

Cross-sectoral cooperation and innovation within Creative and Cultural Industries – practices, opportunities and policies within the area of the Northern Dimension Partnership on Culture

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1. Context and Background

This policy brief, the first of three, is one of the deliverables of the EU-funded project 'Cross-sectoral cooperation and innovation within Creative and Cultural Industries - practices, opportunities and policies within the area of the Northern Dimension Partnership on Culture'. One of the purposes of the project is to contribute to the Northern Dimension Partnership on Culture's forthcoming strategy for the period 2021-2024¹.

The project was conceived and its terms of reference defined in late 2019. It was launched in January 2020 before the COVID-19 pandemic. It is not an exaggeration to state therefore that the conceptual and implementation phases of the project span two very different worlds. The project as a result has had to be re-conceptualised and adapted as it progressed from the old world to the new one.

When the project was conceived, cross-sectoral working and innovation was seen as something **desirable**. In this new world it is going to be **essential**. It is going to be essential because for much of the Cultural and Creative Industries (CCI) sector to survive it is going to have to find new ways of working and new sources of income and funding.

While the effects of the new world are proving to be economically and socially disastrous, the changes that are being brought about are paradoxically not all negative. The national and global crisis created by COVID-19 has, for example, fuelled a profound and widespread appetite for innovative thinking and fresh approaches to policies and practices in many important areas. There is a world that is craving for new solutions in many sectors and there is a need to apply and work with more long-term and sustainable solutions.

This is already beginning to manifest itself in many ways including a fresh perception of important developing agendas and rethinking of existing policies. These include those related to 'big themes' such as climate change and carbon footprint, economic and social policy, internationalism and equality, environment and waste, quality of life and well-being.

The effects of the crisis are also profoundly changing behaviour and practices. For those working internationally 'jet-lag' is being replaced by 'Zoom-out' and 'Skype-fatigue' while the way education and training is being delivered is already part of a radical revolution. People are re-thinking what kind of physical meetings are really necessary and why. Finding the balance between what can be done online and what needs to be done physically has huge implications in terms of mobility and of the kind of events produced in the future.

Against this background there has probably never been a more auspicious time for new policy development and for re-visiting strategy.

¹ While an important aspect of the project is to contribute to the NDPC's 2021-2024 Strategy, the deliverables, including this policy brief, are intended for a much broader audience. The audience includes CCI organisations and individuals in the Northern Dimension region, policy-makers and funding bodies in that region, others in Europe who are researching or are involved in CCI cross-sectoral innovation and finally those in the EU who commissioned and funded the project.

The before and after worlds of COVID-19 represent as vivid a contrast for the Cultural and Creative Industries (CCIs) as for any other area of the economy and society. After the 2008-2009 financial crisis and until recently, the CCI sector could boast, and indeed did boast, that it was a superstar of the recovery period. In the new COVID-19 world the CCI sector's resilience is less certain and it is suffering worse than many other sectors. In general, it is being crippled, in some cases extinguished, by the crisis. While it varies from country to country a plethora of reports and surveys are reflecting this crisis and predicting dire consequences.

Theatres, music venues and cinemas have been closed, festivals have been cancelled and audiovisual production is distorted and reduced because of distancing rules and 'lock-down'. At the same time there is a cruel irony that as a result of the crisis, demand for cultural products (films, music, radio, TV, books, comics etc) from people stuck in their homes, under-occupied or simply stressed is greater than ever.

The challenges for the CCI sector in the new COVID-19 world are going to be extremely difficult and will need to be faced probably over a period of years. While some countries are already allocating emergency recovery funding to the sector this is likely to be insufficient to solve all the problems. It is also likely that such economic support will be one-off rather than sustained. The Covid-19 crisis has forced most countries to make so many and such large-scale financial commitments in so many directions that economic recession and national debt will dramatically reduce their ability to provide funding in the way that they did in the old world.

Economic recession and debt will mean that for much of the CCI sector to survive it is going to have to find new ways of working and sources of funding. Drawing on budgets, income and financing dedicated to post COVID-19 political, economic and social priorities and contributing to those agendas is going to need to be a way of life for many in the CCI sector.

The ability of CCIs to connect with other sectors and contribute to cross-sectoral innovation is therefore appropriately the focus of this first policy brief. It represents the inputs and ideas of many experts and specialists whom we want to thank. Those listed below² actively contributed to an Experts Focus Group. 'The Partnership Market - CCI Connectivity and Cross-Sectoral Innovation' which took place as an online event on 2nd July 2020 was an extremely stimulating occasion for developing thinking and most helpful in taking the project forward.

