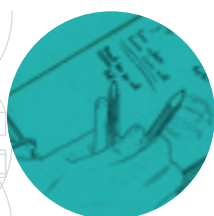


EXECUTIVE SUMMARY

THE ROLE OF PUBLIC POLICIES IN DEVELOPING
ENTREPRENEURIAL AND INNOVATION POTENTIAL
OF THE CULTURAL AND CREATIVE SECTORSREPORT OF THE OMC (OPEN METHOD OF COORDINATION)
WORKING GROUP OF MEMBER STATES' EXPERTS**What are the cultural and creative sectors?**

The OMC group understands the cultural and creative sectors in their broadest sense, encompassing individuals, professionals and not-for-profit organisations, as well as more commercially oriented ones that operate in these sectors.

The power of cultural and creative sectors

The cultural and creative sectors (CCS) contribute to the well-being and cohesion of society, add value to industries and business sectors with new creative input and methods, design countless aspects of our daily living environments, generate emotions and meaning, and act as enablers and providers of content for debates. Innovative policies are needed in Europe in order to cope with today's economic and societal challenges. These sectors can make a considerable contribution to the discussion and solution of these issues. The OMC group developed their vision statement **'New Perspectives for Innovative Policies for Cultural and Creative Sectors'** around three main policy objectives:

**> A new vision for an inclusive and innovative society**

A new vision for society calls for inclusivity and innovation. Economic objectives should be in line with social objectives and objectives of well-being. A post-2020 EU-Creative Europe Programme and other EU support programmes (such as structural, investment, innovation, research) should therefore have a stronger focus on cultural and social innovation as well as on international knowledge transfer. This needs to be seen in light of the growing global need for state-of-the-art CCS policies. Investments and development actions are required to maintain highly competitive cultural and creative sectors in Europe, as well as new tools to better measure the social impact of these sectors.



> **A new vision for an economic policy that recognises the value of the small**

The European cultural and creative sectors combined make up an economic sector equivalent in importance and contribution to the German car industry – thus there is huge potential for Europe and for global business relations. However, the majority of enterprises in the cultural and creative sectors are small and produce mostly intangible value (e.g. patents, design, creative potential of a team, brand recognition). Support programmes and structures should systematically take into account the characteristics of the cultural and creative sectors. In order to achieve this, a simple application and reporting system for support actions and a toolset to measure the value created is required.

> **A new vision for dialogue, co-creation and experimentation**

In the 21st century, societies are required to answer many culture-related questions, spanning from democracy and sustainability to digital space. On the one hand, the cultural and creative sectors provide space in which social dialogue can flourish, but it can also easily be hijacked to serve particular interest groups. New support programmes must therefore provide a safe space for experimentation, involvement and debate.

These visions should guide policy-making processes at all governance levels in Europe. Practical guidance for policy-makers and stakeholders of the CCS ecosystem is provided in the thematic chapters of this OMC report. Policies for the cultural and creative sectors need to be based on an in-depth understanding of the context and needs of the target groups, and the specific characteristics of these sectors before development and implementation.





What is the nature of the cultural and creative sectors?

CCS professionals are mainly self-employed or micro, small and medium-sized enterprises. Within these groups, big enterprises are a minority but do exist in publishing, the audio-visual sector and the games development industry. Many CCS professionals combine several jobs to earn a living. Careers in the cultural and creative sectors tend to be project-based, often implying that creative professionals operate in both creative and other more traditional industries. A key feature that defines companies operating in the cultural and creative sectors is intangible capital, i.e. the expertise and creative potential of the owner and people working in the company. Economic growth is not always the main driver of CCS professionals and there are CCS whose main scope is purely cultural or creative.

Main themes for a sustainable European policy for CCS innovation and entrepreneurship as identified by the OMC group include an inclusive and holistic political framework, a complete set of support structures, cross-sectoral approaches and targeted activities for user-involvement, as well as a reflection on the roles of the cultural and creative sectors in territories and places.

> The framework

Innovation support in Europe depends on public policies to a large extent. Yet innovation policies do not fully accept the innovative potential of the cultural and creative sectors and in many cases are still narrowly focused on technology. In addition, there are cultural and creative sectors that are not sufficiently oriented towards innovation, thus reducing their readiness for current and future challenges and development opportunities. Most policies do not sufficiently take into account the characteristics of the cultural and creative sectors, in particular the project-based nature of many self-employed people's work.

Main challenges related to the policy framework:

- Lack of adequate involvement of cultural and creative sectors in innovation policies and processes;
- Fragmentation of cultural policies and multilevel governance gaps;
- Low consideration for creative entrepreneurship.

Policy-makers in Europe started to respond to these challenges by means of integrated strategies for the cultural and creative sectors with contributions from the different ministries concerned. Some inspirational examples include:

- The Creative Expertise 2014-2020 Programme from Finland (<http://www.cifinland.fi/en>);
- The German Federal Government's Centre of Excellence for the Cultural and Creative Industries (<http://www.kultur-kreativ-wirtschaft.de/>).

