

Pathways to boosting competitiveness of Cultural and Creative Industries

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INTRODUCTION

Boosting the competitiveness of cultural and creative industries for growth and jobs

- **Project for EASME under EASME/COSME/2015/003**
- **Partners: KMU Forschung Austria and VVA**
- **Finished June 2016**

- **An increasing number of European regions include CCIs in their smart specialisation strategies and promote creative industries within their regional development plans.**
- **The positive effects of CCIs on regional innovation systems, spill over effects on other industries, and the provision of future-oriented jobs through CCIs are used in the context of economic revitalisation and repositioning of cities and regions.**

Objectives and scope of the study

▪ **Three main objectives:**

- Describing the *status quo* of the sector including an analysis of competitiveness and of economic relevance of the CCIs, making visible main characteristics of the sector, challenges and drivers of change for CCIs, existing barriers and market and/or regulatory failures.
- A screening of EU wide initiatives/strategies aimed at the identification of relevant initiatives and support instruments at national and regional level to support and foster CCI in various aspects related to competitiveness dimensions. The interlinkages of the identified initiatives/strategies to EU actions were also subject to analysis.
- Proposition of a set of areas of action for possible policy action to foster the competitiveness of the sector, bearing in mind EU-wide relevance and impact of specific actions.

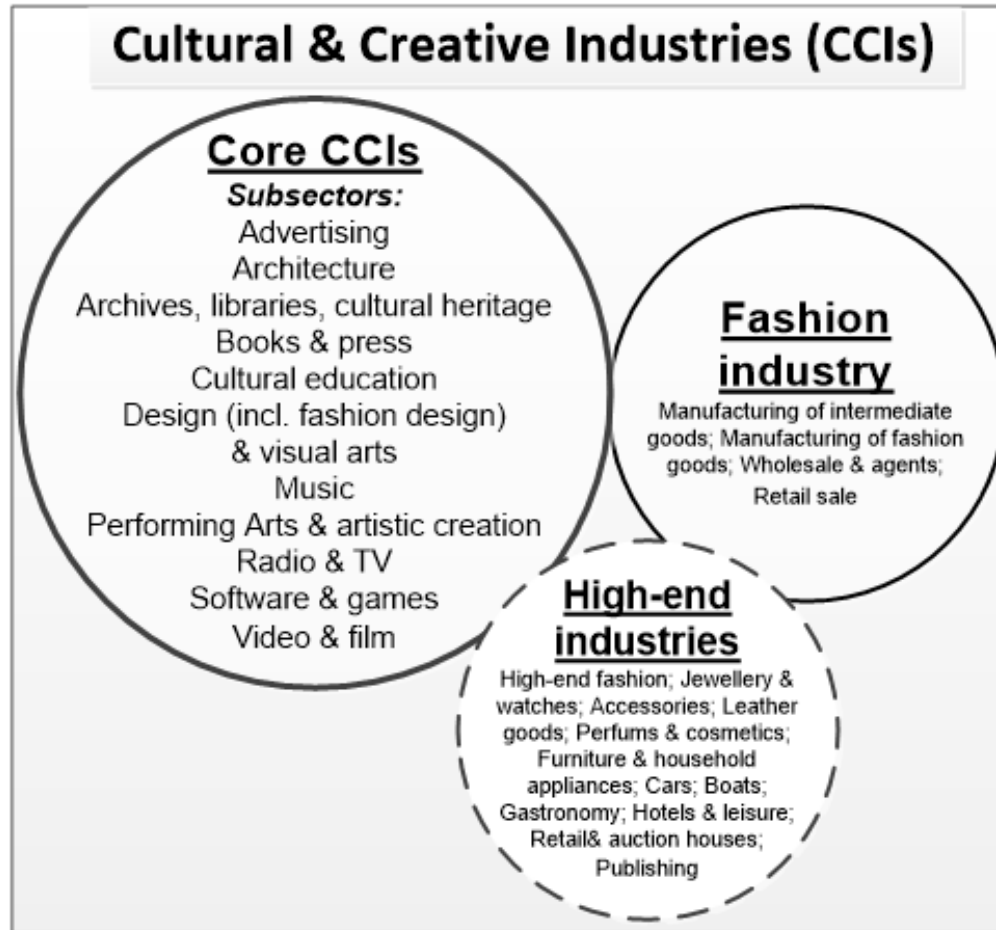
▪ **Sector: Broad definition of Cultural and Creative Industries, focus on profit-oriented organisations/businesses.**

