

# Strategy for transforming the supportive environment to foster DGC transformation



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## List of abbreviations

AI - Artificial Intelligence

BSO - Business Support Organizations

BSP - Business Support Professionals

CCIs - Creative and Cultural Industries

CCSI - Culture and Creative Sectors and Industries

CMO - Collective Management Organizations

C2T - Capacity2Transform

DGC - Digital, Green, and Creative

EE - Entrepreneurial Environment

EIT - European Institute of Innovation and Technology

EU - European Union

ICTs - Information and Communication Technologies

IPR - Intellectual Property Rights

NEB - New European Bauhaus

NGO - Non-Governmental Organizations

R & D - Research & Development

SEO - Search Engine Optimization

SMEs - Small and Medium-Sized Enterprises

S+T+ARTS - Science, Technology, and Arts

STEAM - Science, Technology, Engineering, Arts and Mathematics



## Executive summary

Capacity2Transform project provides guidelines for the digital and green transition, placing **creativity at the center of the changes that support a social shift towards a sustainable future.**

The aim of this strategy is to provide an overview of the current state of the Creative and cultural industries (CCSIs) and research on the integration of culture-based and creativity-driven innovation within Entrepreneurial Environments (EEs) to address challenges associated with the twin green and digital transition.

The *European Green Deal*<sup>1</sup> outlines the EU's strategy to transform its economy for a sustainable future, with the integration of digital technologies across all sectors supporting this transition. The complex issues of today's society require fundamental changes in living, consumption, thinking, learning, working, and cooperation. CCSIs have the ability to think differently, leading us towards a better future.

By partnering CCSIs with business support organizations (BSOs), a unique combination of business and creativity is created, driving the adoption of innovative concepts and supporting the transformative changes advocated by the European Green Deal.

Through this strategy, we are analyzing the gaps in policy and financing instruments that have excluded CCSI sectors from the digital and green innovation value chain. Additionally, we are addressing the neglect of the spillover and cross-fertilization effects that CCSIs have on technology adoption.

The first objective of the strategy is to describe the use of creative-based methodologies, the cross-fertilization effect of hybrid innovation activities<sup>2</sup> and advocate **why CCSI should be integrated into innovation value-chains**, while the second objective is to provide an answer on **how to support the transformation of entrepreneurial ecosystems to integrate creativity-based innovation and boost innovation.**

This strategy serves as a basis for further discussion about culture-base and creativity-driven innovation ecosystems, support of cross-collaborative actions; the dynamics of local entrepreneurial ecosystems; national and transnational supporting schemes and policies.

<sup>1</sup> The European Green Deal, presented by the European Commission in December 2019  
[https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en) (Accessed 20.8.2024)

<sup>2</sup> The term **hybridization** used in the Capacity2Transform project Application will be replaced with “interdisciplinary” and/or “cross-sectoral collaboration” as these are more commonly used in EU terminology.



## 1. Introduction

The complex environmental and other major challenges we face today are disrupting our established ways of doing, working, and living. Science and technology, often driven by our aspirations for growth and development and our utilization of natural resources, are profoundly transforming not just the structure of the human environment but life on Earth as a whole. In critical areas such as climate change, resource utilization, and demographic shifts, humanity finds itself at a crossroads, uncertain about the path forward.

These challenges compel us to rethink and act differently. It is increasingly evident that the way we have worked and acted in the past has led us to the uncertainties we face today. Therefore, it is clear that we have to embrace new ways of living, working, and creating. We need new solutions, innovative systems and thinking, as well as new skills and competencies. Most importantly, we require new interdisciplinary approaches and collaborative, cross-sector partnerships.

And this is where the CCSIs have a key role to play. Their ‘soft’ collaborative approach, a counterbalance to the ‘unilateral’ view of rationality in management, goes beyond and challenges established knowledge and principles. With their sensitivity and willingness to experiment, critically rethink, challenge, disrupt and question the status quo, they serve as catalysts for change and drivers of innovation, development, social progress and well-being. With their remarkable ability to think differently, they are leading us towards digital, green and social transitions.

Governments and policymakers should therefore understand that we need the CCSIs to support these new disruptive partnerships - interdisciplinary collaborations and crossovers between art, culture, experimentation, science, technology, business and creativity - where seemingly disparate worlds listen, hear and learn from each other. As we do today, we urgently need this paradigm shift to lead us to collaborations that allow us to envision and develop much needed transitions and a more sustainable and inclusive future for all, so that we can begin to create it.



## 2. Strategic Objectives: CCSI within the Business Ecosystem

### 2.1. Overview of the Cultural and Creative Sector and Industries

The world is currently facing significant changes and challenges due to of climate change, leading to economic, political and social shifts unprecedented in human history. Additionally, technological development has brought significant changes that affect every aspect of our lives. Adapting to and accepting these changes is essential for a better future. Politics, decision-making, as well as financial, economic, cultural, and educational sectors must adapt to this new reality.

The “Digital and green transition” in the EU refers to the dual transformation agenda set by the European Union to promote sustainable growth and digital innovation. The EU aims to integrate these transitions across all policies and sectors to ensure a holistic and sustainable development. The *European Green Deal*, that commits to transforming the EU into a climate-neutral continent by 2050, and the *Digital Compass*<sup>3</sup> are key strategic frameworks guiding these transitions. Combining “digital, green, and creative transformation” where CCSI inspire and drive change, aims to create a holistic approach to innovation and sustainability. This approach leverages technological advancements and environmental considerations while harnessing the power of creativity and culture. Creative transformation helps integrate new ways of thinking and problem-solving into various industries, enhancing their ability to adapt and thrive in a rapidly changing world. This integrated approach leads to more resilient, adaptive, and forward-thinking societies and economies.

#### 2.1.1 Structure of the CCSI Sector

There are many different definitions and designations of cultural and creative sectors and industries (CCSI) between EU countries and other developed nations, and a universally accepted definition is needed. Terms like creative economy, creative industries, cultural industries are used interchangeably. In recent years, the terms cultural and creative sector and an even more inclusive cultural and creative sector and industries have been established in the EU<sup>4</sup>, emphasizing the inseparable connection between culture and creativity. A sector is not merely an industry and is not solely based on profit-making activities, it often depends on public funds, though some areas within the industry have a

<sup>3</sup> In March 2021 the Commission proposed a path to the **Digital Decade**. This policy programme is guided by the **2030 Digital Compass** - a plan to achieve digital transformation of the EU economy and society. It aims towards a secure human-centered digital ecosystem, where citizens are empowered, and businesses prosper from the digital potential. The Compass indicates four cardinal points for this trajectory: digital skills, secure and performant digital infrastructure, digital transformation of businesses and the digitalization of public services.  
<https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52021DC0118> (Accessed 20.8.2024)

<sup>4</sup> Murovec Nika, Kavaš Damjan. *Predlog ukrepov za razvoj kulturnega in kreativnega sektorja v Sloveniji (Proposal of measures for the development of cultural and creative sector in Slovenia)*. Center for creativity, Institute for Economic Research, Museum of Architecture and Design. Ljubljana, 2023, p.19.  
<https://czk.si/gradiva/predlog-ukrepov-za-razvoj-kulturnega-in-kreativnega-sektorja-v-sloveniji> (Accessed 20.8.2024)



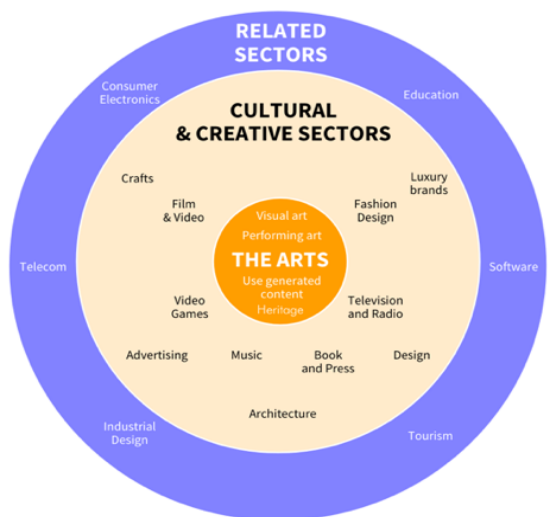
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stronger market component.

In 2013, the European Parliament and the Council of the European Union published the document<sup>5</sup>, with one of many EU definitions of CCSI as follows: “*Cultural and creative sector means all sectors whose activities are based on cultural values and/or artistic and other creative expressions, regardless of whether these activities are market or non-market oriented, what type of structure they are implemented and how structure finances. These activities include the development, creation, production, dissemination and preservation of goods and services containing cultural, artistic or other creative expressions, and related activities such as education or management.*”

European support for these sectors is based on data prepared by Eurostat as part of the European Statistical System (ESS) and derived from the definition of the European Commission (2018). In most EU countries, CCSI is defined for operational purposes based on economic sectors or activities that belong to this sector, in accordance with the standard industrial classifications (national classifications, ISIC, SIC, NAICS...)<sup>6</sup>.

The lack of a universally accepted definition of CCSIs limits the comparability of studies between countries and within them, making it difficult to get a comprehensive insight into the state of the sector and to create quality professional bases for relevant public policies. To collect statistical data, standardized definitions and a common classification system are needed to enable consistent treatment of the sector within the broader standard classifications of industrial branches.



The content creation process lies at the heart of the CCS i.e. the artistic process. Artistic content provides input for both the cultural as well as the creative subsectors of the CCS market.

Beyond the classical CCS subsectors, the artistic content created has an impact on a wide range of industries that depend on the creative output stemming from CCS. Chapter 1.2 of this report notably explores the links.

- **Software** and digital services are intertwined with many CCS value chains and rely on CCS content.
- **Telecom services** and hardware e.g. smartphones, computers where access to content is a key selling point.
- **Tourism** where the CCS (cultural heritage, historical sites, recreation parks) account for an important share of tourism.
- **Other** sectors closely related to the CCS include:
  - **Consumer electronics** e.g. TV, Tuners, Tablets
  - **Industrial design**
  - **Education** e.g. cultural and tertiary education

1: Scheme of Cultural and creative sectors and subsectors

Source: European Investment Fund, Deloitte, KEA. Market Analysis of the Cultural and Creative Sectors in Europe. 2021

[https://www.eif.org/InvestEU/guarantee\\_products/ie-ccs-market-study.pdf](https://www.eif.org/InvestEU/guarantee_products/ie-ccs-market-study.pdf)

5 European Parliament, Council of the European Union, Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020), 2013, p. L 347/225, Chapter 1, Article 2 <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32013R1295> (Accessed 20.8.2024)

6 Different classification systems help standardize the way industries are categorized. ISIC (International Standard Industrial Classification of All Economic Activities); SIC (Standard Industrial Classification); NAICS (North American Industry Classification System)





Cultural and creative industries encompass a wide variety of sub-sectors (as illustrated in Figure 1): architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design (including fashion design), festivals, music, literature, performing arts (including theater and dance), books and publishing, radio, and visual arts.

Despite the challenges in defining the term, CCSI is recognized by the European Union as one of the most important creators of future development, EU competitiveness and leadership in the transition towards sustainability. These sectors are based on knowledge, individual creativity and talent, they co-create economic prosperity and drive innovation. More importantly, they significantly contribute to the common European identity, culture and values and strengthen social cohesion<sup>7</sup>.

### 2.1.2 Economic Importance of the CCS

According to the publication *Market Analysis of the Cultural and Creative Sectors in Europe (2021)*<sup>8</sup>, for the year 2020, at the European level, the CCSI ecosystem represented on average 5,3% of EU value added (EUR 354 billion) and employed around 6.3% of the workforce (8.1 million people) in almost 3 million firms (12,4% of the total number of national companies). Over 99,9% of these are small and medium-sized enterprises (SMEs)<sup>9</sup> and are smaller than the market average, due to a high share of freelancers and micro-enterprises. However, in some countries, these shares are much higher (e.g. Cyprus, Malta, Latvia and Sweden the CCS contributes more than 8% to the national value-added and in Malta, the Netherlands and Ireland the share of CCS employment exceeds 9%).

The employment in CCSI was growing at a rate of 1% annually from 2008 to 2016, with e.g. 3% in the AV industry and before COVID the outlook was good. Workers in CCSIs are better educated than average (59% have tertiary education, compared to 34% EU27 average)<sup>10</sup> but they face very high levels of job insecurity (because of very high shares of self-employment, working part-time and on non-permanent contracts).

<sup>7</sup> Murovec, Kavaš. 2023, p. 13

<https://czk.si/gradiva/predlog-ukrepov-za-razvoj-kulturnega-in-kreativnega-sektorja-v-sloveniji> (Accessed 20.8.2024)

<sup>8</sup> All data in this paragraph (except where otherwise stated) from the study for 2020 for EU-27, Norway and Iceland: European Investment Fund, Deloitte, KEA. *Market Analysis of the Cultural and Creative Sectors in Europe (2021)* [https://www.eif.org/InvestEU/guarantee\\_products/ie-ccs-market-study.pdf](https://www.eif.org/InvestEU/guarantee_products/ie-ccs-market-study.pdf) (Accessed 20.8.2024)

<sup>9</sup> Interreg Europe, *Cultural and Creative Industries, A Policy Brief from the Policy Learning Platform for a smarter Europe.* (Lille, 2024), p. 4.

<https://www.interregeurope.eu/sites/default/files/2024-01/Policy%20brief%20on%20Cultural%20and%20Creative%20Industries.pdf> (Accessed 20.8.2024)

<sup>10</sup> European Commission, *Annual Single Market Report 2021.* Brussels, 2021.

