2B partners and end-users are also needed to participate in user-driven processes. Both need good communication skills and tools in the user-driven and co-creation processes.

User-driven innovation and co-creation has not been integrated in CCS development

The ways in which user orientation is implemented in innovation policy and in developing the cultural and creative sectors differ from one country to another. User-driven innovation often takes place in pioneering companies that are interested in developing better products, services and business models. There are many examples in the USA and in European countries on how to benefit from user-driven development in technological companies but also in the public sector. However, there is still a lot of work to do in strengthening user-driven innovation in Europe, especially in companies in the cultural and creative sectors. This equally concerns the public and private sectors in Europe and the cultural and creative sectors where user-driven and co-creation approaches are not always so common.

Lack of intermediaries and platforms to facilitate user-driven approaches and engage clients

There are not enough intermediaries who could boost cooperation between companies in the cultural and creative sectors and customers. There is a lack of common platforms and forums at EU and Member State levels to share information on customers and end-users. When creating new innovative products and services in these sectors, information on the following can be used: (i) existing products, (ii) existing services, (iii) IPR, (iv) archived information and (v) customer needs. There is also the issue of personal data protection, namely what kind of data is personal and what could be used in the innovation activities. The IPR questions are also important when using different kinds of data.

CCS companies servicing larger clients find it difficult to meet the required expectations due to their small size

CCS companies are often small and suffer imbalances in terms of business skills, especially in B2B projects with bigger companies (for example, when negotiating contracts). Enterprises in these sectors often have different attitudes to their partners from bigger companies in terms of values and attitude to growth. According to the recent EU study on creative value chains, the creator's input and his/her

IP rights in the end are not related to the profit margins achieved by the end product. In this sense, cultural and creative operators should be helped to become more aware of their value and IP rights in order to reap more of the benefits of the product they helped to create and sell, and which meets customer expectations. In addition, there may still be a culture of subcontracting (buy-a-service relationship) when the common goals are not equal. There may also be a lack of innovativeness in the big companies, and in the not-for-profit sector, because the structures may be too rigid. This may provide new opportunities for innovation development.

3.4.2 User-driven and co-creation recommendations

Raise awareness of added value of user-driven innovation and co-creation approaches

There is a need to raise awareness about the fact that user-driven innovation and co-creation generates increased 'ownership', involves partners and adds value for the customers. Co-creation provides opportunities for new and wider audience development as well as cross-sector opportunities. The possibilities of using user-driven and co-creation approaches should be better recognised at the different levels of entrepreneurship and innovation development (EU, national, regional, local). There should be a greater focus on identifying initiatives with the potential to grow at different levels, while support should be provided for them to scale up when they match with the interests of the entrepreneurs. Involvement in user-driven and/or co-creation approaches could be a condition for public innovation funding, especially in cases where other companies and/or the public sector could use companies in the cultural and creative sectors in innovation development.

Enhance competences for user-involvement on all levels

The development of competences in the cultural and creative sectors is one of the key elements when developing user-driven and co-creation aspects: operators in these sectors need better business competences. This is especially relevant in relation to recognising customer needs in B2B cooperation, but also in providing a better understanding of end-users' needs. New content distribution models should be recognised, and there is a need for more foresight and discussion on future scenarios in this area. There is also a big requirement for building up competences in designing services across the full range of operators in these sectors. This could be assisted by implementing design thinking at different education levels. The public sector should have a better understanding of the users of its services. Customers and users, including those in B2B projects, need better skills in working with user-driven processes with companies in the cultural and creative sectors.

Public bodies should become more engaged to ensure sustainability of user-driven approaches

The public sector should be involved in user-driven and co-creation development; building the ecosystems is important. The public sector could finance private sector development projects but also use a user-driven approach in addressing societal challenges. The participation from the public sector should be long-term. Incubating processes need more focus and can be used as a platform to spread awareness about effective models. The public sector should invest more into intangibles by funding innovation development projects. One option would also be to explore how user-driven/co-creation can be encouraged via public procurement. The cultural and creative sectors should be seen more widely when operating with the public sector, as all

creative skills and the whole cultural and artistic base are needed in the development activities. Social innovation is particularly important when developing the public sector models of CCS innovation, for example in areas of socially oriented design.

Establish platforms to connect businesses with users

There are interesting experiences with platforms and forums that connect CCS companies, public sector bodies and other participants in order to develop collaboration projects. These try to combine the needs and challenges of companies or organisations with the creativity and expertise of artists or creators to obtain alternative results. Some of the platforms work on the basis of open innovation methodology, which helps to confront a challenge, problem or need in order to achieve more creative and entrenched results rather than by using classical innovation methodologies. Such platforms also work with end-users and customers. There is also a need for platforms to develop products and services together with cultural and creative sectors, users and customers.

Improving accessibility to copyright information

In relation to IPR issues, there should be continued efforts to make sure copyrightable content intended for commercial exploitation can be identified digitally. These efforts could include exploring the possibilities of developing access points for copyright information. This type of tools could possibly lead to the eventual development of a European Portal, also building further on the ongoing projects of the European Observatory of the EU Intellectual Property Office on infringements of IPR (such as initiatives to help consumers differentiate legal offers from infringing websites). Such an access point could include both access to information and to open interfaces of rights information systems held by collective management organisations. It could also set up a voluntary registration system for rights licensed on an individual basis. This effort can contribute to facilitating, licensing and reducing the level of piracy in the copyright sector. In the long term, steps should be taken to provide for a fully-fledged copyright market place. Such a market place may well incorporate private initiatives and (legal) online shops and services.



3.4.3 Inspiring user-driven and co-creation policy examples

Conexiones improbables (Spain)

Conexiones improbables is a platform that promotes and develops open innovation projects by implementing a hybrid methodology, combining the needs and challenges of companies or organisations with the creativity and expertise of artists or creators to obtain alternative results. It encourages responsible innovation in terms of impact, sustainability, commitment, deep-rootedness and radicalness (Slow Innovation). To date, the platform has generated more than 200 collaboration projects that have been jointly developed by companies and organisations with artists and creators.

The ultimate goal is to encourage exploration processes to innovate and transform organisations through artistically and culturally based experiences. It does this by creating an environment of high added value, diversity and creativity that is applied to both companies/organisations and their projects. This is converted into meaningful change and innovation.

The methodology used by the *Conexiones improbables* platform has been recognised by the Basque Government as an innovation promotion practice and has also received the N.I.C.E. Award 2014 (Network for Innovation and Creativity in Europe) from the European Centre for Creative Economy (ECCE) in Germany.

Conexiones improbables is promoted by the c2+i, culture, communication, innovation consulting firm, which works in the creative economy and follows three lines of action:

- Boosting creative industries and sectors;
- Developing creative cities and territories;
- Developing creativity and innovation in other social and economic sectors.

WEBSITE

<http://conexionesimprobables.es/v2/index.php?i=eng>



Barcelona Laboratori (Spain)

The main objective of Barcelona Laboratori is to encourage innovation through public and private collaboration between the arts, science and technology. It is an initiative of the Directorate of Creativity and Innovation of the City of Barcelona with i2cat Foundation, Universitat de Barcelona and Universitat Pompeu Fabra. It brings together public institutions, academia and business associations, and aims to promote cultural innovation focused on the citizen.

Two major features merit highlighting here:

1. Cities are becoming open laboratories, committed to doing research and innovation in a truly transformative way.
2. City-labs aim to open the new innovation system to all citizens, transforming the city into an open environment of creativity and innovation.

Barcelona Laboratori's approach is based on the quadruple helix model and includes citizens, public administrations, research institutions/universities and companies (micro-companies, SMEs and large companies).

Within this organisational model, Barcelona Laboratori can cover the whole value chain, starting from the experimentation phase, but also reaching into the advanced stages of elaborating the business model. Barcelona Laboratori's work covers science, technology and arts, and focuses on promoting and triggering creativity and innovation in Barcelona.

One of their main research and innovation focuses is finding synergies between high-level research and innovation infrastructures (both scientific and technological), the cultural and creative sectors and citizens. Another key component is that, for the first time, Barcelona is adopting a peer-to-peer attitude towards civil society, as opposed to simply providing the material resources to be used by the innovation communities.

Another unique element of this project is the community of communities that is being gathered through this initiative: more than 150 stakeholders from civil organisations, companies, research centres and public administrations. Their experiments have reached more than 15 000 citizens, in several of the city's events like the Festa de la Ciència i la tecnologia, or the Grec festival where more than 150 users actively participated in innovative projects.

WEBSITE

<http://www.bcnej.org/>

Participatory Budgeting (Portugal)

Participatory Budgeting Portugal (PBP) is a democratic, direct and universal process that allows civil society to decide on public investments in different governmental areas. Through the PBP, the population has a voice to decide where to invest. In 2017, EUR 3 million was spent in areas such as education and adult training, culture, science and agriculture. For this first edition, the areas of public policies covered by this initiative were chosen for their high potential in involving and mobilising citizens and communities, as well as promoting projects that integrate different territories.

The Participatory Budgeting project is deliberative. This means that the people are presenting investment proposals and they will be the ones to decide, through voting, which projects are to be implemented. Citizens will have the opportunity to propose projects and ideas, in a completely collaborative and participative way, effectively contributing to real social impact.

