



CRE:HUB

Policies for Cultural Creative Industries: the hub for innovative regional development

ACTION PLAN: ADIST, Portugal



Part I – General information

Project: CRE:HUB - Policies for Cultural Creative Industries: the hub for innovative regional development

Partner organisation: ADIST - Association for Development of Instituto Superior Técnico

Country: Portugal

NUTS2 region: Lisbon Metropolitan Area

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2. Introduction

2.1. Background Information about the CRE:HUB project

The project “Policies for cultural CREative industries: the HUB for innovative regional development” (CRE:HUB) started on April 2016 and it will continue until the end of September 2020.

The project brings together eight regions that consider Cultural and Creative Industries (CCIs) a strategic sector of development and want to support the existing industries while enabling the creation of new enterprises in this field.

Even though cultural and creative industries (CCIs) are a relatively new concept in the European Union (EU) and they started appearing in most countries, as we know them right now, only in the beginning of the 21st century.

The role of CCIs is seen, in the scope of the EU, as a source of both cultural and economic value and therefore serves as an important driving element in economic and innovation development (employment, growth and prosperity). It is also generally accepted that there is a hidden potential directly linked to these areas to trigger innovation in other sectors of the economy and society. However, such potential is still not generally recognized and far from being completely harnessed or even explored.

As it is currently known, CCI's represent an innovative branch of business and have the potential to increase regional competitiveness and job creation capacity. However, they face some issues that might be in part responsible for the lack of growth, particularly in the cases of Small Medium Enterprises (SME's) working in these fields, namely:

- i) CCI's SME's have difficulties in getting access to credit;
- ii) CCI's SME's lack resources and tools to enhance their competitiveness on the global market, build effective partnerships or extend their activity to other countries, even inside EU.

Also, in the research analysis completed in the framework of the CRE:HUB project it was demonstrated some of these common challenges that the CCI's in the partner regions face, namely:

- a) Limited export performance of cultural and creativity related products;
- b) Lack of managerial skills and experience to commercialize creative ideas;
- c) Lack of financial resources that aid CCIs in enterprise growth (e.g. from self-employed unit to small or medium enterprise);
- d) Difficulties in access of finances specific for CCIs;
- e) Poor cooperation among various CCIs stakeholders and others.

Nevertheless, despite the common shared challenges faced by CCI's, CRE:HUB project partners realized also that there won't be a one size-fits-all solution as its individual

sub-sectors are very heterogeneous in terms of company structures, employment, turnover, markets and business models, etc.

The effort for unlocking the inner potential that CCI's have in enhancing the economy is CRE:HUB main focus. The tasks involved in this project are directly related to the definition and implementation of specific and incisive programmatic actions to enhance CCI's development in each partner countries.

2.2. CRE:HUB project implementation

The CRE:HUB project is implemented in two phases:

- 1) **Phase 1** (Regional Analysis) - From 01.04.2016 to 30.09.2018;
- 2) **Phase 2** (Action Plan Implementation) - From 01.10.2018 to 30.09.2020.

During the **Phase 1** all eight project partners following their Roadmaps will develop Action Plans for improving CCI's with focus in regional policies and the general ecosystem that surround these industries. Partners, experts and stakeholders are consulted and learn from each other during this phase and the activities are mainly related to: i) Regional analysis the CCI's ii) Identification of the CCI's and the stakeholders; iii) Specifics of the CCI's (regional practices); iv) Regional Policy and innovation Strategies. v) Study Visits to learn and share experiences; vi) Preparation of the action plan.

During the **Phase 2** occurs the implementation of the Action Plans that were defined during Phase 1. Each region will improve eight programmes for Investment, Growth and Job creation that should result in the improvement of the way policy instruments are managed. Also, there should be prepared Policy guidelines and enacted changes that will be tailored to meet specific CCI's needs.

Each action plan will specify what will be done in the region to ensure that the lessons learned from the cooperation project are put into action. This document provides the details on how the lessons learned in Phase 1 will be implemented in order to improve the policy instrument that given region. The contents of the Action Plan for the Lisbon Metropolitan Area (LMA) are based on the following topics:

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- Description of the regional context and entrepreneurial ecosystem background;
 - Description of the CCIs needs and requests as far as the policy instruments;
 - Description of the activities (Exchange of knowledge in the form of study visits, results of the peer review, workshops (meetings, interviews, etc.) with regional stakeholders;
 - Analysis of the policy instrument applied to the Region;
 - Description of the Players involved in the action;
 - Description of the Timeframe.

