

Event Report

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Towards a creative Europe: what role for creative industries?

Brussels Debate – 19 November 2009

Summary

Europe's creative industries will push forward Europe's Innovation strategy and generate billions of euros for the European economy, speakers agreed at the final Brussels Debate in the series organised jointly by the European Policy Centre and the European Commission as part of the European Year of Creativity and Innovation. There are many initiatives round Europe to build 'creative clusters' as bringing people together generates a "creative buzz", while at the same time creative talent needs to feed into traditional industries.

Full Report

Jean-Noel Durvy, Director, Directorate-General Enterprise and Industry, said innovation is an important driver for European competitiveness and growth, but needs a creative input to spur it on, and this could come from entrepreneurs, employers or even users. Creative industries are an important element of Europe's new innovation strategy, and are as important as ICT in boosting the European economy.

Many policy initiatives that create new jobs are based on creativity and creative industries and these flourish best in a climate of openness and tolerance. We need clusters and networks of creative businesses and cities, said Mr Durvy, and next Spring's planned Innovation Act will boost this by establishing a European platform to bring creative industries together.

The Year of Creativity and Innovation has raised awareness of creative industries' innovation potential, and this momentum must be maintained, as "we need real partnerships and bold actions", he said.

The Commission's European Knowledge Intensive Service Innovation Platform brings together public and private partners in the creative industries. The Commission is working to improve mechanisms to support businesses in this field, for example by creating an 'innovation voucher' that enterprises can use to 'buy' creative support.

Design is an important aspect of innovation in all sectors, he said, and has the potential to enhance the attractiveness of new products by creating a bridge between creativity and innovation.

European business needs support services, such as access to finance, a particular problem for creative industries. Strategic alliances must be set up between Member States and regions which will offer support to creative industries: facilitating this at the European level would demonstrate how to build a strong Europe, which respects both cultural diversity and subsidiarity.

Miguel Silvestre, Coordinator of the Óbidos Creative Cluster in Portugal, and Deputy Mayor, said "creativity means doing more with the same resources". His city is part of the Creative clusters Network in Low Density Areas that helps small- and medium-sized enterprises develop creative industries.

Communication to members

This means “thinking small in a big way”, as creativity can be a driving force for economic development in small, medium and large cities.

The aim of creating networks of cities is to build creative clusters, which can help to diversify economic opportunities and bring in more young people, for example by establishing the basis for a creative education environment. Óbidos is working in partnership with a very diverse group of cities in Finland, Hungary, Italy, Portugal, Romania, Spain and the UK to develop different creative events.

Óbidos has built an educational environment that redefines what a school should be, with very positive results. The city has also organised events and built a broad cultural agenda so these can act as catalysts, and provide high visibility for creative activity.

The city is also building clusters of creative industries in an area of the city ripe for urban renewal, and this has been supplied with facilities and infrastructure to ‘incubate’ creativity. Part of Óbidos’ medieval centre has been rebuilt, and for example, the main street now contains a cluster of businesses: a story centre, a bookshop, a chocolate lounge and a creative balcony. All policies must incorporate the concept of creativity, said Mr Silvestre.

Ruta Prusevičienė, Director, Vilnius Festival, Lithuania, said the Festival was founded in 1977, so when she took over she inherited the old regime’s artistic planning, management and marketing but introduced a new artistic and marketing vision, working with business and politicians.

Vilnius Festival has been praised for its artistic vision and gathers huge audiences, and it has also become a meeting point for artists, politicians and business to celebrate the city’s creative industries. As a result of its success, the Festival has successfully lobbied for a change in the law for artists and is now lobbying for arts and business to exchange experiences and competences.

She lobbied hard for Vilnius to become the European Capital of Culture, and while this was successful, the city unfortunately inherited the title on the eve of the global economic crisis. Added to this, a newly-elected government and Parliament came into power and increased taxes and value-added tax for artists and wiped out their subsidies overnight!