Its key objective is bringing people closer to politics and decision-making, while promoting a deeper connection between regions through projects at national level. It also has the potential for becoming an essential tool in creating national networks and putting into practice projects that integrate coastline and interior areas, as well as rural and urban territories. Experiences in Portugal reveal that citizens effectively participate when asked what they wish for their cities. Therefore the national Participatory Budgeting constitutes an excellent opportunity for building a project of citizen participation and promoting a greater integration between territories by means of nationwide projects.

WEBSITE

<https://opp.gov.pt/>



synAthina (Greece)

synAthina is a social innovation platform that engages citizens in problem solving and reform. The platform addresses active citizens and volunteers, community groups, social entrepreneurs, NGOs, private sponsors, city governments and municipal services. Austerity measures and Greece's economic crisis have significantly reduced the operational capacity of Athens' city government. At the same time, a vibrant civil society has emerged, with large numbers of citizens working together to improve their neighbourhoods and communities.

The synAthina platform is built around the following objectives:

1. To map the activities of community groups and engaged citizens, otherwise invisible;
2. To facilitate and empower these activities, connecting them with different stakeholders who can help them to scale up and make a real impact on the city;
3. To highlight the best civil society practices as new innovative solutions that increase the quality of life in the city;
4. To use these solutions to effectively upgrade public administration itself and incorporate this new knowledge/intelligence of the grassroots initiatives into the decision-making processes of the municipality.

WEBSITE:

<http://www.synathina.gr/el/>

Further good practices of interest



European Network of Living Labs (ENoLL)

The European Network of Living Labs (ENoLL) is the international federation of benchmarked Living Labs in Europe and around the world. ENoLL counts over 150 active Living Labs members worldwide (409 have been recognised over the past 11 years), including active members in 20 of the 28 EU Member States, as well as in two candidate countries. Directly, as well as through its active members, ENoLL provides co-creation, user engagement, test and experimentation facilities targeting innovation in many different fields, such as energy, media, mobility, healthcare, agrifood, etc. As such, ENoLL is well placed to act as a platform for best practice exchange, learning and support, and further Living Lab international project development.

WEBSITE

<http://www.openlivinglabs.eu/>

Other hubs and living labs in Member States

Smart City Amsterdam (Netherlands)

The Amsterdam Smart Citizens Lab works in a grassroots-driven, bottom-up fashion. The fast uptake of fablabs and makerspaces is creating new opportunities for citizen-driven innovation in fields ranging from open hardware to digital fabrication, community informatics and participatory sensing. Over the past 5 years, the broad availability of open hardware tools, the creation of online data-sharing platforms, and the easy access to makerspaces have fostered the design of low-cost and open-source sensors that communities can obtain to engage in environmental action. By collectively measuring and making sense of environmental phenomena, citizens can become aware of how their lifestyle affects the urban and wider environment, be inspired to adopt more sustainable behaviours and demand collective action.

WEBSITE

<https://amsterdamsmartcity.com/>

Budapest Makers (Hungary)

Budapest Makers is the online hub of the Budapest creative economy, where lifestyle meets opportunities. The aim here is to connect every tech-based start-up, designer, manufacturer, investor and all other actors involved in the creative economy. Budapest Makers want to increase the visibility of the ecosystem and boost all of its industries.

WEBSITE

<http://www.budapestmakers.com/about/>

Yhteismaa – Common Ground (Finland)

Yhteismaa is a non-profit organisation founded in 2012. It specialises in new participatory city culture, co-creation and social movements. Yhteismaa – Common Ground plans and implements projects, events and services with a strong social dimension, and creates tools through which citizens can fulfil their potential and have a positive impact on the city and the community.

WEBSITE

<http://yhteismaa.fi/en/>

3.5 THE TERRITORY –

Place-bound innovation

In this chapter, we discuss the drivers for and effects of innovation in the cultural and creative sectors that take place in defined geographical areas like cities or regions. We have chosen to refer to these geographical areas as place-bound *societies*. The *interaction* between place-bound societies and cultural and creative entrepreneurs seems to drive innovation that provides *mutual benefit* both for the cultural and creative sectors themselves as well as for place-bound societies³⁶.

In a globalised world driven by markets and competition, innovation in the cultural and creative sectors makes a difference for people and society: Place-bound societies – such as cities, regions, rural areas, states and the EU as a whole – have one thing in common: all need investments, business locations, residents and visitors for their societies to thrive and to get their public finances together. Every place-bound society that wants to survive needs to ensure that there is positive development regarding these parameters. For positive development to take place, people must have access to work and companies must have access to competent staff, while basic services must be guaranteed. Not least, cultural and creative activities can have a significant impact on how these parameters develop. It has become increasingly evident during the 21st century that societies develop positively by stimulating and incorporating CCS innovation and CCS enterprises into their strategic planning. However, policy-makers are only just beginning to consider these possibilities. More can be done to strengthen societies, as well as the cultural and creative sectors and their contribution to the economy.

CCS activities such as digital innovation in cultural heritage and the exploration of new outcomes in cultural environments contribute to making place-bound societies attractive and inclusive: As concluded in a previous OMC report, arts, culture and creative industries play a growing role in the exercise of soft power by leaders across the world³⁷. Innovative and higher quality cultural environments, art galleries, museums, cultural festivals and artistic education boost the attractiveness of societies and places. In these locations, cultural and creative entrepreneurs create new cultural services with digital tools and open data. In this manner, they also contribute to strengthening and facilitating digital access to culture. At the same time, political leaders can use this form of cultural growth to provide opportunities for social growth to take place in the society, for example by increased participation in a place-bound community interacting with a cultural facility. Of course, significant economic growth occurs in and around such cultural and creative locations. Research shows that public investment in cultural facilities can increase public revenues from the income streams generated through visitor spending. Culture as a reason to travel to a specific destination is becoming increasingly important in the development of many places, notably because culture-related consumption during tourist stays has also been on the increase.

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In addition, we have chosen to also use the term *place-bound communities* to explain another type of societal unit that exists in place-bound societies. These are of importance in relation to cultural and creative sectors' innovation and entrepreneurship. For more discussion about the terms 'community' and 'society', see https://en.wikipedia.org/wiki/Community_of_place

37

Cultural and Creative Sectors' Export and Internationalization Support Strategies.

Innovation-boosting communities such as creative hubs are good for place-bound societies and creative entrepreneurs: How attractive a place-bound society is for companies in the cultural and creative sectors is also influenced by whether there are place-bound communities for the companies in these sectors. Cultural and creative entrepreneurs out of necessity often turn to each other and form different clusters and communities, as described in chapter 3.2 on support structures. Innovation in this context is often driven by the interaction between, on the one hand, a place-bound society (most often local or regional) and, on the other, micro-companies of cultural and creative entrepreneurs and their various place-bound communities. The work being done is often more about teaming up together to deal with a (societal) issue or challenge, rather than the traditional competing for resources. Hence, these clusters and place-bound communities are important for place-bound societies – physically, socially, economically and culturally. This OMC group has visited abandoned breweries, a former shipbuilding yard, a closed chocolate factory, a closed hospital, etc. – all now revitalised through providing space for creative clusters and creation in various forms. Policy-makers subsidise the use and refurbishment of the premises, which results in a revitalised site in the city at a relatively low cost, increased social inclusion and a critical mass of creators. Through such communities, cultural and creative entrepreneurs gain the possibility to strengthen their ideas and business models, access to infrastructure, some support functions and, above all, networking.

Entrepreneurs in the cultural and creative sectors want to and can innovate for the development of their community and society: Policy-makers in some place-bound societies involve people with cultural skills in the development of their society and of their own processes. Everything indicates that the inclusion of cultural and creative know-how has positive effects and strengthens competitiveness for place-bound societies, especially when it comes to developing public services for citizens in a new and better way. Most often, this is currently the case when it comes to understanding and implementing so-called design thinking. In urban societies, data allows the design of the ‘new public space’, which is an opportunity for cultural and creative sectors. Audiences and the public are becoming producers and help design places in the city. The cultural and creative sectors can provide ideas and design solutions for cities in such a co-creative dynamic. Their mission is to make governance accessible and functional. Some key shifts in today’s cities are: from participation to co-production and co-design (as also described in chapter 3.5); from a service-oriented approach to municipalities competing with other providers; and from platform models to human and technological enablers.

Entrepreneurs in the cultural and creative sectors can work wherever they choose – rural, urban or both: Innovation and sales in the cultural and creative sectors are becoming increasingly immaterial, based on knowledge, skills and ideas – and therefore highly transferable to the digital world. Creators often come up with digital products and possess competences that can easily be moved around. Digitalisation enables cultural enterprises to create in new ways and in new locations, to reach out more to the world and to bring the world to the place where they work. Creators can reach global markets while having their base in the countryside or wherever they want, and this is becoming easier as the physical digital infrastructure is being expanded. While the creative process can often be linked to a certain place, it is boundless. Creators will be glad to move to a place with an interesting setting or where there are other creators they would want to collaborate with. One study³⁸ states that:

38

Wahlqvist, E. (2010). ‘Mellanrummen’ i Framtiden är nu – kultursverige 2040 (red. Nielsén, T & Nilsson, S.), Volante.

... for many artists there is an interaction between where they work, between different cities in different countries, as well as between city and countryside. This often means that the early production cycle is placed in big cities where there is much impression and inspiration to pick up. Then it continues in more quiet environments and where there are larger spaces in for example rural areas, then to return to the big city for the most intensive working period where exposure opportunities are greater.

