



VOICES OF CULTURE

Structured Dialogue between the European Commission and the cultural sector

Brainstorming Report

DEVELOPING THE ENTREPRENEURIAL AND INNOVATION POTENTIAL OF THE CULTURAL AND CREATIVE SECTORS (FEBRUARY 2016)

I. FRAMING

This report comes out from a Brainstorming Session organised through the *Voices of Culture* process, a Structured Dialogue between the European Commission and the cultural sector. This process provides a framework for discussions between EU civil society stakeholders and the European Commission with regard to culture. Its main objective is to provide channel for the voice of the cultural sector in Europe to be heard by EU policy-makers. In addition, it aims to strengthen the advocacy capacity of the cultural sector in policy debates on culture at a European level, while encouraging it to work in a more collaborative way.

The session on “developing the entrepreneurial and innovation potential of the cultural and creative sectors”, held on 25-26 February 2016 in Berlin, has provided a space for exchange and discussion between around 35 participants representing the cultural sectors from the EU Member States.

The present report is the result of this discussion. It will be presented to the European Commission at a Dialogue Meeting on 26 April 2016 in Brussels.

Editing Group of Expert Group Cultural and Creative Sectors, March 16th 2016, include Bernd Fesel (writing and leading for the editing group), Dieter Haselbach, Mary Helen Young, Andre Mostert, Zora Jaurova, Egbert Rühl, Noel Dunne, Ferdinand Richard, Olivia Sautereau.

II. THE STATE OF AFFAIRS: REFLECTING 10 YEARS OF POLICIES FOR THE CULTURAL CREATIVE SECTORS

Answering the call of the European Commission to advise in

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should be based on an awareness of the state of affairs of the cultural and creative sectors today - beyond the focus questions on entrepreneurship, innovation and the role of public authorities.

The question „Where do the cultural and creative sectors stand today?“ leads to a mind map and platform from which the recommendations and visions for future policies can be understood.

After driving the analysis on the first day in these four respective areas

1. Data, evaluation and storytelling
2. Entrepreneurship, ‘raison d’être’ and innovation
3. The Digital Shift, content and interaction
4. Frameworks, holistic implementation and open governance

the experts felt the need on the second day to reflect and raise awareness of the wider picture and the wider setting of the cultural and creative sectors today. This is especially true when the analysis and recommendations are forwarded to stakeholders who have not participated in the world cafe and could thus not capture the spirit and tone of the debate.

The experts were wary of policy makers picking isolated recommendations and tools or stakeholders pointing to isolated interests and benefits for their sector. The expert group wants to stress the need for a holistic approach or even holistic re-start of policies for the cultural and creative industries - in contrast to the current framework of silo politics trying their best to cooperate in an administrative framework of silo-governance.

“Where do the cultural and creative sectors stand today?”

The urgent need to clarify the state of affairs was at hand when the experts debated the obvious question of the definition of cultural and creative industries – and could not agree because of the diversity of stakeholders, because of different perceptions of profit and non-profit, of public and non-public etc.

One experience in the cultural and creative sectors is overwhelming all over Europe: even after ten years of EU policies for the cultural and creative sectors an architect or a dancer does not perceive themselves as part of the cultural and creative sectors or even the creative industries. The self-awareness of stakeholders has not developed as much as the political awareness of the sectors.

This is not untypical for new sectors and sectors policy - review e.g. the food and health sector. EU wide publicity campaigns – as in such sectors – to address the stakeholders or even the consumers have not been realized for the culture and creative sectors (so far?!).

The cultural and creative sectors today have a double role in the big meta-trend of the digital shift. They are drivers of the digital change as much as they are driven and forced to react to trends they started themselves. This ambiguity leads to a difficult perception of the sectors’ own potentials - endangered or not? - and of its policy agenda - leading or being lead? Some sectors are fighting for survival - like graphic designers who are endangered by constantly improved DIY software tools; some sectors are celebrated as enablers of wellbeing and quality of life.

The culture and creative sectors are subject to further external shifts - like the sharing economy/the networked rather than industrial economy - as well as to internal shifts - like the development of new skills. Design thinking e.g. is effecting other industries quickly and

artistic methods like prototyping are today part of large scale crowdsourced software productions.

Given these external and internal shifts the cultural and creative sectors seems like a high-speed train re-inventing its engine, its design and its passenger at maximum speed. Taking this situation into account, one might not be astonished that defining the cultural and creative sectors is not an easy task.

This is the stage for the EU Commissions' call to improve the entrepreneur and innovation potentials in the cultural and creative sectors.

The experts decided to think in frameworks - rather in single recommendations - in four areas of analysis and topics:

1. Data, evaluation and values
2. Entrepreneurship, 'raison d'être' and innovation
3. The digital shift, content and interaction
4. Frameworks, holistic implementation and open governance

Each field of action was debated at one table in the world cafe format. Each of these actions areas are also reflecting the big external and internal shifts outlined above.

The overall challenge today for the whole sector is not only to generate more and more recommendations for policy instruments, but new governance frameworks and new economic mindsets to increase the entrepreneurial and innovation potentials of CCS, implying that the cultural and creative industries co-create and co-govern. Who will drive the high speed train in the future? Will the speed keep on going?

Beyond the call for open governance and real influence on policy making, the experts warned to reduce the role of culture and creative sectors to growth - especially when growth is (currently, at least since the banking crisis) not an attractive option and promise for the future of young generations in many nations in Europe.

The experts call urgently for the European Commission to put the wider potential of culture and creativity for a free and open society on the agenda - without potentials for growth it can hardly thrive successfully.

Giving these practical reflections, theoretical thesis and policy recommendations to the EU Commission, the expert group is keen to point out that this document reflects the inputs of individuals and is by no means representative for the whole sector or even stands a representational/elected body from the whole sector.

III. THE DOCUMENT: CONSCIOUSNESS AND STRUCTURE

For the experts on these two days it was a challenge to decide what kind of document to produce for the dialogue with the EU Commission: a protocol of the diversity of analysis and disagreement on recommendations or a clear set of agreed recommendations? The expert went for a mixture:

Chapter IV is devoted to new analyses and new thought models, which are believed to be necessary to solve problems where more of the same recommendations are not efficient: out of the Box.