The Action Plan was developed having as the following documents as a support basis:

- the State-of-the-Art Analysis of CCIs,
- the Barrier & Solution Matrix,
- the Roadmap,
- the Peer review Report conducted by Mr. Franco Scolari, Director of 'Polo Tecnologico di Pordenone', and Mr. Lilita Sparane, Head of the Creative Industries Division, Ministry of Culture, Riga (Latvia).

These documents summarize the key findings concerning creative and cultural industries in the LMA. Also, the elaboration of the Action Plan is the result of a debate (meetings, interviews, etc.) with regional stakeholders (business sector, policymakers, university/research institutes, stakeholders from the CCI sector).

2.3. CRE:HUB project in Lisbon Metropolitan Area

The LMA is the most economically advanced region if compared to the rest of Portugal's regions. It leads in terms of income per capita, productivity, and possesses a strong tertiary sector, along with the highest density of enterprises in the country. These favorable economic conditions provide an adequate environment for the CCI sector as

well. In addition, the region was classified, as an “innovation follower” region by the Regional Innovation Scoreboard (2014), another example of its high CCI potential ².

The region was home to 23,125 CCI enterprises (accounting for 46% of all CCI enterprises in Portugal) employing 42,359 people (51% of total employed in the CCI sector in the country) in 2014. The average number of persons employed per company in 2014 was 1.8, making the Lisbon region’s enterprises very small on average according to the calculations of project partners.

Statistical data relating to Lisbon region’s CCI between 2012 and 2015 ² shows that employment in the CCI sector has seen an overall decrease, contrary to the total employment in Portugal which saw a small increase in the same period. It also ran contrary to the evolution of CCI on the national level, which saw an 11% rate of growth. Since 2012, employment in the CCI sector in LMA fell from 41.000 people to 35.600 in 2014, registering a slight increase again to 40.600 in 2015 (the CCI sector provided around 3% out of total employment through the period 2012-2015).

CCI activities in Portugal are regularly supported by public funding. In 2015, expenditures on CCI activities (that covers: personnel, capital, and other expenditures) in LMA totalled 82.852.000 EUR (21,1% of total CCI expenditure in Portugal as well as 4.7% of total expenditure in the region). ³ The share of CCI personnel expenditure and capital expenditure was 7.06% (national expenditure 6.26%) and 1.83% (national – 4.22%), respectively.

The Cultural Satellite Account of Statistics Portugal identified five sectors which it deemed as the largest and most prominent within the scope of CCI in the Lisbon Metropolitan Area (in terms of gross added-value): books and press, audiovisual and multimedia, inter-disciplinary work (such as arts and crafts), advertising, and performing arts. These same five sectors also employed the most people within the CCI industries.

2.4. Main Findings and Actions

The regional-level policy instrument "POR Lisboa 2020" supports the development of CCI sectors in the Lisbon Metropolitan Area has two key support documents:

1) **Lisbon Regional Action Plan (PAR Lisboa - 2014-2020)** - The 2014-2020 Lisbon Regional Action Plan's priority "Smart growth" outlines three primary strategic paths for CCIs through creating sectorial initiatives and promoting support within the sector, as well as protecting and promoting cultural heritage. The Plan's objectives primarily focus on applying the aforementioned initiatives for the benefit of qualified entrepreneurship, internationalization of the sector and increasing exports, investment and funding promotion, and increasing regional tourism attractiveness. Overall, the strategy promotes the CCI sector through concentrating its focus on the entrepreneurial capabilities and product/service competitiveness of regional SME's.

2) **Integrated Territorial Plan (2014)** - The Integrated Territorial Plan was produced in 2014, within the scope of the Europe 2020 Strategy and the Partnership Agreement Portugal 2020 for the period 2014-2020. The guiding principles of this document makes specific reference to the CCI's and their importance in developing the region's industries and creating opportunities for future economic prosperity. In the outlined framework there are two strategic goals: valuing innovation and differentiation in order to accelerate the creation of a knowledge-based economy and valuing human and social experiences provided by the region in order to deepen tourism and solidify the region's ecological, cultural, and social foundation. In a broader sense, such an all-encompassing strategy is aimed at harnessing the CCI resources for the benefit of regional community, economy, and technology.

Portugal 2020 is the overarching policy instrument for application of the European Union investment and development funds for the period 2014-2020 in Portugal. The main goal of this institution is to overcome structural imbalances by proactively stimulating the

capacity of enterprises and the workforce by aligning the regional and national priorities of the Smart Specialization Strategy (RIS3). Approved in 2014, the Portuguese Strategy for Smart Specialization bases its 2020 vision upon four pillars, one of which specifically includes the promotion of the CCI as a priority theme; scoring a 5 both at national level and at the level of the LMA, the highest priority possible. The Portuguese RIS3 foresees a set of topics for action within the CCI priority theme: valuing products and services (fashion, architecture and design); production, distribution and promotion of CC content (music, film and video, radio and TV, publishing and literary creation, performing and visual arts; preserving and valuing the heritage; advertising; ICT – digital contents and software services; CCI, event promotion and tourism.