3.5.1 Place-bound innovation challenges

The OMC group of experts highlighted the following main challenges regarding place-bound innovation:

Fragmentation of policy-making for cultural and creative sectors at all governance levels

Today's cultural and creative sectors-related policies are fragmented and not coherent. This applies to different sectoral and policy areas within the arts and culture, to different economic sectors, and to different scales of territorial governance within the same country. The European Commission invited Member States to each nominate one expert in the field of culture and one expert in the field of economy or enterprise to join this OMC group. It is the first time that this joint approach has happened in the history of the OMC groups. The dual perspectives from experts in both fields have brought a great deal of combined knowledge into the analysis and made it easier to bring both fields closer to reflect on the sector's development together. However, from our position we find that today's policies for innovation and entrepreneurship in the cultural and creative sectors are very fragmented, where they exist. Cultural ministries have their priorities as do economics ministries. Designing policies for CCS innovation and entrepreneurship is typically a low priority on both sides, due to the fact that these sectors work at the crossroads between arts/culture and economy/enterprise. This leaves us with a time-consuming decision-making process and support structures that are inefficient in relation to the needs of these sectors and to their various place-bound communities, as well as to the different needs of place-bound societies.

EU and national-level governance needs to recognise CCS innovation as a driver for holistic local and regional development

It is important to consider the entire region, or nation state, as a system where different environments have different meanings for developing cultural and creative sectors. These sectors' value chains are not based only within individual firms, sectors or place-bound societies. They evolve from cross-sectoral/regional collaboration that may give rise to emerging industries. In some areas, a lack of recognition for the power of innovation still persists.

However, it seems more common at regional and local levels for co-planning to take place between different policy areas to achieve common goals than at national and international levels. This most likely has to do with different political needs at different scales of territorial governance. The benefits of multi-dimensional growth for developing place-bound societies, based on cultural activities, are clearer at a regional or local level, and the concrete solutions are more clearly understandable as well. For instance, there is an often-obvious potential for developing cultural tourism. Also, many cultural and creative goods and services can be produced

anywhere, and be sold worldwide, even more so due to digitalisation. Co-planning on the national or EU level could help solve regional and local lack of resources when it comes to business development, places for CCS activities and so on by sharing resources on a larger scale.

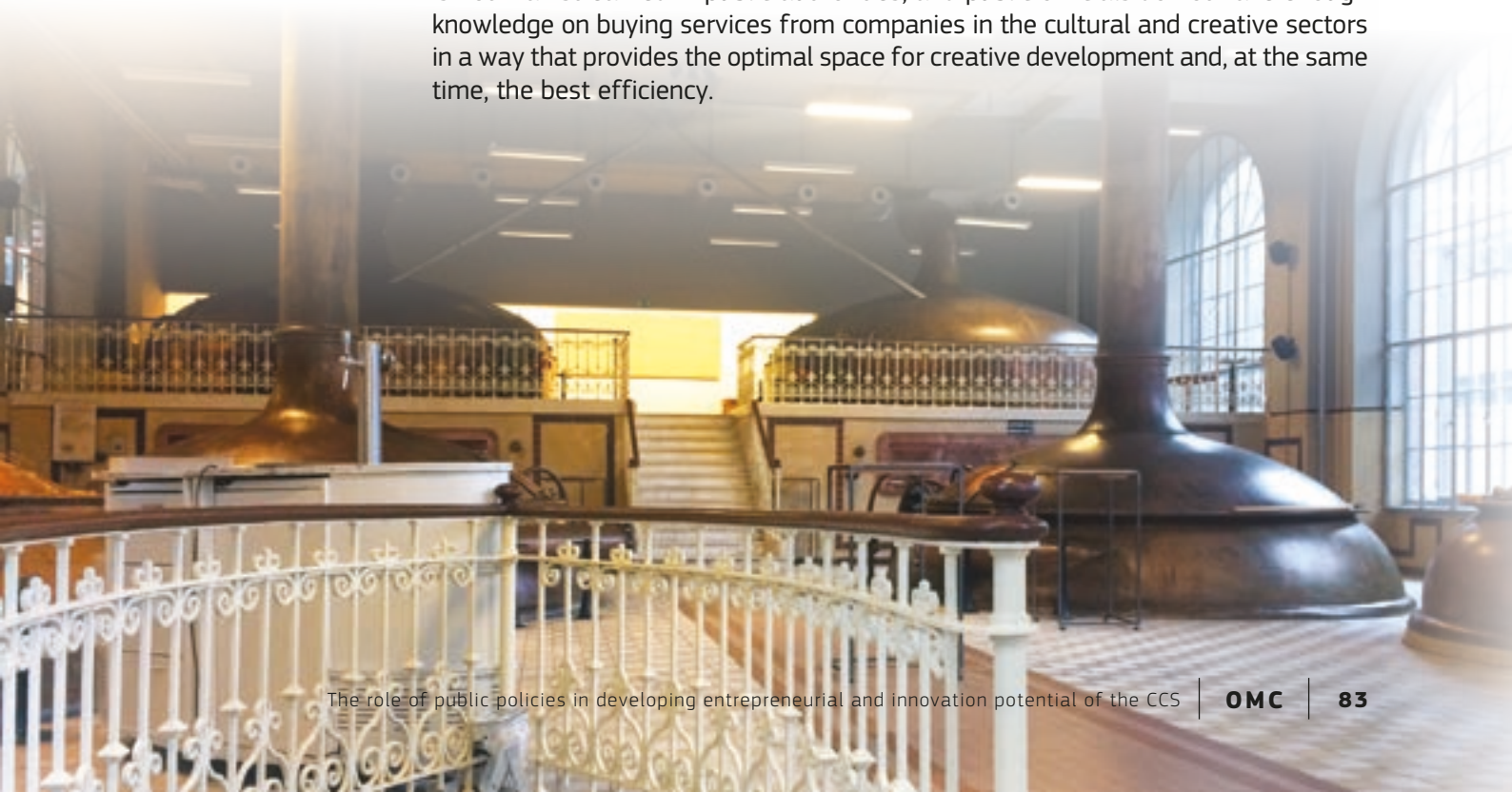
However, the efforts to develop regionally and locally seem to be hampered by the fact that at national and EU level there is usually no coordinated support process for regional and local policy development, especially when it comes to the culture and business policy context. This means that there is a need for a holistic public approach to support and strengthen the cultural and creative sectors at these different levels. We need a multilevel governance framework to support innovation in these sectors.

Lack of good innovation policy-sharing between different policy levels and integrated EU policy-making with the cultural and creative sectors

There is a need to disseminate good innovation support practices in cultural and creative sectors at local and regional level (often funded by EU Structural and Investment programmes) to policy-makers at national level. Exchange of experience and know-how are often not sufficiently elaborated on. Furthermore, there is also a need to find the connection between perspectives in this report with existing policies such as the Urban Agenda, the Pact of Amsterdam, the Smart Specialisation Strategy, etc. Some EU countries have not included cultural and creative industries in their Smart Specialisation Strategies because this could not be backed up by data evidence.

Little involvement of cultural entrepreneurs and creative competences in the development of community and society

Policy-makers at all territorial levels are still hesitant about involving the cultural and creative sectors, as well as citizens, in developing the community and the effected territorial area in general. Mind-sets need to be changed in terms of policy-making, in relation to the involvement of stakeholders and the development of new methodologies in this area: policy-makers still do not sufficiently use methods like design thinking in order to renew their policies; related skills development is not mainstreamed in public authorities; and public officials do not have enough knowledge on buying services from companies in the cultural and creative sectors in a way that provides the optimal space for creative development and, at the same time, the best efficiency.



There are few policies for creative hubs and innovative use of abandoned spaces

The cultural and creative industries challenge traditional approaches on how space is used (i.e. legal restrictions) and apply different models of space ownership (available public spaces versus lack of space). The innovative use of abandoned and empty space is a special feature of the cultural and creative sectors. To date we lack a proper discussion at policy level on the need for more targeted private-public partnerships as well as a proper debate on real estate and gentrification issues. Related long-term policies are not yet in place in all territories. For instance, a common challenge that tends to occur after a while is the lack of affordable spaces in cities for activities in the cultural and creative sectors. In addition, there is an antagonism between the scope of the space (i.e. urban development or social cohesion) and the value of the work done by creative people based there.