Chapter V is focusing on a compilation of practical recommendations; like in a jam session all recommendations – new ones as well as well known, but not yet realized – have been collected; the chapters' philosophy is inclusive, rather than exclusive limiting itself to recommendations a majority would accept. A selection or even voting on recommendations does not seem appropriate for at least two reasons: the expert group is not a representational body; and the strength of creativity is just to allow for dissenting and rare (in the philosophical sense „radix“/ root) perspectives.

Chapter VI is the attempt to bring the four new analyses and recommendations into a coherent road of actions - which allows for new mindsets in the long term, new governances in the midterm perspective and new practical instruments in the short term need.

IV. THE ANALYSIS: LOOKING FOR NEW MODELLS AND MINDSETS.

This chapter presents the key questions and key models of analysis in which the four topics have been debated by the experts in an interactive world-cafe style. This world-cafe framework of analysis has implications for the findings and results of the expert debates which one has to be aware of. The world cafe format sets a stage which

- prefers new big ideas rather than incremental details
- supports diversity of ideas rather cohesive systems of ideas.

Since all moderators of the world cafe were chosen spontaneously on the spot, there also constraints to the capacity to document and aggregate the multitude of recommendations.

Given these specific conditions of work, the following chapter is not about given a coherent and full analysis of the situation in the cultural and creative sectors. The chapter focuses on explaining the mindset and approach of analysis towards the four topics experts identified as crucial to the entrepreneur and innovation potentials.

IV.1. Overcoming outdated assumptions and models

The experts questioned in all four areas of analysis

1. Data, evaluation and storytelling
2. Entrepreneurship, 'raison d'être' and innovation
3. The Digital Shift, content and interaction
4. Frameworks, holistic implementation and open governance

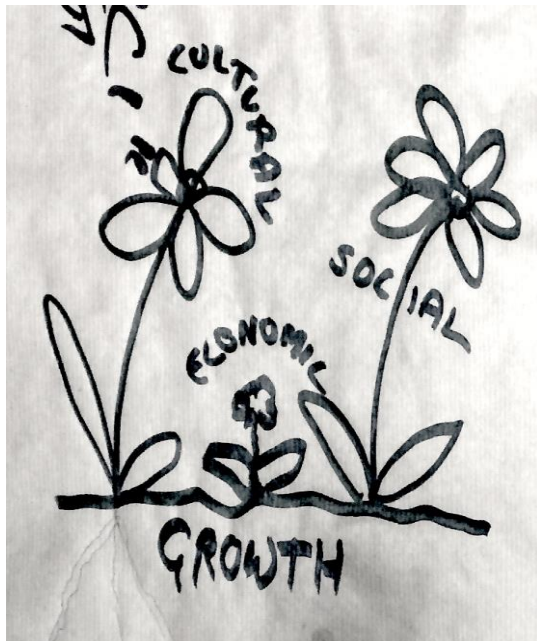
the fundamental assumptions made today by the European Commission. The experts propose alternative premises to refine existing policies or invent new policies for the next policy period beyond the agenda Europe 2020.

Given the importance for possible future analysis – also by the EU-Commission following up these *Voices of Culture* impulses by e.g. tenders/calls for further reports – the different sets of assumptions are highlighted here and defined as **Key Analysis Models for the CCS Agenda 2030**.

KEY ANALYSIS MODELS FOR THE CCS AGENDA 2030

- **The Rapids of Cultural and Creative Data and Stories**

The culture and creative sectors are driven by a set of interlinked cultural, social and economic values. At the same time the arts and culture formulate, create or uphold values for the whole society - such as the freedom of speech through in satire or comedy. The economic effects of these intrinsic values of arts are obvious as well – just take the media and film sectors. In conclusion mono-causal aims – be it growth, quality or diversity – are not inherent to the cultural and creative sectors.



The experts embrace an analysis model not solely focused on growth or employment, but based on an even-eye-level ecology of social, cultural and economic values.

The following picture shows the old model of thinking - supporting an idea of growth and economic success as base for cultural and social developments. This has been proven wrong in history, still it prevails as an ideological shadow of the 20th century.

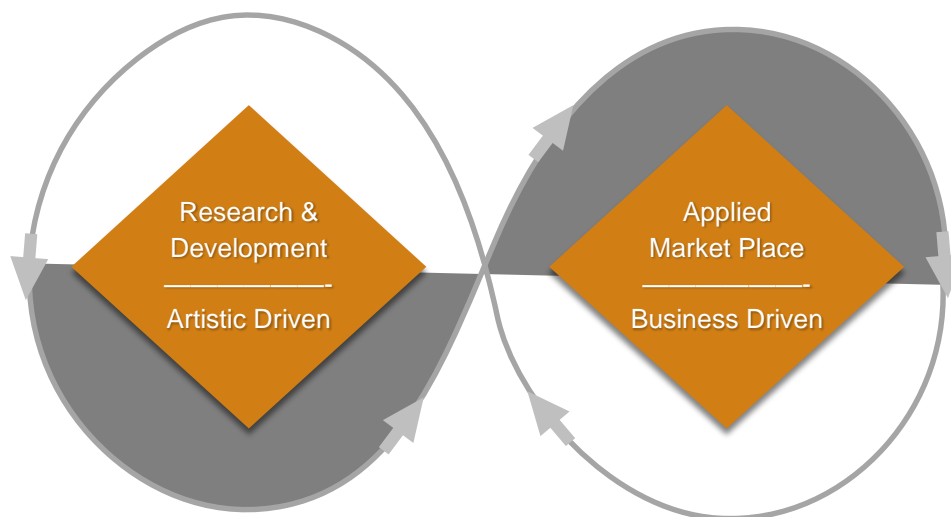
The experts point out that this economic-baseline model is also not fitting to the multi-dimensional value set of the cultural and creative stakeholders. This leads to an inherent distance between the European Agenda 2020 and the cultural creative sectors – and thus missing the full synergies between the cultural and creative makers and policies makers.

The Key Analysis Modell includes growth as much as cultural and social aims, but excludes any theory based on a dominant baseline or mono-causal explanation model as in the neo-classical model of economics. The proposed Key Analysis Modell builds on the equal importance of all flowers or – expressed in theory – on models of ecologies of public and private goods in bounded rationality („irrational“) as in the new institution model of economics.

- **The Dynamic Cycles of Cultural and Creative Entrepreneurs**

The cultural and creative entrepreneurs are acting in different sectors of society, but also in the different economic spheres traditionally understood as the artistic & non business domain and the less-artistic & enterprising domain.

