



The transforming power of cultural and creative industries

A Policy Learning Platform event

4 June 2019, Riga

Local and regional policymakers from all across Europe came together to share their experiences and good practices on the development of creative and cultural industries (CCIs) in the framework of a thematic workshop focusing on:

- the competitiveness of the cultural and creative industries.
- the positive contribution of CCIs to improve the competitiveness of other sectors.

Among the 27 participants, there were representatives from the following Interreg Europe projects: [CD-ETA](#), [CLAY](#), [CRE:HUB](#), [CREADIS3](#), [Cult-CreaTE](#), [Design for Innovation](#) and [RCIA](#), as well as keynote speakers from [Creative Business Cup](#) and the Latvian Ministry of Culture.

Besides an overview of good practices from Interreg Europe projects, the workshop provided specific insights into the policy state of the art in Latvia, including a visit to the local Creative Industries Incubator.



Highlights

Cultural and Creative Industries (CCIs) at the heart of modern knowledge-based economies

- *'The question is not anymore if they are to be considered as 'nice to have' or 'need to have' components of the economy. IT IS BOTH!'*, says Rasmus Wiinstedt Tscherning, founder of [Creative Business Cup](#), former Official Speaker for the European Commission DG Education and Culture and former Chairman of European Creative Industries Alliance. The global trend is clearly showing increasing demand of CCIs and their increasing cross-sectoral contributions to almost any sector of the economy and policymaking: *'cross sector is the future'*. Mr. Tscherning related the transforming power of CCIs to the fact that they convey *"both market values and non-market values, such as identity and cohesion"* and contribute thereby to generate what is to be considered as a **'plus sum game'** for the economy and society.
- Mr. Uldis Zarins, representing the Latvian Ministry of Culture, showed how Latvia's policy contributed to place **CCIs at the core of economic and societal development**, aiming at *'combining knowledge and skills specific to the creative sector together with those of other sectors in order to generate innovative and intelligent solutions for today's societal challenges.'* This approach is mirrored in the strong emphasis of Latvia's CCI policy on design, which *'operates across the whole economy'*.
- Grasping the potential of CCIs for other sectors of the economy requires a **change in the mindset of both public actors and businesses**. Some concrete examples were given:
 - The innovation potential of product design for traditional industrial producing companies.
 - The added value of CCIs for sectors with a strong social component such as elderly homes and hospitals.
 - The added value of CCIs for the tourism sector, which opens new economic development perspectives for rural areas.

What is needed: favorable political frameworks, fertile ecosystems, strong business support

- **Awareness of the CCIs and their economic potential** often remains limited both at policy and at industry level. **Regional mapping exercises** and **dedicated events** can help showing the economic weight of CCIs for regional development as well as their catalyst potential of innovation and growth in the whole economy.
- Having **intermediaries within the public administration** is crucial: they bring together the actors from the cultural and economic side of policy making, which often do not speak the same language. Once this has been achieved, policy makers can mostly concentrate on supporting existing ecosystems involving already existing players. **Dedicated infrastructures** (e.g. co-working spaces, creative hubs or districts) provide a convenient working environment and foster interaction among CCI businesses and other economic actors for the highest leverage potential.
- **Funding schemes**: access to funding remains a challenge for many CCI businesses due to both their own lack of skills in applying for funding and lack of capacity within most financial institutions to understand and evaluate their business models and their economic potential. **Implementing specific funding schemes** (e.g. crowd funding, voucher schemes, lowering VAT rate for CCIs, grants supporting social entrepreneurship within CCIs, accelerators) is therefore essential.
- **Soft support schemes**: CCIs often lack the knowledge and capacity to grow their business and compete on global markets. Soft support schemes providing **training and coaching in business development** topics (e.g. business models, financial management, internationalization...) can contribute to overcome those barriers to growth.

Good practices

The thematic input provided by the Interreg Europe projects mirror the above-mentioned ingredients for unlocking the potential of CCIs for a competitive economy:

Creating a favorable political framework

- Design4Innovation project – [the Service Design programme](#)

The Welsh Government granted Design Wales funding to develop a support programme that shows how service design can help companies grow, kick-starting a demand for design-led service innovation. Design is considered as a horizontal enabler across different policy domains. Besides aiming at best communicating the value of design to innovation/business advisors and ultimately to businesses, Design Wales also looks at different strategic policy documents in Wales, such as The Well-being of Future Generations Act and the Economic Action Plan 'Prosperity for All' to see how design can contribute to achieving their social, economic, environmental and cultural well-being goals.

- Design4Innovation project – [Design Strategy of Latvia 2017-2020](#)

Latvia is strongly engaged in supporting creative and cultural industries, which shows also in Interreg Europe with the involvement of Latvian partners in most of the projects addressing creative and cultural industries. In 2017, the national government adopted the *Design of Latvia 2020* strategy, with a focus on the following aspects:

- Growth of entrepreneurship in the CCI sector
- Competitiveness and export of the CCI
- Development of innovation-friendly infrastructure and environment
- Public informing, research and monitoring of CCI

Different projects contribute to the implementation of the strategy, namely:

- The planned Tabfab Creative Industries Quarter;
- The [Creative Industries Incubator](#) (see below);
- The [Creative Partnership Programme “RaPaPro”](#);
- The future Latvian Design Centre.