▪ **Geography: All 28 EU Member States.**

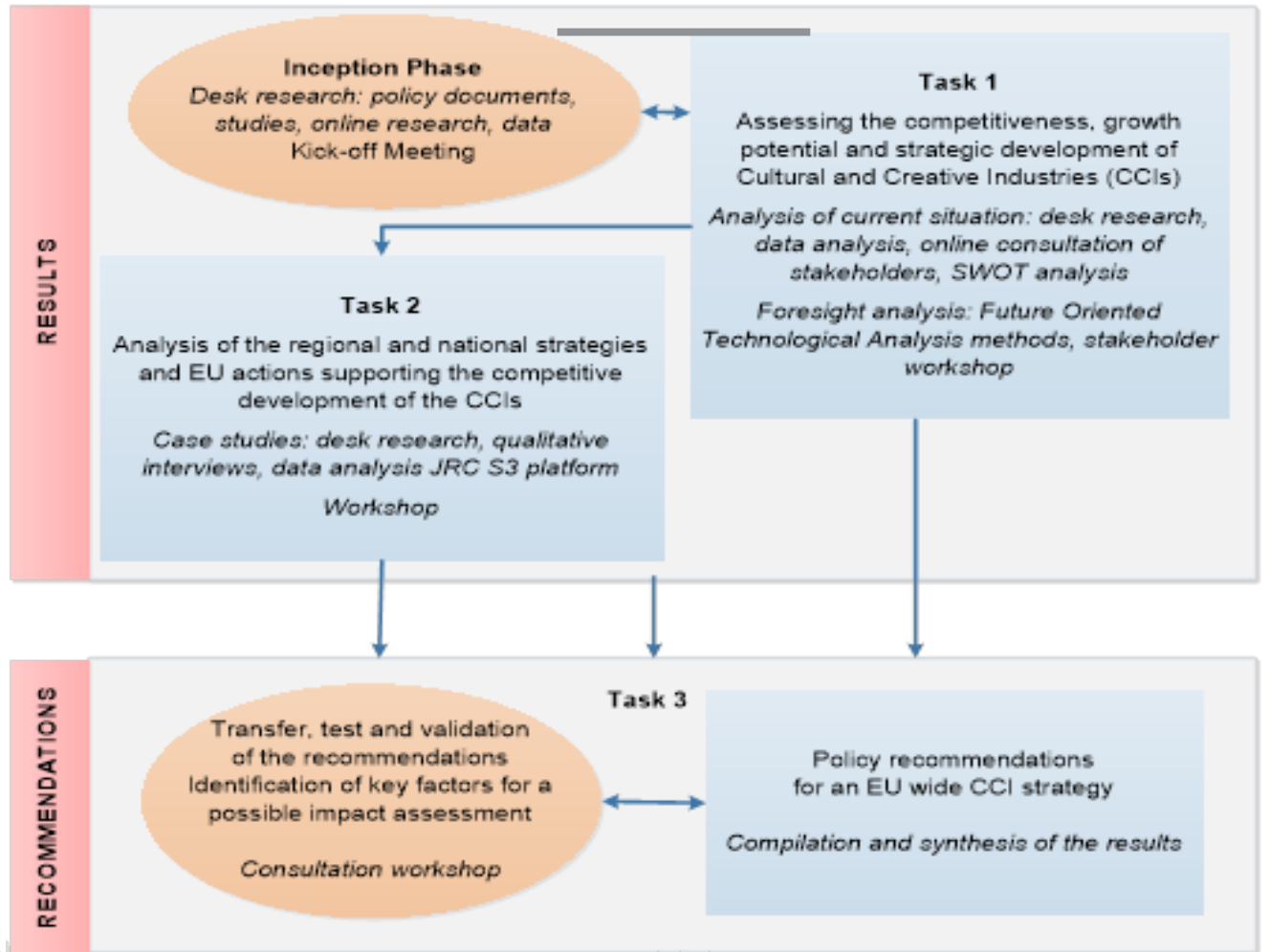
▪ **Time period: data for the most recent available year (2014/2015/2016) and 5-year-development.**

