EUROCITIES response to the Green Paper ‘Unlocking the potential of cultural and creative industries’

Towards a European integrated strategy for cultural and creative industries

EUROCITIES is the network of major European cities. Founded in 1986, the network brings together the local governments of over 140 large cities in some 34 European countries. EUROCITIES represents the interests of its members and engages in dialogue with the European institutions across a wide range of policy areas affecting cities. These include: economic development, the environment, transport and mobility, social affairs, culture, the information and knowledge society, and services of general interest.

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EXECUTIVE SUMMARY

Cultural and creative industries drive local economies, especially during difficult economic times. Local authorities in Europe have made considerable financial investments in cultural and creative industries. These have led to positive outcomes, namely higher employment, more inclusiveness and greater city attractiveness.

Strong leadership and advocacy for the role of the creative economy in addressing Europe’s objectives of smart, sustainable and inclusive growth are crucial. To be successful, this leadership must not only come from the European Commission and Member States, but also from local governments.

EUROCITIES recommends a European integrated strategy for cultural and creative industries. Cultural and creative industries will play a key role in delivering Europe 2020’s three objectives:

- Smart growth. Creativity leads to innovation; culture and creativity are part of education and training
- Sustainable growth. Cultural and creative industries drive European sustainable competitiveness, while culture drives the preservation of heritage and adds to the offer in terms of tourism, especially in urban areas. This is closely linked to the European model of urban development, which city administrations strive to manage and sustain. This is what makes our cities attractive to many and contributes to Europe’s competitive edge
- Inclusive growth. Cultural and creative industries are major employers; they also drive urban regeneration and foster intercultural dialogue, as well as citizens’ participation in city life

Given their contribution to these objectives as well as to economic, social and territorial cohesion, cultural and creative industries should be taken into account in the next generation of European funding programmes.

To unlock the potential of cultural and creative industries and to bring forward the EU added value, EUROCITIES sees a clear European added value in supporting the following:

1. Developing indicators and gathering evidence
   - More effective tools are needed to better understand the sector and its economic, social and environmental impact
   - Data must be collected at the local level but should have a Europe-wide basis to ensure comparability and learning outcomes

2. Nurturing an “eco-system” for cultural and creative industries
   - Entrepreneurship should be promoted in the cultural and creative sector and curricula should be adapted to the sector’s particular business demands
   - Access to finance needs to be facilitated and financial tools that are tailored specifically for the sector should be introduced to encourage the sector’s growth
3. **Encouraging exchange, learning, networking and better promotion**

- Creative clusters and one-stop-shops should be supported and developed
- Networking and the exchange of experiences are vital to the sector’s success
- The mobility of cultural and creative industry workers and products should be supported both inside and outside Europe

To support this process, EUROCITIES is eager to cooperate and work in partnership with the European institutions, and in particular to offer our support by:

- Acting as a direct line of contact to politicians and technical experts within an established network of cities, which can offer a strong base for developing pilot projects in the sector at the local level
- Positioning our member cities as focal points for raising public awareness of European policies and events related to cultural and creative industries
- Offering EUROCITIES meetings as a platform for discussion and exchange between representatives of the European Commission and Parliament and city politicians in charge of culture and economic development. This would complement the dialogue that the Commission is already developing with civil society
- Providing good practice examples that illustrate the benefits of effective EU policy in the sector being played out at the local level
1. INTRODUCTION

Cultural and creative industries are crucial for stimulating local development. This argument has been highlighted in several recent European level policy statements. For EUROCITIES, the network of 140 major European cities, such recognition highlights the need for supporting and further developing this vibrant sector, which is essential for our local and regional economies.

The Education, Youth and Culture Council conclusions from May 2010 are particularly promising from our perspective. The conclusions emphasise ‘the contribution of culture and the cultural and creative industries to local and regional development through making European regions more attractive and developing sustainable tourism, creating new employment opportunities and innovative products and services, and helping develop new skills and competences’.

The policy statements have also outlined a clear expression of intent by the European institutions, to work with other stakeholders to develop a more favourable environment for the cultural and creative industries. In this respect the Green Paper ‘Unlocking the potential of cultural and creative industries’ offers the opportunity for cities to contribute to the process and to start, what we expect, will become an ongoing dialogue with local governments.

Traditionally, cultural and creative industries are located in cities, where they benefit from a favourable business environment, the presence of a creative class and a skilled labour force. They are central to stimulating development at the local level. At the same time, they are also vital to our broader European objectives.