<https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52021SC0351> (Accessed 20.8.2024)



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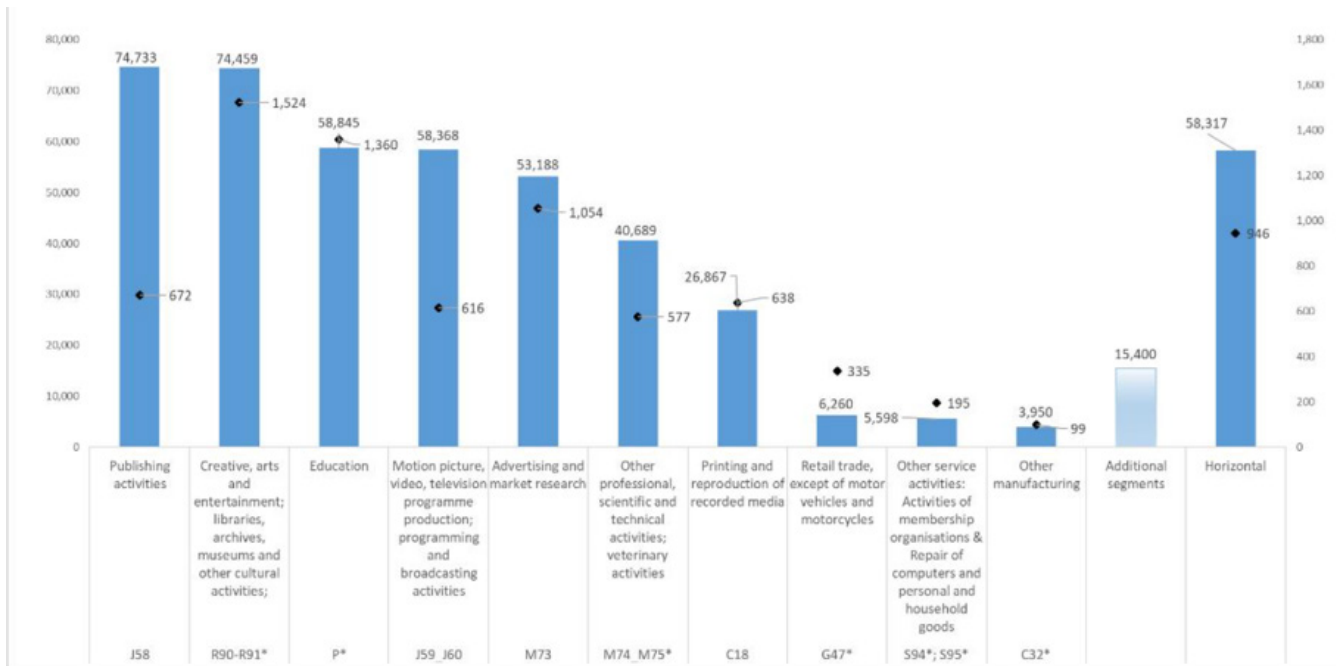


Figure 2: Gross value added and Total employment in different CCSs in 2018.

Source: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52021SC0351>

The societal role of CCSI in economic development shapes public policies regarding goals, content and form. According to the European Commission (2010)<sup>11</sup> CCSI effects can be categorized as follows:

- **Primary economic effects** of CCSI represent the direct contribution of CCSI to the economy (employment, created added value...). In Europe, CCSI are comparable to other key economic sectors such as Accommodation and food services, or the Information and Communications Technology sector<sup>12</sup>.

These primary effects should be the easiest to measure, although employment in CCSI not only impacts the economy, but also holds social significance as creative skills become increasingly crucial and creative professions are predicted to be more competitive in the age of technological development.

- **Secondary economic effects** refer to the indirect (spill-over) impacts from CCS activities on the broader economy and customers. Such cross-sectoral effects are difficult to measure nationally. Recognizing art as a research and development field could aim in monitoring these effects.

- **Tertiary economic effects** refer to indirect, but difficult to quantify spill-over effects on innovation within CCS and other economic sectors. It affects the transfer of knowledge and ideas, encourages new creative content, user experiences and technological adaptations. CCSI are often intensive users of modern technology. Due to its influence on the development of technological and non-technological innovations, the *European Institute of Innovation and Technology* (EIT) in 2022, with the establishment

<sup>11</sup> Murovec, Kavaš. 2023, pp. 20-21.

<https://czk.si/gradiva/predlog-ukrepov-za-razvoj-kulturnega-in-kreativnega-sektorja-v-sloveniji> (Accessed 20.8.2024)

<sup>12</sup> European Investment Fund, Deloitte, KEA. *Market Analysis of the Cultural and Creative Sectors in Europe* (2021). p.4. [https://www.eif.org/InvestEU/guarantee\\_products/ie-ccs-market-study.pdf](https://www.eif.org/InvestEU/guarantee_products/ie-ccs-market-study.pdf) (Accessed 20.8.2024)



of EIT Culture & Creativity<sup>13</sup>, ranked CCS as one of the nine European innovation communities.

- **Quaternary effects** of CCS reach broader impacts on quality of life, sustainability, cultural identity and social goals, such as social inclusion, physical and mental health, gender balance, cultural awareness and sustainable orientation. It influences the educational system and increases cultural awareness about current challenges.

### 2.1.3 Impact of the COVID-19 Pandemic

The Covid-19 pandemic and related measures, along with efforts for post-pandemic recovery, severely impacted the CCS, with employees in the sector among the hardest hit<sup>14</sup>. Central and Eastern European countries are among the most affected and EU countries implemented different support measures<sup>15</sup>. The crisis has intensified existing challenges such as employment insecurity and income instability due to reliance on multiple, often temporary jobs.<sup>16</sup> Cultural tourism, art fairs, theatres, and printed newspapers were particularly affected due to mobility restrictions.

However, these challenges stimulated innovative solutions that have brought about significant changes that have changed the world. For example, adjustments such as online sales of artworks and digital consumption of cultural content (including museums and theaters exploring new online engagement methods and monetization strategies) have made the sector more accessible to the public. Cultural heritage institutions expanded their digital offerings<sup>17</sup>, and there has been a rise in e-sports and interactive gaming. Collective Management Organizations (CMOs) developed new remuneration models for the authors' rights<sup>18</sup>.

13 EIT Culture & Creativity is a large-scale European Partnership of public and private stakeholders from the European Cultural and Creative Sectors and Industries (CCSI)  
<https://eit-culture-creativity.eu/> (Accessed 20.8.2024)

14 According to EU's analysis, the total turnover generated by CCIs in the EU will decrease from €643 billion in 2019 to €444 billion in 2020. This represents a net decrease of €199 billion or 31% of total revenues in 2019.  
EY Consulting, Grouping of Societies of Authors and Composers (GESAC). *Rebuilding Europe, The cultural and creative economy before and after the COVID-19 crisis*. 2021, pp 4., 29.  
[https://assets.ey.com/content/dam/ey-sites/ey-com/fr\\_fr/topics/government-and-public-sector/panorama-europeen-des-industries-culturelles-et-creatives/ey-panorama-des-icc-2021.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/fr_fr/topics/government-and-public-sector/panorama-europeen-des-industries-culturelles-et-creatives/ey-panorama-des-icc-2021.pdf) (Accessed 20.8.2024)

15 OECD, *Culture shock: COVID-19 and the cultural and creative sectors*. Paris, 2020.  
[https://www.oecd.org/en/publications/culture-shock-covid-19-and-the-cultural-and-creative-sectors\\_08da9e0e-en.html](https://www.oecd.org/en/publications/culture-shock-covid-19-and-the-cultural-and-creative-sectors_08da9e0e-en.html) (Accessed 20.8.2024)

16 OECD. *Economic and social impact of cultural and creative sectors*. Note for Italy G20 Presidency Culture Working Group. 2021  
[https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/08/economic-and-social-impact-of-cultural-and-creative-sectors\\_6d8452e4/4d4e760f-en.pdf](https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/08/economic-and-social-impact-of-cultural-and-creative-sectors_6d8452e4/4d4e760f-en.pdf) (Accessed 20.8.2024)

17 70% of museums increased their use of social media.  
NEMO-Network of European Museum Organisations, *Survey on the impact of the COVID-19 situation on museums in Europe*, 2020, p. 12  
[https://www.ne-mo.org/fileadmin/Dateien/public/NEMO\\_documents/NEMO\\_COVID19\\_Report\\_12.05.2020.pdf](https://www.ne-mo.org/fileadmin/Dateien/public/NEMO_documents/NEMO_COVID19_Report_12.05.2020.pdf) (Accessed 20.8.2024)

18 European Investment Fund, Deloitte, KEA. *Market Analysis of the Cultural and Creative Sectors in Europe* (2021). p.4.  
[https://www.eif.org/InvestEU/guarantee\\_products/ie-ccs-market-study.pdf](https://www.eif.org/InvestEU/guarantee_products/ie-ccs-market-study.pdf) (Accessed 20.8.2024)



## 2.2 Role of the CCSIs in Digital, Green and Creative Transformation

In 2023 the *Structured Dialogue* between the European Commission and the cultural and creative sector in the EU published a publication *VOICES OF CULTURE, Culture & Creative Sectors & Industries Driving Green Transition and Facing the Energy Crisis*<sup>19</sup> with a framework for discussions between EU civil society stakeholders and the European Commission with regard to culture. It recommends systematic integration of CCSIs across other sectors, promoting STEAM education and innovation and embedding CCSIs within the policies and funding frameworks of the European Directorates-General. CCSIs have the potential to catalyze changes at multiple levels, influencing the green and digital transition in public and other industries. CCS is crucial for the promotion of the green transition and new technologies (e.g. AI), it can shift negative attitudes towards changes, reduce fear and overcome resistance to the use of new technologies. This requires a shift towards more sustainable practices in how art is produced and presented.

### 1. PILLAR - To promote changes in society

These initiatives harness the power of CCS to inspire societal transformation and envision a sustainable future. CCSI can advocate for green and sustainable principles and practices through education, campaigns, community engagement, artistic endeavours and research, leveraging AI for effective monitoring and evaluation. Cross-sectoral synergies can help create a new vision of a more sustainable future.

### 2. PILLAR - To promote changes in other industries

Climate change must be addressed and understood, and society must respond to the energy crisis with long-term sustainability. Addressing climate change and energy challenges requires comprehensive, cross-sectoral dialogues. Creative models from CCSIs can be adapted in collaboration with sectors such as science and education, agriculture, transport and industry. Creative education and implementation of creative pedagogical approaches must be discussed.

CCSI has the capacity to shape imagination and depict the world through images that transform pessimistic attitudes into positive ones, targeting large audiences and helping them to visualize positive sustainable futures. With innovative approaches a positive view of new economic models can be promoted.

The alignment of the strategies and techniques between sectors and between the European Union and Member States is essential for the integration of sustainability into European Commission initiatives.

<sup>19</sup> European Commission. *Voices of Culture, Culture & Creative Sectors & Industries Driving Green Transition and Facing the Energy Crisis*. 2023.  
[https://voicesofculture.eu/wp-content/uploads/2023/10/VoC-Report\\_Greening-CCSI.pdf](https://voicesofculture.eu/wp-content/uploads/2023/10/VoC-Report_Greening-CCSI.pdf) (Accessed 20.8.2024) [https://ec.europa.eu/assets/eac/culture/docs/voices-of-culture/voices-of-culture-brainstorming-report-green-transition-2023\\_en.pdf](https://ec.europa.eu/assets/eac/culture/docs/voices-of-culture/voices-of-culture-brainstorming-report-green-transition-2023_en.pdf) (Accessed 20.8.2024)



### 3. PILLAR - To promote changes in own industries

The CCSI sector must undergo substantial transformation to achieve sustainable goals because some CCSIs are among the most intensive industries. The integration of recommendations into policies and funding programs, in the context of EU goals for 2030-2050, should be a priority. Efforts and tools for reducing climate emissions and adopting sustainable practices are essential, especially in architecture, built cultural heritage, travel and logistics, digitalization<sup>20</sup>, and virtualization, and they have to be adjusted for each sector.

Integrating green criteria, long-term sustainability and financial incentives are supportive tools for the adoption of sustainable practices. It is necessary to collaborate with supporting industries to enhance transparency and environmental impact management.

The CCSI sector needs cooperation with other industries to solve its shortcomings because it lacks tools, competencies, data and transparency. In addition to financial and resource constraints, the sector finds it difficult to follow development and participate in green and digital transition<sup>21</sup>. Although CCIs are among ecosystems that attract the highest share of digital tech and Artificial Intelligence-based tech startups, the availability of digital skills remains limited, and these low levels of supply contrast with the high demand for such skills, and this gap is particularly high in CCIs, construction, and tourism<sup>22</sup>.

On an operational level rigid standards slow down progress and changes in legislation can help reduce requirements and encourage innovative thinking. Implementation of financial incentives will encourage the adoption of sustainable practices.

<sup>20</sup> In the text we use the terms digitalization and digitization for different processes.

**Digitization** as "Converting analog to digital (a technical process)".

**Digitalization** as "Using digital technologies to transform business processes (a strategic process)".

<sup>21</sup> Based on the EMI survey, 51% of participating CCS organizations increased their investments in the green transition and environmental sustainability (23% invested less than 5%, which may be explained by the number of economically fragile micro-companies and organizations in the CCI). The same survey shows that 65% of SMEs in the CCI have increased their investments in digital technologies during the past five years, which is a high result across all industrial ecosystems.

European Commission, European Innovation Council and SMEs Executive Agency, Van de Velde, E., Kretz, D., Lecluyse, L. et al., *Monitoring the twin transition of industrial ecosystems: Agri-food - Analytical report* (Brussels, 2024)

<https://data.europa.eu/doi/10.2826/403075> (Accessed 20.8.2024)

<https://www.europacreativa-media.it/documenti/allegati/2024/monitoring-the-twin-transition-of-industrial-ecosystems.pdf> (Accessed 20.8.2024)

<sup>22</sup> European Commission. *The 2024 Annual Single Market and Competitiveness Report*. Brussels, 2024.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52024SC0077> (Accessed 20.8.2024)



## 2.3 Challenges Facing CCSIs

In an era of rapid social and technological advancements, addressing complex global challenges like climate change is crucial<sup>23</sup>. Science and technology are reshaping our environment and daily lives, impacting resources and demographics worldwide. Humanity seems to be facing challenges where there are no longer clear paths forward. It is becoming more and more obvious that we cannot solve such complex problems in the way we have solved them so far, within narrow professional fields. These challenges necessitate an interdisciplinary approach. This calls for new partnerships, new methodologies, and system innovations along with developing new competencies and skills.

The common lack of understanding and interest in cooperation stems from the limited perception of CCS as merely contributing to making products “look nice”. It is important to raise awareness in the traditional industrial sectors, represent successful cooperations and actively engage industry in collaborations.