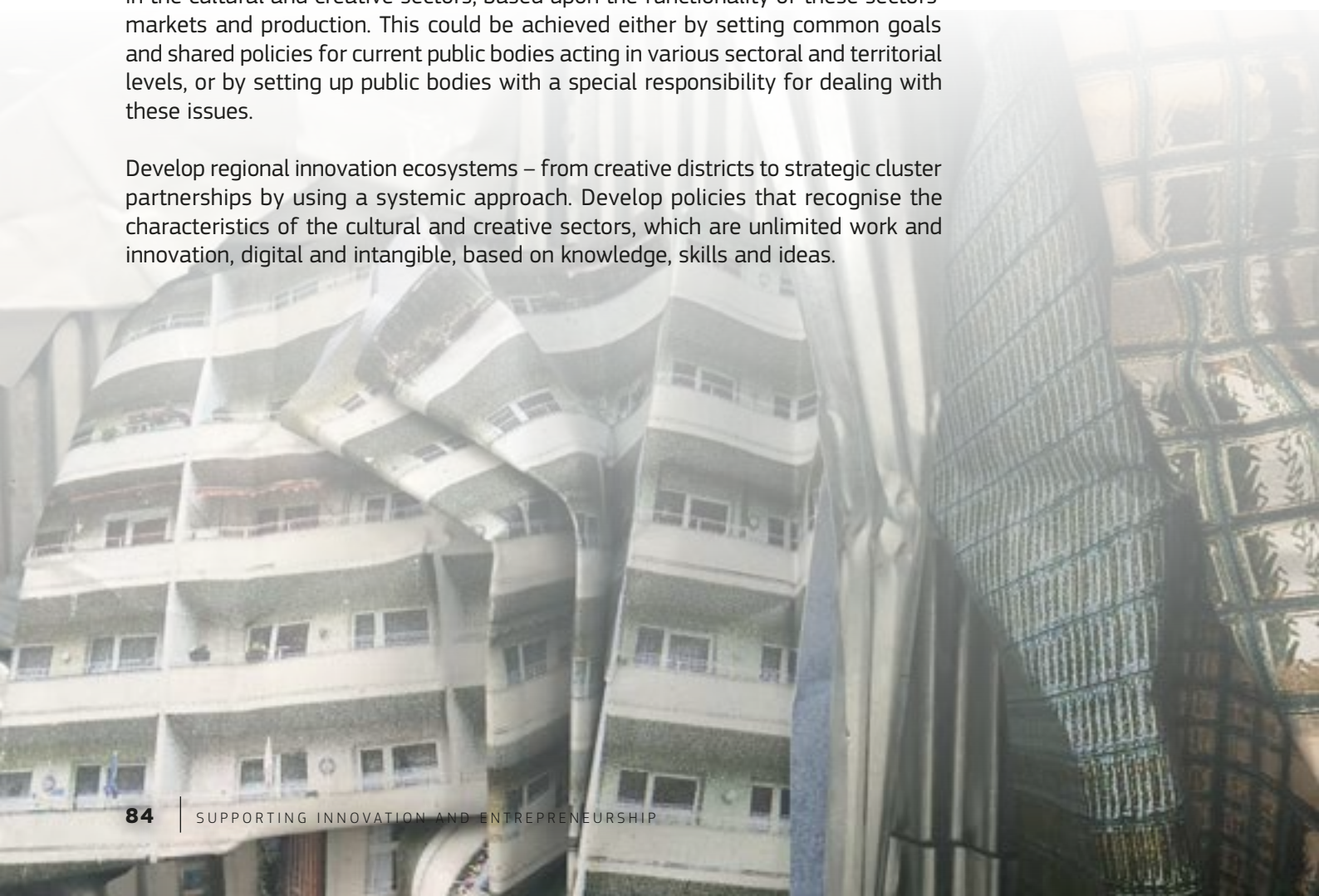
3.5.2 Place-bound innovation recommendations

The members of the group identified the following recommendations for policy-makers in order to support place-bound innovations, including the cultural and creative sectors:

Develop transversal and holistic policies for innovation and entrepreneurship in the cultural and creative sectors as a driver for local and regional development

There is most certainly a need for a comprehensive approach between different political levels and areas, in order to best promote innovation and entrepreneurship in the cultural and creative sectors, based upon the functionality of these sectors' markets and production. This could be achieved either by setting common goals and shared policies for current public bodies acting in various sectoral and territorial levels, or by setting up public bodies with a special responsibility for dealing with these issues.

Develop regional innovation ecosystems – from creative districts to strategic cluster partnerships by using a systemic approach. Develop policies that recognise the characteristics of the cultural and creative sectors, which are unlimited work and innovation, digital and intangible, based on knowledge, skills and ideas.



Public bodies should exchange more knowledge on the added value of cultural and creative sectors' know-how and deepen insight into good practices

The Member States and the EU institutions need to better understand and learn from successful regional and local policy-development examples.

Knowledge can be gathered from mapping, for example when development in the cultural and creative sectors has overcome crises in rural areas, or when these sectors successfully develop cross-border projects in Interreg and similar programmes.

Although it seems more common at regional and local level that co-planning takes place around policy development in the cultural and creative sectors, it seems that at these levels there are also shortages of relevant knowledge of these sectors that, if addressed, would help to achieve optimal results. Policies therefore need to promote capacity-building and competence development for officials in order to better understand these sectors' needs and potential. Policies also need to foster evaluation with the aim of improving design of support schemes and instruments, as is the case in the EU's community-led local development.

Fully involve stakeholders and creators in the cultural and creative sectors for innovative place-bound development

The implementation of design thinking in public organisations includes the following elements:

- We call on politically run organisations, property owners and others to collaborate with entrepreneurs and companies that have cultural skills. Creators should be seen as a strategic asset in developing common living environments, finding solutions to urban and rural challenges, designing public services, and more.
- Bringing cultural and creative sectors' related public services closer to citizens should be examined at Member State and EU levels (e.g. by looking at successful examples of creative hubs as delivery structures for public services, or having public service offices located in creative hubs).
- We encourage a community-led local approach in local policy-making. For instance, having the city-user as a point of departure for every city development. The relationship between cultural and creative sectors and cities can be strengthened if the user is the starting point.

Develop creative, innovative tools to integrate the local populations

Enable cooperation between creative hubs and similar spaces, both within their own place-bound society and with other place-bound societies. For better results, policy-makers themselves should cooperate more with policy-makers from other places.

In doing this, it must be ensured that the clustering and development process of creative places remains bottom-up. People in the cultural and creative sectors themselves need to come up with their preferred solutions. For example, when developing a successful art incubator, it is better to link them with a successful art incubator in another country, letting them choose rather than the policy-makers.

Enable and strengthen creative spaces and similar innovation-boosting structures

This can be achieved through the following actions:

- Help optimise the use of available assets for creative spaces by gearing the use of empty spaces towards the different needs of entrepreneurs in the cultural and creative sectors;
- Offer specific public business support to self-employed workers as an integrated part of creative hubs and similar spaces, not only in financial terms but through business coaching and advice on legal issues;
- Avoid defining things too much – including the space in which activities should take place;
- Keep structures flexible;
- Mix models of profit/non-profit networks;
- Run projects through creative hubs and similar structures;
- Avoid ‘renovating too much’, which will harm the flexible and innovative use of space;
- Let the cultural and creative sectors appropriate spaces based on their needs.

3.5.3 Inspiring place-bound innovation policy examples

In order to address the challenges in the field of place-bound innovation, policy-makers might consider the following good practice examples identified by the OMC group:

National, regional, city – Arts Council Malta for communities and creative professionals (Malta)

This example is about a vast and ambitious mix of activities, which has a multilevel governance approach. In line with the national strategy for the cultural and creative sectors for the period 2016-2020, Arts Council Malta is implementing a strategy built on research, diversity and communities, business development, education and training, and internationalisation. A central aim is to create a service hub for those working in the sector, mainly characterised by micro-enterprises and individual operators. Innovation and entrepreneurship challenges are met mainly through networking, training and funding.

The whole initiative is run by Arts Council Malta, the national agency for development and investment in the cultural and creative sectors. The strategy also envisages an active collaboration with Malta Enterprise, the national enterprise support and development agency, to ensure a specific focus on business development and sustainability for the whole sector.

WEBSITE

<https://www.artscouncilmala.org>

STRATEGY

http://artscouncilmalta.org/files/uploads/misc/English-Create2020_web.pdf

Design Silesia (Poland)

Design Silesia promotes the use of design in the development of micro, small and medium-sized enterprises, especially those who want to improve their innovation and thereby their competitiveness. The idea is to combine a modern design approach and a strong relationship with the Silesian region. This is an example of converting a regional economy from heavy industry to new and innovative industries. Design Silesia is a joint programme of the Marshal's Office in Katowice, the Castle of Art in Cieszyn and the Academy of Fine Arts in Katowice, financed from the Human Capital Operational Programme.

WEBSITE

<https://www.facebook.com/DesignSilesia/>

Region Skåne's Action Plan for Cultural and Creative Industries 2013-2020 (Sweden)

This example is a 7-year regional strategy and action plan for the development of cultural and creative industries (CCIs). The political decision to accept this strategy was made in both the regional cultural board and the regional board for growth. Hence, officials from both the fields of culture and economics work together in implementing the plan. The Region Skåne is also working in close cooperation with the 33 local municipalities, amongst other things by educating officials in the local municipalities about CCIs and about cultural tourism, in cooperation with the University of Lund. Funding for the education was provided nationally by the Swedish Agency for Economic and Regional Growth, which provides the funding only if both an official from the cultural field and an official from the enterprise field from each municipality take part in the educational programme together. Region Skåne also has a regional advisory board representing the creative sectors and providing an 'ear to the ground' in implementing and developing actions.

WEBSITE:

https://utveckling.skane.se/utvecklingsomraden/kulturutveckling/kulturella-och-kreativa_naringar/



PACT: Pooling efforts to address rural isolation (France)

In 2011, Centre-Val de Loire region designed a new policy instrument, the Artistic and Cultural Territorial Projects, or PACT, approaching culture as a dimension of rural planning and involving a variety of actors. The practice is a complete framework of cultural policy to disseminate cultural activities across the territories through partnerships between professionals and citizens on the one hand, and several municipalities on the other. Eligible institutions are municipalities, associations of municipalities, local associations and regional natural parks.