2 **Signe Adamoviča**, NDPC CCI project team; **Yulia Bardun**, NDPC CCI project team; **Charles Bušmanis**, Designer, Design thinking expert, LV; **Ekaterina Cherkes-Zade**, Universal University, RU; **Emilia Cholewicka**, Creative Economy Research Center, University of Social Sciences and Humanities, PL; **Fiona Dahncke**, Cross Innovation Hub, Hamburg Kreativ Gesellschaft, DE; **Guna Datava**, Institute for Environmental Solutions, LV; **Lars Georg Fordal**, The Norwegian Barents Secretariat, NO; **Olaf Gerlach-Hansen**, Danish Cultural Institute, DK; **Jari Jumpponen**, Northern Dimension Business Council; **Olga Kizina**, Creative Business Cup Russia, RU/DE; **Elena Khoroshkina**, Artecon, RU; **Petya Koleva**, NDPC CCI project team; **Eva Leemet**, CEO, Creative Estonia, EST; **Timo Mäkelä**, Sitra, Finnish Innovation Fund, Northern Dimension Council, FI; **Justīne Pantelējeva**, Riga City Development Department, LV; **Tiago Prata**, TILLT, SE; **Denis Pyzhikov**, KRICPE of Petrozavodsk State University, RU; **Mieke Renders**, Trans Europe Halles, SE; **Dace Resele**, NDPC Secretariat, LV; **Ekaterina Sachkova**, creativeindustries.ru, RU; **Terry Sandell**, NDPC CCI project team; **Katerina Sharova**, Arctic Art Institute, RU; **Mateusz Smól**, Creative Economy Research Center, University of Social Sciences and Humanities, PL; **Lilīta Sparāne**, Creative industries and partnerships' expert, LV; **Henryk Stawicki**, Change Pilots, PL; **Līva Stūrmane**, NDPC CCI project team; **Roma Surviliene**, National Association of Creative and Cultural Industries of Lithuania, LT; **Elena Zelentsova**, Skolkovo Foundation, RU.

2. Approach

This policy brief looks at CCI connectivity and cross-sectoral innovation by focusing on four areas:

- ✚ CCI cross-sectoral cooperation before and after COVID-19
- ✚ What drives cross-sectoral relationships and innovation?
- ✚ What interventions are needed to stimulate increased cross-sectoral activity?
- ✚ What are the main barriers or obstacles inhibiting cross-sectoral relationships?

3. Key Messages and Recommendations

3.1 CCI cross-sectoral cooperation before and after COVID-19

The crisis is having an enormous impact on the economic situation in every country. This in turn will affect public policy radically. CCI funding will be an issue even in those countries where CCI recovery support funding is already being put in place. In the future much, if not all, CCI public funding will probably only be forthcoming if it will contribute to national recovery priorities and narrowly defined political agendas. In short, cross-sectoral cooperation and innovation will in large part move from being desirable to being essential.

A key issue is the CCI sector making itself known and communicating what it can offer to other social and economic sectors and players so that matchmaking can work in both directions. The different economic and social sectors rarely speak the same language. This is true even in relation to a sector with which CCIs have much in common such as tourism. This was one of the findings of research on CCIs and tourism carried out by the NDPC in the past.³

3 *“Mapping exercise: How could creative industries foster innovation in tourism in the Northern Dimension area? - <https://www.ndpculture.org/news/ndpc-launches-a-report-on-engagement-between-creative-industries-and-tourism>*

The positive side of the crisis is that it has created exceptionally good conditions for change and exploring alternative ways of doing things. Examples include fundamental re-examination of what a CCI organisation or business is doing e.g. are all the things being done necessary, can things be done smarter, is it better to be more thorough and longer-term through 'slow-working'? It is also an excellent time to start new projects as many of the old value chains and models no longer work.

Travel restrictions and supply-chain problems are encouraging everyone increasingly to think local. 'Local' and digital co-working are becoming the new normal. Working more intensively and locally in many cases means working on a smaller, more concentrated scale. By contrast the time of big international conferences, for example, may perhaps be over or on a case-by-case basis their necessity will be questioned and their style and format changed e.g. keynote speakers might not fly in for a short presentation but instead speak remotely with live-streaming. The use of online formats for conferences and seminars/training offer the opportunity for a new time-efficient way of working internationally.

In addition to the local, in regions where there is already a high degree of cooperation and interaction between countries, such as the Nordic/Baltic region, it is likely regional working will increase alongside the increase in local working. Creation of new local partnerships depend on (i) understanding of what the other person's value is, (ii) match-making and (iii) trust. More local working will potentially lead to increasing involvement by CCIs in the circular economy. A more local focus and increased involvement in circular economy developments will also contribute to sustainability and green agendas.

Cultural organisations whose programmes were based on cross-border exchanges have had to move to digital encounters. An evaluation needs to be made of how effective such digital encounters are compared with physical interaction. Organising events digitally is lower cost but initially the development costs and finding the right formula may mean that savings are not made immediately. It also means that people have to develop their digital skills in new ways which will be easier for some than others.