Cultural and creative industries and European recovery

Creative talents, the knowledge economy and creative industries, with their emphasis on diversity and innovation, contribute to our ambitions of sustainable growth and are key drivers for Europe’s exit from recession.

The cultural and creative sector is one of the most competitive in city economies and is crucial for growth, investment, employment and innovation.

Cultural and creative industries have been more resilient to the 2008-10 financial crisis than most industrial sectors. Trends show that although Europeans seem to be spending less, visits to cultural venues, for example cinemas, museums, galleries, have risen since the beginning of the recession. Moreover, creative skills have the potential to impact positively on the whole economy, stimulating innovation, not just in the cultural sector, but in all industries and services.

Cultural and creative industries and integrated local development

The role of cultural and creative industries is more than an economic driver.

Cultural and creative industries contribute significantly to social integration and community cohesion and are useful tools for supporting inter-cultural dialogue.

They also contribute to urban development. Cultural and creative industries can significantly shape the image of a district, a city or a region and are instrumental in improving quality of life and city attractiveness.
Strong leadership at all levels of government

As recognised in the Green Paper, ‘regional and local strategies have successfully integrated cultural and creative industries in many areas’. Indeed, local authorities in Europe have made considerable financial investments in cultural and creative industries, which have led to higher employment, more inclusiveness and greater city attractiveness. Examples of such policies and strategies introduced by our cities are presented in an annex to this response.

Strong leadership and advocacy for the role of the creative economy in addressing Europe’s objectives of smart, sustainable and inclusive growth are crucial. To be successful, this leadership must come not only from the European Commission and Member States but also from local governments.

Today’s economic climate is resulting in public sector budget cuts at all levels. This means that we need to exercise greater financial discipline, while bringing in new funding to alleviate the current downturn. EUROCITIES believes there are ways to provide smart and creative support to help generate new jobs, drive regional economic growth and develop a strong and competitive European creative sector. We believe that the EU has a role to play here and could make a marked difference.

2. TOWARDS A EUROPEAN INTEGRATED STRATEGY FOR CULTURAL AND CREATIVE INDUSTRIES

Cultural and creative industries delivering Europe 2020

An integrated strategy is needed at European level in terms of:

- policies that shape the best environment possible to sustain and develop cultural and creative industries; and
- instruments that can both finance and implement these policies

The Council conclusions from May 2010 state the need to ‘consolidate the contribution of culture, especially the cultural and creative industries, to the Europe 2020 strategy for smart, sustainable and inclusive growth’. Indeed, cultural and creative industries contribute to the three objectives of the strategy.

Smart growth - developing an economy based on knowledge and innovation

- Creativity leads to innovation

Creativity is an important asset for businesses and administrations to develop their goods and services, marketing and design. Furthermore, supporting the development of new creative products and services will lead to smart growth, as acknowledged in the Council conclusions on Creating an innovative Europe (26 May 2010): ‘Culture-based creativity is recognised as a vital driver of innovation in sectors such the cultural and creative industries, which are characterised by higher than average growth and strong potential’. Although creativity is integral to innovation, innovation in European policies and funding programmes mainly focus on
science and technology. Creativity should be given greater emphasis in the forthcoming Innovation Union flagship initiative.

- **Culture and creativity are part of education and training**

The promotion of culture and creativity not only strengthens education and culture-related competencies, but also, in the longer term, stimulates the demand for cultural products.

### Sustainable growth - promoting a more resource efficient, greener and more competitive economy

- **Cultural and creative industries contribute to European sustainable competitiveness**

Cultural and creative industries are part of Europe’s solution to becoming more competitive worldwide in the long term. Cultural and creative services are produced locally and are less likely to be off-shored to other continents. Furthermore, Europe is an important producer of cultural and creative goods with intellectual property rights, the demand for which is increasing. This represents an enormous potential that EUROCITIES believes should be developed. Raising the profile of our creative sector beyond Europe is essential. This means that we need to be both present and competitive in today’s global marketplace.

Cultural and creative industries are assets to drive city competitiveness. Creative cities with vibrant cultural communities tend to attract more investments and highly skilled people. Besides, working in the cultural and creative sector requires special skills that foster innovation and competitiveness. These are for example artistic and e-skills.