▪ **Stakeholders involved: business associations, experts, European/national/regional representatives, intermediaries, CCI businesses.**

Definition of CCIs used



Methodology used (I)



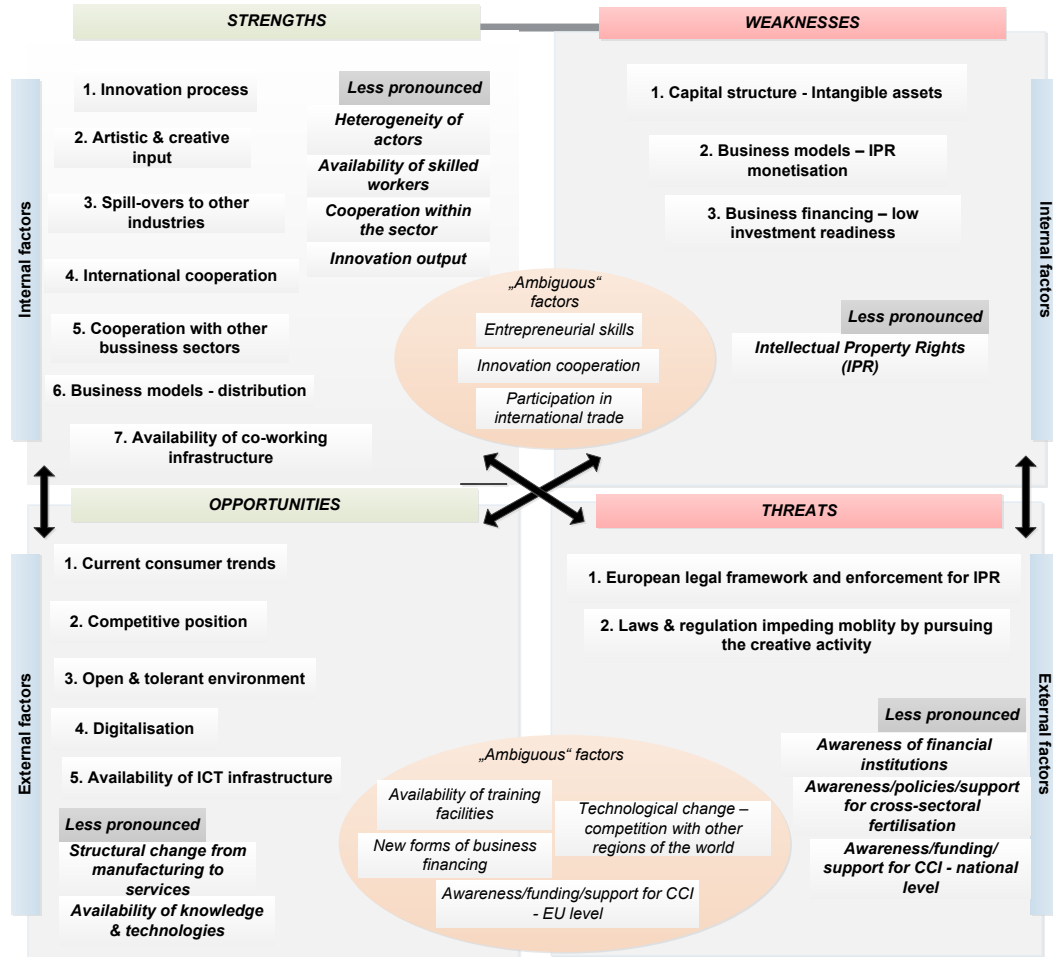
Methodology used (II)

- **Task 1 – Assessment of the competitive position of CCI**
 - Desk research and data analysis
 - SWOT analysis
 - Foresight analysis