However, cultural people have taken up the challenge and are hoping that the “European brand” will help revive the country’s economy in the face of the worst crisis in Europe. The Festival has managed to buck the trend and increase the number of tourists coming to Vilnius; however there are concerns that support for the cultural agenda may be erased from the economic strategy during the current economic turmoil, so considerable lobbying will be needed to keep it on the agenda.

Hasan Bakhshi, Director for the Creative Industries, National Endowment for Science, Technology and the Arts (NESTA), UK, said the creative industries should be used as a tool for economic growth. The UK has been one of the early movers in understanding this, as in 2006 its creative industries (excluding craft and design) contributed £57.3 billion (6.4% of national gross value-added) to the UK economy.

In addition this has produced a creative ‘spill-over’ as creative skills and talents impact on the wider economy. In the UK, more than 50% of the 1.2 million creative specialists at work are employed outside the creative industries. This creates links between creative and non-creative businesses (B2B) and is an important element in the transfer of knowledge.

Recent studies have found that employers value the skills and competences that fine-arts graduates possess, for example their ability to think creatively to solve a problem is more valuable than a technical skill. It is also the case that businesses which spend twice as much as the average firm on

creative inputs are 25% more likely to introduce product innovations, and the idea of 'innovation vouchers' are a way of putting this into practice.

One way to increase creativity and innovation is to create cultural clusters, as it has been found that bringing people together generates a vibrant cultural life or a "creative buzz" (as has happened on the US' West Coast), so clustering people together builds an atmosphere that makes them more conducive to sharing knowledge and collaborating on ideas.

Anne-Marie Boutin, Founder and President, *Agence pour la promotion de la création industrielle*, France, said she became involved in design for educational reasons to try to create bridges between culture, industry and research.

Today all industries have to be creative, and design is the means to link creativity and innovation, to help people find new ways of presenting ideas, and to deliver the creativity of those introducing new products. She stressed that design should not simply be used in the narrow 'aesthetic' sense, but must embrace a wider definition to include functions, economics and norms.

Ms Boutin then gave examples of how design can give the creative flair to everyday products, which also "tell a story": a ball-point pen made out of recycled plastic that resembles a water bottle shows that materials can have a second life and reusable nappies show that good design can also be green.

Design is part of a business competence, she said, and can help ordinary people develop their own creativity, while designers can propose new ways of living, new types of products and new ways of working.

Ms Boutin said she was interested in developing laboratories that would enable designers and creative people to work in clusters, for example bringing them together to redesign health policies.

Discussion

Asked what lessons China can draw from Europe on innovation, Mr Durvy said that China's rapid development had spurred Europe on to innovate. Design is related to cultural and social development, and in the future 80% of middle income consumers will be in Asia. This will attract the creative industries and services and European designers will have to adapt to the wishes of these consumers.

On the question of assisted funding for creative industries Ms Boutin said that very little state funding went to non-scientific innovation, and it was unlikely that the priorities would broaden to fund the creative industries, particularly as few people understand about creativity in the arts.

Mr Durvy said one possibility of funding was to set up public-private partnerships, as one of the shortcomings of those working in the creative industries is that they have no culture of working with bankers or entrepreneurs. At the same time venture capitalists expect a return on their investments, and often cultural returns are intangible, so public-private partnership might overcome this.

Questioned about funding for creative industries, Mr Bakhshi said NESTA was an endowment, which enabled it to carry out research. However it also has a venture capital arm, which is responsible for the innovation vouchers.

Ms Prusevičienė said the Vilnius Festival began with 50% state and 50% private funding, but now receives a higher proportion from sponsorship. With the cuts in state subsidies, the festival now works more with private partners.



Mr Silvestre said Óbidos has access to national and local funding and works with private investors.

Responding to a question on what role the arts play in future innovation, Mr Durvy said an innovation policy was needed that made EU enterprises more competitive and helps provide a solution to society's challenges. Innovation is related to cross-fertilisation, in which artistic activities play a role.