For some artists and creatives, their ‘raison d’être’ is to operate just within the experimental world of artistic/creative development. Their whole practice is research and development. They leave it to the state (via subsidy or tax incentives), patronage or sponsorship, or the commercial infrastructure of agents, gallerists, curators, producers and publishers to generate a sustainable living from their innovation.



The traditional analysis assumes first a dichotomy between research (artistic thinking) and sales (industrial thinking) and secondly that entrepreneurs are counted to one of these domains.

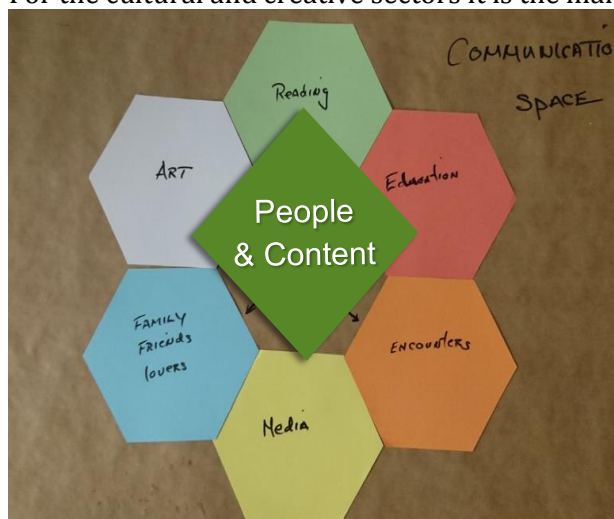
The experts have taken the assumption that the majority of businesses in the cultural and creative sectors are in a floating and dynamic relationship between the cycle of innovation and experimentation and the cycle of applying the outcomes of the research & development into a commercial market places. A one-person-company might cross these cycles back and forth many times, while a global player like Bertelsmann incorporates the cycles in different departments simultaneously.

Innovation with high cultural quality and high growth potential is today expected to take place when the crossing of these cycles goes along with crossing company cultures reaching startups and global players alike. Other collaboration of these cycles are possible and lead to other models of policies. This needs a forecast research.

- **The Culture Content Fountain of Digital Shifts**

The digital revolution and shift is an apparent driver for change in almost of sectors of society; even the automobile industry is challenged to readjust or even change their business models.

For the cultural and creative sectors it is the mantra of our times that new digital tools leads to



new audiences and better performance. The experts advise to go beyond the instrumental use of digital tools, but to embrace the essence of the digital today: an enhanced transcultural and transnational interactivity for the whole of society. Interactivity is not new in history, but in former times it was limited by large investments necessary to overcome national and cultural borders. Today interactivity is mainstream at almost zero costs accessible for all sectors of society.

The digital shift thus puts persons and content even more in focus than ever before. The network in digital societies are even more person focused than ever before and make every person a sender - just like a tv station in 20th century. What does a society or an economy look like not with one public media like 25 years ago, but with billions of media producers 24-7-365? What is a personal identity in the digital age?

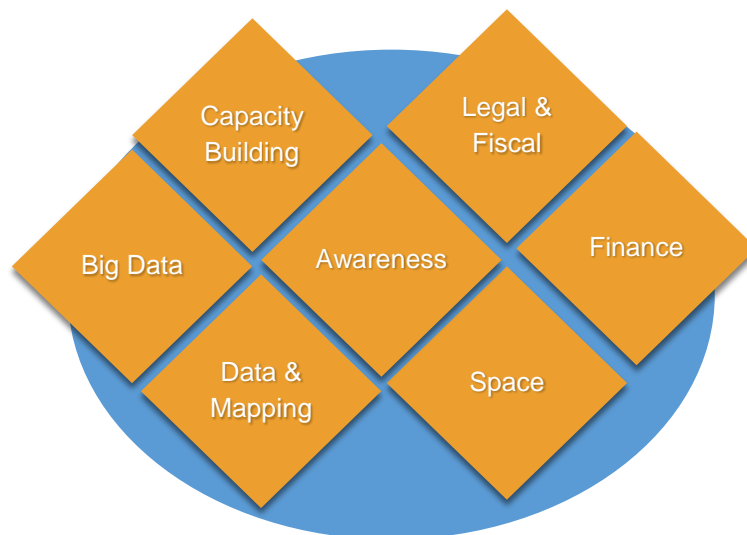
The experts propose a concept beyond chronocentricity of digital technologies. This is a risk averse model to avoid the failures which lead to the ruin of big companies and economies.

Currently a chronocentricity thought model would put post-digital developments on the agenda - and thus person-centred developments independent, but not ignoring of the latest tech hype.

• The Holistic Helicopter of CC Policy Frameworks

Integrated or holistic strategies or frameworks are neither new to businesses nor to policy makers, however this can not be easily applied to the cultural and creative sectors. The arts and culture are inherently local and diverse. At the same time policies for the arts and culture – and also for the creative industries – have been framed often in decentralized subsidiarity. The traditional dichotomy between autonomous art – being funded by culture ministries – and

culture markets – being funded by economic ministries – is another explanation to silo strategies and policies. Finally these sector focused policies have not been without success either and thus have a simple and forceful legitimation – by success.



However this picture is not the full picture at the verge of cultural market turning from nationally closed to globally open markets - as traditional barriers of language, mobility and logistics and software tools are less and less important. At

least two shifts are calling for holistic policies as they are common in other sectors already:

- Competing in the international realm requires synergies of different policies.
- Innovating requires cultural and creative makers to work cross-sectorial.

The expert thus recommend a Key Analysis Model for Frameworks that envision the implementation of cross-polices as e.g. with the Garantuee Fonds: financing plus capacity building. In an ideal world cross-sectorial policies are combined with local, regional and national coordination - the more fragmented markets are, the more coordination on policy levels is required.

The central tool for holistic approaches is the spatial coordination of policies: urban, rural or just spatial programs for cultural and creative industries should thus be the lead coordinator for future holistic policies, especially and also for economic reasons: all (global) business is local.

IV.2. The Areas of Analysis

Area of Analysis 1: Data, Evaluation and Storytelling

While the evaluation of culture and creative sectors is a shared aim of the whole expert group, the frameworks and assumptions of evaluation were investigated first. The experts concluded that evaluation has to be understood in the wider picture of legitimizing policies and funding. Research today on culture and creative sectors are regularly trapped in the dangerous triangle of data, stories and policies.