The COVID crisis has created a new world and a revolution in the way people are working, especially home working. There will not be a return to the old world way of doing things. There is a question of how this will affect, for example, co-working spaces and whether demand will increase or decrease. For many CCI organisations and businesses it may be that, for example, 70% of their work can be done remotely but how will the other 30% be managed? What is the productivity cost of an absence of physical networking and meetings over coffee? Working digitally can be mentally draining but no doubt ways of addressing this will be found. For example, a digitally organised CCI event can be made more sociable by imaginative breaks such as online coffee breaks, an online yoga session etc and such approaches are already being adopted by some organisations.

Hitherto a priority for the cultural sector has been mobility which has been also a major plank of EU policy and funding. Even after the pandemic is over, the whole concept of mobility will need rethinking.

3.2 What drives cross-sectoral relationships and innovation?

One prerequisite which drives cross-sectoral relationships is a shared understanding of a perceived real need, problem or challenge which cannot be solved by specialists from one sector only. An obvious example is that current environmental problems cannot be solved without a trans-disciplinary approach. The present crisis should be encouraging a re-thinking of how the economy works and fresh thinking on how needs, problems and challenges should be approached. There is an important role for the CCI sector in this.

There are educational and training needs to make trans-disciplinary approaches more common and to be effective. There is a need for there to be the opportunity to learn and experiment on a long-term basis. Projects with public funding need also to be allowed a licence to fail. Freedom to make mistakes often leads to the best solutions.

Longer-term systematic funding is needed to facilitate longer-term processes that lead to the establishment of effective and high-quality cross-sectoral relationships. Sustainability of relationships is the key and there is a need realistically to recognise that it takes time to achieve such results.

Public sector commissioning, approached creatively, and boosting innovation through public procurement, as it has been conceptualised in the Europe 2020 strategy and the Innovation Union,, can be an important tool for encouraging cross-sectoral innovation. So too can other forms of financial inducement including profitable commercialisation of the innovation. Awareness of government bureaucracies of the potential of cross-sectoral innovation is important as is their willingness to act in new and creative ways, using perhaps mediatory organisations to help with communication and management.

An increased focus on arranging appropriate cross-professional events and meetings is needed. Combining soft and hard skills to reach out to end-users and stakeholders is an important issue. There are certain tools in use already including prototyping and hackathons. A key element in using such tools is shared responsibility by those participating.

Without social capital it is difficult to create cross-sectoral innovation. There needs to be trust and understanding which provides the opportunity for creativity and cooperation. The CCI sector often offers a user-centred approach, openness to new ideas, different perspectives and new methods and forms of work.

The problem of communication presents the challenge of translating the same problems into various professional 'languages' in order to achieve common understanding. There is a need for a new profession of mediators and producers who can navigate and manage cross-sectoral projects/collaborations. Meeting this need has training and education implications. This issue is not unconnected with NACE codes and the fact that they are not updated frequently enough.

At present, although work is in progress, in general there is a lack of practical methodologies and clear examples of how one creates the bridge from trans-disciplinary cross-sectoral processes to real innovations. There is a need to organise more research to highlight successful cross-sectoral collaborations and to stimulate them, in particular focusing on an analysis of the methods that were used to create them.

3.3 What interventions are needed to stimulate increased cross-sectoral activity?

It should be recognised that many CCI professionals are already acting as mediators in the promotion of cross-sectoral activity. The key issues are what kind of incentives for cross-sectoral innovation are currently available and how effective are they? What works well, what needs to be improved? What other incentives for cross-sectoral collaboration are needed? Are creation of 'forced partnerships' (e.g. through cross-sectoral funding criteria) an effective form of public policy?

Specific programmes already exist to facilitate intervention to stimulate closer cross-sectoral cooperation. One example is design voucher schemes. Another is direct funding of cross-sectoral partnerships. Specific toolkits have in certain instances been produced to empower CCI actors to embrace creative entrepreneurship and for non-CCI businesses to benefit from a closer collaboration with the CCI sector. The latter is particularly happening in the area of design.

Organisations, businesses and individuals already involved in promoting cross-sectoral connectivity recognise the need for opening mind-sets before connecting the actors. This is part of the recurring problem of professions and sectors having their own specialist/narrow ways of defining problems. Usage of the Design Thinking methods and approach could lead to better dialogue in which all the parties are involved in solving the challenges.

Most cross-sectoral collaborations start from connecting local players who operate side by side but who had often not realised the benefits of developing a relationship together to solve problems. Local government authorities are involved in many programmes that facilitate cross-sectoral innovation. A key issue is enabling a bottom-up approach to such programmes in defining such intervention programmes. Creating platforms and organising events appropriately is important in terms of matchmaking. Hackathons, 'meet-ups', 'speed-dating' etc are important in this respect both for the public and private sectors.