The cultural and creative sectors possess significant intellectual and economic potential, crucial for driving innovation. With their sensitivity, openness to experimentation and critical thinking, they challenge conventional thinking, invite us to explore new ideas and collaborate towards co-creation and progress. As agents of change, they foster economic development and social prosperity.

Both creative and technical professionals must enhance their digital skills<sup>24</sup>. New technologies like robotization, automation and artificial intelligence are changing traditional ways of work and employment in developed economies. The CCS with its emphasis on skills such as complex problem solving, creative risk-taking, critical thinking, creativity, and flexibility play a pivotal role in the integration of these tools across industries and society.

According to respondents from the CCIs, when it comes to collaborating with other sectors, especially industry, they face the following challenges<sup>25</sup>:

- Lack of networking opportunities with other industries
- Stereotypes about the creative industries
- Administration, government, regulations, laws and taxes
- Digitalization and internationalization and their side effects
- Expanding the market beyond local/regional sales is difficult
- Lack of business knowledge and expertise within CCSI
- Strong competition and pressure within CCSI

23 The European Parliament’s Committee on Culture and Education lists various challenges and offers possible solutions. KEA European Affairs, PPMI. Research for CULT Committee: Culture and creative sectors in the European Union - Key future developments, challenges and opportunities. Brussels, 2019. [https://www.europarl.europa.eu/RegData/etudes/STUD/2019/629203/IPOL\\_STU\(2019\)629203\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2019/629203/IPOL_STU(2019)629203_EN.pdf)

24 European Commission, *Annual Single Market Report 2021* (Brussels, 2021). <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52021SC0351> (Accessed 20.8.2024)

25 COCO4CCI - Interreg Central Europe, Cooperation between CCI and AVM: Boosting Innovation in Central Europe. Ljubljana (2022). p. 10. <https://rralur.si/wp-content/uploads/2022/03/COCO4CCI-policy-recommendations-Cooperation-between-CCI-and-AVM-long.pdf> (Accessed 20.8.2024)





- The CCSI sector is fragmented and unstable
- Vague definitions of the creative industries sector make identity difficult

Future challenges include enhancing the capacity of CCS to invest in research and development, enabling deeper engagement with sectors like technology, and establishing its creative and innovative value beyond being assigned to merely executing ‘creative tasks’ such as design at the end of a production process.

### List of Challenges and Solutions from C2T Project Partners

As part of the Interreg international project Capacity2Transform CzK/MAO executed a survey among project partners in 2024. Responses<sup>26</sup> regarding challenges and opportunities of CCS between partners are quite similar.

The main challenge mentioned is adapting to the Digital, Green and Creative (DGC) transition, because policies and frameworks face the challenge of integrating DGC transitions effectively across the CCSI sector, ensuring adaptability, and fostering sustainable growth.

The key aspects of how the policies/frameworks address the challenges and opportunities of DGC transition include:

- **Support for innovation and collaboration.** Policies are focused on fostering innovation, promoting collaboration, and establishing creative centers to boost the CCSI sector, enhancing adaptability to digital and green transitions.
- **Integration with European initiatives,** which strengthens and transforms the CCS by connecting them with Europe’s innovation network.
- **Emphasis on sustainability and digitalization.** Creative initiatives like digital hubs and AI-Labs prioritize sustainability in digital usages, business models, and technological advancements, aligning with DGC transition objectives.
- **Regional development and cohesion.** Regional policies and programs promote competitiveness, innovation, and sustainable growth, supporting CCSIs, startups, digitalization, and sustainable development models.
- **Cross-sectoral collaboration and skill development** can address DGC transition challenges and opportunities across cultural, creative, and technological domains.

The primary opportunity that partners highlighted is promotion of innovation and sustainability. Focusing on fostering innovation, collaboration, and sustainability presents a significant opportunity to support digital advancements, green technologies, and interdisciplinary approaches to drive growth, competitiveness, and resilience within the cultural and creative sectors.

<sup>26</sup> QUESTION: Do the policies/frameworks you mentioned address the challenges and opportunities of the DGC transition? If yes, how do these policies/frameworks address the challenges, what are the activities?



## 3. Current Landscape Analysis: Policy and financing landscape

### 3.1 Policy landscape

EU countries are at different stages of CCSI support<sup>27</sup>. Countries with less tradition focus on providing basic business conditions (infrastructure, financing, training, promotion, awareness) and often use EU, Cohesion or Interreg funds for public policy funding. While countries with a longer tradition rely more on national funds (state and regional budgets, agency and fund resources) and concentrate on strengthening the ecosystem, promoting internationalization, protecting and exploiting intellectual property rights, networking, and integrating the CCSI into innovation promotion (e.g., Austria, Denmark, Finland, and Estonia). In these countries, the role of the CCSI in solving societal problems (sustainable development, social inclusion) is increasingly important.

Despite European policies and strategies highlighting the social and economic impact of CCSI, there is still a lack of understanding of its importance. Over the years the support for the sector hasn't been systematically developed and has been fragmented and inconsistent, leading to inefficiencies and underutilization of its potential.

This diverse ecosystem requires public support to thrive, as it generates inputs for other industries and fosters societal goals. The cross-fertilization of effects within the sector creates value for numerous industries reliant on creative outputs, fostering new ideas and innovative content.

Leaders, politicians, and decision makers should be transparent in their share of the responsibility, and professionals working in the cultural sector should be part of the decision-making process.

Analysis of the CCSI in EU member states shows that successful planning and implementation of CCSI support require strong political support, stakeholder involvement (quadruple helix<sup>28</sup>) and a clear management and implementation system of public CCSI policies with a clear division of responsibilities.

CCSI's position in public policy frameworks is ambivalent and often overlooked within strategies. Its multifaceted nature, connecting with various policy areas, needs comprehensive consideration beyond cultural policies (UNESCO, 2022<sup>29</sup>). Its role in innovation is underestimated and its role within digital agenda is typically associated only with digitalization and not linked to innovation.

<sup>27</sup> Murovec 2023, p. 63.

<https://czk.si/gradiva/predlog-ukrepov-za-razvoj-kulturnega-in-kreativnega-sektorja-v-sloveniji> (Accessed 20.8.2024)

<sup>28</sup> The quadruple helix model is an innovation framework that emphasizes the collaboration among four key sectors: **Industry** (Businesses and private organizations provide practical applications, market insights and resources for development), **Academia** (Universities and research institutions contribute knowledge, research, and innovation), **Government** (Public sector organizations and policymakers create a supportive environment through regulations, funding, and infrastructure and protect the public interests and societal needs), and **civil society** (NGOs, community groups, and citizens represent societal needs and values, protect inclusivity and consideration of the needs of all stakeholders, including marginalized groups).

<sup>29</sup> UNESCO. *Cutting Edge: The creative economy: moving in from the sidelines*. (2021)

<https://www.unesco.org/en/articles/cutting-edge-creative-economy-moving-sidelines> (Accessed 20.8.2024)





A comprehensive and integrated policy agenda is needed, both nationally and across Europe. Support programs are scattered, lacking a common platform for access and exchange among policymakers, support organizations and practitioners.

### 3.1.1 National strategic documents

#### > Data collected in Appendix A1

For research purposes the project partners have selected the most important strategic documents that impact the operation of CCS. Most of them are national documents, and some important regional documents are added.

Regions that were included in this part of the research (9 project partners' regions): Austria - Carinthia region, Croatia - Split region, Czech Republic, Germany - Baden-Württemberg region, Hungary- Central Transdanubia Region, Italy - Friuli-Venezia Giulia region, Italy - Veneto region, Slovakia - Košice region, Slovenia.

Analysis of strategic documents reveals mostly planned activities, with scarce information on implemented activities.

A more in-depth analysis of the documents will be necessary in the future.

## 3.2 Financing schemes

Within this section we are analyzing funding schemes available for financing cultural contribution, financing digital and green transition and financing innovation. The analysis is done in order to identify representation of CCSIs within the supporting documents. We have analyzed numerous international and national calls for proposals linked to the targeted sectors.

### 3.2.1 International financing schemes

#### > Data collected in Appendix A2

The EU finances the DG transition of the CCS through its funding programs, some of which are aimed at the CCS while others are broader and address twin transition horizontally<sup>30</sup>.

30 European Commission, European Innovation Council and SMEs Executive Agency, Van de Velde, E., Kretz, D., Lecluyse, L. et al., *Monitoring the twin transition of industrial ecosystems: Agri-food - Analytical report* (Brussels, 2024) <https://data.europa.eu/doi/10.2826/403075> (Accessed 20.8.2024) <https://www.europacreativa-media.it/documenti/allegati/2024/monitoring-the-twin-transition-of-industrial-ecosystems.pdf> (Accessed 20.8.2024)



3.2.2 National financing schemes  
> Data collected in Appendix A3

Most of the CCS in public ownership are financed directly through public funds and this relates to the regular operation of theaters, museums etc. that covers the staff and maintenance costs. Therefore, in this section, we have focused only on financing schemes that are project-based and available to a broader range of CCSI providers, public and private.

3.2.3 Connection between CCSIs and industry

Our research addressed the struggles of CCSI and some common problems of the sector. That is why all projects' partners answered the question about cooperation between CCSIs and industries or innovation partners.

**QUESTION: To what extent do you think that CCSIs in your region are connected or disconnected from industry transition projects and innovation partnerships?**

Region	Answers
Austria - Carinthia region	We believe that CCSIs are not yet strongly connected to industry transition projects and innovation partnerships. Some creative industries, such as architecture and gaming, appear to have a stronger connection in our region. Large Austrian corporations are increasingly recognizing the value of creative startups and SMEs in driving innovation. Corporate accelerators and incubators often include creative startups that bring fresh perspectives to industrial challenges, integrating the creative sector into broader innovation networks. Austria, particularly Vienna, has established some successful connections that could serve as role models for other regions to promote knowledge exchange, networking, and co-creation.
Croatia - Split region	CCSIs are somewhat related to industry transition projects and innovation partnerships, but the relationship is not strong or consistent. The largest part of funds exclusively directed towards CCSI comes from the Ministry of Culture and Media through regular but small programs. Through initiatives such as NextGenerationEU and specific programs encouraging innovation, CCSIs have the opportunity to engage in industry transition and innovation, but most calls lack specific incentives for CCSI or explicitly exclude them, thus limiting their participation in wider industry transition projects and innovation partnerships. The only call that was exclusive to CCSI was “Transformation and strengthening the competitiveness of cultural and creative industries” which was announced for almost 3 years before it was finally published and was the same reason why CCSI was excluded from some earlier calls (such as which is an invitation Vouchers for digitalization). To improve connectivity, there should be more inclusive and incentivized funding mechanisms that specifically encourage CCSIs to participate in and contribute to industry transition and innovation partnerships across a wider range of sectors.
Czech Republic	The connection between CCSIs and industry transition projects in the Košice region of Slovakia is growing but still emerging. Creative Industry Košice (CIKE) plays a significant role, collaborating with local and international partners to foster innovation and creativity. Technical University of Košice (TUKE) contributes through research and



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	<p>innovation projects intersecting with CCSIs, particularly via the TUKE Start-up Center. The regional government supports these sectors with funding, grants, and infrastructure to promote collaboration.</p> <p>Despite these efforts, systematic integration between CCSIs and traditional industries remains limited. While individual projects and collaborations exist, a cohesive strategy to fully integrate these sectors into the broader industrial transition framework is still developing. Often, creative projects rely heavily on public funding or short-term grants, which can limit their sustainability and long-term impact. Traditional industries sometimes fail to recognize the value of integrating creative processes, leading to missed opportunities.</p> <p>Overall, while there are promising initiatives and collaborations facilitated by organizations like CIKE and educational institutions like TUKE, challenges remain in terms of systemic integration, resource allocation, and awareness. Continued efforts to strengthen these connections through strategic policies, increased funding, and broader recognition of the value of CCSIs will be crucial in leveraging the full potential of these sectors in driving regional innovation and economic growth.</p>
<p>Germany - Baden- Württemberg region</p>	<p>In Baden-Württemberg CCSIs are rather well connected to industry transition projects and innovation partnerships. In most of the relevant strategic documents - be it at the national level or federal state level - CCSIs are mentioned and included. This shows that the key role of this sector is acknowledged.</p> <p>This is also translated by the various funding mechanisms that exist. Some funding mechanisms such as the innovation vouchers are not specifically designed for CCSIs, some others specifically target this sector such as the Innovation funds for cultural institutions.</p> <p>There is a range of dedicated funding mechanisms for different CCI sectors and industries in Baden-Württemberg:</p> <p><b>Theater</b> (fonds for private theaters)</p> <p><b>Music</b> (Music funds, Live Music Fonds Stuttgart, initiative music)</p> <p><b>Game</b> (Games BW Funding)</p> <p><b>Film</b> (e.g. Green shooting, Funding for Screenplay and Script development, etc.). The spectrum of the MFG Film Funding ranges from script development to pre-production measures, production and post-production, distribution / sales and cinema.</p> <p><b>MFG (Medien- and Filmgesellschaft) Baden-Württemberg</b>, which is an organization of the state of Baden-Württemberg and of the regional public broadcasting corporation Südwestrundfunk, plays a key role. Its task is to promote film culture and the film industry as well as the cultural and creative industries. MFG is a public cultural and economic promoter and offers support measures geared to the needs of the various CCI sectors. Different ministries are involved in the funding mechanisms such as the Ministry of Science, Research and Culture Baden-Württemberg and Ministry of food, rural affairs and consumer protection Baden-Württemberg.</p> <p>In several cities in Baden-Württemberg, there is a strong cooperation between the economic and cultural departments. We can name for instance:</p> <p><b>Karlsruhe</b> with K3 Kultur-und Kreativwirtschaftsbüro Karlsruhe that is jointly managed by the economic and cultural departments</p> <p><b>Mannheim</b> with NEXT MANNHEIM: NEXT MANNHEIM is a 100% daughter company of the city of Mannheim and represents a start-up ecosystem for urban innovation. It provides among other consultancy and support programmes and services - in particular for the following sectors: music, design, textile and film industries. It comprises 8 thematic</p>