The budget for PACT in 2015 was EUR 2 987 283. The budget is made up of several contributions, for example in 2014: 53% from the municipalities, 29.5% from the region, 9% from private sponsors, 7% from the county (*département*), 1.28% from the national administration and 0.08% from the EU LEADER Programme.

The PACT instrument has shown good results, 4 years after its implementation, such as a growing number of territories and municipalities offering cultural or creative events in the region (an increase of 54.1%) and in the number of residents reached by cultural and creative events (28.7% more). In total, PACT projects reach more than 32% of the Centre-Val de Loire region's population, as of 2013. Furthermore, the content of cultural events has changed since the PACT instrument was introduced, with a constant rise of artist residencies and literary events. The number of commissions of new artistic work is also rising.

WEBSITE

http://nws.eurocities.eu/MediaShell/media/Centre%20Val%20de%20Loire_PACT_16102015.pdf



Barcelona Art Factories (Spain)

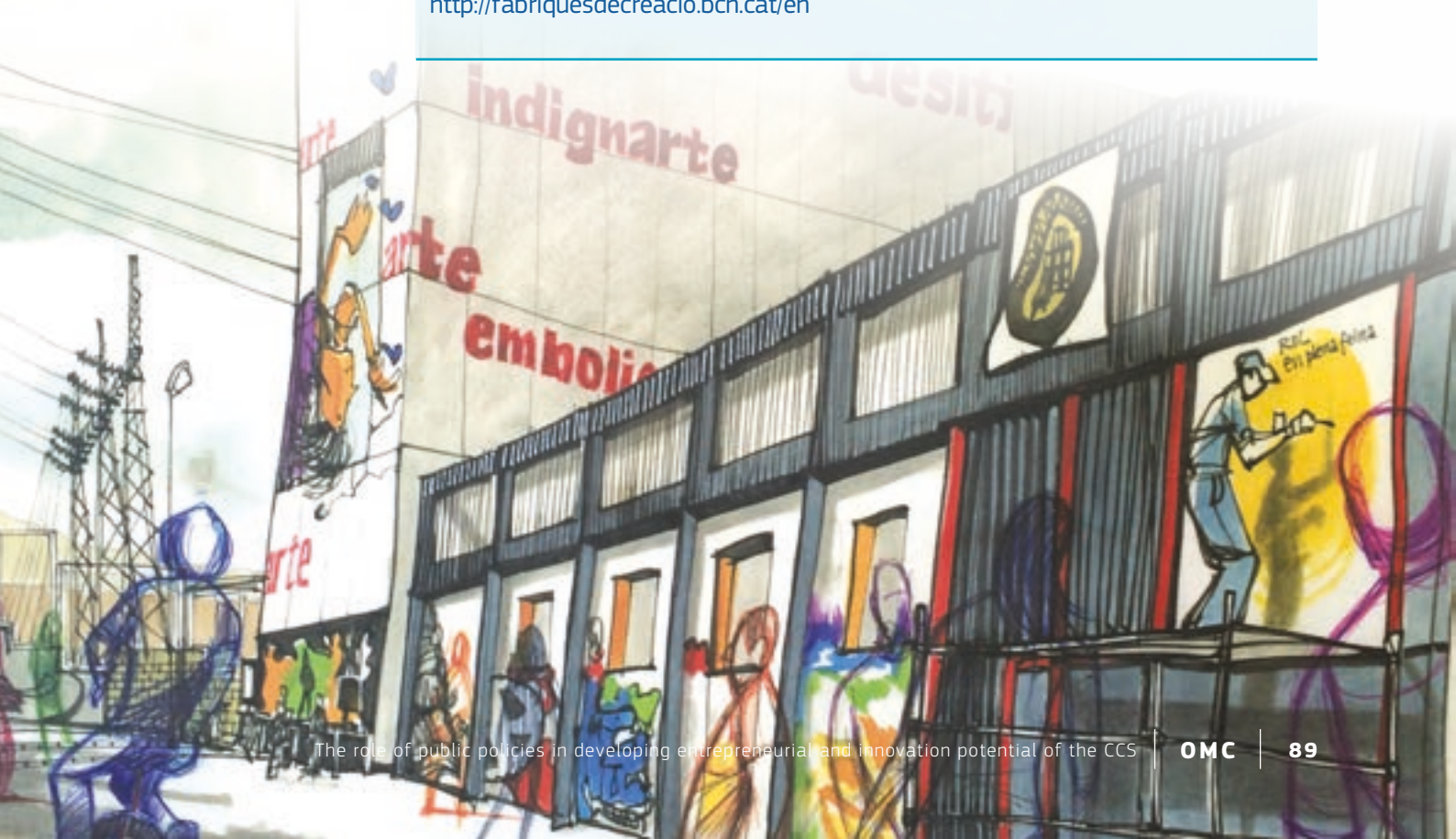
Barcelona City Council's Culture Institute set up the Art Factories programme in 2007 to expand the city's network of public facilities designed to support cultural creation and production. This dynamic network of municipally owned facilities is adding a growing number of previously unused spaces for cultural purposes. Barcelona Art Factories goes beyond traditional paradigms of access to culture, by building bridges with other professional networks (educational, social, business, academic) that allow for cross-sectoral initiatives. It aims at offering young creative talents the opportunity to hone their skills and take their first steps down the path of professionalisation. In this respect, the factories are conceived as powerhouses for local development, as they promote projects on international platforms and promote strategic positioning and projection of a unique identity, vision and hallmark. The cultural centres are places for experimentation, creation, innovation, training and open discussion. In addition, Barcelona Art Factories promotes a new model of management that eschews the usual trend of government administration, which creates uniform and standard management networks.

Many of these facilities are former factory buildings that have been refitted for use by artists, cultural agents and organisations involved in promoting creation. Art Factories helps strengthen the city's networks and enriches its cultural fabric, aspiring to become benchmark centres creating new discourses and content based on excellence and quality.

The spaces included in the Barcelona Art Factories programme are: Fabra i Coats (Sant Andreu), Graner (Sants-Montjuïc), La Seca (Ciutat Vella), La Escocesa (Sant Martí), La Caldera (Les Corts), La Central del Circ (Sant Martí), l'Ateneu Popular 9 Barris (Nou Barris), Hangar (Sant Martí), Sala Beckett/Obrador (Sant Martí) and Nau Ivanow (Sant Andreu).

WEBSITE

<http://fabriquesdecreacio.bcn.cat/en>





Creative Lenses (Europe-wide)

Creative Lenses is a 4-year project (2015–2019) funded under the Creative Europe programme, which seeks to make arts and cultural organisations more resilient and sustainable by improving their business models and developing their long-term strategic and innovation capacities. The key question Creative Lenses seeks to answer is: what are the most viable and suitable business models that enable non-profit arts and cultural organisations to be more resilient and financially sustainable without compromising their artistic integrity, mission and values? The legacy of the project will be the know-how, tools and support mechanisms required for European arts and cultural organisations to strengthen their financial sustainability, so that they are better able to successfully deliver their missions.

The network is run by a partnership of 13 organisations including cultural centres, international networks, universities, creative business incubators and cultural agencies from 9 European countries, in particular the Trans-Europe-Halles network (<http://teh.net/about-us/>), the Kaapeli creative hub Helsinki, IETM Brussels, Manifatture Knos in Lecce/Italy, P60 in Amstelveen, Stanica/Slovakia, ODC Ensemble/Greece, Village Underground and Olivearte/UK, Creative Plot, Lund/Sweden, Creative Industries/Kosice-Slovakia and two universities.

WEBSITE

<https://creativelenses.eu/>



Culture for cities and regions (Europe-wide)

This was an EU project (2015–2017), funded under the Creative Europe Programme to boost peer learning for city and regional policy-makers across Europe. The objective was to examine existing cultural initiatives and their impact on local and regional development, including in relation to CCIs, and peer-learning/best practice. It also included coaching sessions for local policy-makers. The project was run by EUROCITIES, ERRIN (European Regions Research and Innovation Network) and the consultancy KEA. A very interesting compilation of case studies in an easily readable layout has been produced by the project and is available on the project website.

WEBSITE

<http://www.cultureforcitiesandregions.eu/>



Cultural and Creative Spaces and Cities (Europe-wide)

This is a new project funded by the European Commission under the cross-sectoral strand of Creative Europe (mid-2018-2020).

It provides support to cultural and creative spaces, as well as other actors, particularly at local level. The wider context of creative hubs and cultural centres will be explored with a view to a better use of public spaces for social and urban regeneration through:

- culture,
- better connected urban development,
- social inclusion by engaging with local communities,
- job creation,
- skills development,
- innovation policies, creating a space for policy experimentation,
- support for new approaches tested by creative hubs and start-ups.

