

Towards a European Strategy in support of creative industries

**La dynamique créative européenne
Visite d'étude 2 mars 2010**

**Association des Chambres de Commerce et d'Industrie de Paris /
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Slide 1: Introduction

Thank you for inviting me to this workshop. The title of this workshop is brilliant and very promising. Many new regional and trans-regional initiatives in support of the creative industries have already been presented today. This raises the question of what can be added to this at European level. I strongly believe in subsidiarity, and this implies that any European initiative in support of creative industries must build upon what Member States and their regions want to achieve themselves to better valorise creativity as a driver for innovation and competitiveness in Europe.

Before I present my vision of how to better promote creative industries at European level, let me introduce myself. I come from DG Industry and Entrepreneurship, and more precisely from the unit "Support for Innovation". During the last two years I have been working on service innovation. I am coordinating the "European Knowledge Intensive Service Innovation Platform" under Europe INNOVA, under which 8 projects are developing and testing better innovation support tools and instruments for knowledge intensive service companies through public-private partnerships. I am also in charge of the INNO-Net on service innovation called EPISIS that started in September 2009 and aims at developing better service innovation policies in Europe. Furthermore, we are just now setting up an Expert Group on service innovation that will give recommendations to us in particular on the question how new markets and sectors can be created through service innovation.

All these initiatives have contributed to a better understanding of how to support service innovation. At the beginning, the ambition was rather to promote “non-technological” innovation in general but in the meantime our ambitions are much higher. We believe that service innovation is a catalyst for change. Not only does it change the way enterprises innovate today – there is practically no product innovation anymore without an important service innovation in it – but service innovation has also sharpened our minds on the important role that all forms of creativity play for innovation. For too long, creativity was identified mainly with research. But only half of all innovation is driven by research, and the other half is not. This is now much better understood than some years ago.

With a new initiative - the idea of a “European Creative Industries Alliance” - we now want to take this discussion on service innovation a step further. It does not aim at promoting service innovation in general, but looks at creative industries as a driver for innovation and competitiveness where it is of strategic importance. This may require some further explanations.

Slide 2:

Towards a “European Creative Industry Alliance” WHY?

Because creative and cultural industries are:

- ...one of the most dynamic emerging sectors in Europe
- ...important drivers of innovation in other sectors
- ...more and more at the focus of political attention

A “European Creative Industry Alliance” is a cross-sectoral initiative
with high potential impact

In 2009, the Commission published a Staff Working Document on services innovation. I have brought some copies of this paper with me for those who are

interested, and it can also be found on the DG Industry and Entrepreneurship website. The idea of a “European Creative Industry Alliance” starts from this paper, where we clearly showed that also services innovate. But they innovate differently and they need different forms of innovation support. The question is where to start with better supporting all forms of innovation, including services innovation. We believe that creative industries are a good, if not the best, starting point for showing how services innovation could be better supported.

First of all, because creative industries are in itself a key sector to unlock Europe’s potential in the knowledge economy. Creative and cultural industries may be defined differently, and several researchers are looking into how to best define them across countries at European level. But it is beyond doubt that these industries are of enormous economic importance and have great potential. This is why so many local, regional and national policy initiatives are currently being designed or already launched and implemented that bet on the creative industries as drivers for future competitiveness and job creation.

However, more important than this is that creative industries are also important drivers of economic and social innovation in other sectors. Many industry sectors benefit from the input from creative industries, be it ICT, textile and clothing, construction or tourism. As the “European Creative Industry Alliance” aims at making creativity more easily available also to other sectors; we may therefore expect great spill-over effects from this initiative. Innovation depends on fresh ideas and new ways of thinking. Creative industries are instrumental for this.

A third reason why we have chosen creative and cultural industries as a starting point for better promoting and supporting services innovation are the specificities of these sectors. Today’s economy is, as we have heard earlier,

increasingly characterised by the customisation of products and services. Creative and cultural industries are the best example for this. Companies from the creative and cultural industries are particularly confronted with the challenge of creating demand driven markets by shaping consumers' desires and aspirations. If we manage to develop new and better innovation support mechanisms for creative and cultural industries, we can make it therefore everywhere. These industries are indeed the best test-bed you can think of to experiment with new approaches in support of innovation, from which ultimately all sectors will benefit.