	<p>start-up centers, half of which is dedicated to Creative and Cultural Industries (CCI): C-HUB, ALTES VOLKSBAD, MUSIKPARK (focus on music industry) and TEXTILEREI (focus on Mode- , Textile - und Lifestyle-Start-ups). NEXT MANNHEIM is competent for cultural urban development as well as cultural and creative economy via the office for cultural innovation &amp; creative economy.</p> <p><b>Stuttgart</b> with a range of services and funding programs for the creative sector offered by the economic department.</p> <p>Various funding mechanisms and programs specifically support the green and digital transition of CCSIs. The aforementioned examples explain the good integration of CCSIs within innovation partnerships and industry transition projects in Baden-Württemberg.</p>
<p>Hungary- Central Transdanubia Region</p>	<p>In Hungary, the connection between CCS and industry transition projects, as well as innovation partnerships, is currently developing but not yet robust. The CCS in the region is somewhat related to these projects, but the relationship is not strong or consistent.</p> <p>The primary funding for CCS comes from the Ministry of Culture and Innovation through regular programs, which are often limited in scope and size. Initiatives like the Creative Europe Program offer opportunities for CCS to engage in industry transition and innovation. However, many calls for proposals lack specific incentives for CCS or explicitly exclude them, limiting their participation in broader industry transition projects.</p> <p>To improve connectivity, we need more inclusive and incentivized funding mechanisms that specifically encourage CCS to participate in and contribute to industry transition and innovation partnerships across various sectors.</p>
<p>Italy - Veneto region,</p>	<p>The Veneto Region’s cultural strategies and policies contribute extensively to connecting CCSI sectors to the digital and green transition and to innovation processes in general.</p> <p>At the strategic level, the “<b>Smart Specialization Strategy (S3) of the Veneto Region 2021 - 2027</b>” identifies priority areas on which to focus resources for research and innovation, particularly those derived from Cohesion Policy funds for the period 2021-2027. The document analyzes the socio-economic context and the regional research and innovation system, identifying strategic areas of intervention in research and innovation and defining their development trajectories. One of the areas is Culture and Creativity, which is declined in 7 trajectories: 1) Innovative interventions for product recognizability and communicability, for example with techniques for User Experience (i.e. enhancement of corporate heritage museums through artistic languages); for traceability; for the introduction of sustainability protocols and certifications oriented to the enhancement of the territory also through co-marketing with the tourism sector; 2) Cultural heritage technologies for the recovery, preservation, enhancement and storytelling of historical, artistic and cultural heritage; 3) Innovation and digitalization in processes; 4) Business models and value-added services; 5) Technologies for design and prototyping of creative products; 6) Advanced digital technologies for the creative and cultural market; 7) Development of digital tools for the enhancement, enjoyment and promotion of the cultural and creative system.</p> <p>At the programmatic level, within the priorities identified by the <b>ERDF (European Regional Development Fund) Regional Programming 2021-2027</b>, the role of culture and the support for CCSIs is confirmed and strengthened (about 16 million had been allocated in the 2014-2020 Programming):</p> <p>&gt; Actions under Priority 1 “<b>A More Competitive and Smarter Veneto</b>”:</p>



	<p>1) Digitalization initiatives for the cultural sector led by private entities; 2) Interventions in support of cultural, creative and audiovisual enterprises, with a total of €32 million divided as follows: A) €10 million for the consolidation of existing enterprises; B) €2 million for the creation of new enterprises; C) €20 million for audiovisual production.</p>
<p>Italy - Friuli-Venezia Giulia region</p>	<p>CCSIs are somewhat related to industry transition projects and innovation partnerships, but the relationship is not strong or consistent. The largest part of funds exclusively directed towards CCSI comes from the Ministry of Culture through regular but small programs. Through initiatives such as NextGenerationEU and specific programs encouraging innovation, CCSIs have the opportunity to engage in industry transition and innovation, but most calls lack specific incentives for CCSI or explicitly exclude them, thus limiting their participation in wider industry transition projects and innovation partnerships.</p> <p>There are some national calls that were exclusive to CCSI, and they are related to PNRR funds (so the period 2021-2026), but they are very difficult to access if the companies are small and the projects funded have strong objectives, furthermore the incentives to get the funds are not always convenient (not 100% of costs covered, strict reporting rules). Finally in the Friuli Venezia Giulia Region not many calls are CCS related, only one was published in 2023.</p> <p>To improve connectivity, there should be more inclusive and incentivized funding mechanisms that specifically encourage CCSIs to participate in and contribute to industry transition and innovation partnerships across a wider range of sectors.</p>
<p>Slovakia - Košice region</p>	<p>The connection between CCSIs and industry transition projects in the Košice region of Slovakia is growing but still emerging. Creative Industry Košice (CIKE) plays a significant role, collaborating with local and international partners to foster innovation and creativity. Technical University of Košice (TUKE) contributes through research and innovation projects intersecting with CCSIs, particularly via the TUKE Start-up Center. The regional government supports these sectors with funding, grants, and infrastructure to promote collaboration.</p> <p>Despite these efforts, systematic integration between CCSIs and traditional industries remains limited. While individual projects and collaborations exist, a cohesive strategy to fully integrate these sectors into the broader industrial transition framework is still developing. Often, creative projects rely heavily on public funding or short-term grants, which can limit their sustainability and long-term impact. Traditional industries sometimes fail to recognize the value of integrating creative processes, leading to missed opportunities.</p> <p>Overall, while there are promising initiatives and collaborations facilitated by organizations like CIKE and educational institutions like TUKE, challenges remain in terms of systemic integration, resource allocation, and awareness. Continued efforts to strengthen these connections through strategic policies, increased funding, and broader recognition of the value of CCSIs will be crucial in leveraging the full potential of these sectors in driving regional innovation and economic growth.</p>
<p>Slovenia</p>	<p>Slovenia has made significant progress in developing and supporting the Cultural and Creative Sectors (CCSI), notably with the establishment of the Centre for Creativity (CzK). As a national platform for CCSIs development, CzK marked a key milestone by introducing and supporting the first public grants for creative industries through Ministry of Culture open calls. This progress was further bolstered by the funding of two Networks of Research Arts Centers, KonS.Platform and RUK, supported by European</p>



<p>Slovenia</p>	<p>Cohesion funds. All projects totalling EUR 20 million between 2017-2023 and continuing additional funding, for the period 2024-2028/2029.</p> <p>Since 2013 Slovenia supports the Competence Centre for Design Management (KCDM), connecting 55 companies and organizations, focusing on: design management basics, service design, and sustainable design. Additionally, are also several other EU projects, particularly Interreg projects, that are important for the development of CCSI in Slovenia, run by different organisation from different sectors.</p> <p>Since 2013 Slovenia supports the Competence Centre for Design Management (KCDM), connecting 55 companies and organizations, focusing on: design management basics, service design, and sustainable design. Additionally, are also several other EU projects, particularly Interreg projects, that are important for the development of CCSI in Slovenia, run by different organisation from different sectors.</p> <p>However, the current reliance on project-based funding presents a significant challenge, as it does not provide the long-term stability needed for substantial development. Slovenia lacks a strategic national framework and coordinated policy support that could ensure the ongoing growth and integration of the creative sector. While the Ministry of Culture’s grants and other EU-funded projects have been beneficial for CCSI development, they are insufficient for driving major long-term development that involves a broader range of stakeholders, including industry, science, and the creative sector.</p> <p>Research indicates a persistent disconnect between the innovation ecosystem and the creative sector, with limited cross-sectoral collaboration. This gap underscores the need for a more systemic approach, backed by state initiatives and strategic national funding that goes beyond short-term projects.</p> <p>Recommendations from CzK researches emphasize the need for policies and measures developed in collaboration with multiple ministries, such as the Ministry of the Economy, the Ministry of Culture, Ministry of Regional Development and Cohesion, Ministry of Higher Education, Science and Innovation and others. A coordinated effort involving these ministries could create effective connections through joint incentives and funding mechanisms, ultimately providing the necessary support for the CCSI to thrive and contribute to Slovenia’s innovation landscape.</p>
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### 3.3 Joint Policy Denominator - Proposed Measures to Support CCSI

As we stated before, CCS can make changes on 3 levels, in its own industry, in other industries and on the societal level<sup>31</sup>.

Based on the study of the sector, a list of proposed measures for the development of the CCS was created. The analysis highlighted three main objectives for supporting the CCS<sup>32</sup>:

- Objective 1: Improvement of the business environment for the operation of CCS > Goal: IMPROVED OPERATION WITHIN CCS
- Objective 2: Competitive, transnational, and export-oriented CCS > Goal: EXTERNAL PROMOTION
- Objective 3: Strengthening the role of CCS in the economy and society > Goal: WORKING EXTERNALLY FOR IMPROVED RELATIONSHIP WITH USERS AND INDUSTRY

#### • Objective 1: Improvement of the business environment for the operation of CCS

Measures aimed at improving the business environment for the operation of the entire CCS. The general operating conditions of the industry are determined by the state through the creation and adoption of general legislation (e.g. tax, labor, industrial property protection, competition protection policy).

ACTION	DESCRIPTION	SUGGESTED ACTIVITIES
<p><b>Analytical bases</b> (analysis, monitoring and evaluation)</p>	<p>Analysis of the state, trends and effects of operation.</p>	<ul style="list-style-type: none"> <li>• <b>Regular (continuous) analyses:</b> statistical analysis of the CCS and it's needs, periodic reports on individual aspects e.g. internationalization, financing, human resources, regional aspects, administrative obstacles, infrastructure, innovation, <b>digitalization</b>, development trends and value chains, analysis of access to public financial resources...</li> <li>• <b>Assessment of the effects of CCS</b> e.g. economic, social, environmental aspects.</li> <li>• <b>Monitoring</b> the implementation of measures and programs of promotion of the CCS and preparation of periodic reports.</li> <li>• <b>Evaluation</b> of the implementation of measures and programs of the promotion policy.</li> <li>• <b>Constant analysis</b> of successful practices of promoting CCS abroad.</li> </ul>

<sup>31</sup> European Commission. *Voices of Culture, Culture & Creative Sectors & Industries Driving Green Transition and Facing the Energy Crisis*. 2023.

<sup>32</sup> Murovec, Kavaš. (2023).



<p><b>Strengthening the strategic role of CCS</b></p>	<p>Connecting various stakeholders with the aim of preparing an integrated strategy for promoting CCS.</p>	<ul style="list-style-type: none"> <li>• <b>Preparation of strategy for the development of CCS</b> in cooperation with stakeholders, which will be coordinated with other horizontal and sectoral strategies (e.g. smart specialization strategy, research and innovation strategy, industrial strategy, environmental protection, educational policy, sustainable mobility, and regional policies).</li> <li>• <b>Preparation of an action plan</b> for the implementation of the CCS strategy.</li> <li>• <b>Change in legislation.</b></li> <li>• <b>Establishment of governmental coordination mechanism for CCS.</b></li> <li>• <b>Strengthening the regional and local role of CCS</b> (urban regeneration; supporting concepts such as creative cities; creative quarters; strengthening of CCS support in rural areas, at the regional and local level: infrastructure, financial assistance, promotion, training).</li> </ul>
<p><b>Institutional support of CCS</b></p>	<p>Strengthening and upgrading of institutional infrastructure.</p>	<ul style="list-style-type: none"> <li>• <b>Continuation and strengthening of the organizations (e.g. CzK)</b> that promote integration with the innovation and entrepreneurial support environment (ensuring systemic funding)</li> <li>• <b>Establishment of an organizations</b> (e.g. public agencies for creativity) to implement a policy of comprehensive support for CCS.</li> <li>• <b>Strengthening connections</b> between different parts of the CCS ecosystem, enhanced cooperation with the start-up ecosystem. CCS needs an advocate (ecosystem organizer), because the sector is not heard in the processes of creating legislation and public policies.</li> <li>• <b>Strengthening the role of intermediary and sector's organizations</b> (to control transparency, creation of quality standards, avoidance of unfair competition, evaluation of work, identification of administrative obstacles...).</li> <li>• <b>Establishment of CCS cooperation with the private sector.</b></li> <li>• <b>Establishment of CCS cooperation with the public sector.</b></li> </ul>
<p><b>Modernize educational programs</b></p>	<p>Strengthening creativity and entrepreneurship through education.</p>	<ul style="list-style-type: none"> <li>• <b>Modernization of higher education programs:</b> interdisciplinarity (STEAM, business content)</li> <li>• <b>Creative thinking, design thinking, art thinking programs</b> in tertiary education.</li> <li>• <b>Upgrade of the creative entrepreneurship program.</b></li> <li>• <b>Strengthening cultural and artistic education in elementary and secondary schools</b> (all CCS branches).</li> <li>• <b>Pilot programs of creative, design and artistic thinking in selected secondary schools.</b></li> </ul>





<p><b>Awareness, encouragement, promotion and information</b></p>	<p>Raising awareness and informing the general public, private and public sectors and policy makers about the importance of CCS.</p>	<ul style="list-style-type: none"> <li>• Conferences, seminars, exhibitions, awards, round tables, dissemination of good practices; promoting the results of analyzes and evaluations and the potential of CCS, raising awareness and educating business, the public sector and the non-governmental sector, networking. As the number of initiatives and platforms increases, there is a need for their interconnection. Organization of events to strengthen the CCS ecosystem, linking the national, regional and local levels and strengthening the public policy of CCS support.</li> <li>• <b>Upgrade of the online presentation of CCS.</b></li> <li>• <b>National awards in the field of CCS:</b> awarding good practices of cooperation between the private (economy), the public sector and CCSS (economic and social criteria).</li> </ul>
<p><b>Public tenders</b></p>	<p>Strengthening the importance of CCS in the public sector.</p>	<ul style="list-style-type: none"> <li>• <b>Efforts to increase the demand</b> for innovative goods and services in the public sector.</li> <li>• <b>Non-economic criteria</b> in public tenders should play an important (decisive) role in the selection.</li> </ul>
<p><b>Infrastructure support of CCS</b></p>	<p>Establishment of infrastructure (consulting, training, promotion, services, equipment, community, connection).</p>	<ul style="list-style-type: none"> <li>• <b>Upgrading of spatial infrastructure</b> (increased availability of public and private production spaces).</li> <li>• Establishment or upgrade of physical and virtual <b>creative incubators</b>.</li> <li>• <b>Development of regional creative hubs</b> in cooperation with local communities with the inclusion of existing support organizations (eg entities of the innovative environment, incubators).</li> </ul>



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• Objective 2: Competitive, transnational CCS

A competitive CCS needs adequate support from public policies. Interministerial cooperation is needed in the design and implementation of policies, measures and projects that support the various functions/competencies of providers, clients, the education sector and support organizations.