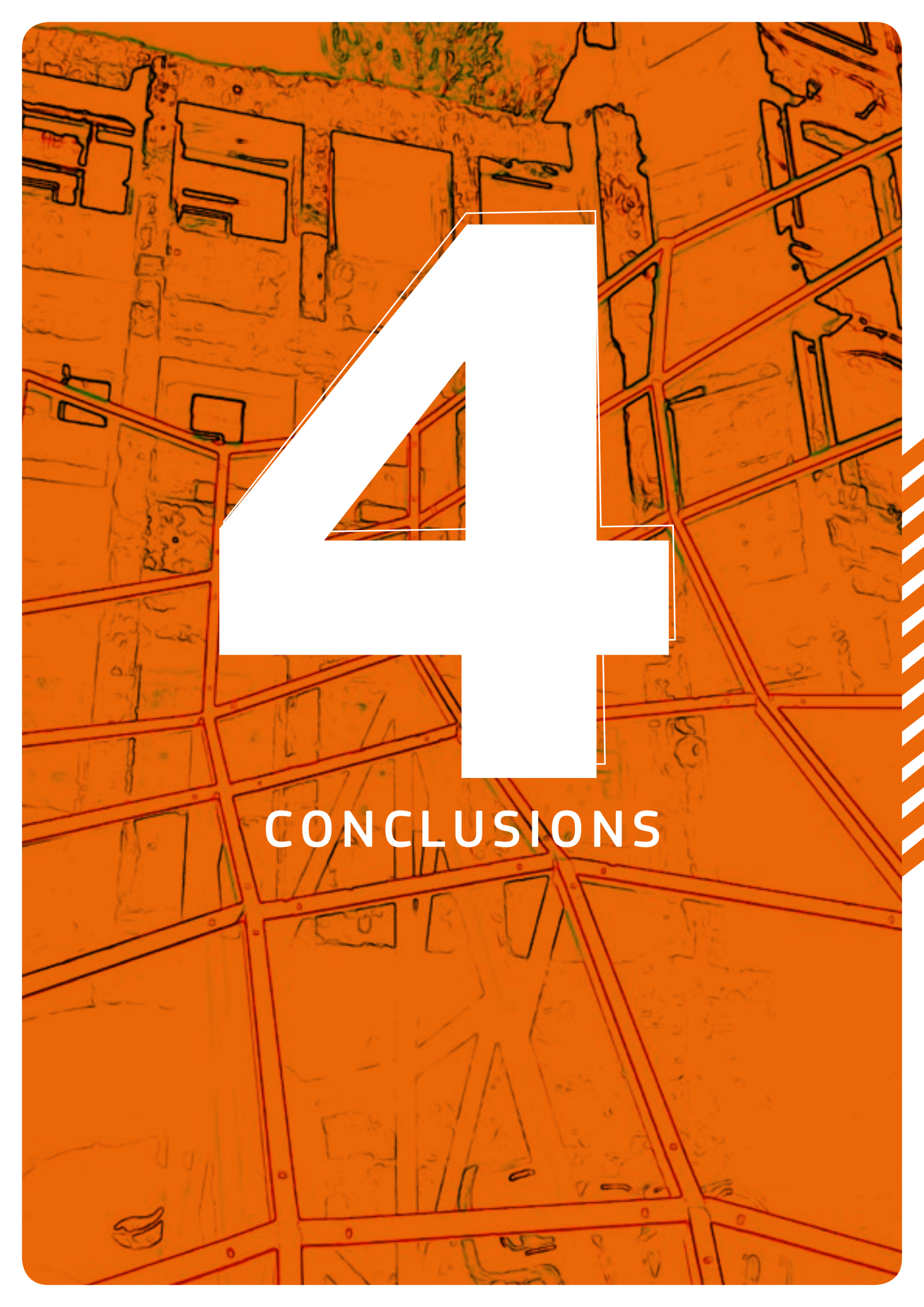
The project aims at testing ideas and approaches on culture and the creative and collaborative economy at the local level.

The project also aims at bringing cultural and creative spaces and decision-makers closer together, helps to better valorise public spaces for social and urban regeneration through culture, share best practices concerning social inclusion and the relationship between cultural and creative spaces and their neighbourhoods, and explore and share best practices of cultural and creative spaces with aspects of the collaborative economy and innovative models for the delivery of public services.

WEBSITE

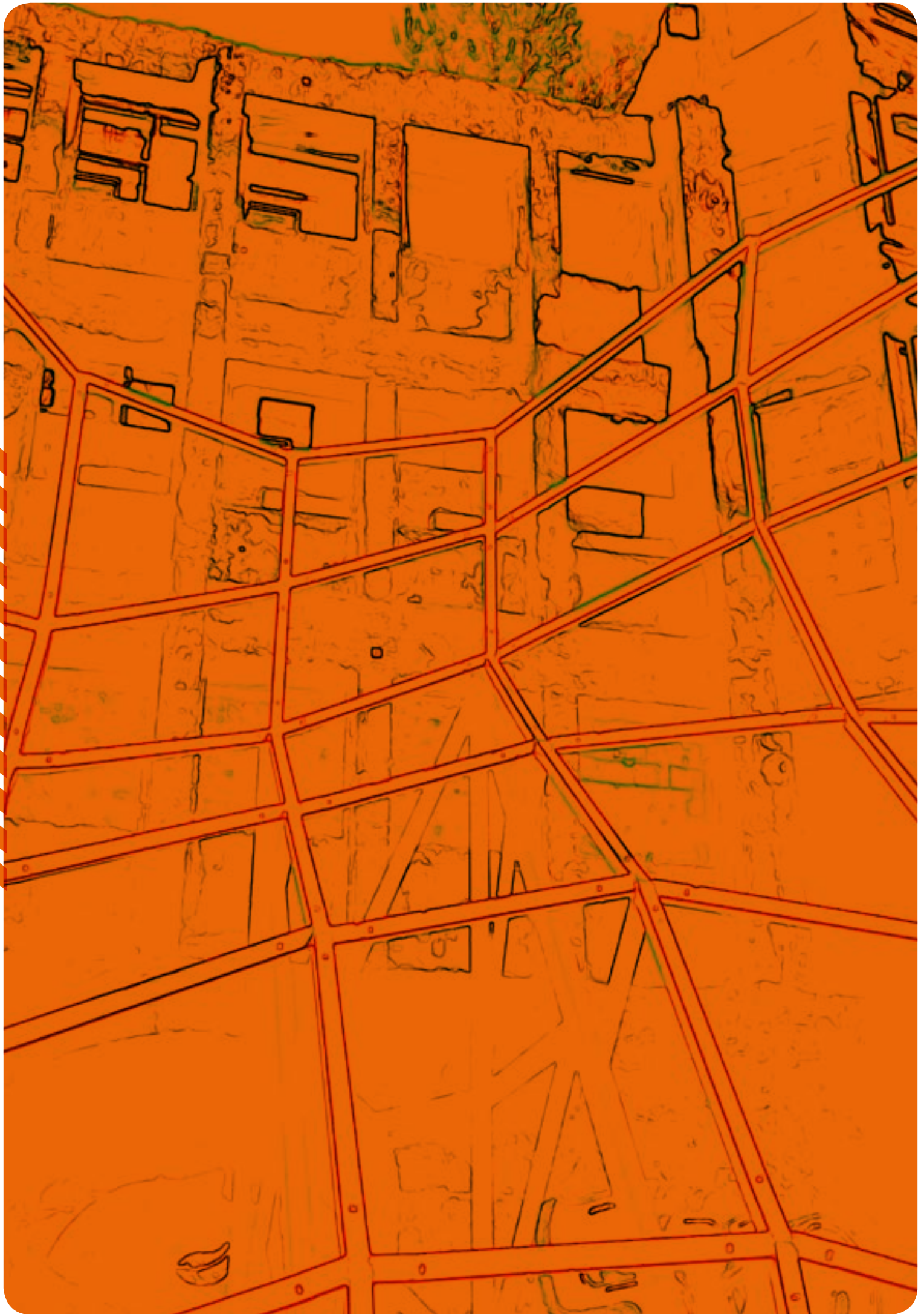
https://ec.europa.eu/culture/calls/2017-s23_en



An aerial photograph of a city grid, overlaid with a semi-transparent orange filter. A large, white, stylized number '4' is centered on the page. The number has a thin white outline and is positioned over the city's street layout. The background shows a dense network of streets and building footprints.

4

CONCLUSIONS



4

CONCLUSIONS

Innovation, entrepreneurship and the cultural and creative sectors are cross-cutting topics contributing to smart, inclusive and sustainable growth, and to the further development of society as a whole. The impact of innovation in the cultural and creative sectors on the economy is increasingly being recognised. The territorial dimension of these sectors is transversal, with one of its considerable strengths being the ability to convert areas into innovative spaces. Yet, the social innovation potential requires much more attention.

The Work Plan for Culture (2015-2018) acknowledges the important role of the cultural and creative sectors. Building on it, the objective of this OMC group was to discuss the role of public policies in developing the entrepreneurial and innovation potential of the cultural and creative sectors, by identifying innovative measures to promote entrepreneurship and new business models. The group opted for a broad approach, encompassing not only profit-making bodies but also the wider context of value creation beyond the narrow field of economic growth. Therefore the inclusive model promoted by the group also relates to positive societal change, and cultural and environmental objectives.

The group identified three main conclusions and nine main recommendations that policy-makers might consider a priority. They include a focus on solutions for an inclusive and innovative society, the value of small companies and experimentation.

These policy approaches will require further budgetary efforts at all governance levels to sustainably support positive change.

Main conclusions of the vision statement ‘New perspectives for innovative policies for cultural and creative sectors’

Solutions for an inclusive and innovative society – a new vision for society

The cultural and creative sectors perform well in terms of growth, jobs and crisis resilience. In addition to their economic importance, these sectors have an additional asset: the potential to generate positive change in and for society by improving the well-being of people, increasing crisis resilience and providing innovative solutions for the problems of our societies.