- **Culture is central to tourism as well as to the preservation of heritage**

Europe has the highest density of cultural heritage in the world. Studies show that the presence of well-preserved historic buildings and sites strongly influence tourists’ decision-making and choice of destination. Cultural tourism is beneficial for Europe’s economy, and for cities in particular, where many cultural institutions are linked to the preservation and safeguarding of local cultural heritage. The attractiveness of our cities is heavily based on culture and heritage as part of a strong European model of urban development, which city administrations strive to manage and sustain. This European urban model contributes significantly to Europe’s competitive edge.

### Inclusive growth - creating a job market for all and delivering economic, social and territorial cohesion

- **Cultural and creative industries are major employers**

In some cities and regions, up to 10% of employment is in cultural and creative industries.

- **Cultural and creative industries drive urban regeneration**

On top of their contribution to local economies, cultural and creative industries drive urban regeneration. Often established in run-down, segregated parts of cities, cultural and creative industries have the power to inject new life and vitality into these less popular parts of a city. Ultimately, creative hubs can overhaul such neighborhoods by making them more attractive and helping with the inclusion of their inhabitants into the city’s mainstream activities.
They also foster intercultural dialogue and participation in city life

Participation in cultural and creative activities can help develop social links and dialogue between generations and among a city’s various socio-demographic groups. This is particularly true for young people, disadvantaged groups and migrants.

Cultural and creative industries should be taken into account in the next generation of European funding programmes

It is crucial that cultural and creative industries are taken into account in the flagship initiatives and programmes being developed to deliver on Europe 2020, given their contribution both to the strategy’s objectives and to the objectives of economic, social and territorial cohesion. This is in line with article 167 of the Lisbon Treaty, which requires that culture is mainstreamed into all Community policies.

The creation of a European Creative Industries Alliance should help to better exploit the innovation potential of creative industries. We ask that the European Commission involve cities in this process.

The debate on the future EU budget should consider the role of the cultural and creative sector and ensure the eligibility of our creative industries under the various funding programmes that will be developed. We see the potential for new kinds of financing instruments to support this sector. In our annex, we provide examples of policies, actions and instruments that could benefit from such additional support.

3. UNLOCKING THE POTENTIAL AND EU ADDED VALUE

We believe there is an important role for the EU in helping to unlock the potential of cultural and creative industries. Targeted support is needed to help create the best possible environment for cultural and creative industries to flourish. The EU’s support is needed in particular for achieving the following objectives:

Developing indicators and gathering evidence

More effective tools are needed to better understand the sector and its economic, social and environmental impact. Data must be collected at the local level, but should have a Europe-wide basis to ensure comparability and learning outcomes.

- Evidence-based work with improved quantitative and qualitative statistical indicators would allow for a more precise assessment of the cultural and creative sector’s contribution to city and regional economies, and in particular its impacts on urban regeneration.

- A better understanding of the sector’s unique characteristics would bring value, as the cultural and creative industries are different from traditional industry sectors. For instance, the sector’s labour market is made up of mostly micro enterprises and non-conventional forms of employment; the nature of products and services is as such that artistic creativity is required and the life-cycles of goods are often short; production
methods are different, in that they involve an expression of cultural uniqueness and identity; and market conditions are unpredictable and lack standardisation.

- Research on how cultural and creative industries can contribute to the strengthening of European culture, identity, values and openness would help build a more comprehensive picture of the sector’s influence.

- Supporting cities to involve experts in this work would help improve outcomes and unlock the potential of the sector; many large European cities have already launched cultural and creative industry mapping exercises.

- Supporting the provision of physical space and facilities dedicated to creative companies as part of wider urban regeneration projects could make a decisive contribution towards developing the sector.

Nurturing an “eco-system” for cultural and creative industries: education, finances, market access, space, information

Entrepreneurship and curriculum development are the foundations of a vibrant, sustainable creative sector

The European institutions should work with Member States to address the following educational challenges:

- Integrating management, marketing and entrepreneurial skills in arts-based education, universities and schools/colleges, to give students the skills and know-how needed for setting up businesses in the sector.

- Developing partnerships between creative industries, educational institutions and businesses. European funding programmes could be used to promote such cross-sectoral cooperation.

- Demonstrating to stakeholders the need to support arts research as well as technological research, both within higher education and in other sectors.