ACTION	DESCRIPTION	SUGGESTED ACTIVITIES
<p><b>Strengthening of competences</b></p>	<p>Strengthening the competences of CCS providers, clients, educational organizations, and the public sector</p>	<ul style="list-style-type: none"> <li>• <b>Strengthening student cooperation with the industries and the public sector</b> (e.g. scholarships, co-financing of creative projects; projects for practical experiences and knowledge in the working environment; intensive training and networking programs for students/entrepreneurs).</li> <li>• <b>Systematic monitoring/analysis of career paths of creatives:</b> important role of universities.</li> <li>• <b>Training and consulting for providers from CCS</b> (business, digital and financial skills, project management, marketing, technologies).</li> <li>• <b>Upgrading and strengthening creative entrepreneurship programs.</b></li> <li>• <b>Intensive training for “deficit” professions.</b></li> <li>• <b>Mentorships.</b></li> <li>• <b>Professional assistance to providers from CCS in the areas of intellectual property rights.</b></li> <li>• <b>Informing providers from CCS, business and the public sector about development trends.</b></li> </ul>
<p><b>Support for connecting and strengthening the capacity of providers from CCS</b></p>	<p>Building a critical mass of providers from CCS and eliminating the shortcomings of existing value chains.</p>	<ul style="list-style-type: none"> <li>• <b>Business connection in CCS</b> (establishment of CCS clusters and other forms of connection).).</li> </ul>
<p><b>Support for the internationalization of CCS</b></p>	<p>Strengthening the internationalization of CCS with selection of focus countries and events, and genres of creativity that are more susceptible to critical and media responses. Inbound internationalization should also be supported.</p>	<ul style="list-style-type: none"> <li>• <b>Legal and business consulting and information support for export.</b> Connection with international networks (e.g. Enterprise Europe Network).</li> <li>• <b>Funding of foreign market research.</b></li> <li>• <b>Organization of entry in foreign markets</b> (participation in export business delegations, organization of B2B meetings) in cooperation with supportive organizations.</li> <li>• <b>Connecting organizations that promote creativity</b> with similar support organizations abroad.</li> <li>• <b>Professional and financial support for acting on foreign markets</b> (legal assistance, voucher</li> </ul>



		<p>for internationalization). preparation of business delegations, B2B). <b>markets (legal assistance, voucher for internationalization).</b></p> <ul style="list-style-type: none"> <li>• <b>Strengthening the services of the representative offices abroad with information, lectures with support of the Ministries of Foreign Affairs.</b></li> <li>• <b>Promotion of CCS as an integral part of the promotion of the country in connection with tourism, economic diplomacy... CCS as a strategic priority of the country (support for the economy, culture, branding of the country).</b></li> <li>• <b>Promotion of CCS abroad (exhibitions, fairs, preparation of business delegations, B2B).</b></li> </ul>
<b>Enhanced access to finance</b>	Availability of refundable and non-refundable financial resources.	<ul style="list-style-type: none"> <li>• <b>New financial instruments</b> for CCS: micro-loans, guarantee mechanisms.</li> <li>• <b>Non-refundable financial incentives</b> for CCS for the development of products and services with an emphasis on the development of innovative projects in cooperation between CCS and SMEs.</li> <li>• <b>Non-refundable financial incentives</b> for CCS for solutions with a social impact.</li> <li>• <b>Informing CCS about available financial resources.</b></li> <li>• <b>Start-up incentives.</b></li> <li>• <b>Seed capital.</b></li> </ul>
<b>Modernization of CCS</b>	Improving the technological equipment of CCS providers and supporting spatial infrastructure with an emphasis on digitization.	Public tenders for the purchase of new technological equipment (hardware, software), digitization.



• **Objective 3: Strengthening the role of CCS in the economy and society**

In the coming years, we should strengthen the competencies of users in both the private and public sectors. The services of CCS providers will only become an integral part of these sectors when the economy and society fully recognize their value and impact.

ACTION	DESCRIPTION	SUGGESTED ACTIVITIES
<p><b>Cooperation and promotion of research and development projects between the business sector, CCS, research and education organizations</b></p>	<p>Involvement of CCS in development projects.</p>	<ul style="list-style-type: none"> <li>• <b>Involvement of CCS in comprehensive innovation projects</b> (for new products and services, new business models, living laboratories).</li> <li>• <b>Encouraging multidisciplinary groups:</b> e.g. projects to solve environmental and social problems in connection with EU green and digital transition policies (e.g. innovation with a mission). Use of innovative public procurement.</li> </ul>
<p><b>Strengthening the role of CCS in the public sector</b></p>	<p>Integration of CCS in the operations of the public sector.</p>	<ul style="list-style-type: none"> <li>• <b>Preparation of professional bases</b> for the use of service design in the public sector (situation analysis, description of foreign experiences), preparation of methodological manuals.</li> <li>• <b>Service design</b> pilot projects in selected sectors (healthcare, social care...) and an upgrade of existing projects.</li> <li>• <b>Continuing the training of public sector employees</b> about creative methods, design thinking, problem solving and the importance of CCS for the public sector, the economy and society. Continuation or upgrade of the existing projects.</li> <li>• <b>Involvement of the public sector in international projects</b> in the field of CCS (exchange of experiences).</li> <li>• <b>Training for public sector employees in better preparation, writing and implementation of interdepartmental and intersectoral legislation</b> (co-creation).</li> <li>• <b>Circulation between the state administration and CCS.</b></li> </ul>
<p><b>Strengthening the role of CCS in the private sector</b></p>		<ul style="list-style-type: none"> <li>• <b>CCS vouchers</b> for cooperation between companies and external contractors or consultants to design products/ services, process improvements, protection of industrial property rights and encouraging companies to take an active role in improving the visibility of the company or its products on the market and internationalization.</li> <li>• <b>Encouraging the connection of young creatives with companies</b> with public tenders.</li> <li>• <b>Encouraging the inclusion of providers from CCS in start-up entrepreneurial teams</b> in various incentives/calls for start-up companies: networking, events...</li> <li>• <b>Informing the industry about the importance of CCS</b> for the innovation and competitiveness of the economy with conferences, working meetings, joint projects...</li> </ul>



### 3.4 Conclusion of the Analysis

Funding schemes for cultural contributions are primarily dedicated to culture, with limited allocation to CCSI. Additionally, funds intended for digital transition, green transition, and innovation are often redirected to other industry sectors. The value and importance of CCSIs are underrepresented in financing mechanisms, leading to their decoupling from digital, green, and innovation value chains.

Poor policies combined with inappropriate financing instruments have marginalized the CCSI sectors within the Green Deal, thereby wasting the potential this industry could offer to the technology sector, particularly in terms of technology transfer and market-driven innovation.

Research on policy and financing opportunities reveals that EU creativity and innovation policies are incoherent and none of the supporting mechanisms for industry transition and innovation specifically target CCSIs.

This outcome confirms that policymakers value the CCSI sector primarily for its cultural output, rather than its **technical or innovation contributions**.

We find the following reasons for this:

- **Lack of a comprehensive EU policy and financial support**
- **Inexistence of relevant data** that advocates the role of the CCSIs within the innovation value chain prevents policymakers from identifying the role of the CCSIs and assigning correct support approach
- Fragmentation within the sector, resulting in limited financial capacity, prevents CCSIs from engaging in multi-year projects with increased risk of success (such as innovation-collaborative projects). Consequently, the number of innovation projects is low.
- A lack of knowledge and skills in business management and technology limits the number of cultural and creative organizations with the operational capacity to form interdisciplinary teams and engage in co-development activities.

Financial constraints are a major barrier to research and development (R&D) for innovation in the CCS<sup>33</sup>. Although R&D are at the core of CCS activities, they are often not recognised or eligible for existing R&D support schemes as traditional measures fail to adequately <sup>34</sup>capture the soft innovation occurring within CCS. Additionally, public funds mostly support established cultural institutions (museums, theatres...) and the research sector (e.g., universities, institutes...), with only a small portion available for individual creatives through public grants.

Therefore, the solution is a mixed type of support mechanisms to **bring creativity and talent into**

<sup>33</sup> European Commission, Directorate-General for Education, Youth, Sport and Culture, *Towards more efficient financial ecosystems - Innovative instruments to facilitate access to finance for the cultural and creative sectors (CCS) - Good practice report* (2016), p. 7  
<https://data.europa.eu/doi/10.2766/59318> (Accessed 20.8.2024)

<sup>34</sup> European Commission, *Impulse paper on the role of cultural and creative sectors in innovating European industry* (Brussels, 2018), p. 29  
[https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry\\_integrated.pdf](https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry_integrated.pdf) (Accessed 20.8.2024)



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**the innovation equation and boost the industry transition**, that includes **building capacity, piloting the change** and measuring success. This will provide policymakers with missing data and increase the financial and intellectual capacity of CCSI's to engage an **industry transformation and innovation** on equal terms.



## 4. Strategic Framework: CCSI and Industry Collaboration

To understand the changes in the business and the need for a multidisciplinary approach to DGC transition, we must compare traditional business models with contemporary practices.

### 4.1 From Traditional to Contemporary Business Models

Traditional industries are focused on established, linear processes where value was created and delivered primarily through physical products or services. Organizational structures were hierarchical with centralized decision-making, and long-term planning. The focus was on profit maximization, cost reduction, efficiency and traditional marketing and sales channels (brick-and-mortar stores and direct sales teams).

Traditional businesses relied on *direct contribution* (direct sales, measurable revenue streams, and straightforward transactions) and *direct marketing* with direct promotion to potential customers through various channels such as mail, email, phone calls, or text messages, with the aim of generating immediate responses or sales.

In recent years, considerable research has been conducted into marketing strategies in traditional business sectors, due to marketing challenges and opportunities in new economies. Taking into consideration paradigm changes due to a shift in power to customers caused by increased customer knowledge, a massive increase in product selection, media fragmentation and changed perceptions of value<sup>35</sup> and finally, the urge for sustainability, a new paradigm that involves collaboration with creative industries with new competencies such as digital and green arises.

Fitting a traditional marketing model into the context of collaboration between creative and cultural individuals and industries involves adapting traditional marketing approaches and strategies to leverage the unique strengths and outcomes of these collaborations.

The main areas of discussion and opportunities for policy innovations, including the importance of tourism, sustainability and the internet in the state-of-art literature, highlight the need for an integrated approach to DGC transformation for and with CCIs<sup>36</sup>. Future research can be conducted in different sectors to generalize and build the notion of smart and sustainable consumption and production.

The younger generation is increasing the potential of the creative industry towards economic growth in all industries, with a particular focus on **role of market innovations**, where CCSIs can provide a **key role**. Integrating CCSIs increases the level of digital adoption and creativity, resulting in additional

<sup>35</sup> Kotler, Philip, Armstrong, Gary. *Principles of marketing*. 2010.

<sup>36</sup> Wei, P., Wang, Y., Pan, Z., Liao, H. T., & Zhou, X. *Towards the convergence of green and digital transformation of creative and cultural industries: an exploratory bibliometric analysis for sustainable development*. (2020). pp. 259-263





capacity to offer sustainable products and services that will meet the consumers demands<sup>37</sup>.

In a new market era and interdisciplinary approach, CCI impact can stimulate business, technology, and society and drive innovations within individual regions, as well as on the international level. This makes CCIs significant elements of the modern, post-industrial, and knowledge-based economy<sup>38</sup>.

Contemporary systems that are oriented toward value co-creation and business transformation should aim to build up dynamic and holistic approaches to co-design mission and purpose-driven actions, outcomes and no-harm impacts. Simultaneously, the ignition of the transformative capacity of all forms of collaboration, especially international, interdisciplinary and intersectoral, might be a starting point to overcome the unjust and unsustainable biased status quo<sup>39</sup>.

## 4.2 Transformative Practice

Nowadays digital technologies have changed all industries and are used to create and deliver value through both physical and digital products or services. More successful are flexible, decentralized, and networked organizational structures with agile decision-making processes. The focus is on innovation, sustainability, and customer-centric approaches, utilizing digital marketing, e-commerce, and various online platforms to reach and engage customers globally.

Direct contribution and marketing have been replaced by **direct engagement** (active and interactive involvement with customers, stakeholders and partners, often facilitated through digital platforms and social media) and **indirect marketing** (strategies that do not directly promote a product or service but rather build brand awareness, relationships, and trust over time). Activities influence potential customers indirectly. Businesses heavily rely on SEO (Search Engine Optimization), content marketing, social media engagement, influencer partnerships... Both approaches reflect a shift towards long-term engagement and brand building.

A **disruptive business model** significantly challenges existing market or industry norms. This customer-centric approach tries to address unmet customer needs that are solved through innovation and new technologies, resulting in more efficient, affordable, or accessible products. New products and services are designed to grow quickly and adapt to changing market conditions using digital platforms and new technologies. Such models can overtake established competitors and can create new markets or entirely transform existing ones. Companies like Amazon, Uber, Lyft, Netflix, Spotify, Airbnb, RyanAir, Coursera and Udemy have fundamentally changed the way markets operate and how customers behave.

37 Wijayani, L., & Puspitarini, H. D. Fostering the Role of the Creative Economy toward the ASEAN Green Transition and Sustainable Economic Recovery. *Creative Economy*, Vol. 2030, (2022), pp. 84-98.