During the implementation of project (evaluation of the research analysis, workshops and discussions with CCI experts, drafting Roadmap), the need to improve the efficiency of the current CCI activities (e.g. support a National CLUSTER, establishment and development of business accelerator's for CCI in Lisbon), and instruments (e.g. financial distribution/funding currently supervised by state) was emphasized, in order to develop and consolidate an effective policy (in terms of exports and competitiveness of the CCI's sector).

In summary, the Action Plan focus the following goals:

- Improve Industry-government-academia cooperation;
- Improvement of the cooperation among different stakeholders and different sectors;
- Reducing CCI sector fragmentation;
- Improve business environment for technology intensive CCI development (at a national and regional level);
- Improving financial support for knowledge and technology transfer.

The policy instrument implementation shall be improved to promote the development of new creative industries' services and products by SMEs as well as the extension of export capacity of SMEs by integrating good practices and experiences identified at all stages of CCI SMEs life cycle in other European countries and regions. Taking all the above into account, and leveraging on the learning, experience and good practices

observed during this phase, it became clear to prioritize the following three actions and their related sub-actions for the next phase:

- ACTION 1 - Reducing CCI sector fragmentation through Industry-government-academia cooperation
- ACTION 2 - Innovation for communication and information strategies for investment and funding promotion.
- ACTION 3 - *Working group to prepare a new national CLUSTER for the creative industries.*

The actions proposed are based on *effectuation*, on the knowledge and tools we have, in order to maximise the outcomes. The improvements needed to the POR Lisboa 2020 were found from within but also from the applicant's point of view. During phase one and multiple debates and meetings, the need for action on the dissemination of the calls, the organization, networking and opportunity assessment surfaced. This led to the actions proposed, that change the policy usage and implementation in reality.

The proposed actions were publicly presented and debated in the CCDR-LVT headquarters with its president and officers present and more than 20 invited stakeholders, gathering a large consensus among both the stakeholders and the policy responsible body CCDR-LVT which is fully aware of the process of the CRE:HUB project and supports the content of the action plan.

3. PRIORITY ACTIONS

3.1 POLICY CONTEXT

The Action Plan aims to impact: X Investment for Growth and Jobs programme
 € European Territorial Cooperation programme
 € Other regional development policy instrument

Name of the policy instrument addressed: POR Lisboa 2020
"Programa Operacional da Região de Lisboa 2014 – 2020"

Part III – Details of the actions envisaged

ACTION 1 - Reducing CCI sector fragmentation

1. The background:

In the cultural diversity context of each country within the European Union, there is the notion that most projects are not seen as belonging to a cultural and creative industries (CCIs). The lack of local CCIs definitions and sub-sectors is, by itself, a consequence of the challenge to determine which are the sub-sectors to be covered. This also leads to difficulties in obtaining statistical data to assess the economic performance of each CCIs, specifically the challenge to quantify the linkage with other traditional industries. Furthermore, the variety of applied definitions and lack of regional data or different methodologies for data collection for many CCIs variables also challenges the effective mapping of this industries.

Currently, it is not possible to have an overall picture of CCI's, mainly due to its heterogeneity in terms of structures, work force, markets, business approach, etc. Project stakeholders considered this as an obstacle for adequate CCI's policy definition.

Inspired by experience seen in Alba Iulia, the *Carolina Creative Quarter* was a striking good practice bringing together public administration, CCI's community and academia pursuing a common goal, each entity with its own plan and role well established.

Taking in consideration ADIST's unique position in the society, being a bridge between Academia and Society, this action is also strongly influenced by the "RaPaPro" programme presented in Latvia.

Being in the largest university in the region ecosystem - Universidade de Lisboa - with 18 Faculties, 13 museums, 57 libraries, 411 degrees and more than 40 000 students a large portion of CCI's professional are ULisboa's current or former students. Incorporating the learnings from Latvia's "RaPaPro" program the point of entry to approach such a complex challenge is beyond doubts through education.

2. Action:

In order to overtake the obstacles identified during the project execution, the unique position of ADIST is to bring together all the different CCI projects and initiatives that by having common goals create a sense of unity reducing fragmentation. This structure should be capable of covering all different subsectors and should be considered as a reliable entity for small businesses across sectors.