- RCIA project – South Tyrol [RIS 3 strategy](#) and Lublin Development Strategy 2021-2030

The recommendations elaborated in the framework of the project resulted in initiating policy changes in South Tyrol, Italy, in particular by getting creative industries prominently included into their RIS3 strategy and in the current governmental coalition paper. In Lublin, Poland, a specific strategy dedicated to CCIs strategy is now part of the Lublin Development Strategy 2021-2030 with several actions to support creative industries in Lublin.



Ensuring strong business support and weaving a fertile ecosystem

- The Action Plans of [CRE:HUB](#) project

The [CRE:HUB](#) partners come from regions where cultural and creative industries (CCIs) represent highly innovative SMEs and their promotion can effectively increase regional competitiveness and job creation capacity. [CRE:HUB](#) addresses the specific difficulties of CCIs in accessing funding and resources to enhance their competitiveness on the global market. Ákos Szépvölgyi from the Central Transdanubian Regional Innovation Agency presented the progress made in the project. The [Action Plans](#) developed for the eight project regions cover a broad range of actions encompassing



ecosystem development, funding schemes (e.g. vouchers), awareness raising (e.g. thematic events) and business development support (e.g. incubation, mentoring, collaborative projects). Concrete examples are the creation of a CCI cluster, including funding for its management organisations, in the Friuli Venezia Giulia autonomous region (Italy), a creative voucher scheme for coworking spaces in the Ljubljana region (Slovenia) or a series of targeted events aiming at reducing the fragmentation of the CCI sector in the Lisbon metropolitan area.

- RCIA project - [Kreativwirtschaftsscheck – KWS \(Creative Voucher\)](#)

The KWS voucher scheme constitutes an original example of a low-threshold grant (up to EUR 5.000) which fosters both cross-sectoral activities and to some extent internationalisation, as Austrian SMEs can use the voucher to give assignment to creative businesses from anywhere in the world. The Austrian Federal Promotional Bank processes about 2.000 applications and deliver 300 vouchers per year with low overhead cost. The scheme can be considered as a real success both in terms of promoting the creative industries and their potential impact on other sectors as well as in terms of programme management.



Study visit to a business incubator



[RCIA](#) project - [Creative Industries Incubator, administered by the Investment and Development Agency of Latvia](#)

A visit to the [Creative Industries Incubator](#) provided insights on how creative start-ups get access to both soft support (coaching, funding) and access to an equipped co-working environment. This is one of the 15 public incubators funded by the Investment and Development Agency of Latvia, but the only one dedicated to creative industries.

The Creative Industries Incubator offers its support in the framework of a classic incubation programme, including an extensive pre-incubation offer, and a dedicated management team. Presentation from hosted entrepreneurs helped the participants to get an impression on the type of businesses being incubated. In their short interventions, the featured start-ups expressed their gratitude and underlined the value of the received incubation support.

Next steps

Policy recommendations

During the workshop, be it in presentations or in the framework of group discussions, participants have highlighted specific recommendations with respect to the development of CCIs and how policy makers can contribute to foster their potential. Their input covers the following aspects:

- **Raise awareness:** Although being a sector with sustained growth and potential, the CCIs – due to their diversity – often remain not clearly identified in the strategic priorities for economic development. Despite the achieved progress, there is a strong need for raising awareness among public and private stakeholders on their economic but also social weight and their potential for the whole economy. **Regional mapping exercises** represent hereby a useful first step.
- **Grow capacity building:** policymaking bodies and business support intermediaries should improve the understanding for the specific needs of CCIs and the suitable approaches to serve them, such as dedicated funding schemes, specific infrastructures (e.g. co-working spaces, creative hubs) and soft support in business development and investment readiness.



- **Boost cross-fertilisation:** CCIs have a high potential for cross-sectoral fertilisation with almost any other economic sector, contributing to mutual benefits and higher growth for both sides. The more traditional sectors benefit from the creativity of CCI businesses. And in return CCIs can gain in many ways, such as, for instance, through the uptake of modern industrial production technologies (e.g. additive manufacturing) and digital technologies.
CCIs can also generate benefits in **public administration** for better policymaking. Moreover, the transforming power of cultural and creative industries clearly carries the potential to address **societal challenges** such as the development in rural areas or better care solutions for elderly people.

Potential further Policy Learning Platform activities

Several potential follow-up activities were discussed on the spot with the participants:

- Initiate a cross-project exchange on creative hubs / creative districts, e.g. physical infrastructures providing space for cultural and creative industries, possibly including incubators, co-working spaces, maker-spaces and further activities;
- Organise an exchange on the content of the Action Plans developed by different projects;
- Develop a cross-project overview of good practices according to a common reference framework integrating the existing approaches of different Interreg Europe projects

The Policy Learning Platform team will discuss the suggested follow up initiatives and come back to the group of participants by 30 July.

Useful materials

Other resources on cultural and creative industries are available here:

- Interreg Europe [Good Practices](#) database and respective projects webpages
- Interreg Europe policy brief on [Cultural Routes in Europe](#)
- Interreg Europe article on [Unlocking the potential of cultural and creative industries](#)
- Interreg Europe policy brief on [Sustainable tourism: an opportunity for regions to value and benefit from their cultural and natural heritage](#)
- The [New European Agenda for Culture](#): a proposal of the European Commission for harnessing the full potential of culture.

For more information related to the workshop and the presentations, please visit the [conclusions page](#), where you will find photos, attendee lists, presentations, etc.