38 Klein Monika, Spsychalska-Wojtkiewicz Monika. Cross-sector partnerships for innovation and growth: can creative industries support traditional sector innovations? *Sustainability* (2020) <https://doi.org/10.3390/su122310122>

39 Caro-González, A., Serra, A., Albala, X., Borges, C. E., Casado-Mansilla, D., Colobrans, J., ... & Petrevska Nechkoska, R. *The three muskEuteers: Pushing and pursuing a "one for all, all for one" triple transition: Social, green, and digital. In Facilitation in Complexity: From Creation to Co-creation, from Dreaming to Co-dreaming, from Evolution to Co-evolution* (2023). pp. 3-28. <https://biblio.ugent.be/publication/01HP6HRPDHN39783TP0EGJ6HG2>





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For all innovative business models, new products and groundbreaking technologies that have changed the world, highly innovative individuals, teams, and financiers were needed. CCS can drive such transformations if their role is recognized and supported. In Figure 3 various roles of design in innovation are shown, highlighting the important and beneficial role of collaboration.

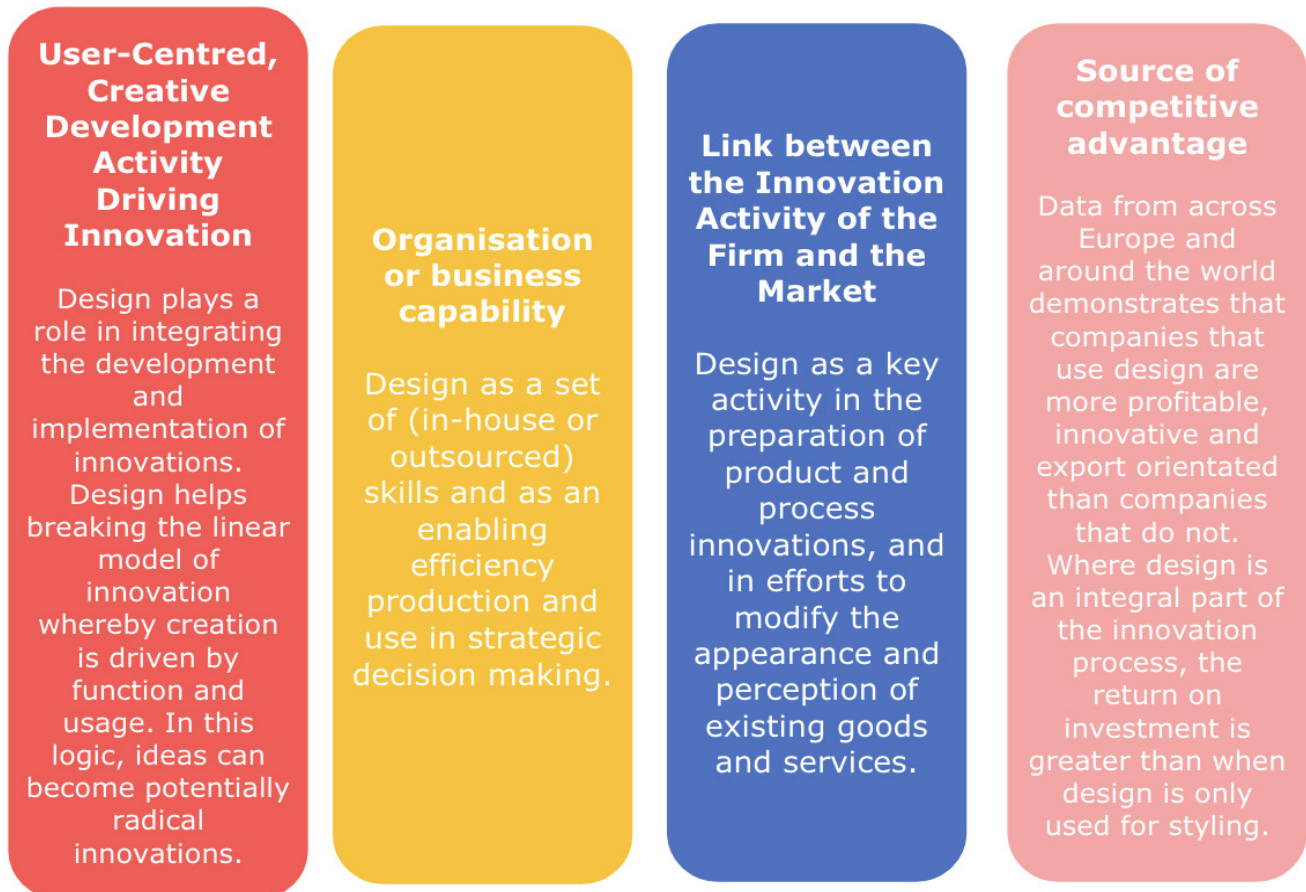


Figure 3: The various roles of design in innovation

Source: Galindo-Reuda, F. and Millot F. (2015). *Measuring Design and its Role in Innovation*, OECD Science, Technology and Industry Working Papers, OECD Publishing, p.8.

In 2015, the OECD research provided the model that connects design and innovation, and the methodology such as user-centered innovation are now part of standard business processes in activities like **user experience design** (UX design) and **customer-centric** solution development.

The same models need to be applied to industry transition (digital and green), where **transformative processes** should be designed by users and for users, increasing the adoption success rate.



### 4.2.1 Creative Based Methodologies

Creative industries are increasingly integrating social innovation and new creative based methodologies to tackle complex challenges. These techniques use creativity in the process from problem definition to solution development. Widely adopted across different businesses sectors, this approach demonstrates that innovation driven by CCSIs is multifaceted, integrating technological, business model, and creative elements.

The foundation of creative based methodology is the fact that all innovation starts with creativity and that creativity is a personal trait, thus support is dimensioned toward ecosystem that can emerge creative talent able to drive industry transformation.

Main tool of creative base methodology is cross-sectoral collaboration that embeds co-creation, peer exchange and competence sharing.

The interconnectedness between art, design and strategy is presented in the graphic below, where we see tools used today to catalyze innovation in business, but the same can and should be applied to industry transition.

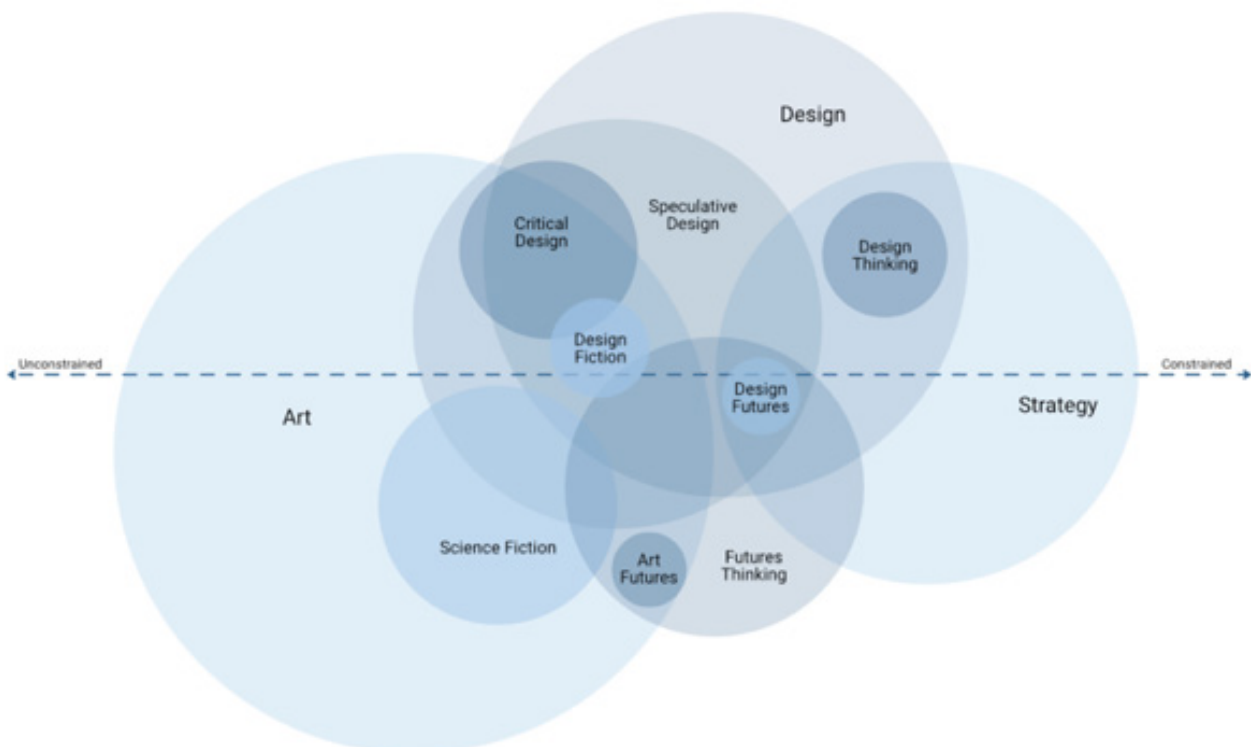


Figure 4: Interconnectedness of Art, Design and Strategy

Source: <https://futurehumanbydesign.com/2019/09/futures-thinking-and-design-thinking/>



Cross-sectoral collaboration comes in many forms, but the most common approaches are the next four.

<p><b>DESIGN THINKING</b></p>	<p>Design thinking is a user-centered problem-solving approach that involves understanding users’ needs, challenging assumptions, redefining problems, and exploring alternative strategies and solutions.</p> <p>It includes stages such as empathizing to understand user needs through research (using interviews, observations, etc.); defining the problem clearly (with synthesizing the information); ideating to generate ideas (using brainstorming and creative thinking techniques); prototyping to create tangible models for testing (from simple sketches to fully functional models); and testing with users to refine solutions (iterating with users).</p> <p>This method encourages a collaborative, multidisciplinary approach, integrating stakeholder input to innovate and solve complex problems. It’s widely used in business, education, healthcare, and technology, to foster creativity and innovation.</p> <p>There are some differences in definitions and approaches to the method (among the most important leaders in this field are Harvard University<sup>40</sup> and The Stanford d school (Hasso Plattner Institute of Design)<sup>41</sup>. Two of the leading institutions for Design Thinking<sup>42</sup> in Europe are the Hasso Plattner Institute (HPI) School of Design Thinking in Potsdam, Germany and Design Thinking School of the Lucian Blaga University of Sibiu .</p>
<p><b>ART THINKING</b></p>	<p>Art Thinking is a creative methodology that combines artistic processes with problem-solving to foster innovation and new perspectives. Unlike Design Thinking, which focuses on user-centric solutions and incremental improvements, Art Thinking encourages open-ended exploration and radical creativity. It seeks to tackle complex challenges by leveraging artistic mindset to question norms, explore possibilities, and envision transformative ideas.</p> <p>Art Thinking involves three main phases: inspiring, envisioning, and prototyping. In the inspiration phase participants generate creative questions through exposure to artworks and workshops. In the envisioning phase develops these questions into concrete missions and plans. Finally, the prototyping phase creates tangible solutions, fostering feedback and stimulates social dialogue.</p>

40 Harvard Business School:  
<https://online.hbs.edu/blog/post/what-is-design-thinking> (Accessed 20.8.2024)

41 The Stanford d.school (Hasso Plattner Institute of Design):  
<https://hpi.de/en/school-of-design-thinking.html>, <https://dschool.stanford.edu/about> (Accessed 20.8.2024)

42 Hasso Plattner Institute of Design, Potsdam, Germany:  
<https://hpi.de/en/studies/design-thinking.html>

The Hasso Plattner Institute and MIT (Massachusetts Institute of Technology) collaborate on tackling global societal challenges through a new joint research program “Designing for Sustainability”.  
<https://hpi.de/en/research/cooperations-partners/research-program-designing-for-sustainability.html> (Accessed 20.8.2024)



	<p>Ars Electronica’s Futurelab<sup>43</sup> has developed comprehensive Art Thinking programs that connect creators, industries, governments, and citizens. These initiatives cultivate a creative mindset that questions societal norms and encourages innovative solutions.</p> <div style="text-align: center;"> </div>
<p><b>SPECULATIVE DESIGN</b></p>	<p>Speculative design explores and questions potential futures through scenarios, objects, and narratives that challenge assumptions about societal, technological, and environmental developments.</p> <p>Speculative design provokes debate and critical thinking by creating “what if” future scenarios that range from plausible to fantastical. By providing a space to explore the consequences, it encourages reflection on current trends and decisions. Linked closely to critical design, it critiques norms and the status quo and envisions alternatives, often creating physical artifacts or prototypes to represent future possibilities.</p> <p>This interdisciplinary approach involves collaboration across art, science, engineering, and social sciences, used in technology, urban planning, healthcare, and environmental sustainability, to explore and consider ethical and social implications of different futures.</p>
<p><b>DANISH DESIGN LADDER</b></p>	<p>A conceptual model developed by the Danish Design Centre in 2001 to illustrate the different stages of how design is integrated into businesses and organizations. This tool promotes the strategic use of design, helping businesses understand its value and guiding them through different levels of design utilization. It encourages them to progress from 1. No Design &gt; 2. Design as Styling &gt; 3. Design as Process &gt; to 4. Design as Strategy. By moving up the ladder, businesses can achieve greater competitive advantage, innovation, and customer satisfaction.</p>

<sup>43</sup> Ars Electronica - Futurelab:  
<https://ars.electronica.art/futurelab/en/research-art-thinking/> (Accessed 20.8.2024)



#### 4.2.2 Cross-Fertilization and Spill-Over Effects

Cultural and creative ecosystems are the nurturing ground for innovation within the increasingly recognised broad concept of innovation that goes beyond pure technological innovation from STEM (Science, Technology, Engineering, and Mathematics) to STEAM (Science, Technology, Engineering, Arts and Mathematics) and including social and societal innovation aspects<sup>44</sup>.

CCS operate within **ecosystems** and CCSs work in an intertwined way with different sectors adjacent to their own, or with completely different sectors, and in a cross-sectoral and transdisciplinary way.

**Spill-over effect** refers to the (often indirect and even unidirectional) impact that one sector has on another. Cultural and creative spill-overs are defined as the “process by which an activity in the arts and CCI has a subsequent broader impact on places, society or the economy through the overflow of concepts, ideas, skills, knowledge and different types of capital”<sup>45</sup>. They are generated through the interaction between culture-based creativity and other forms of innovation and processes, such as scientific, technical, and commercial innovations.

We already described Economic effects of the CCS in chapter 2.1.2. showing that the impacts of inter-collaboration between CCS and other industries are highly intertwined and highly beneficial.