> The structures

Support structures in the cultural and creative sectors include inter alia clusters, competence and development centres, incubators, networks, digital platforms, professional organisations, creative hubs and co-working, and makerspaces. These structures have the potential to be excellent enablers of innovation and entrepreneurship in the cultural and creative sectors. They help create a beneficial ecosystem that can overcome the fragmentation of the sector and contribute to the development of territories in which they are located. These flexible spaces respond to the new opportunities of the digital age and provide training to enhance business opportunities as well as a support community. However, despite these positive effects, many CCS support structures are still not fully recognised partners in innovation (support) systems and often face difficult set-up phases.

Main challenges related to support structures:

- The potential and characteristics of the cultural and creative sectors are not acknowledged by innovation and entrepreneurship support structures;
- Weak promotion of crossovers between cultural and creative sectors and other industrial and societal areas in support structures;
- Complex framework to establish long-term sustainability of support structures.

Policy responses to improve the operations and impact of CCS support structures include inter alia a stronger focus on social innovation or investments in the long-term training and cross-border networking of managers of creative support structures, for example:

- The Social Innovation Factory in Belgium (<http://www.socialeinnovatiefabriek.be>);
- The European Creative Hubs Network (<http://creativehubs.eu/>).

> The cooperation

Cross-sectoral innovation with the participation of the cultural and creative sectors has been one of the priorities of the sectors' policy-making discourse in Europe over the past years. Due to their unique features, these sectors are able to successfully innovate, transform and better communicate the services and products of other business areas. The methods used by the cultural and creative sectors, such as design thinking, are a source of innovation for the public sector and beyond. Cross-sectoral programmes address issues such as the transformation of the labour market, logistics, life sciences, the protection of the environment, and questions related to inclusion, migration and health.

Main challenges related to cross-sectoral cooperation:

- Lack of frameworks for cross-sectoral collaboration in the public sector;
- Measuring the qualitative benefit and success of projects with a specific focus on economic impact;
- Lack of understanding and awareness of the innovative potential of the cultural and creative sectors on other sectors.

Successful policies for cross-sectoral innovation have invested in awareness raising, enhanced access to the cultural and creative sectors innovation support tools for other business sectors, or have invested in innovation in the public sector. Good practices include:

- CLICKNL, the Dutch creative industries knowledge and innovation network (<http://www.clicknl.nl>);
- Slovenia's Competence Centre for Design Management KCDM (<https://design-management.si/>).

> The users

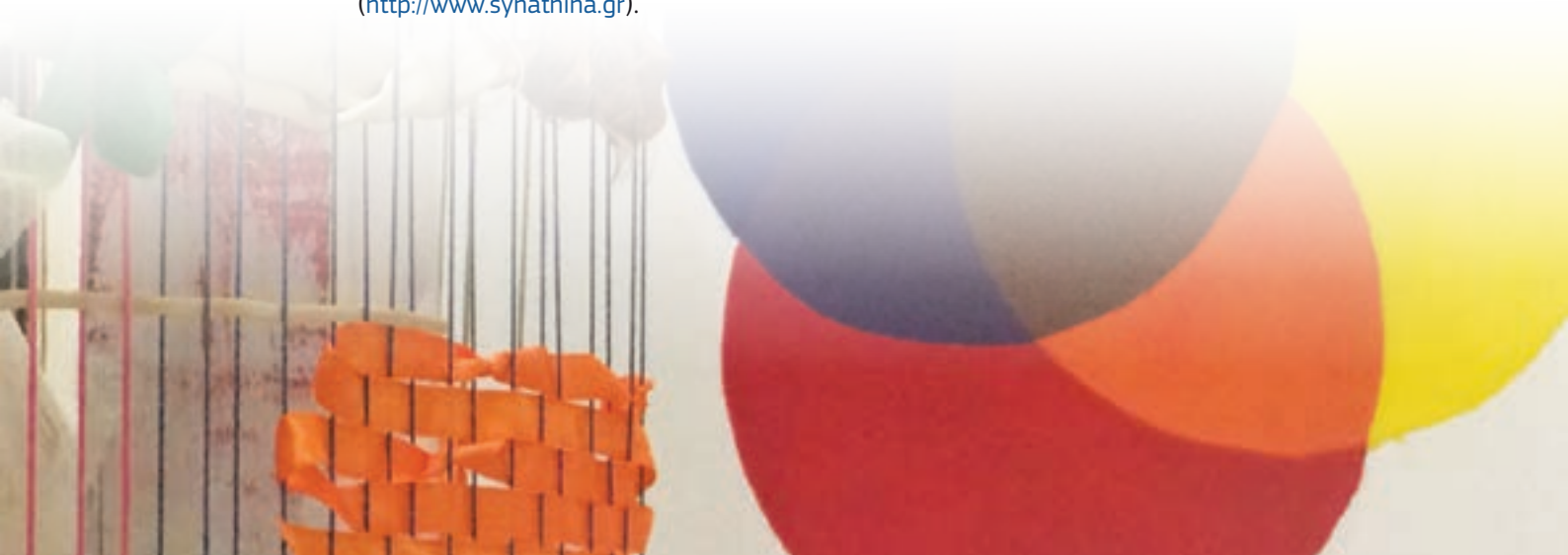
Traditional business models are changing in order to adapt to the increasing importance of users and customers in the value chain. User-driven innovation is no longer based on innovation activities or the needs and experiences of users, but rather on how companies and organisations could add and create value for them in a sustainable way. User-driven innovation is therefore important for intangible value creation. Companies operating in the cultural and creative industries are able to create value by means of artistic and creative work, intellectual capital, crowdsourcing, ideas, organisations and networks without the need for large investments.