Slide 3

Towards a “European Creative Industry Alliance” WHY NOW?

Because:

- ...we are already much too long about how to better support services innovation
- ...the forthcoming European Innovation Strategy is a good chance to change gear
- ...the time is ripe moving from support to culture towards creative industries

A “European Creative Industry Alliance” would contribute to bridge
between the different worlds of art and business

Therefore: There are strong arguments to start with taking actions in support of services innovation in creative industries. From this, many sectors would benefit directly and indirectly, and this would also change the way innovation support is delivered in practice. Companies in creative industries need innovation support that is more flexible, more customised to different needs and less bureaucratic. This is the right moment to discuss all this and to break with the past. We believe, if not now when then?

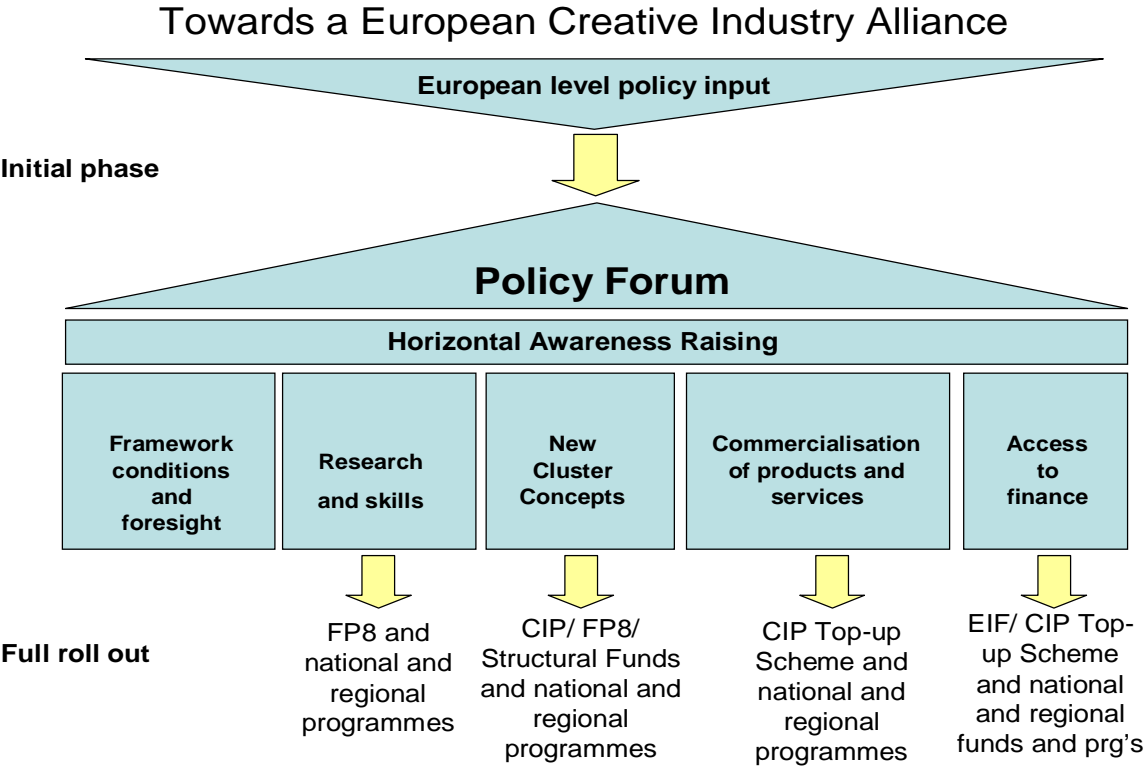
We are already discussing for years that all forms of innovation should be supported and that services innovation is in many respects different from research-driven innovation. There is no policy document on innovation that would not state this and call for action. But not much has happened to change the way we support companies in their efforts to innovate better and faster. And even if the funds for research and innovation financing would be doubled, services would not benefit much from it, because most research programmes are not really made for them and most services are not really “investment ready” to take full advantage of available funding possibilities.