<sup>44</sup> COCO4CCI - Interreg Central Europe, Cooperation between CCI and AVM: Boosting Innovation in Central Europe. Ljubljana. p. 25.

<sup>45</sup> Tom Fleming Creative Consultancy. *Cultural and creative spillovers in Europe: Report on a preliminary evidence review*. 2015. P. 15. [https://www.e-c-c-e.de/fileadmin/dokumente/publikationen/20151101\\_Publikation\\_Cultural\\_creative\\_spillovers\\_DE\\_EN\\_ecce.pdf](https://www.e-c-c-e.de/fileadmin/dokumente/publikationen/20151101_Publikation_Cultural_creative_spillovers_DE_EN_ecce.pdf) (Accessed 20.8.2024)



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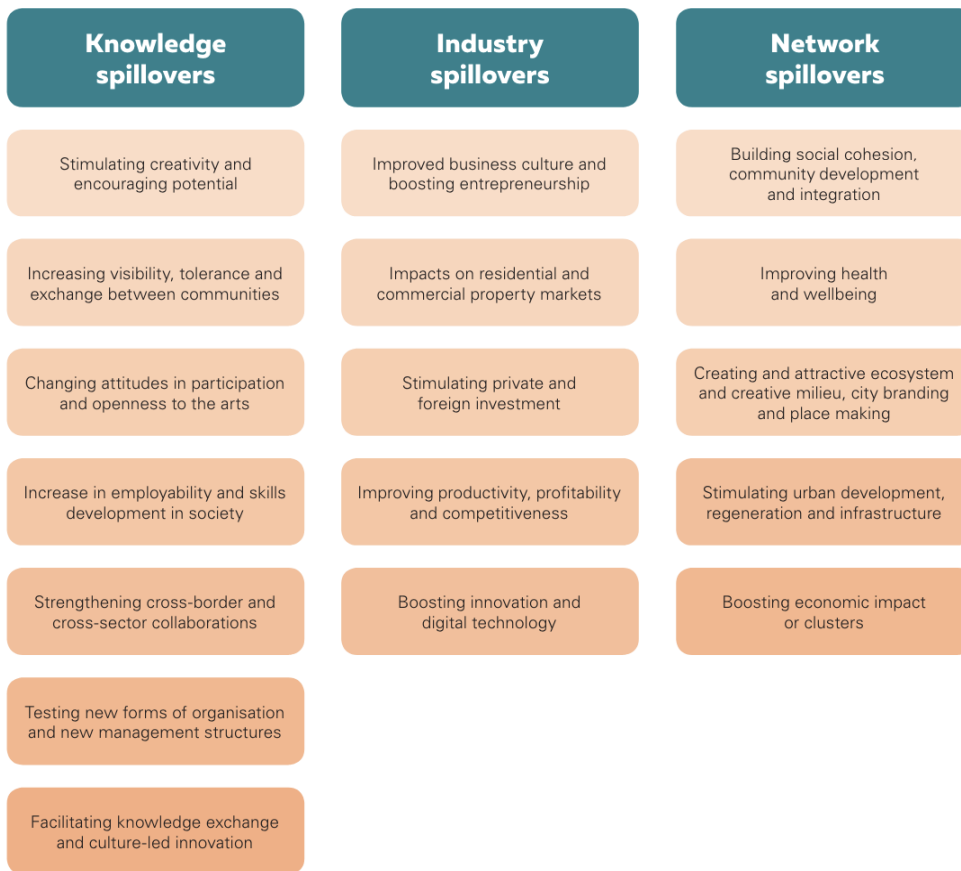


Figure 5: Diagram of spillovers and sub-categories

Source: [https://www.e-c-c-e.de/fileadmin/dokumente/publikationen/20151101\\_Publikation\\_Cultural\\_creative\\_spillovers\\_DE\\_EN\\_ecce.pdf](https://www.e-c-c-e.de/fileadmin/dokumente/publikationen/20151101_Publikation_Cultural_creative_spillovers_DE_EN_ecce.pdf)

**Cross-fertilization** emphasizes mutual collaboration and innovation between sectors or disciplines, fostering new ideas and innovative content. Creativity inspires business innovation, leading to more creative marketing, product designs, and customer experiences.

In practice of design thinking, aesthetic sensibilities from the arts improve product design, functionality, and user experience, while business insights help artists understand market demands, guiding the creation of art that resonates with consumers.

The level of cross-fertilization can be further enhanced, by increasing level of cooperation the creativity cluster formed from solution providers, business support professionals and creatives are increasing empathy and exchanging practical knowledge, enabling the same to develop functional prototypes of business services and products. This is cross-fertilization where competences of diverse individuals, joint and shared in co-creation increases the applicability and quality of outputs.

Within the scope of Capacity2Transform project the spill-over effect is observed through next three axes:

- **INCREASING COMPETENCES:** Increased competences of individuals raise the competences of entire business ecosystem, leading to new collaborations and new business opportunities.



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- **INDUSTRY CHANGE:** The experiences and solutions developed are shared among peers enabling others to learn from experience and benefit from solutions.
- **POLICY CHANGE:** Testing innovative practice increases knowledge and brings results which lead to better policy and further growth.





## 5. Transformation Plan: Enhancing the Supportive Environment for DGC Transformation

### 5.1 Introduction

This strategy is intended for think-tanks, policymakers from local to national, regional and transnational level and business support organization and creative HUB practitioners.

The main goal of the strategy is to incorporate culture-based and creativity-driven innovation in solving challenges of twin Green and Digital transition and **co-transform entrepreneurial environments into Digital, Green and Creative ecosystems.**

Incorporating culture-based and creative innovation to address the challenges of the Green and Digital transitions involves local actions like building skills and fostering creativity, with support from international efforts.

The focus of the strategy is to support business environments to **adopt the strategy conclusions and engage transformation of local supportive environment.**

The goal to support of business environment is achieved by next activities:

- Providing tools and knowledge and disseminating results.
- Analyzing supporting policy and providing policy proposals.
- Measuring and communicating the effects of DGC actions on economy and society.

#### Culture-base and creativity driven innovation ecosystems

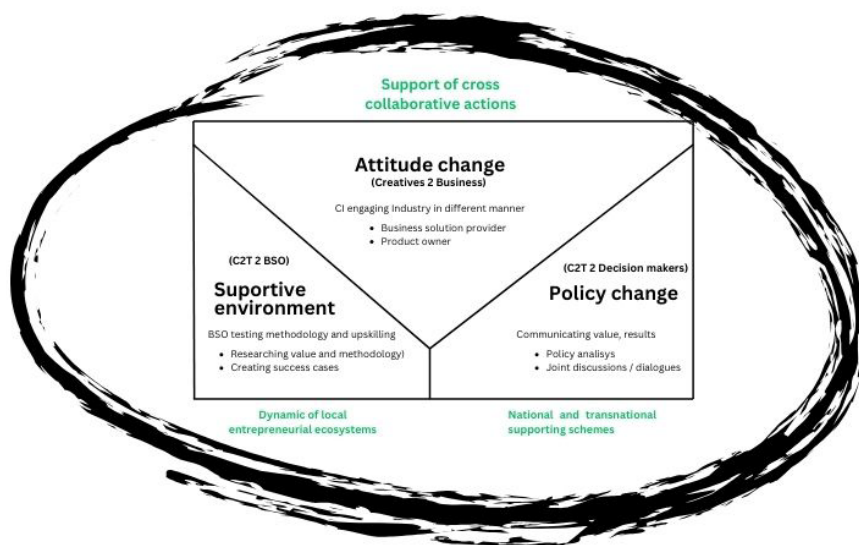


Figure 6: Path to culture-based and creativity driven innovation ecosystem

By equipping BSPs and CCIs with tools and knowledge, and sharing our results, we're encouraging stakeholders to explore innovative cross-sector collaboration. This effort influences policy by creating





a financial framework to fund transformative activities, making them more transferable. Additionally, our analytics provide the data needed to refine tools and promote creative methodologies in the transition of the industry.

The implementation results are:

1. **Attitude change: Business support professionals, creative individuals and technology experts (solution providers)** now recognize CCIs as a valuable part of the innovation and business development value chain.
2. **Policy amendments:** Policy changes have resulted in specific funding for **cross-sectoral collaboration** between CCSIs and/or **DGC creative clusters**.
3. **Increased geographical coverage:** There is expanded geographical coverage of culture-based and creativity driven innovation ecosystem, directly resulting from the support infrastructure and new financing elements.

## 5.2 Cross-Sectoral Collaboration

Cross-sectoral activities between art (CCS) and business integrate ideas and practices from both fields to create innovative products, services, and experiences. Such activities are adaptable and flexible, allowing continuous evolution with new ideas and technologies, leading to hybrid models that leverage the strengths of both domains. Artistic creativity boosts innovation, customer engagement, and brand differentiation. Interdisciplinary collaboration aids in creative product development, experiential marketing, art-driven storytelling, and integrating of digital art and interactive technologies into business offerings<sup>46</sup>. As identified by the European Commission, cross-sectoral collaboration can boost industry transition and provide **hybrid services** of soft innovation to the companies that are struggling with business transformation.

Artists and businesses can collaborate to develop sustainable materials, products and practices, promoting green transition and sustainable, ethical approaches.

CCSIs can also transform their own sector to turn towards green solutions and more sustainable practices. On the other hand, businesses contribute to cultural development by supporting and promoting the arts through art collections, artist residencies, and workshops.

Successful CCSI innovation involves three areas: Technology Innovation, Business Model Innovation, and Creative ('Aesthetic' or 'Soft') Innovation including social innovation<sup>47</sup>. Multidisciplinary and cross-sectoral collaboration addresses ethical, environmental, social and well-being concerns, responding

<sup>46</sup> European Commission, *Impulse paper on the role of cultural and creative sectors in innovating European industry* (Brussels, 2018), p. 10  
[https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry\\_integrated.pdf](https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry_integrated.pdf) (Accessed 20.8.2024)

<sup>47</sup> European Commission, *Impulse paper on the role of cultural and creative sectors in innovating European industry* (EKOS), Creative Industries Innovation: Overview Report, 2018, p. 10  
[https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry\\_integrated.pdf](https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry_integrated.pdf) (Accessed 20.8.2024)



to societal challenges sustainably and inclusively. In a digital world, evolving skills are crucial for adapting to new job requirements and technologies, involving creative professionals and nurturing artistic skills to contribute to a human-centred industry, bridging the gap between technologies and people.

Design is now widely recognised as a tool of innovation, with human-centred design driving purpose-driven industries. Cross-sector activities between the CCS and other industries can occur at various stages of the innovation process: **Ideation** through collaborative processes with customers and the public; **Collaborative R&D** projects; **Education and training**; **Knowledge dissemination** and public engagement in various forms<sup>48</sup>.

Positive outcomes of cross-sector collaboration include networking, skill transfers and projects involving new products and services in both CCS and industry. These activities benefit regions by enhancing the innovation ecosystem, fostering socially relevant innovation through R&D capacities and increasing attractiveness.

**53%**

**of CCS engage in cross-sector collaborations**

When asked, 53% of individual professionals and CCS companies declare collaborating often or very often with other industries.

**42%**

**of business support organisations facilitate cross-sector collaborations**

When asked, 41.9% of creative business support organisations declare facilitating the meeting between CCS and other industries often or very often but 51.7% do it sometimes or rarely.

**63%**

**of public authorities are not regular in the practice of cross-sector collaborations**

When asked, 63.1% of local authorities declare facilitating the meeting between CCS and other industries sometimes or rarely while 36.8% do it often or very often.

Figure 7: Statistics of cross-sector activities

Source: Impulse paper on the role of cultural and creative sectors in innovating European industry, p. 20

[https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry\\_integrated.pdf](https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry_integrated.pdf)

In 2023 Structured dialogue analyzed the role of CCSI in the green transition of industry communicating the topic on **How to better integrate CCSI into other socio-economic activities and industries across Europe?**, to address and contain climate change and respond to the energy crisis with long-term sustainability.

Main recommendations on the topic are:

- Integrate CCSI-led visualization and cultural norm-shifting activities into cross-industrial EU programming.
- Facilitate intersectoral dialogue through cross-sectoral platforms, sector-specific clusters, and intersectoral education to close the gap between STEM and CCSI.

<sup>48</sup> European Commission, *Impulse paper on the role of cultural and creative sectors in innovating European industry (EKOS)*, Creative Industries Innovation: Overview Report, 2017, p. 10  
[https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry\\_integrated.pdf](https://keanet.eu/wp-content/uploads/Impulse-paper-on-the-role-of-CCIs-in-innovating-European-industry_integrated.pdf) (Accessed 20.8.2024)



- Incorporate CCSI expertise as an active part of design and production processes in every industry, as a requirement of EU funding opportunities.
- Showcase and adapt examples of creative sustainable methods and models from within CCSI, recognizing and promoting the value of peer- and community-oriented CCSI networks.
- Integrate sustainability into European cultural strategies and initiatives and establish a collective ‘Creative environmental protocol’ for European Union CCSI.

The following table provides a cross-reference of the activities proposed by this strategy and the EU Commission’s recommendations.

Activities:

- I) providing tools and knowledge and disseminating results,
- II) analyzing supporting policy and providing policy proposals,
- III) measuring and communicating the effects of DGC actions on economy and society.

RECCOMENDATION	RELATED ACTIVITY	RATIONALE
Integrate CCSI-led visualization and cultural norm-shifting activities into cross-industrial EU programming	II) analyzing supporting policy and providing policy proposals / amendments and  III) measuring and communicating the effects of DGC actions on economy and society.	Activity III is indirectly supporting the norm-shifting by providing factual data on the effects of cross-sectoral collaboration, while activity II is directly following recommendations and provides solutions that can be implemented in policy practice.
Incorporate CCSI expertise as an active part of design and production processes in every industry, as a requirement of EU funding opportunities	I) providing tools and knowledge and disseminating results,  II) analyzing supporting policy and providing policy proposals / amendments and  III) measuring and communicating the effects of DGC actions on economy and society.	Activities I and III are providing shift in attitude of stakeholders, increasing motivation for collaboration resulting in new collaboration, while Activity II directly follows the recommendation and provides <b>concrete inputs on how existing and/or new funding calls can be organized to include CCSIs in innovation and industry transition.</b>
Facilitate intersectoral dialogue through cross-sectoral platforms, sector-specific clusters, and intersectoral education to close the gap between STEM and CCSI.	I) providing tools and knowledge and disseminating results,	The activity I is organised to increase geographical representation and the number of entrepreneurial environments closing the talent gap, that is directly connected to recommendation.