The key questions of the analysis were:

- To look into the data of CCI: can more appropriate data be gathered? What are the assumptions that come with the data? What are the stories told in the data?
- In particular, the framing of EU's policy on the CCI is a story of growth. Is this story adequate, is it adequately told, are there different storylines to focus the CCI sector?

Both stories are linked. There is no data without stories, and there are no stories without data.

The pre-dominant story telling of the European Commission on growth and jobs leads to a research which restricts the contributions of the cultural and creative sectors from the outset. Indicators are often limited to economic quantitative tools only, which fail to grasp the much larger contribution of culture and creative sectors to society and even the wider economy.

Example: social and economic innovation impulses from the cultural and creative sectors can hardly be quantified.

In finding the appropriate indicators for the cultural and social capital the experts point to the phenomenon of a data continuum of projects and process. According to the experts almost all cultural and creative developments reach out in both worlds of research: qualitative and quantitative and mix in a not yet fully explored way.

the data continuum

culture capital	social capital	economic capital
qualitative methods	qualitative & quantitative methods	quantitative methods

The research undertaken today supports this model - here are some references:

The Value of Culture, Pascale Gielen

www.flandersartsinstitute.be/wp-content/uploads/2015/02/Cnet-De-waarde-van-cultuur-rapport-Engelse-versie.pdf

Cultural and Creative Spillover Effects, Tom Fleming Creative Consultants

www.ccspillovers.wikispaces.com

reference anthropological / sociology research

reference to humanitarian research

reference warwick report in UK

Creative Industries Federation UK: Diversity in CCS

Compendium on Cultural Policy / Cultural Index on Prices

The pre-dominant research doesn't address enough topics of gender, cultural diversity, age, education, socio-economic status.

The analysis of evaluation methods today show - according to the experts - the gap of qualitative methods and an imbalance in research - as a result of the current ideology of growth. Alternative stories of the (non-economic) value of culture and creative sectors can be told and should be told more to represent the true and holistic value the CCS.

The experts agree to the following findings:

- If CCS is told as a story of growth, the CCS sector's story should tell it in a more inclusive way.
- It is necessary to generate „better“(to the CCS fitting) data.
- A monitoring system - as established for other sectors – is missing for the CCS.
- If the CCS is considered as important as other economic sectors, this is not reflected currently in the allocation of research funding with the European Union and its Joint Research Centre.
- A principle of research in the culture and creative sectors must be that it is value-driven.

Area of Analysis 2: Entrepreneurship, 'raison d'être' and innovation

This analysis focuses explicitly on the needs of industry leaders to grow their businesses. This is in recognition that the vast majority of businesses within the creative and cultural sector have little direct funding engagement with the EU but are directly affected by its policies. The policies therefore need to be more effectively informed by the concerns of these businesses as this is what will enable growth and prosperity on economic, social and cultural levels.

The key organising question around which the discussions flowed was:

“How to be better businesses?”

This acknowledged that ALL businesses within the creative and cultural sector must operate within a legal structure that respects the rights of creatives, employees, the environment and society at large. There is a desire that all business should operate on a triple bottom line of:

Financial
Creative
Social

However the view of the majority of this group was that this should be influenced by policy and not directed by policy.

Aiming to maximize growth in the cultural and creative sectors the focus on fueling startups must be questioned – at least in regard to employment - and propose further analysis of the employment in medium-sized companies of the culture and creative sectors. Also public institutions like museums and theatre can play an important role in leading or building an employment sectors – e.g. just by their demand for new services.

Aiming at new innovation driven-markets, the experts point out that it is perfectly possible for a creative product or service to be made and distributed, generating profit for the company and, beyond providing entertainment and employment, does nothing else. It does not innovate because there is a market willing to pay for it as it is and it does not need to do anything new to retain an existing market or generate a new one.

An example is the Rocky Horror Picture Show that has, in essence, done the same thing for 30 years. It generates profit for its producers and receiving theatres and merchandising partners. It

generates direct employment for the cast and crew and secondary employment for staff in the receiving theatres and merchandising companies. It provides entertainment for thousands of people. It is a creative industries' entrepreneurial success story that does not need to be particularly innovative.

However the Rocky Horror Picture case is largely the exception rather than the rule. Most creative and cultural businesses do need to undertake regular research and development to develop new products and services to take to market.

Innovation policies are thus a general tool to incentivize the high growth emergence of new markets as well as the growth of mature markets, however they might not be the most effective for employment growth. This might lead to a barrier of acceptance of innovation policies - if not enough employment is created to counter-balance the employments lost by market upheavals.

Recommendation following the market analysis are put forward in Chapter IV.

Area of Analysis 3: The digital shift, content and interaction

The analysis looked ahead the current tools and technology of digitisation. By analysing the short comings and limits of digital tech today the focus on digitisation allowed for a broader look on the new culture of the digital world: the interactivity and its diverse dimensions.

The key question in the field of digitisation was:

How to value artistic contribution and innovation, and support small and micro enterprises to grow and realize their ideas?

At the heart of all future analysis is the insight that the current digital shift has helped, if not created the new definition of "cultural & creative industries", especially taking into account the

- democratisation of production through digital tools
- renaissance of inter activity, fe.e. between artists and scientists
- increase access to content and incentives to sharing as opposed to exclusive ownership of the culture world in the 20th century.

The analysis was extended to the following field of actions:

Education

There is a need to promote creativity in schools, for example in English schools there is a focus on test scores that ignores other impacts and benefits. Key is the role of citizenship as a vehicle for promoting all aspects relevant to the CCS. Complementary to this is the need to highlight the importance of creativity in vocational training – 'your hands can think too'. Combine skills training with creativity to create a better experience. The educational sector and other CCS stakeholders do not fully understand the implication of 'The digital' and the digital shift. It is important to recognise that industry is not suited to deliver education, and more especially culturally focused education.

Research

Art has to be recognised as a form of research. For example, the ministry in France does not consider the role and importance of CCS and effective support. Art does not follow standard research trajectories, art is whatever art decides it need to be. We will never know where it is going – it emerges from a culture of a society. Expecting art and culture to offer outcomes a priori undermines its inherent value to society. Often creativity is a response to a crisis, creative ideas have no market before they are made. Benefits to society from artistic creation cannot be predicted. Need to acknowledge that culture and art do not fit standard government metrics. Research funders want to know the outcome before it happens; Culture is needed as air or water, a "utility". Corporates already communicate their products to their markets using cultural messages. Artists and creatives have the chance to challenge those corporate cultures becoming our main culture.