By starting early in the CCI's professional path this action aims to maximize the long-term effect in these professionals, creating group identification and promoting synergies for future collaborations among CCI's subsectors.

This action consists in a series of organized events/workshops/networking, that take place in the universities/associations/Institutions involved, where two or more groups from different CCI sub-sectors work together and get to know more about the other's group subsector. The crucial objective is to strength the CCI sense of belonging.

To maximize the cross-interactions among the various subsectors in these events, a structured framework (guidelines) must be followed, creating a tool that can be used frequently, improved and replicated by others.

Detailed actions:

A1.1- Design a framework (event structure, model activities) that is scalable and replicable in time and space, that involves: Students from various fields; Professors; active CCI's professionals and SMEs; Society and public bodies. (6 months)

A1.2- Run a pilot with students from 3 different faculties and test the framework (1 month);

A1.3- Iterate and improve the framework. (3 month);

A1.4- Promote the results and open-source the format to the public for independent replication. (3 month);

A1.5- Apply for funding to leverage the model and extend reach (3-6 month).

3. Players involved:

- ADIST (*Promotion, leader*)
- Economy and culture Ministry (*Strategic orientation*);
- CCI business incubators and entrepreneurs (*market knowledge*);
- Municipalities Universities (*Student/future professional CV and culture influence*);
- CCDR-LVT (*Strategic alignment*);
- IAPMEI (*Framework Support*).

For the purpose of the pilot the faculties envisaged are:

- Técnico Lisbon - Architecture, Computer science, engineering;
- IADE - Design, Marketing, Advertising and Photography;
- NOVA-SBE Economics, management and Marketing.

Selected based on diversity of the offer and complementarity.

The impact on POR Lisboa is achieved by tackling the identified problem of sector fragmentation, aiming to: foster stronger partnerships, having better quality and multisector project proposals and higher levels participation (more applicants per POR Lisboa call).

In this scope we target one pilot (composed of two or three events) reaching up to 30 students from two different subsectors.

4. Timeframe: 2018-2021

5. Costs: Estimated cost for A1.1, A1.2, A1.3, A1.4 is 25k€ (pilot) and 300k€ for A1.5 (post pilot)

6. Funding Sources: Competitive sources such as H2020 and P2020;

The partner is not responsible for the policy instrument, uses its influence and capabilities to start new projects and induce change.

ACTION 2 - Innovation for communication and information strategies for investment and funding promotion.

1. The background:

One important outcome from this project in phase one was the awareness of each stakeholder on local reality. The main perception was that small business were not getting, or were missing funding and investment. The main reason is related with the fact that small business try to apply alone, instead of merging the same need with different partners. As stated on action 1, this is mainly related to the fact that each small business does not perceives as being part of a CCI, and therefore does not seek for partners within the possible CCI community.

On an optimal scenario, we should be seeing cross sector interactions and consortiums being created, to increase the likelihood of getting founding.

One of the best practices observed during the project was "FOLD", a communication platform in Latvia aiming to help creative industries to discover, learn & collaborate, with a special focus on design & design thinking.

This type of platform provided a regular information flow about events & projects related to CCIs and showcases the success stories of creative industries, inspiring others to follow.

Although social networks are nowadays the typical go to path to facilitate and promote dialogue between professionals and entrepreneurs of CCI's, this form of interaction is not focussed enough and considering the existing fragmentation in the sector does not achieve critical mass easily. These scattered realities led to "FOLD", created in 2013 based on a merger of previously existing long-standing self-initiated projects: "Plikums", "DesignBlog", "Fine Young Urbanists", etc.

Using in house resources to bootstrap this action and start a minimum viable platform we envisioned a web-based meeting point and source of information for CCIs. Without having direct responsible for the policy instrument, ADIST will provide internal resources and capabilities to start this action and bring partners together.

2. Action:

Considering the provided background, a possible solution to mitigate the disconnection within the CCI community is the development on an E-Platform, so that each member can easily access information related to open projects, ongoing projects, funding opportunities, resources available, and others, but most importantly promoting communication with other members.

By creating this platform, it is expected to attract qualified entrepreneurs, always considering that the digital nature of the platform will allow internationalization, promote exports and create new jobs.

Detailed actions:

A2.1 - Build a pilot web based platform, leveraging existing free open source content management systems (6 month);

A2.2 - Gather content and integrate news providers (3 month);

A2.3 - Marketing and dissemination to establish as a go to place for information on open calls, opportunities and Networking events (6 month);

A2.4 - Apply for funding to extend functionality and improve marketing campaigns (6-9 month).