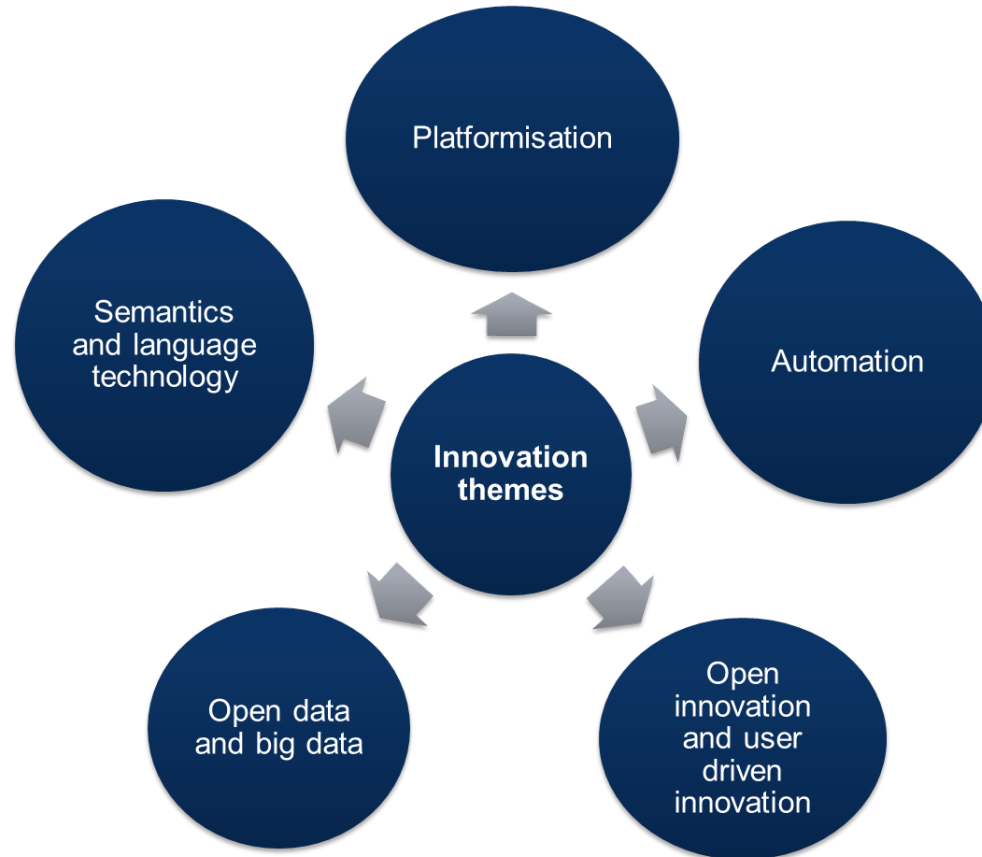
- **Task 2 – Analysis of regional and national strategies and EU actions**
 - 5 national and 10 regional case studies
 - Case studies workshop
 - Impact assessment of SMART CCI specialisation strategies

- **Task 3 – Policy recommendations**
 - Stakeholder workshop

SWOT



Foresight analysis - Innovation themes



Case studies

National case studies	
1.	United Kingdom
2.	The Netherlands
3.	Finland
4.	Estonia
5.	Malta
Regional case studies	
6.	Apulia (Italy) - LivingLabs
7.	Catalonia (Spain) - Catalan Institute for the Cultural Companies
8.	Flanders (Belgium) - Flanders District of Creativity (Flanders DC) / Flanders Creative Industries Platform
9.	Île de France (France) - Cap Digital
10.	Lodz (Poland) - Media Cluster
11.	North Portugal (Portugal) - ADDICT
12.	North Rhine-Westphalia (Germany) - Creative.NRW / Competence centre for the creative industries
13.	Skåne (Sweden) - Action plan 2013-2020 for the CCIs
14.	Upper Austria (Austria) – CREATIVE REGION Linz & Upper Austria
15.	Wallonia (Belgium) – Creative Wallonia

Findings (I)

- Societal change through the recognition of CCIs' importance and political backing are seen as key for improving the competitiveness of the CCIs.
- CCI can be considered as a very dynamic sector and will remain positive in the next years
 - ✓ companies and organisations of the CCI initiate new forms of work (i.e. use of collaborative and co-creative working methods),
 - ✓ incorporate the digitalisation by the application and the use of new technologies with a strong service orientation,
 - ✓ operate in a dynamic innovation environment and
 - ✓ initiate spill over and transversal innovation effects in a variety of economic branches and societal levels.
- Topics shaping the actual and future economic system of the next twenty years,
 - ✓ the use of technologies/digitalisation,
 - ✓ new processes of innovation (i.e. open innovation, open access),
 - ✓ new approach to markets and consumer (i.e. prosumer, user-driven),
 - ✓ dynamic form of entrepreneurship (i.e. start-ups, new business models),
 - ✓ share of resources (i.e. collaborative partnerships and sharing economy business models)
- The CCI and its product and services should be clearly considered as important contribution to the competitiveness of the European Union's economy and should be addressed as target sector.
- The nature of the services and products generated by CCI companies (in terms of intangible nature of the products and services) combined with this remarkable sectoral characteristic make it necessary to support the sector not only in a horizontal approach (i.e. though generic SME support instruments), but also with a tailor-made funding portfolio.