The experience of participating in culture happens through emotion & imagination. This creates social capital – how to measure the impact of participation in cultural life on social capital, curiosity, creativity, empathy, self-esteem, sense of belonging? This also encourages social emotional intelligence. To understand impact, you need to follow individuals in their daily life – how to follow & measure this? New technologies may address it.

Sharing Economy

Investigate what sharing economy means for the creative sector. Profits go more directly to producer and skip intermediaries and social security. What should be done to regulate this?

Area of Analysis 4: Frameworks, holistic implementation and open governance

The analysis of policy and legal frameworks was looking at first on the general principles when creating frameworks for supporting and developing the cultural and creative sector. The question guiding the debate was : What sort of policy frameworks are need for better conditions of the cultural and creative industries?

The following elements emerged as essential general guidelines from the world cafe debate:

- Define frameworks not only focused on growth, but also on social (social inclusion, work conditions, diversity) and environmental sustainability among others. At all levels: European Union, national, regional and local.
- Singularities of the cultural and creative sectors must be acknowledged and require specific conditions in accordance to their role, processes and sizes (i.e SMEs and freelancers; fragmentation, inherent imperfect foresight, no barriers to entry).
- Legislation: entrepreneurs and organizations working in the CCIs have to face legislations that may not apply to their peculiarities.
- Coordinate cultural policies within all sectors and at all territorial levels: European, national and regional levels.
- Rebalance the regional differences by providing instruments to the Regions and not only at the national level, through a true regional development approach.
- Adapt EUs instruments to the particular singularities of the CCIs: experimentation, R&D, reactivity. EU instruments are still bureaucratic and dispel small organisations. Open-up the sector fostering a transectorial approach.
- A vision/a strategy should encourage a flexible and sustainable framework tailored to a changing society and to the especially quickly changing needs of the CCS - by e.g. including participatory governance.
- Frameworks should support openness and diversity (financial and human resources) by providing guidelines, continuity and ensuring monitoring and evaluation processes of its development and implementation.

The working group also analysed the following specific framework blocks and tried to establish their general guidelines:

- **Framework SPACE**

Holistic approach by Nations, Regions and Cities in a synergic contribution:

- Regions and Cities (i.e. places) remain key to sector's development – providing and enabling conditions for networks of creative entrepreneurs who share a commitment to a city or a district. National policies cannot ignore the bottom-up demands – instead, the focus should be on engaging creative businesses to co-define their needs and identify opportunities for them to play a more pronounced role in the cultural and economic life of the city: participatory governance and transparency.
- European, National and Regional incentivised exchange – e.g. innovation vouchers, residency programmes and R&D investment schemes. This should include a focus on brokering project-focused exchange between creative businesses, cultural organisations and other sectors.
- Position creative hubs or even cities as creative labs – offering the spaces and platforms for exchange which are supported via targeted R&D funds, underpinned by open evaluation and used to promote wider.

- **Framework DATA and mapping (see also Area of Analysis 1: Data, Evaluation and Storytelling)**

- a focus on qualitative evaluation is necessary; story telling is an appropriate social science method.

- **Framework FINANCE**

Access to finance for capacity building and business development:

- Reform access to European funds for CCIs
 - Support Regional information regarding European funds.
 - Revolving funds mechanism: low interest loans.
- Promote guarantee mechanisms and tools to assess potential: it's still considered as a niche.

- **Framework CAPACITY BUILDING**

education, training, mentor programs, coaching

- Targeted capacity building is needed – in management, business and revenue modelling, IP, market trends, pitching, risk and failure management. Specialist knowledge and advice is still unavailable for many European regions.
- Develop voucher systems for coaching and innovation for CCIs.
- Training should focus on the content and also an individual / organisation behaviour regarding flexibility, risks management and uncertainty.
- Broker connections between creatives and sectors capable of providing management and technical support – e.g. IT, accounting, legal. Build a marketplace for the creative industries in these sectors.

- **Framework LEGAL AND FISCAL**

Tax credits, tax shelter systems, specific tax incentives and employment support schemes to develop a sustainable ecosystem

- Introduce new regulatory frameworks and financial instruments as well as investment readiness programmes, to bridge investment gaps for creative businesses including project finance, softer loans and equity. Develop the support structure capable of providing deal flow to such funds - e.g. incubation / accelerator programmes; and industry partnerships with universities to leverage IP.
 - A reduced common VAT rate for cultural and creative practice across Europe, public funding and tax incentives for private philanthropic funding.
 - Example : UK framework for tax incentives.
 - Example : Voucher systems for coaching and innovation for CCS.
 - Example : France: CAPE-measure (<https://www.service-public.fr/particuliers/vosdroits/f11299> to be able to invoice without having to set up a company (incubator takes up this role) during a limited period of testing time.
- Infrastructure: creative hubs, clusters... not only the bricks, the human dimension!
- Culture and creative crossovers to stimulate innovation, economic and social inclusion.

V. THE RECOMMENDATIONS: COMPILING NEW AND ESTABLISHED IDEAS

V.1.Data, Evaluation and Storytelling

- Quantitative evaluation for the „story of growth” must be implemented in a more inclusive way to capture all effects of culture and creative industries.
 - economic impact (innovation, growth, employment etc.)
 - cultural impact
 - social impact
 - carrying European values (diversity, openness etc.)

The new primary quantitative data is needed and should be generated by the JRC.

- Develop a monitoring system for the CCI that goes beyond the focus of economic growth and include intangible assets and immaterial goods.
 - It should show the full social and cultural value of cultural and creative sector.
 - It should emphasize cultural growth rather than economic growth.
 - It should learn from more inclusive approaches (i.e. Gallup, quality of life and others) in monitoring.