The impact on POR Lisboa is achieved by reaching a broader targeted public aiming for higher levels participation, more applicants per POR Lisboa call. The community and networking effect will promote stronger project proposals consortia.

3. Players involved:

- ADIST (*Promotion, leader*);
- Economy and Culture Ministry (*source of information*);
- CCI business incubators, entrepreneurs and professionals (*users*);

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- CCDR-LVT (*news & information and potential funding source*);
 - IAPMEI (*news & information and potential funding source*);
 - ADCOESÃO (*news & information*).

4. Timeframe: 2018-2021

5. Costs: The estimated cost for A2.1, A2.2, A2.3 is 15k€ (bootstrap) plus 200k€ for A2.4 (scale)

6: Funding Sources: Competitive sources such as H2020 and P2020;

ACTION 3 – Working group to prepare a new national CLUSTER for the creative industries

1. The background:

Reducing CCI sector fragmentation and innovating on communication for funding promotion tackled in the first two actions are considered the first steps to promote a sustainable CCI development. However, we believe that these previous actions alone are not enough since there is still a lack of national unity and group dynamics for all the different areas within the CCIs without a proper institutional structure.

The proposed solution to address this problem is the establishment a new national cluster for the creative industry. It is considered a cluster when companies within a same area of industry gather together to enhance their social and political power within the country. Consider the example of Portuguese wine producers, which have a specific cluster where they discuss all the important topics, such as political decisions, road maps, specific laws related to wine industry and even congregate to national and European funding as a group to increase their “power” and leverage funds.

A CCI cluster is expected to empower small business to act as a union, so that political decisions, road maps, possible improvement to current laws, are

implemented more easily.

Strong clusters and sub-sector commissions play an important role marketing the territory and its resources either natural,, professional, commercial, economic, or touristic for e.g. the model seen in the CRE:HUB partner from Friuli Venezia Giulia, specifically the field visit to the FVG Film Commission strengthened our motivation and reinforced the importance of this type organizations.

Friuli Venezia Giulia Film Commission (hereinafter FVGFC) is a marketing tool of the territory and its resources (natural, logistic, professional, commercial, economic, tourist) started in 2000, FVGFC operates primarily through a targeted promotion of the regional territory as a set for film and television productions, underlining its landscape beauty, production convenience and related logistic facilities. The recipients of this promotion are Audiovisual Production Companies and directors on a national and international scale. Other beneficiaries of this initiative are local actors and workers and subjects involved in satellite activities, related and induced services.

The importance of a national or regional CCI cluster has been clearly identified across stakeholders and ADIST's role is not to start one, but to put the relevant players together sharing the best practices of CRE:HUB and pursuing the mission of building bridges in and to the society.

This action will also work as an enhancer for action one and two.

2. Action:

To lay down the path of establishing a CCI cluster we intend to create ad-hoc working groups, in order to facilitate the interactions, maintain a permanent network of different stakeholders and enhance the cross-border networks between cities, not only in Portugal, but also across the European Union.

The main benefit of creating a CCI cluster is the expected snowball effect. As bigger and important business become part of the cluster, they start to attract smaller and more businesses, which ends up promoting the cluster sustainable growth.

Detailed actions:

A3.1 - Create one ad-hoc working group by identifying 8 to 12 cornerstone

players in the CCI sector (6 month);

A3.2 - Expand the membership base, reach 25 letters of intent (6-12 month);

A3.3 - Gather the formal requisites to be eligible to apply for formal cluster recognition (6 month).

ADIST cannot and does not intend create a cluster, the proposed action is to put together the actors that can make it and should come together, creating the basis and first step to the creation of such structure.

The working group will make a sector analysis and identify on regional basis the founders and key members.

Since 2015 clusters are a legal recognized body in Portugal, the working group we work towards a successful application to the recognition.

The impact on POR Lisboa is achieved by having stronger and official sector representation in order to have more applications and of better quality

3. Players involved:

- ADIST (*Promotion, leader*);
- Economy Ministry (*Strategic orientation*);
- Regional Authorities (*financial support for CCI business development*);
- Anchor CCIs (*Initial traction and igniters*);
- Regional Associations (*Initial traction and igniters*);
- CCDR-LVT (*Strategic alignment*);
- IAPMEI (*Framework Support*).

4. Timeframe: 2019-2021

5. Costs: The estimated cost for A3.1, A3.2, A3.3 is 25k€

6. Funding Sources: *Programa Interface.*

Date: 15/5/2019

Signature: _____

A handwritten signature in black ink, consisting of the initials 'L.C.O.' written in a cursive, stylized font.

Luís Caldas Oliveira