The value of the small – a new vision for economic policy

Most companies in Europe are micro in size – both in the cultural and creative sectors as in many other industries – with a considerable number of people being self-employed. These realities must be fully reflected in all financial and non-financial support programmes. The focus of such programmes needs to be shifted to SMEs and micro enterprises and their realities of creating new value in the European economy.

A culture of debate and experimentation – a new vision for dialogue and co-creation

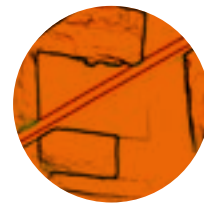
The main challenges of the 21st century are and will be largely cultural in nature as human values and rights are being questioned and democracy is endangered. This context requires exchanges and dialogue with and among as many citizens as possible – and innovative input from the culture and creative sectors.

Main recommendations

RECOGNITION OF CCS INNOVATIVE POTENTIAL:

Recognise the innovative potential of the cultural and creative sectors, not only for the economy but also for society and well-being

The cultural and creative sectors are drivers of the economy as well as the whole of society. Their economic potential has been increasingly recognised by European policy-makers, yet their positive impact on society and for the well-being of people has not yet been fully taken into account when preparing entrepreneurship or innovation strategies, or in implementing them. Advancing creativity must therefore be of central concern for all policy-makers in Europe, together with the better use of the cultural and creative sectors for resolving both the economic and social issues of Europe.



BROAD CONCEPT OF INNOVATION:

Ensure a broader definition of innovation beyond technology in all policy support actions

Most innovation support strategies in Europe still stick to a narrow, technology-oriented definition of the term 'innovation'. The wider innovation role of the cultural and creative sectors is not sufficiently recognised: design, content and process innovation are often neglected, harming the full use of the creative power of innovation. All governance levels engaged in the designing of support measures and programmes should therefore carefully define innovation in a broad and comprehensive sense, including the cultural and creative sectors' creative potential.



CULTURAL AND CREATIVE SECTORS' CHARACTERISTICS:

Take into account the particular characteristics of the cultural and creative sectors, especially their variety of value chains, micro-size and self-employment aspects.

The majority of enterprises operating in the cultural and creative sectors are established as micro-sized companies or as self-employed. It is therefore crucial to find new business models and innovative ways to create new value for the companies themselves and their customers. The cultural and creative sectors are a big player in the creation of intangible value for themselves and for the other business sectors and this should be better recognised. It is imperative that these facts be taken into account when designing any type of innovation and entrepreneurial support instrument. The administrative context of support measures also needs innovation in order to facilitate the participation of all target groups in the cultural and creative sectors.





PLACING CULTURAL AND CREATIVE SECTORS IN INNOVATION SUPPORT STRUCTURES:

Target and include the cultural and creative sectors in innovation and entrepreneurship support structures

Cultural and creative sectors, including non-profit organisations as well as more commercially oriented ones, may benefit from being included and supported by collective 'structures' that promote entrepreneurship and innovation. Support structures and networks may enable interactions and promote crossovers between CCS and other sectors and societal areas. It is vital to prevent fragmentation in these sectors and to help them overcome their small scale. Funding and evaluation criteria for support structures and networks should therefore take into account the specific profiles and development features of these sectors. Structures and networks that target and include different sectors, among them cultural and creative sectors, should be favoured so that crossovers are fostered.



INVOLVEMENT OF CCS HUBS AND NETWORKS:

Better integrate creative hubs and networks into social and economic innovation challenges at all governance levels

Policies for city and regional development, spanning from promoting innovation and entrepreneurship to including cultural and creative sectors in their smart specialisation strategies, should support the development of creative hubs and other support structures – such as clusters, fab labs, makerspaces, creative hubs and co-working spaces, as well as networks and digital platforms. These structures should be connected and given a role to play alongside surrounding institutions and communities at all governance levels. When support structures include cultural and creative sector hubs and networks, they are able to act as city/regional laboratories functioning as pools of expertise, whereby innovative and integrated solutions for territorial as well as social or economic challenges can be experimented on and tested.



CROSS-SECTORAL INCENTIVES:

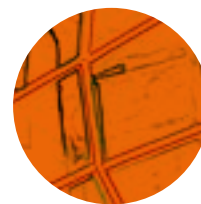
Develop support measures for all industries to engage in cross-sectoral work and promote good practices

Policies should strengthen networking and collaboration between cultural and creative sectors and other sectors while encouraging crossovers. To overcome any reluctance to engage in cross-sectoral projects, especially with micro-enterprises and self-employed creative professionals in these sectors, the group considers incentives to be a valuable measure. Innovation voucher schemes and other experimental funding tools can help increase cross-sectoral innovation and collaboration. When the number of successful cross-sectoral projects increases as a result of targeted incentives, good practice examples are created. Promoting good practice examples will increase the sectors' visibility and raise awareness for the innovation potential and added value of cultural and creative sectors in other economic sectors, the public and among policy-makers.

USER-DRIVEN APPROACHES:

Raise awareness of the added value of user-driven and co-creation approaches, and enrich user competences at all levels

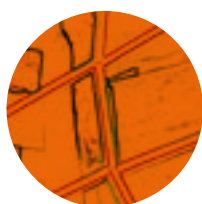
There is a need to raise awareness about the fact that user-driven innovation and co-creation adds value for companies and customers. The possibilities of user-driven and co-creation approaches should be better recognised at different levels of entrepreneurship and innovation development (EU, national, regional, local). The development of competences in the cultural and creative sectors is one of the key elements when developing user-driven and co-creation aspects. Companies in these sectors need better business competences, especially on how to recognise customers' needs.



CCS AS DRIVERS FOR PLACE-BOUND INNOVATION:

Develop transversal and holistic policies that recognise CCS innovation and entrepreneurship as drivers for local and regional development

There is a need for a comprehensive approach between different political levels and areas in order to best promote innovation and entrepreneurship in the cultural and creative sectors, based upon the functionality of these sectors' markets and production at local and regional levels. Regional innovation ecosystems should be developed – from creative districts to strategic cluster partnerships – by using a systemic approach. Development policies should recognise the characteristics of the cultural and creative sectors, which are boundless and innovative, digital and intangible, based on knowledge, skills and ideas.



PUBLIC SECTOR RELIABILITY FOR THE CULTURAL AND CREATIVE SECTORS:

Engage public bodies as reliable and long-term partners for CCS innovation

Public bodies do not always have the predisposition to widely develop innovation in the cultural and creative sectors on a long-term basis. There may be tailor-made support schemes for these sectors with a lot of potential. However, the impact would be even bigger with recognition or positive engagement by government and politicians, showing that they believe in the value generated by the cultural and creative sectors. This would make the existing support even stronger and would be a guarantee to attract private investors.

The OMC group stresses that the full social, economic and experimental potential of the cultural and creative sectors should be recognised in entrepreneurship and innovation policies. Therefore the policy vision and recommendations of this report should be considered at all levels of government when designing future development strategies and support programmes, as well as in implementing them.





5

FURTHER READING



5

FURTHER READING

Chapter 5 provides a small selection of the available literature concerning innovation and entrepreneurship. The overview is related to the five thematic chapters of this OMC report and therefore covers the policy framework and support structures, as well as publications related to cross-sectoral cooperation, user-driven approaches and place-bound innovation.

A more extensive list of relevant publications can be found in a separate document entitled *Overview of EU Policies and studies related to entrepreneurship and innovation in cultural and creative sectors*, which is available in electronic format via the web link of this study.

5.1 THE FRAME –

Policy frameworks and strategies

European Parliament Resolution on ‘A coherent EU policy for cultural and creative industries’ (2016).

The resolution brings together the cultural and economic potential of the sector by pointing out what the pillars of a European industrial policy for CCIs should be.

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGM-L+TA+P8-TA-2016-0486+0+DOC+PDF+VO//EN>

‘Voices of Culture: Structured Dialogue between the European Commission and the cultural sector (2016). Developing the Entrepreneurial and innovation potential of the Cultural and Creative Sectors’.

This document captures the findings and recommendations of a group of 35 participants from the cultural and creative sectors, who gathered in Berlin as part of the structured dialogue between the European Commission and the cultural sector.

http://cultureactioneurope.org/files/2016/07/VoC-Cultural-and-Creative-Sectors-Executive_Working-Document_2016.07.11.pdf

European Commission (2016). ‘Boosting the competitiveness of cultural and creative industries for jobs and growth’.

The study, commissioned by the Executive Agency for Small and Medium-sized Enterprises (EASME), describes in detail national and regional case studies with different approaches and instruments to help CCIs overcome challenges and exploit growth opportunities.

http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=8900&

Regional Smart Specialisation Strategy.

National and regional strategies for smart specialisation support for the EU's cohesion policy. An increasing number of regions include cultural and creative sectors in their smart specialisation and regional development plans.

<https://ec.europa.eu/jrc/en/research-topic/smart-specialisation>

<http://s3platform.jrc.ec.europa.eu/map>

European Creative Industries Alliance (2014). 'Create – Innovate – Grow. A new policy agenda to maximise the innovative contributions of Europe's creative industries.'

The report gathers recommendations from the ECIA's policy-learning platform and offers benchmark cases for implementing policies for fostering the potential of the cultural and creative sectors in terms of innovation, growth and cross-sectoral collaborations.

http://www.eciaplatform.eu/wp-content/uploads/2014/11/ECIA_report_Create-Innovate-Grow-1.pdf

IETM (2016). 'To sell or not to sell? An introduction to business models (innovation) for arts and cultural organisations'.