- It should allow for co-creation of data from within the sector.
 - It should evaluate OECD's index on "better life": EU's task could be to include culture and CCI into this widely used index.
 - It should be more sensitive to the depth of change brought into social and cultural life by digitalisation, rather than focussing on digitalisation only as a growth chance.
 - It is worth to evaluate the approach in monitoring culture, CCI, and cultural policy in the European Council's "compendium" (www.culturalpolicies.net/web/index.php).
 - It is worth to evaluate the proposals in elaborating a reporting system on culture elsewhere in the EU (namely:
<https://ec.europa.eu/eurostat/cros/sites/crosportal/files/ESSnet%20Culture%20Final%20report.pdf>).
 - It should include trend analysis as in other economic sectors – with or without econometric data.
- Re-allocation of research funding according to the importance of the cultural and creative sectors. The work on a good monitoring system could be one of the first EU research programmes on the cultural and creative sectors.
 - In such a programme the approach might be to look at various sets of data:
 - cultural data, most likely qualitative,
 - social data, quantitative and qualitative,
 - economic data, more elaborate, but mostly quantitative
 - In particular, the approach of social and cultural capital (Pierre Bourdieu) could be utilised here.
 - Focus and support storytelling and deep interviews as social science based evaluation tools, e.g. by mainstreaming it to evaluate EU funded projects in the cultural and creative sectors.

V.2. Entrepreneurship, 'raison d'être' and innovation

Research + Development

1. Encourage the understanding of how open source/open data/creative commons can be utilized by all creative & cultural businesses through:
 - Awareness raising campaigns;
 - Training of teachers / lecturers in schools, VET centres and universities;
 - On-line training for creatives
2. Establish specialist platforms and programmes for R&D and exchange – e.g. Fablabs, ideas festivals, innovation awards, and international collaboration programmes which explore innovation across value chains and networks. Position universities as key enablers – utilising their IP departments, expertise and infrastructure and embedding incubation activities and building industry partnership through live projects.
3. Change the terms of engagement for creative businesses: champion risk and build awareness that failure is common and for some activities necessary. A support environment of networks and hubs can play important role here.

This can be achieved through:

- Policy statements
 - that acknowledge the key importance of R&D and therefore experimentation, risk and learning to growing businesses.
 - that networking and co-creation are the life blood of the sector and the sector is organized very differently to other sectors of the economy.
- Funding streams that overtly only fund R&D that is:
 - New to businesses within that sub-sector of the creative & cultural industries
 - For example: How to develop virtual audiences for heritage events/exhibitions
 - How to enable advertising agencies to protect their IP
 - Geographical areas:
 - For example: targeted capacity building is needed – in management, business and revenue modelling, IP, market trends, pitching, risk and failure management. Specialist knowledge and advice is still unavailable for many European regions.
 - Businesses at a certain stage of development
 - For example: exporting for freelancers within 2 years of starting up.

Regarding /strengthen value and supply chains

1. Acknowledge at policy level that there is an eco-system within the creative & cultural sectors that is different to other sectors of the economy.
2. Recognize that great emphasis has been put in the past on supporting start-up businesses but not sufficient support has been provided for those businesses able to scale up. In the future an integrative policy is needed, balancing both approaches: scaling up is helpful for start-ups to succeed as a business; but no sustainable businesses without risky start-ups either.

In the cultural sector, due to its singularities, freelancers and micro entrepreneurs are – as in other sectors – its „lifeblood“ for innovation. But freelancers/micro businesses in CCS are also delivering services that sustains a living and with the ambition, capability and capacity to scale up who will generate employment and provide revenue to freelance and micro business within their value / supply chain. Greater significance should be provided in the future on accelerator support initiatives rather than incubator support. There are a number of national reports that demonstrate the value of the Scale Up and a number of highly effective initiatives that could be adapted for the particular context of the creative sector such as the Goldman Sachs 10ksb programme. What is critical to all of these is that businesses must be at the heart of the discussion: it is not something that academics, educators or policy makers can do with any credibility without actively including those who do it as well as those who research, teach and legislate about it.
3. Further use of structural funds at national level to support the development of networks and hubs of activity in overt recognition at policy level that the infrastructure of the creative & cultural sector is different from many other sectors of the economy.
4. Hubs and clusters continue to play a critical role – in building capacity, visibility and voice for the sector; plus in encouraging knowledge exchange and enabling businesses to collaborate. However, the models are changing – with a growth in more flexible co-working hubs and impact hubs which are focal points for and amplifiers of wider social and business networks (which function digitally and via events).

Business Support Services

1. The Environmental Sector of the economy has very effectively used the levers of influence available to it in terms of legislation, policy and funding mechanisms to strengthen. The creative & cultural sectors could benefit from learning from their experience.
2. Enable businesses to more effectively engage with audiences and markets in co-creation activities e.g. crowd funding, gaming solutions and utilisation of big data to build market intelligence.
3. Open up and support business development in the cultural sector – enabling some flexibility to develop new revenue sources, build different products and services and greatly improve digital capacity – e.g. in the museums sector. This involves reconceptualising entrepreneurialism for cultural organisations – as part of the strategy for resilience, opening up different income sources and enabling a balance of profit and not-for-profit activities. It is an organisational attitude based on openness, collaboration, risk and agility.
4. Incentivise exchange – e.g. innovation vouchers, residency programmes and R&D investment schemes. This should include a focus on building digital capacity (e.g. for cultural organisations), and of brokering project-focused exchange between creative businesses, cultural organisations and other sectors.

Access to Finance

This remains a significant issue for many creative and cultural businesses looking to scale up. There are a number of excellent national reports on access to finance in the creative industries. These national recommendations are welcomed and highly supported by the experts, but not included in this final report for practical reasons of readability.

EU funds (direct and indirect from education, training to financing startups) should take in consideration the peculiarities of the CCS, requiring less administrative work – a burden for micro and small organisations and not easy accessible to freelancers. EU-funding should lead a movement for better access to finance by implementing above recommendations and thus being a best-practice themselves.

Venture capitalists for example are increasingly interested in the creative, design and social impacts of a business proposition and how the exit strategy for an investment will create more than a simple financial return on investment. This creates opportunities for European and national policy makers to work together and provide forms of ‘Intelligent Finance’.

Introduce new financial instruments and investment readiness programmes to bridge investment gaps for creative businesses – to include project finance, softer loans and equity. Develop the support structure capable of providing deal flow to such funds - e.g. incubation / accelerator programmes; and industry partnerships with universities to leverage IP.

Education and Training

Given the background of many people at the structured dialogue, there were many contributions in this area. These include:

1. Enabling educators to help young people respond to “demands outside of oneself”.
This could be:
 - a commercial brief;
 - requirements of collaborators within a creative process;
 - respect for the people or community who are integral to the creative process as contributors, researchers, subjects or audience members.

This was summarized as enabling young people to become more professional as an artist / creative in both their mindset and behaviours.