Main challenges related to user-driven approaches:

- Lack of understanding the demand-side in some cultural and creative sectors and the skill deficiencies of customers;
- Lack of intermediaries and platforms to facilitate user-driven approaches and engage clients;
- CCS companies servicing larger clients find it difficult to meet the required expectations due to their small size.

Successful policies for user-driven innovation and co-creation encourage innovation through public and private collaboration between several organisations, the cultural and creative sectors and citizens. There are also platforms for co-creation that engage citizens in problem solving and reform. Inspiring practices are:

- Conexiones improbables and Barcelona Laboratori in Spain (<http://conexionesimprobables.es> and <http://www.bcnuej.org/>);
- The social innovation platform synAthena in Greece (<http://www.synathina.gr>).





> **The territory**

Cities and regions – especially in a growing interconnected world – are facing global competition. The cultural and creative sectors are able to generate the required uniqueness and have the potential to make place-bound societies more attractive and inclusive, thus making a positive contribution to cohesion and community building, which is greatly needed for local and regional development. The digital revolution enables creative professionals to work wherever they choose – rural, urban or both. However, investments in the local infrastructure and in an entrepreneurship-inclusive environment are needed.

Main challenges related to place-bound dimensions:

- EU and national level governance needs to recognise CCS innovation as a driver for holistic local and regional development;
- Little involvement of cultural entrepreneurs and creative competences in the development of community and society;
- There are few policies for creative hubs and innovative use of abandoned spaces.

Good practice policies for European territories have invested in design-related activities to contribute to regional transformation or implemented multiannual integrated CCS programmes. Relevant good practice examples are:

- The Design Silesia programme in Poland (<https://www.facebook.com/DesignSilesia/>);
- The Skåne region's Action Plan for Cultural and Creative Industries 2013-2020 in Sweden (https://utveckling.skane.se/utvecklingsomraden/kulturutveckling/kulturella-och-kreativa_naringar/).



Nine main recommendations that require immediate action

The group highlights nine main recommendations for the development of sustainable CCS support policies to make full use of the innovative and entrepreneurial potential of the cultural and creative sectors to the benefit of the European economy and society:

- **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.
- **BROAD CONCEPT OF INNOVATION:**
Ensure a broader definition of innovation beyond technology in all policy support actions.
- **CULTURAL AND CREATIVE SECTORS' CHARACTERISTICS:**
Take into account the particular characteristics of the cultural and creative sectors, especially the variety of value chains, micro-size and self-employment aspects.
- **PLACING CULTURAL AND CREATIVE SECTORS IN INNOVATION SUPPORT STRUCTURES:**
Target and include the cultural and creative sectors in innovation and entrepreneurship support structures.
- **INVOLVEMENT OF CCS HUBS AND NETWORKS:**
Better integrate creative hubs and networks into social and economic innovation challenges at all governance levels.
- **CROSS-SECTORAL INCENTIVES:**
Develop support measures for all industries to engage in cross-sectoral work and promote good practices.
- **USER-DRIVEN APPROACHES:**
Raise awareness of the added value of user-driven and co-creation approaches, and enrich user competences at all levels.
- **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.
- **PUBLIC SECTOR RELIABILITY FOR THE CULTURAL AND CREATIVE SECTORS:**
Engage public bodies as reliable and long-term partners for CCS innovation.



Our mandate

To identify innovative measures to promote entrepreneurship and new business models in the cultural and creative sectors.

Who are we?

The OMC working group on Innovation and Entrepreneurship of the Cultural and Creative Sectors was made up of experts from 26 Member States, and for the first time brought together experts from both cultural and economic public institutions. Our role was to examine and influence the role of public policies in developing entrepreneurial and innovation potential in the cultural and creative sectors (CCS).

Co-chaired by Sylvia Amann (Austria) and Kirsi Kaunisharju (Finland), the group innovated on traditional working methods, using participative and co-creation approaches that involved all the members and expertise outside the sector, as well as through on-site experiences in a decentralised setting of meetings. We recommend this work approach for forthcoming OMC groups as well as for the CCS policy-making process in general.

The full report is available at:
http://ec.europa.eu/culture/library/index_en.htm

Chairs of the OMC working group:
Sylvia Amann and Kirsi Kaunisharju

For further information, please contact:
European Commission
Directorate-General for Education, Youth, Sport and Culture
Directorate D – Culture & Creativity
Unit D1 – Cultural Policy
Emails: barbara.stacher@ec.europa.eu;
EAC-UNITE-D1@ec.europa.eu

All pictures are kindly provided by Barbara Stacher ©babsta
© European Union, 2018