More than other companies, services companies are therefore not very satisfied with the kind of support they are offered. This is what we learned from our recent survey on the effectiveness of innovation support in Europe. We have talked enough about all this. Now it’s time for taking action and concrete steps to better address the practical needs of innovative service companies. And for the reason I have explained, we propose starting with creative and cultural industries to set an example of what is possible in this respect.

The Commission will soon adopt, as part of the new EU 2020 strategy, an Innovation Strategy, or as it may now be called a “European Research and Innovation Strategy”. This is a good opportunity to shift the gear towards better support for services innovation. With your help, I hope that we will achieve this. Because I believe that also the creative industries would benefit from some fresh air that comes from innovation. So far, the political emphasis laid mainly on supporting culture and creativity as a goal in itself. Such public support will also be important to protect the cultural diversity in Europe in the future, but besides that, new forms of financing will have to play a more important role. Bridging between the two worlds of art and commerce seems therefore a timely initiative that does not only respond to economic pressures but also to the need to

diversify the financial support for culture and cultural goods and services in Europe.

Slide 4:



So, what are we proposing concretely? We propose to create a European platform where local, regional and national policy makers interested in creative industries can meet and discuss new approaches on how to better support them in Europe, as well as how other sectors could benefit from them as an input into their innovation activities. To facilitate mutual policy learning and cooperation in this field, we propose to establish a kind of “policy forum” that steers the “European Creative Industry Alliance” and discusses matters of general concern.

We plan to launch this initiative through an open call for proposal. This means that this initiative will ultimately be managed by a consortium that consists of a

number of local, regional or national institutions that have a mandate to implement policies and instruments in support of creative industries. By this, we wish to follow the model of the current INNO-Nets. The idea would be to engage the most active and interested ministries and agencies in this field as drivers of this initiative. They would be entrusted to further manage and drive this initiative. But of course this should not become a “closed shop”. As it is practice already in all our INNO-Nets on innovation policy, the “European Creative Industry Alliance” would create an open “policy forum” through which other interested local, regional and national policy makers and institutions would be actively involved in the work of the Alliance.

We are still in the process of further refining this concept. This starts already with the overall name of the initiative. “European Creative Industry Alliance” is just a working title; if you have better suggestions, we will be pleased to take them. Also the term “policy forum” may have to be reconsidered. We do not wish to overlap or confuse with existing policy fora that have been set up under the responsibility of our colleagues from DG EAC. Finally, we will also have to decide whether participation in the horizontal coordination group should be restricted to public authorities or whether, and how, other stakeholders could be involved. All this was recently discussed at a workshop in Amsterdam with around 75 stakeholders, where we received great support for our ideas. The initiative is therefore taking shape, but nothing is yet carved in stone, and I am ready to also hear your ideas with the view to further shape this initiative.

One thing should be clear: We are not interested in just creating another network or talk shop. Of course it is of great value to identify and share “good practice” in support of creative and cultural industries and to learn from each other. But we must aim higher. The main challenge is to develop and test “better practice”, not only on how to better support service innovation in creative industries

themselves but also on how to bring creativity more effectively to other sectors. There is much talk about “knowledge transfer” but in reality what is meant is still rather “technology transfer” than using our creative potential in a broader manner. This we need to change!

We need radically new approaches rather than just identifying and further disseminating the best solutions that can be found today. This is why we propose five areas, in which new policies and support mechanisms will be developed and, wherever possible and necessary, practically tested. This element comes mainly from Europe INNOVA, which can be considered as a laboratory for the development and testing of new tools and instruments in support of innovation. The Innovation Platform on Knowledge Intensive Services – the KIS-IP - is showing the way for how this part of the “European Creative Industry Alliance” could work.

I don't want to go into much detail on what we expect from the five individual pillars; they will be on “framework conditions and foresight”, “research & skills”, “new cluster concepts”, “innovation support services” and “access to finance”. Each of them should look into the specificities of creative industries and reflect how to address them under the relevant headings. For more details I would like to refer to some excellent reports prepared by KEA, FORA and Angel Capital Group in January 2010 that you can find on our Europe INNOVA website.