2. Challenging qualifications and assessment protocols that only assess individual production / performance. The creative industries are a collaborative process. The stereotype of the 'individual tortured genius' is unhelpful. Van Gogh could have remained an individual tortured genius without the entrepreneurial flair of his brother and sister in law. He needed his 'team' for his work to come to market. Yet many of the academic forms of study emphasize just the display of individual knowledge and talent. This encourages the acquisition of a deep and highly specialized form of knowledge or skill. This can work for the individual 'stars' but is not reflective of the vast majority of people who work in the sector and who require a broader set of competencies to become employable.

For example:

Employability skills such as communication, negotiation, presentation and team working.

Digital Skills such as content creation, dissemination, analytics, design, SEO and marketing.

To achieve true diversity in the sector then we need to enable young people from all backgrounds to have the opportunity to acquire these skills.

Young people of wealthy backgrounds are often afforded the opportunities to develop the confidence to work in the sector because of what they are exposed to in their family and education circumstances. This enables them to thrive in the creative and cultural sectors because they come with these competences ready formed. For young people from more disadvantaged backgrounds then the education system needs to create opportunities within and beyond the curriculum to enable young people to develop these T Skills: broad competences with a deep knowledge or skill.

3. Using funding streams to encourage greater exchange between educators and creative professionals. The practical vocational world of working in the creative and cultural sector changes rapidly. Many educators do not have the opportunity to work inside the sector. Summer sabbaticals working on industry projects would give them much greater insights into how professional work for them to pass onto their students.
4. Apprenticeships are a valuable way for young people to develop the T Skills the sectors require. When properly set up, they require a learning institution and employer to work together on the creation of the qualification, the assessment methodologies and the development of the knowledge, skills and understanding required. They are underdeveloped across the creative and cultural sectors of Europe and should become a greater focus of policy and resource development.
However apprenticeships are in many cases also fostering precariousness and under-paid employment. They are an attractive "low cost" alternative to qualified and experienced professionals for some enterprises and organizations. But interns can't provide the expertise and excellence needed for the correct development of cultural organizations and enterprises. Therefore the support of apprenticeships must prevent these exploitations scenarios.
5. Creative and arts education are central to building a strong and successful cultural and creative industries sector. They provide the foundations for personal and professional development. Yet across Europe there is an under-provision of creative and arts education.
6. Management and entrepreneurship should be integrated into creative education programmes – not an optional extra or add-on. This can help creatives to define success at an earlier stage in career development – e.g. the balance between artistic and commercial outcomes. Achieving a blend between technical and transversal skills will be vital for career development.

7. Entrepreneurship is poorly defined and understood – e.g. is it just about the pursuit of profit or is it a mindset which encourages collaboration, cross-boundary practice and a more sustainable approach to business? A more nuanced and inclusive understanding of entrepreneurship is needed.
8. Business and management skills can be enhanced through stronger peer networks, mentors from successful creatives, and via a roll-out of apprenticeship programmes. Industry partnerships can also play an important role in the design and delivery of creative education, skills and support programmes. This should involve micro businesses as well as larger creative firms.
9. In a global market for cultural and creative goods it is obvious as much as necessary to foster knowledge and exchange of practices outside the EU.

V.3. The Digital Shift, Content and Interaction

In General

- 1:** More research needed on cultural education e.g. how kids use digital tools, and how these impact on creativity.
- 2:** Improve eco-systems to encourage tool creation to support and nurture artistic expression, cultural identity; and new business opportunities rising from digitisation.
- 3:** SMEs start with limited resources, digitalisation offers wide scope and geographic outreach for CCS and should be encouraged by the EU, to break the ‘elite’ nature of the sector, to provide the entrance of those people to new markets and business opportunities that are not able to enter the sector.
- 4:** Develop a more proactive and nurturing legislative environment to support CCS and the challenges associated with ‘The Digital’, increase speed of change in legislative framework, more investments, etc. – more effective triangulation within CCS.
- 5:** Improve access to digital material in the creative industries; highlight the role of digitisation for historically marginalized groups.
- 6:** EU needs to encourage and support more educationally based leadership within the sector. Support the sector to engage critically within a digital framework.

In Education

- 7:** Explore, research and develop the role of the teacher/educator/training in nurturing creativity across the education sector.
- 8:** Improved research and development activities to support all CCS stakeholders to embrace the potential of ‘the digital’ and digital shift, to negotiate pitfalls and meet the challenges.
- 9:** Schools need to be encouraged and incentivised to think beyond the classroom and use cultural artefacts more effectively to support teaching and learning.

10: The Commission need to explore how business can be more encouraged to engage in culture and culturally based teaching and learning, improve the revenue for the sector in an appropriate manner; promote industry support for CCI.

11: Need to capture issues and liberate classrooms, national curriculum systems need to be more focussed on cultural value system, etc.

12: Higher education needs to drive educational reform in CCS, industries and other parts of societies should be involved.

13: Commission must encourage, promote and support more cross sector dialogue, increase engagement from people who are skilled in CCS and 'the digital'.

X: Business aspects and entrepreneurship issues need to be integrated in higher education and all cultural studies.

In Value-driven R&D

16: Consideration needs to be given to creating better frameworks for CCS stakeholders to acquire, develop and enhance business and entrepreneurial skills and interfaces between all nodes with industry and other funding initiatives. Assisting content practitioners to create comparative advantage, effective venture capital structures, etc. new ways of supporting artists, and other cultural content developers, etc. Industry needs to see artist as an R& D capacity to future realignment to changing society. Assisting with seed and other funding structures.

17: Increase associated cultural entrepreneurship through enabling environments at local and regional levels with appropriate capacity building for government and other agencies.

18: The commission needs to recognise and improve support with a focus on the gender dimension – supporting a family and being an entrepreneur has different challenges, how to help women to make a career in entrepreneurship? Especially when many entrepreneurs in the creative sector are individuals.

19: Need to explore a more dynamic funding structure which does not only support not-for-profit players. Does this create additional obstacles for artists to access support? There could be more openness and acceptance about business models. More effective support for “Fast track to innovation” EU call, to encourage cross-sector submissions relevant to CCS. More clarity for the organizations on the concepts *e.g. Project applications problems – in the concept papers etc.

20: Promote the teaching of entrepreneurship for artists and creatives in higher education and vocational education. Discussing grants directly going to artists to create. Training in competition and entrepreneurship in CCIs.