Facilitating access to finance, reducing administrative burdens and creating smart and innovative financial tools would help resource the sector

- Support is needed to facilitate access to finance for the sector’s mainly small and micro businesses. There is an important role for all levels of government to make the case for investment in creative industries, particularly among private sector investors. One approach would be to organise awareness raising activities that clearly and tactfully sell the investment benefits offered by the sector. It would also help to develop more interest, understanding and relations between entrepreneurs and investors. Local governments and their partners such as chambers of commerce, are well-placed to facilitate such links through events and business clubs. EU support for this type of action would boost their potential for success.

- Tailor-made financial tools are necessary given the characteristics of the sector. The sector requires new tools, which do not involve complicated and time-consuming administrative procedures. A European creative industries bank or fund could give small businesses the opportunity to develop new ideas and prototypes.
Creative voucher schemes could be an innovative way of using co-funding from EU programmes to provide flexible and quick access to funding for creative entrepreneurs and businesses.

Encouraging exchange, learning, networking within, and better promotion of the sector

Support for networking and the exchange of experiences can build the sector’s capacity

- In its conclusions on culture as a catalyst for creativity and innovation (2009), the Education, Youth and Culture Council called for further support at community level for the networking of cities. Building the networking capacity of local authorities, both in the EU and in the Eastern Partnership countries, is essential to support the sharing of successful practice and solutions that address common challenges. Supported networking activities should include, trade and company visits, creative ambassador schemes, conferences and networking events for entrepreneurs, young talent and policy makers from the local level to the European level.

- Creative industries are a key component of the knowledge economy and generator of new products processes and services. They are also an interesting model for collaborative innovation. EU programmes should support collaborative research and joint ventures between creative companies and companies from other sectors.

Better use of creative clusters and one-stop-shops has far-reaching benefits

- Supporting the development of new creative clusters would greatly help urban development and regeneration. Such clusters should focus on improving the physical and social environments of entrepreneurs and on the networking opportunities with established companies, with art schools, museums and public institutions.

- Exchange programmes to facilitate contacts between cluster managers and creative entrepreneurs across Europe are needed.

- A network of local one-stop-shops reaching out to creative businesses could be a single entry point providing information on regulations, funding opportunities from the local to European level, market opportunities in Europe and beyond. It could also be used as a networking platform for entrepreneurs.

Mobility of cultural and creative industry workers and products, both inside and outside Europe

- Inside Europe:
  - Expand the Erasmus for Young Entrepreneurs initiative to include all entrepreneurs, not only those at the early stages of business development.
  - Create a new award category for cultural and creative industries under the European Enterprise Awards

- Outside Europe
  - Enhance trade relations and connections through cooperation projects, promotions and exhibitions of European cultural produce, trade missions, the
setting up of ‘European creative industries’ contact points in major cities located in other parts of the world.

- Develop initiatives that would provide companies from European cities to work together in creative product development, to provide competitive advantage in relation to the larger and more established creative companies outside Europe. A European offer would be more attractive than one from any individual city alone.

- Develop virtual mobility and online access: one single European web platform could be developed in order to share and exchange information on markets, business opportunities, employment and training opportunities, calendars of events (business events, conferences).

- Further support the international mobility of artists and information websites on mobility opportunities

- Raise the profile of the European creative sector beyond Europe. This means being both present and competitive in the global marketplace.

4. CONCLUSIONS

Direct access to our cities: developing a structured dialogue with the European institutions

To support this process, EUROCITIES is eager to cooperate and work in partnership with the European institutions, and in particular to offer its support by:

- Acting as a direct line of contact to politicians and technical experts within an established network of cities, which can offer a strong base for developing pilot projects in the sector at the local level

- Positioning our member cities as focal points for raising public awareness of European policies and events related to cultural and creative industries

- Offering EUROCITIES meetings as a platform for discussion and exchange between representatives of the European Commission and Parliament and city politicians in charge of culture and economic development. This would complement the Commission’s dialogue already being developed with civil society.

- Providing local good practice examples that illustrate the benefits of effective EU policy in the sector

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1 For this paper we use the definition of cultural and creative industries provided in the study ‘The economy of culture’, European Commission, 2006. Besides the traditional arts sector (performing arts, visual arts, cultural heritage), cultural industries include film, DVD and video, television and radio, video games, new media, music, books and press. Creative industries include architecture and design, as well as sub sectors such as graphic design, fashion design or advertising.

2 These objectives are the ones identified in a survey conducted by EUROCITIES in 2008 that mapped the creative sectors in 30 large European cities. The report is available on www.eurocities.eu