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<p>Showcase and adapt examples of creative sustainable methods and models from within CCSI, recognizing and promoting the value of peer- and community-oriented CCSI networks</p>	<p>III) measuring and communicating the effects of DGC actions on economy and society.</p>	<p>Activity III directly tests the methods and models and disseminates results helping different entrepreneurial environments to organize peer and community-oriented CCSI networks.</p>
<p>Integrate sustainability into European cultural strategies and initiatives and establish a collective 'Creative environmental protocol' for European Union CCSI</p>	<p>II) Analyzing supporting policy and providing policy proposals / amendments and  III) measuring and communicating the effects of DGC actions on economy and society.</p>	<p>Advocacy of new policy (activity II) is supported with factual data on cross-sectoral collaboration (Activity III), that all together creates valuable push to new policies like <b>Creative environmental protocol</b>.</p>

### 5.3 DGC Supportive Environment Framework

Within the scope of Capacity2Transform, the DGC Supportive Environment Framework is a conceptual structure designed to assist in continuous improvement of business support. It enhances the capacity of business support environment operators to develop and maintain **DGC creative clusters**, which engage **industry sectors and society** in the twin DGC transformation.

According to Stam<sup>49</sup> entrepreneurial ecosystem structures are: Physical infrastructure, Demand, Intermediaries (supporters), Talent, Knowledge, Leadership, Finance, Formal institutions, Culture, and Networks. The same can be applied to culture-based and creativity-driven innovation ecosystems.

Based on experiences of the Capacity2Transform project we have evaluated the urgency of support of each construct using the next grading table.

Urgency level: [0-3] Low, [4-6] Moderate, [7-8] High. [9-10] Very high.

Entrepreneurial ecosystem construct	Support urgency	Description of the construct within the domain of DGC innovation cluster and co-creation activities
Physical infrastructure	2/10	Culture-based and creativity-driven innovation is not space-intensive. Space is usually provided by an Intermediary or end beneficiaries, therefore there is no real urgency in developing physical infrastructure to support the development of culture-based and creativity-driven innovation ecosystems.

49 Stam, Eric, Van de Ven, Andrew. Entrepreneurial Ecosystem Elements. (2019). <https://doi.org/10.1007/s11187-019-00270-6> (Accessed 20.8.2024)



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Entrepreneurial ecosystem construct	Support urgency	Description of the construct within the domain of DGC innovation cluster and co-creation activities
Demand	9/10	Industry demand for co-development services is low. The industry transition is done through technology implementation with a moderate level of innovation. To create new trends and integrate CCSIs in digital and green transition value chains, a promotion of co-creation toward organizations undergoing the transition process is a priority (very high urgency), once the same leads to demand and supply increase.
Intermediaries (supporters)	6/10	Intermediaries of the creativity driven innovation ecosystems are business support organizations. The number of organizations involved in developing entrepreneurial ecosystems is sufficient, but have limited capabilities in terms of talent, knowledge, leadership and finance. Therefore, the priority is moderate, since the goal is to strengthen the capacity of the existing intermediaries.
Talent	9/10	Talent is related to human capital and accounts for skills, knowledge and experiences possessed by individuals. The concept of co-designing / co-developing solutions for digital and green transition relates to business processes, therefore a certain level of entrepreneurial, green and digital competences is needed in order to organize functional DGC support cluster. The urgency to map and support development of new competences is very high, since the same is needed to test if the concept is viable and to promote the change to other entrepreneurial ecosystems.
Knowledge	8/10	Knowledge relates to investments in (scientific and technological) knowledge creation, that means investment in testing and improving collaboration concepts. The support urgency of this element is high, since <b>the DGC supporting environment concept is in testing phase</b> , and tools and methodologies are unpolished and semi-developed.
Leadership	8/10	The concept alone is not enough and guidance for, and direction for collective action is needed from outside in order for <b>local entrepreneurial environments</b> to try new concepts. Within the Capacity2Transform project, this is the work package leaders, and in the period after the project end, these are the <b>management board of Knowledge Factory</b> whose main purpose is to transfer knowledge and provide guidance the organizations outside the project partnership.
Finance	9/10	Access to finance is scarce. According to analysis of financing schemes, CCSIs have fund for cultural output but <b>funds for industry transition</b> are almost 100% connected to investing in <b>technical solution</b> that allows companies to close the technology gap but opens very little space to innovate, while on other hand innovation funds are mostly aimed toward technological research. The creativity-based innovation and soft innovation are out-of-scope, therefore <b>ensuring financing</b> for testing and replication is the most important segment which needs to be improved in order to ensure DGC supportive environment. (Very-high urgency)
Formal institutions, Culture, Networks	5/10	The institutionalization is the last phase of supporting environment transformation, where culture of co-creation is adopted by key stakeholders, forming networks and creating specialized formal institutions supporting the creativity-driven innovation activities. These elements are the outcomes of interventions done in other entrepreneurial ecosystem elements. Since DGC supportive environment is in primary phase support urgency is moderate.



According to the urgency grading, the strategy on development supportive environment should focus on demand, talent, leadership, knowledge and finance.



## 6. Implementation plan for C2T

To transform a supportive environment that fosters DGC transformation, a coherent set of actions is needed. These actions are designed for transformation leaders (intermediaries) who provide leadership in local entrepreneurial environment and support other stakeholders in taking action.

In total of nine unique activities have been identified and placed within an implementation context, which is divided into three implementation categories: **discovery, development and promotion.**

### 6.1 Implementation Activities

A list of activities and their description is provided in the table below.

	Description
Stakeholder meetings	<p>A stakeholder meeting is an in-person or online event in which <b>intermediary</b> starts discussions (one one-on-one or one to many (max. 5 persons)) during which a specific topic is discussed. The purpose of stakeholder meeting is: to identify problems/challenges/solutions, to acquire feedback on developed materials and solutions and or to discuss future activities.</p> <p><u>Impact areas:</u> <b>leadership, knowledge.</b></p>
Peer exchange	<p>Peer exchange is a collaborative forum where individuals or organizations with similar interests, roles, or experiences come together to share knowledge, best practices, insights, and lessons learned. These exchanges are designed to foster mutual learning and professional development among participants, leveraging the collective expertise of the group.</p> <p><u>Impact areas:</u> <b>demand, talent, knowledge, finance</b></p>
Policy research	<p>Policy research involves the systematic investigation of public policies to provide evidence-based insights that inform policy development, implementation, and improvement. It combines empirical data, interdisciplinary approaches, and critical analysis to offer actionable recommendations.</p> <p><u>Impact areas:</u> <b>knowledge and finance</b></p>
Action research	<p>Action research is a participatory and iterative method of inquiry aimed at solving problems or improving practices within a specific context by involving practitioners directly in the research process. It combines action (intervention) and research (understanding) to bring about change and generate knowledge simultaneously. Within the context of this document, action research is used to analyze tools used in transformation and effects of transformative action on talent and demand.</p> <p><u>Impact area:</u> <b>knowledge</b></p>
Policy development	<p>Policy development is the systematic process of creating policies to address specific issues like limited access to finance for CCSI to develop services for industry transition or engage in innovation projects. The activity includes identifying needs, researching and analyzing information, consulting stakeholders and drafting policy amendments and proposals.</p> <p><u>Impact areas:</u> <b>leadership, finance</b></p>





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	Description
Tool development	<p>Within the scope of the project tool development relates to <b>specific tools on how to organize</b> capacity building programs, how to monitor DGC action success, how to join policy research and development group etc. The tools developed are usually in the form of workshops, lectures or e-materials that are shared on a joint knowledge factory platform.</p> <p><u>Impact areas:</u> <b>leadership, knowledge</b></p>
Networking	<p>Networking is the process of building and nurturing professional or social connections with individuals, groups, or organizations. It involves exchanging information, ideas, and resources to foster mutually beneficial relationships. Within the scope of DGC transformation, networking is perceived among intermediary service providers and: a) decision makers (policy makers), b) solution providers and c) researchers.</p> <p><u>Impact areas:</u> <b>demand, talent, leadership, knowledge and finance.</b></p>
Knowledge dissemination	<p>Knowledge dissemination is the process of distributing and communicating research findings and information to target audiences to inform, educate, and influence practices and policies. Activities include <b>organization of creative dialogues</b>, publishing articles and reports, presenting at conferences and workshops, conducting webinars and seminars, creating multimedia content, and engaging with stakeholders through social media and newsletters.</p> <p><u>Impact areas:</u> <b>demand, talent, leadership, knowledge.</b></p>
Conference dissemination	<p>Conference dissemination involves sharing research findings, ideas, and information at professional or academic conferences. This process includes presenting papers, participating in panel discussions, displaying posters, and engaging in informal networking. Conference target audience groups are as follows: 1. Researchers, capacity-building program operators and decision makers who are interested in competencies for DGC transition and economic output of DGC transformative actions, 2. Creatives and solution providers interested in modalities of collaboration within industry transformation, and 3. Technology hosts who are undergoing or planning the transformation process are interested in available technologies and sector related success stories.</p> <p><u>Impact areas:</u> <b>leadership, knowledge and finance.</b></p>

## 6.2 Implementation Phases

### 6.2.1 Discover

The discovery phase involves identifying local stakeholders, assessing local needs, evaluating competencies, conducting policy research and exploring available tools. PPs have identified four activities related to this implementation strand.

ACTIVITY / IMPACT ON RESULT	Attitude change	Improving policy	Increasing geographical coverage
Stakeholder meetings	Direct impact		
Peer exchange	Direct impact		
Policy research		Indirect impact	
Action research			Indirect impact



Any contact with stakeholders related to project concepts and outputs positively influences their attitudes. Additionally, the research activities (activities 3 and 4) in the discovery phase are prerequisites for improving policy and expanding geographical coverage.

### 6.2.2 Develop

Development context is related to the development of supporting mechanisms, both administrative (e.g., policy changes) and practical (e.g., tool development).

ACTIVITY / IMPACT ON RESULT	Attitude change	Improving policy	Increasing geographical coverage
Stakeholder meetings	Direct impact	Direct impact	
Peer exchange	Direct impact	Direct impact	
Policy development		Direct impact	Indirect impact
Tool development			Indirect impact

Since the development phase includes stakeholder interaction and peer exchange meetings focused on the policy, it directly impacts attitude change and policy improvement. This phase also has an indirect impact on geographical coverage, as it generates facts that will be communicated to end users during the promotion phase.

### 6.2.3 Promote

The promotion phase is the final implementation phase, building on the results of the previous phases, assuming that **factual data on DGC program exists** and policy analysis has been completed. Disseminating results through any activity in this phase directly impacts attitude change, policy modification, and the extension of geographical coverage.

ACTIVITY / IMPACT ON RESULT	Attitude change	Improving policy	Increasing geographical coverage
Peer exchange	Direct impact	Direct / indirect impact	Direct / indirect impact
Networking	Direct impact	Direct / indirect impact	Direct / indirect impact
Knowledge dissemination	Direct impact	Direct / indirect impact	Direct / indirect impact
Conference dissemination	Direct impact	Direct / indirect impact	Direct / indirect impact

The level of impact is determined by the target audience. When communicating with policymakers, we directly influence policy. When conveying values to end beneficiaries, the impact is indirect since the communication serves to build an advocacy coalition. A similar analogy applies to geographical coverage: if the topic concerns program development and knowledge acquired through testing,



communicating this to business support organization has a direct impact, while communicating it to policymakers, results in an indirect impact.

In any case, the activity impact matrix demonstrates that promotion is relevant to all results and therefore must be implemented systematically.

### 6.3 Implementation results

The implementation includes:

- A1) organization of at least 30 stakeholder meetings,
- A2) 10 peer exchange events,
- A3) 6 creative dialogues,
- A4) 3 conference presentations.

It also includes:

- B1) 1 action research on regional competences,
- B2) national policy research
- B3) 1 transnational transfer activity,
- B4) tool development,
- B5) article dissemination.
- B6) social media communication.

The expected results are

- Increased number of contributors within Capacity2Transform network (+20)
- New posts on Capacity2Transform platform and social media (20+)
- Development of policy proposals (3+)
- Increased number of organizations involved in Capacity2Transform network (20+)
- New tools added to capacity building program tool database (20+)



## 7. Conclusion

The current policy and funding mechanisms do not adequately reflect the role of CCSIs in the green and digital transformation. Recent activities by the European Commission (Voices of Culture, 2024) provide a future vision of culture-based and creativity-driven innovation ecosystems, but the mechanisms to achieve this desired state have yet to be implemented.

An analysis of strategic documents reveals that only a limited number of countries recognize the CCSI sector as a key player in industry transition. Additionally, an examination of funding mechanism shows a complete lack of financial instruments for involving **CCSIs in innovation projects or for funding CCSIs as providers of business transformation services** in industry transition projects.

Therefore, it is crucial to better organize entrepreneurial ecosystems to create a demand for creativity-lead business transformation, develop the necessary talent, and provide leadership, knowledge and financial resources to those ecosystems seeking to integrate **CCSIs** into industry transition and innovation value chains.

In a broader context, the **Strategy for transforming the supportive environment to foster DGC transformation** builds on the results of the Capacity2Transform project. This strategy is intended for decision makers to understand the underlying problem of limited access to finance and low visibility of existing positive practices in which **CCSIs** play the crucial role in innovation and adoption of new technology.

The adoption of this strategy by entrepreneurial environments across Europe will enhance cohesion, creativity, and innovation capacity, while systematically supporting **CCSIs** in addressing global challenges such as digital and green transition on an international scale.

By including **CCSIs** in innovation value-chains this strategy is proposing paradigm change in which **CCSIs** are drivers of industry transition and releasing a positive impact on the sector and the overall industry sustainability.



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