21: How can funders change their structures to keep projects alive and developing?

- Longer time scales
- Sustainability models
- Conversations with funders mid-project to reassess targets

- Inclusion of sustainability measures from the very beginning of a project
- Funding of preparatory actions of a projects in order to set up sustainability actions adequately

Funders should not limit their role – not just in what they fund, but that they can create networks and exchange of information. Specifically for small enterprises. Too few creatives leading or working in funders. We need benefactors rather than funders. Tax incentives for philanthropists? Or for corporates giving money to artistic projects? Look at existing and future schemes: differentiate between artistic creation & industry cycles – different outcomes for each. Improve support structures when applied to entrepreneurship as a whole may work for most sub-sectors but can kill others – special attention needed for creatives. Finance schemes & loans needed at lower amounts than 50k EUR and change EU funding application requirements to make them more accessible to small & micro enterprises.

V.4. Frameworks, holistic implementation and open governance

- **Develop a Holistic approach**
 - inside the European Institution by creating a new instrument and being a reference of best practices and sustainability.
 - The particular singularities of the cultural and creative sector require specific conditions in accordance to their size and processes when implementing frameworks for the CCIs.
 - Open-up the sector **fostering a transectorial approach**: i.e. Radical reform is needed for the higher education and cultural sectors – freeing up capacity and expertise to actively explore new approaches and solutions (experimentation, R&D related to CCIs). This needs to be incentivised – e.g. via direct funding, as part of funding deals, and/or via vouchers, tax incentives etc.
- **Open and support general education to experimentation, creation and R&D** in order to link the Education system and the CCIs potential with a transectorial approach. Culture plays an important role in the design and delivery of creative education and skills, therefore industry partnerships can also play an important role in support programmes. Arts education must remain a pillar in educational schemes.
- **Ensure equal access and parity of opportunities by investing** in human and infrastructural capacity :
 - **Incentive program** to keep creative people in remote regions > Avoid creative brain-drain within Europe yet **support mobility** and exchange practices > ensure a fair playing field.
 - **Recruitment process** – CCIs are very much based on networks, not always diverse. We should encourage better matching of skills and create a better balanced job market between low and high educated people).

- **Invest in infrastructural capacity** – hubs, networks, skills and business support – to ensure equal access and parity of opportunity across Europe.
- A reduced common VAT rate for cultural and creative practice across Europe, public funding and tax incentives for private philanthropic funding.
- CCIs legislation peculiarities: VAT, IP, copyright, employment and social support schemes, ability for the CCIs to trade.
- **Working on the National Issues** related the CCIs legislation peculiarities: VAT, IP, copyright, employment, ability for the CCIs to trade.
- **Map good practices** through existing networks.
- **Create more direct and flexible funds instruments** to support CCIs and reduce the bureaucracy.

BEST PRACTICES:

- Creative mentoring scheme to develop entrepreneurial competences: <http://culturalmanagers.com/crea-m-creative-mentoring-for-cultural-managers-italy/>
- ADESTE (Audience Developer Skills and Training in Europe) project: www.adesteproject.eu
- Arts skill for the creative economy : <http://arts-projects.eu/>
- Ethical standards and professionals cross-references of good practice. Institute of Contemporary Art, Code of Ethics. <http://www.iac.org.es/english>

VI. CONCLUSION: TOWARDS A FUTURE STRUCTURE OF POLICY MAKING FOR CULTURAL AND CREATIVE SECTORS

The cultural and creative experts in *Voices of Culture* seem to have widened the scope of analysis and recommendations to improve the entrepreneur and innovation potentials. They questioned the economic assumptions and value propositions of the current Agenda 2020 and proposed alternative thought models - such as:

The Rapids of Cultural and Creative Data and Stories

The Dynamic Cycles of Cultural and Creative Entrepreneurs

The Culture Content Fountain of Digital Shifts

The Holistic Helicopter of CC Policy Frameworks

This undertaking is fuelled by the conviction that the current preconditions of EU policies for the culture and creative sectors are not living up to its full potential - just because of missing the sector adequate value sets. The public bodies in the cultural and creative sectors uphold this view as much as the economic and industrial stakeholders in the sectors - obviously for quite different reasons.

The experts' conclusion is therefore that a sustainable policy for the development of culture and creative sectors can only be successful with a new governance being closer to its stakeholders incorporating their values of risk and failure as well as iterative and open end processes. As in other economic and social sectors (e.g. health, energy, transportation, aviation) an intermediary governance body for the sector could be an option to consider and a task for the agenda 2020 - 2030.

The establishment of a monitoring scheme - recommended within the Joint Research Centre - is a first step to generate the necessary facts and forecasts – driven by culture values - for a public debate on the future policy structure for the cultural and creative sectors. This can lead in a second step – under the specific conditions laid out above – also to improving in a sustainable way the entrepreneur and innovation potentials in the cultural and creative sectors.



VOICES OF CULTURE

Structured Dialogue between the European Commission and the cultural sector

ANNEX 1

List of participants

FIRST NAME	LAST NAME	ORGANISATION
Almpanis	Petros	Technical Chamber of Greece –Branch of Western Macedonia (TEE-TDM)
Bergamo	Luca	Culture Action Europe
Dennett	Toby	Arts Council of Ireland
Doucet	Bart	EUROCITIES
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Dunne	Noel	Creative Alliance
Fesel	Bernd	european centre for creative economy (ecce)
Foresta	Don	MARCEL
Giakopian	Aghavni	Trans Europe Halles (TEH)
Gillman	Clive	Creative Scotland

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Jaurova	Zora	Creative Industry Forum
Knol	Jan Jaap	Cultural Participation Fund
Lopez Corral	Amparo	IAC - INSTITUTE OF CONTEMPORARY ART
Monteiro	Rui	ADDICT Creative Industries Portugal
Mostert	Andre	University of East London
Neamu	Dragos	NEMO - Network of European Museum Organisations
Primorac	Jaka	Institute for Development and International Relations
Richard	Ferdinand	A.M.I. association
Rühl	Egbert	Hamburg Kreativgesellschaft
Sautereau	Olivia	Collectif 12 & Olivia Str
Siil	Ragnar	Creativity Lab
Silvaggi	Antonia	Melting Pro. Laboratorio per la cultura
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Tutlyte	Jurate	Vytautas Magnus University

FIRST NAME	LAST NAME	ORGANISATION
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