The KEA report considers a broad range of new business innovation support services that could be developed and tested under the umbrella of the “European Creative Industry Alliance”, ranging from new voucher schemes to facilitate access to finance. The paper prepared by FORA considers “new cluster concepts” in support of creative industries, ranging from adjusting existing

cluster policies to the needs of this sector to introducing radically new approaches. The paper by Angle Capital Group considers options on better financing. All these working documents clearly show that there is much scope for “better practice” in support of creative and cultural industries. In addition I would also like to mention a new report prepared by the European Cluster Observatory on creative industries clusters in Europe and their development over time. This report can also be found on the Europe INNOVA website.

As I said, the “European Creative Industry Alliance” aims to be more than just another network or talk-shop. It will also offer the possibility to test new approaches through pilot actions. For each of the thematic pillars, we expect a ministry or innovation agency taking the lead. And like for the “policy forum”, we also expect the thematic leaders to involve other players into the discussion on and practical experimentation of “better practice” in support of creative and cultural industries and the promotion of “spill-over” into other sectors, be it through the establishment of open Steering Groups, as we have them for the KIS-IP, or through subcontracting as we have it already in the INNO-Nets. The “European Creative Industry Alliance” offers therefore a rather open and flexible structure, in which many players can be actively involved.

Slide 5:

Towards a “European Creative Industry Alliance” WHICH IMPACT?

- ...a minimum of €100 M to be mobilised
- ...5-20 new ideas to be launched and implemented
- ...a leverage effect > 10

A “European Creative Industry Alliance” would trigger new research and innovation support programmes and mobilise private funding

We hope that we will be able to publish along these lines an open call for proposal in autumn 2010. In this case, the initiative could start in the first quarter of 2011. The call will be coordinated by my colleague Reka Hosszu who is also here today in the audience. Reka has recently also taken over our projects BCreative and Innovation Festivals which are closely related to creative industries. So we will work closely together on the further implementation of the European Creative Industries Alliance.

We believe that such a “European Creative Industry Alliance” would break new grounds in support of services innovation and help putting the interests of creative industries higher on the political agenda. As we have learned from the discussion on clusters, these industries are prominently present in many European regions, but only few of them have a clear strategy to further develop and support them. The “European Creative Industry Alliance” would raise the attention and awareness that Europe’s future lies in better valorising the assets we have – and creativity and culture are clearly a key asset we have.

The real impact of the “European Creative Industry Alliance” would however come from the further implementation of the new concepts and instruments developed under this initiative. To succeed with this, it is important to have high ambitions. Our ambition is that this initiative will trigger a large number of new research and innovation support programmes in this area, and will also contribute to mobilise more private capital for creative and cultural industries.

To illustrate our ambitions, we have put a figure of 100 Mio € into the discussion that should be expected to be mobilised through this initiative. Of course, this is not an accurate estimate. It can be much more, but it should not be less. How could 100 Mio € be mobilised? It could be achieved by a small

number of big, new actions or through a large number of small actions. A launch of 5 big ideas of 20 Mio each would generate these 100 Mio €, or many smaller actions like new voucher schemes on creative credits. This is not illusionary. We can see from the European Knowledge Intensive Services Innovation Platform that specific VC funds of 30 Mio. € can be initiated through such concerted actions. An action of the size and scale of the “European Creative Industries Alliance” should be able to generate at least four times this kind of fund, which may give you an idea about the size of the planned Community co-funding. Before we will launch this new initiative, we will further discuss it with the Member States, both formally and informally. It is important that the major regional and national policy initiatives in this field will work together in this European initiative, be it as a full partner or as an associated member. I am sure that many discussions will take place over the next months how to achieve this in the best manner.

Thank you for your attention. I hope I could clarify some issues about our new initiative, which should ultimately become yours! We can only facilitate the process of mutual policy learning in this important new field. I am convinced that there is much to be learned for everybody. We are not aiming at bringing together just the “best in class” but those who are strongest committed to bet on creative industries as a driver for competitiveness and innovation of the future. It is your choice whether you wish to actively participate in this new initiative or just want to follow its work from the sideline. Many regions and Member States have strong assets in cultural and creative industries to offer. This is on what we trust to make this initiative a success for Europe.