The toolkit proposes a business model canvas tailored to the specific characteristics of arts and cultural organisations, and illustrates the best practices for innovative business models of cultural organisations across Europe.

https://www.ietm.org/system/files/publications/ietm_business-models_2016.pdf

'Creative Economy and Culture in the Innovation Policy' (2010).

Publications of the Ministry of Education, Finland.

http://caki.dk/files/5313/5167/3586/creative_economy_and_culture.pdf

Creative Industries Strategy for Austria, Austrian Federal Ministry of Science, Research and Economy, 2016.

The Austrian strategy for creative industries within which the sector is considered a place of innovation and is developed through participation.

<https://www.en.bmdw.gv.at/Innovation/Innovationandtechnologypolicies/Seiten/Creative-Industries-Strategy-for-Austria-.aspx>

'Create UK, Creative Industries Strategy', Creative Industries Council UK, 2014.

The UK strategy for creative industries, one of the first European countries to officially recognise and implement public policy to develop this sector. After more than a decade, the focus is now on how to develop collaborations across different industrial sectors.

<http://www.thecreativeindustries.co.uk/resources/strategy>

5.2 THE STRUCTURES – Support structures

‘Creative Hubs: Understanding the New Economy’ (2016).

City University of London/British Council.

This report is meant to contribute towards a better understanding of the diverse value, processes and motivations of hubs, so as to further understand how best to support the wider creative economy.

<http://creativehubs.eu/wp-content/uploads/2016/12/HubsReport.pdf>

‘How Work Works’, European Creative Hubs Network Forum (2017).

Prepared as background material for the first forum held by the European Creative Hubs Network in Belgrade, it reflects on the current (creative) economy in digital times and the changes it brought to the way young professionals work.

http://creativehubs.eu/wp-content/uploads/2016/11/How_Work_Works-Reports.pdf

‘Syn- Acting Together’, European Creative Hubs Network Forum (2016).

Prepared as background material for the second forum held by the European Creative Hubs Network in Athens, it addresses the challenges and risks of collaborating and developing synergies.

<http://creativehubs.eu/wp-content/uploads/2017/01/syn-acting-together-publication-web.pdf>

‘How to Support Creative Industries’, Good Practices from European Cities, Creative Metropolises (2010).

A collection of inspiring examples of how diverse cities support creative industries.

http://www.looveesti.ee/attachments/141_CMportfolioWEBversion.pdf

‘Rapport sur le Développement de l’Entrepreneuriat dans le Secteur Culturel en France’ (2014), Ministère de la Culture et de la Communication/Ministère de l’Économie, du Redressement productif et du Numérique.

A study on the current state of entrepreneurship in France’s culture sector.

<http://www.culturecommunication.gouv.fr/Documentation/Rapports/Rapport-sur-le-developpement-de-l-entrepreneuriat-dans-le-secteur-culturel-en-France>



Some relevant networks at European level:

European Network of Creative Hubs.

<http://creativehubs.eu/>

Trans-Europe-Halles Network.

<http://teh.net/>

Creative Tracks – platform for young creative entrepreneurs worldwide.

<http://www.creativetracks.org>

ECBN European Creative Business Network.

<http://ecbnetwork.eu>

EBN European Innovation Network.

<http://ebn.be>

European Cluster Collaboration Platform.

<https://www.clustercollaboration.eu/>

Enterprise Europe Network – Creative industries group.

<http://een.ec.europa.eu/about/sector-groups/creative-industries>



5.3 THE COOPERATION –

Cross-sectoral innovation

7th Austrian Creative Industries Report – crossover effects & innovation (Austria, 2017) (in German language).

This report focuses on cross-sectoral and innovation dimensions in the cultural and creative industries. The study confirms the strong ties between the businesses of the cultural and creative sectors with other economic sectors, and highlights the key role the cultural and creative sectors play in innovation.

<https://www.kreativwirtschaft.at/siebenter-oesterreichischer-kreativwirtschaftsbericht/>

CLICKNL – Reports (The Netherlands, 2015).

CLICKNL is the Dutch creative industries' knowledge and innovation network, connecting interested researchers and creative entrepreneurs. The reports provide a wealth of good-practice examples of cross-sectoral endeavours achieved with the support of the cultural and creative sectors.

<https://www.clicknl.nl/kennis-en-innovatieagenda>

Cross Innovation Toolkit: How to make cross innovation happen in your city (Portugal, 2014).

The Cross Innovation project promotes collaborative and user-driven innovation that happens across sectoral, organisational, technological and geographic boundaries. Its focus rests on policies and support measures that enable cross-innovation and creative spillovers between creative sectors and other industries. The partnership consists of 11 metropolitan hotspots that have the potential to put cross innovation at the top of local and regional policy agendas across Europe: Birmingham, Amsterdam, Rome, Berlin, Tallinn, Warsaw, Vilnius, Stockholm, Linz, Lisbon and Pilsen.

<http://www.cross-innovation.eu/wp-content/uploads/2012/05/AEB1401-Cross-Innovation-Toolkit-DEF.pdf>

Tom Fleming Creative Consultancy (2015). Cultural and creative spillovers in Europe: Report on a preliminary evidence review.

This study results from a European research partnership. It analysed the causality of spillover effects for the arts, cultural and creative industries with the shared aim of demonstrating the value of public funding for the cultural and creative sectors.

<https://ccspillovers.wikispaces.com/file/view/Cultural+and+creative+spillovers+in+Europe+++full+report.pdf>

KEA: A Smart Guide for Creative Spillovers.

The guide targets policy-makers at a city level in order to maximise the innovation potential of culture and the creative industries.

<http://www.keanet.eu/wp-content/uploads/SMARTGUIDE-FINAL-PDF.pdf>

Cross-sector Innovation – A Handbook on Creative Competitive Advantages (2013).

The handbook aims to help businesses get started on innovative and business development projects that reach beyond their own sector.

https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/cross_sector_innovation_ebook_final.pdf

5.4 THE USERS –

User-driven innovation and co-creation

Europe 2020 Flagship Initiative. Innovation Union.

The publication is a communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions about the innovation union.

https://ec.europa.eu/research/innovation-union/pdf/innovation-union-communication_en.pdf

Thematic Paper: Creative Industries – Demand driven innovation.

The publication gives a definition of demand-driven innovation and innovation policy. It includes the key issues and challenges, six demand-driven innovation cases in Europe and policy recommendations.

<http://eciaplatform.eu/publication/thematic-paper-promotion-of-demand-driven-innovation-in-ci/>

Living Labs for user-driven open innovation. An Overview of the Living Labs Methodology, Activities and Achievements.

January 2009. Directorate-General for the Information Society and Media. European Commission, Information Society and Media.

The booklet gives a comprehensive overview of Living Lab activities, their achievements and living lab methodology in general.

http://www.eurosportello.eu/sites/default/files/Living%20Lab%20brochure_jan09_en_0.pdf

Participatory budgeting – An innovative approach.

European Parliament January 2016.

The briefing describes why participatory budgeting would be important, provides experiences and practices of participatory budgeting but also critical reviews and main references.

http://www.europarl.europa.eu/RegData/etudes/BRIE/2016/573894/EPRS_BRI%282016%29573894_EN.pdf

State of the Innovation Union 2015. European Commission 2015.

The publication takes stock of the progress achieved, identifies open issues and sets out the next steps under each of the six building blocks: strengthening the knowledge base and reducing fragmentation; getting good ideas to market; maximising social and territorial cohesion; pooling forces to achieve breakthroughs: European Innovation Partnerships; leveraging our policies externally; and making it happen.

http://ec.europa.eu/research/innovation-union/pdf/state-of-the-union/2015/state_of_the_innovation_union_report_2015.pdf

User-driven innovation. A brief introduction to user involvement.

Danish Design Centre.

The publication presents definitions and a number of methods of user-driven innovation.

https://issuu.com/dansk_design_center/docs/user-driven-innovation

User-driven innovation policy in four countries (only in Finnish, summary in English).

The report examines the evolving definition and re-definition of user-driven innovation policy in four countries: Denmark, Netherlands, USA and Great Britain. Besides Finland, these countries often serve as a reference when discussing the subject in the contexts of innovation policy and science. The report aims to introduce solutions and development paths associated with the user-driven innovation policy implemented in these countries,

https://tem.fi/documents/1410877/2871099/K%C3%A4ytt%C3%A4j%C3%A4ht%C3%B6inen_innovaatiopolitiikka+nelj%C3%A4ss%C3%A4+maassa+17012014.pdf

5.5 THE TERRITORY –

Place-bound innovation

Brown, Tim (2009): ‘Change by design, how design thinking transforms organisations and inspires innovation’.

HarperCollins Publishers

‘The Value of Arts and Culture for Regional Development: A Scandinavian Perspective’ (2016).

Regions and Cities, Routledge, 2016. Lindeborg, Lindkvist (Editors).

Handbuch: ‘Räume Kreativ nutzen’ (2015).

Wirtschaftsförderung MetropolRuhr, CreativeNRW (in German)

https://www.creative.nrw.de/fileadmin/files/downloads/Publikationen/150318_CNR_Raeume_Din_A5_Ansicht.pdf