Local programmes should not simply replicate national and regional models which is often the case. Centralised policies in general and centralised sector-specific policies and programmes fostering innovation often result in insufficient resources being invested in connectivity. Local networks or ecosystems are built over time. CCI actors should be part of the discussion and development of such policies and programmes from an early stage.

As in other areas insufficient funding opportunities and issues related to the sustainability plus the limited duration of project funding are often inhibitors of cross-sectoral relationships. A bolder and more imaginative approach should be taken to funding the piloting, support and promotion of cross-sectoral relationships and initiatives.

Cross-sectoral best practice includes establishing a sound foundation in terms of roles, expected input and defining of benefits for each of the parties. This covers areas such as intellectual rights, copyright benefits, fees and remuneration and so on. CCI actors are often undervalued, for example, a designer who usually adds real value is sometimes not regarded in remunerative terms like a lawyer.

The conceptual framework or the 'language' in which different sectors define their innovation needs, skills and outputs presents a hurdle to 'forced partnerships'. Interventions that resource well the initial phases of connecting sectors together are probably more successful than those that prioritise an immediate tangible product as the core output.

There is certainly scope for more and better showcasing of inspiring examples of cross-sectoral initiatives. There are good arguments for funding being given to sustain serious cross-sectoral networks as well as purely sectoral ones.

3.4 What are the main barriers or obstacles inhibiting cross-sectoral relationships?

One general starting point concerning the barriers is the issue of low awareness of each other and of the needs. Although some progress may be being made, an obvious example is the awareness gulf between 'creatives' and traditional industries.

Sometimes there can be different perspectives based on geographical factors and differences. This can even be the case within an individual country e.g. differing urban and rural perspectives on an issue, problem or need. There are also often information and communication issues that act as barriers to cross-sectoral relationships. These include lack of databases or other accessible sources for finding out who is working or interested in a given area of activity. Greater promotion of case studies could be one way of helping.

There is a general problem of the absence of recognition of the CCI sector's potential in other sectors' policy and strategy documents. Improving the situation depends on political will, joined-up government and lobbying by the CCI sector.

In the case of small CCI businesses there is a role for intermediary organisations and institutions in match-making, procurement and sourcing funding for cross-sectoral relationships. Such intermediary organisations also need funding as it is unlikely they can depend on the market-place.

Insufficient training and skills development related to entrepreneurship and leadership may also be an obstacle to CCI cross-sectoral activity.

Certain areas of the CCI sector tend to look towards public funding and crowd-funding rather than looking at the opportunities working with big commercial businesses may potentially offer.

International experiences and collaboration have played an important role in spreading and improving CCI skills, knowledge and practices. In some cases it has allowed CCI actors to develop their expertise in a way that may not be possible in their own country.

An important question is whether the relevant research into cross-sectoral relationships is being translated into policy.

4.

Developing Connectivity and Cross Sectoral Innovation Policy - A Summary of Key Points

This policy brief takes as its basic premise that developing policy related to improving connectivity and cross-sectoral innovation needs to address the following four issues:

- ✚ CCI cross-sectoral cooperation before and after COVID-19
- ✚ What drives cross-sectoral relationships and innovation?
- ✚ What interventions are needed to stimulate increased cross-sectoral activity?
- ✚ What are the main barriers or obstacles inhibiting cross-sectoral relationships?

It argues that the COVID-19 crisis has irrevocably changed in various ways the context in which CCIs operate and that cross-sectoral working should now be seen by a large part of the CCI sector as essential to its future. It draws attention to a key positive outcome of the crisis - a profound and widespread appetite for innovative thinking and fresh approaches to policies and practices. There has probably never been a more auspicious time for new policy development and for re-visiting strategy.

Although work is in progress, in general there is a lack of practical methodologies and clear examples of how one creates the bridge from trans-disciplinary cross-sectoral processes to real innovations. In this context there is a need to organise more research to highlight successful cross-sectoral collaborations and to stimulate them, in particular focusing on an analysis of the methods that were used to create them.

Centralised policies in general and centralised sector-specific policies and programmes fostering innovation often result in insufficient resources being invested in connectivity. In this respect local programmes should not simply replicate national and regional models which is often the case. There is certainly scope for more and better showcasing of inspiring examples of cross-sectoral initiatives.

There are also good arguments for funding being given to sustain serious cross-sectoral networks as well as purely traditional sectoral ones.

Between sectors there is a low awareness of each other and of the needs. For CCIs there is a general problem of the absence of recognition of the CCI sector's potential in other sectors' policy and strategy documents.

Improvement of connectivity is dependent on addressing various aspects of communication. This includes recognising that each sector has its own 'language'. Policies and strategies aimed at encouraging cross-sectoral innovation need to invest in connectivity and focus more on the initial relationship-building.