Findings (II)

- ✓ an alignment in different policy fields (regional, agriculture, innovation, research, education, digital single market) is required to address the issues and challenges the sector
- ✓ consider and/or address CCI in different thematic areas, e.g. smart city, circular economy, social innovation, regional development, innovation in agricultural context
- ✓ all topics concerning entrepreneurship, start-up, open innovation are also strongly linked to CCI as they correspond to elements of the entrepreneurial ecosystem in which CCI businesses are embedded.
- ✓ awareness of the value of CCI as key driver of innovation and growth as well as an awareness rising in the overall economy and the public administration for the added value of creative services appears to be necessary.
- ✓ cross-sectoral dimension of CCI makes it necessary to have different policy fields active for fostering the competitiveness of this sector: innovation policy, regional policy, cultural policy, industrial policy.
- ✓ social impact of CCI (i.e. social innovation, environment, refugees). CCI can be considered as producer of cultural value through creative services and cultural goods.

Recommendations (I)

Creation of healthy financial ecosystem

- Enable CCI businesses to have access to finance without any barriers due to the nature of their business activity or size.
- A framework for the valuation of creative content and agreed standards for calculations (valuations of intangible assets) is necessary.
- Raise awareness of banks and other financial intermediaries giving them active information about the business characteristic of CCI.
 - *Already planned on EU-level in the context of the Creative Europe programme and the related guarantee scheme.*
 - *Expansion to other programmes like COSME or at least a transfer of knowhow and learnings must be ensured.*
- Adequate finance and funding opportunities that consider the specificities of CCI businesses need to be offered.
 - *The examples from the case studies show clear concrete measures of innovative funding schemes, e.g. special CCI funds, voucher system, repayable contribution, participative loan.*
- Alternative finance sources (e.g. crowdfunding) become increasingly attractive and relevant for CCI businesses.
- Incentives to match grants with other types of finance should be considered.

Recommendations (II)

Stimulating and transferring innovation initiated by CCI

- Co-creative and collaborative potential and capacity of CCI can act as innovation booster supported through measures such as:
 - *Enabling and valuation of all types of innovation - broader understanding of innovation: technological/non-technological, radical/incremental, service innovation;*
 - *Equal valorisation of technological and service innovation, especially in funding programmes criteria;*
 - *An awareness of innovative practices widely used in CCI (networking, work methods, collaborative activities, etc);*
 - *Valuation of the cultural/creative process in an innovation context;*
 - *Promoting and expanding open innovation to allow CCI to be better integrated in innovation processes.*
- Creative hubs, Innovation labs, FabLabs in the context of the Makers movement are very relevant physical places for CCI, especially in a regional context, to generate innovation and value through cooperation and networking between the actors involved in these places. These further promote spillover in the region they are settled in.
- CCI activities and the innovation process they apply can be used to find new solutions to societal challenges and can generate effective know how for research topics like circular economy, improvement of resource efficiency, future urban living or material research.

Recommendations (III)

Cooperative structures and cross-sectoral collaboration

- Raise the awareness concerning the “indirect” value creation and innovation through spillover-effects and cooperative behaviour of CCI.
- Further strengthen partnerships between businesses and universities/research institutions, notably for the digital transformation of industry and services, big data applications are necessary.
- On local level, further support of creative hubs and other types of co-working spaces as well as regional and local networks of initiatives, of business associations, multi-stakeholder forum (e.g. academia, business, politics). This contributes to effective regional creative ecosystem.
- The creation of virtual and real platform to exchange with a clear focus on community building helps fostering cross-sectoral collaboration. The digital environment offers an opportunity to extend cooperation through new ICT tools and collaborative ways of work.
- Cooperative and collaborative structures can enhance an adequate use of (limited) resources.

THANK YOU FOR YOUR ATTENTION!



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