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CREATIVE INDUSTRIES

in ESTONIA, LATVIA and LITHUANIA



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INTRODUCTION TO THE CREATIVE INDUSTRIES IN ESTONIA, LATVIA AND LITHUANIA 2010

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Europe is at a crossroad – how can we turn the current crisis into new opportunities and make the economy competitive and sustainable in the long term. Creative industries have the potential to do all this and much more. Creative industries bring not only growth and jobs, but also foster innovation and shape attractive environments for people to live in and visit.

Estonia, Latvia and Lithuania have experience in working together to develop creative industries. The first network to combine policymakers from

the three countries was already initiated back in 2006. Since then experts and officials have been sharing best practices in the creative industries and formulating common positions within the European Union. The three Baltic countries have also been vocal advocates of including culture and creativity in the Europe 2020 strategy and its flagship initiatives.

The collection of articles titled “Creative Industries in Estonia, Latvia and Lithuania 2010” is yet another coordinated project to analyse the Baltic

approach to developing creative industries, and present an overview of the latest developments in the sector. The focus for this first overview is on creative incubators as an effective measure for promoting and supporting entrepreneurship within cultural and creative industries. We also explore the ways forward to enhance cooperation between the three countries, especially in light of the coming EU financing period. We sincerely hope that our experience in developing creative industries could also prove useful for other countries.





¹ The definition of the creative industries of Latvia was for the first time entered into the Guidelines for the State Cultural Policy of Latvia for 2006 – 2015 (Cabinet Order of 18.04.2006 No. 264).

MAPPING CREATIVE INDUSTRIES IN ESTONIA, LATVIA AND LITHUANIA

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DEFINING THE CREATIVE INDUSTRIES IN THE BALTIC COUNTRIES

Discussions of the creative industries (CI) agenda in the Baltic countries date back to the beginning of 2000. The British Council has played a remarkable role in promoting the creative industries concept all over the world, and its contribution, through providing expertise and methodological assistance in mapping endeavours, cannot be underestimated in the Baltic countries either. Attention first started to be paid to the creative industries at the national level in all three Baltic countries when the British Council (BC) introduced the concept to different ministries in the Baltics in 2005. As a result, the Ministries of Culture in all three countries seized the opportunity to adopt the definition and content into their cultural policy agenda.

This period (of policy formation) saw the adaptation of the United King-

dom's approach in terms of the ideas, structure and content of CI development. The first major steps at state level started with statistical mapping surveys of CI in Estonia, Latvia and Lithuania. The study processes included adapting the British definition of CI to the Baltic States – "The creative industries are those industries which have their origin in individual creativity, skill and talent, and which have the potential for wealth and job creation through the generation and exploitation of intellectual property" (DCMS, 1998). Estonia and Latvia have made some minor changes to this definition. In Estonia, a clause addressing 'collective creativity' was added – "Those industries that have their origin in individual and collective creativity, skill and talent and which have the potential for wealth and job creation through the generation and exploitation of intellectual property." The Latvian Government in its political documentation pursues the following definition: [Creative industries involve] "activities, based on individual and collective creativity, skills and tal-

ents, which by way of generating and utilizing intellectual property, are able to increase welfare and create jobs. Creative industries generate, develop, produce, utilize, display, disseminate and preserve products of economic, cultural and/or recreational value."¹

These studies at national level provided a good basis for the Ministry of Culture to apply for financing from the European Structural Funds. This rapid adaptation of the new concept by the public sector and especially the Ministry of Culture can be explained as an "opportunity to gain access to European finances, because it provided them with the possibility of additional funding. And their budgets have always been the most limited. They were simply trying to find additional means to support their sector." (Lassur et al, 2010)

Estonia and Lithuania managed to include the financing of creative industries into the National strategy for EU Structural Funds for 2007–2013. In

THE MOST IMPORTANT STATISTICAL STUDIES OF MAPPING CI:

LATVIA

- The Economic Contributions of Copyright-based Industries in Latvia, 2005
- Creative industries research. Actualization of statistics, 2008

LITHUANIA

- Creative industries mapping document in Alytus and Utena counties, 2005
- Lithuanian Creative and Cultural industries, 2009

ESTONIA

- Mapping and Analysis of Estonian Creative Industries, 2005
- Survey and Mapping of the Creative Industries in Estonia, 2009

both countries the controlling rights and obligation to manage the resources went to the Ministries of Economic Affairs, since Structural Fund programs dealt with entrepreneurship and developments of the environment – topics that traditionally do not belong under the Ministries of Culture. Estonia primarily applied for support from the Structural Funds (Riiklik ... 2007) to create infrastructures to support the development of CI, valuing creativity and raising awareness of entrepreneurship and creative industries (Lassur et al, 2010). In Lithuania, financing for the Lithuanian art incubator network was intended as part of the implementation of “the Action Programme for Economic Growth” (Creative ..., 2010).

THE STATISTICAL MAPPING OF CI IN ESTONIA, LATVIA AND LITHUANIA

The previously mentioned initial statistical surveys began in 2005, albeit slightly differently in each country. Estonia attempted to map all the sectors mentioned in the British definition. A study mapping the economic contribution of copyright-based industries was conducted in Latvia in 2005. Mapping the creative industries in Lithuania covered two counties - Utena and Alytus. The results of these studies were not comparable as the methodology was different in all three countries.

The definition and discussion of Creative Industries is fairly similar in the

Baltics (as in other countries). Current discussion concerns what areas belong under CI and which policies should be implemented to develop it. Although all three countries base their definition of CI on the British definition, in later studies somewhat different sectors have been included when composing the research methodology (Table 1). Thus, for example, the mapping of the IT sector in Estonia has been relatively narrow, covering only entertainment IT. However, in Latvia and Lithuania, vastly broader scopes have been covered when it comes to the IT sector. Research by Lithuanians even includes the heritage sector, which has not been mapped in Estonia or Latvia. The latest Lithuanian research of mapping emanated from cultural and creative industries. This is a broader notion that includes CI and tourism, sport, museums, archives, heritage protection and other cultural activities. Yet, when accounting for CI contributions, fields related to sports were excluded (Lietuvos ..., 2009).

As these sectors in the three Baltic countries have been researched and mapped differently, then the real benefits, value added and other economic as well as statistical indicators are not directly comparable. All the research tried to assess both CI's contribution to employment, and its economic role in producing value added and revenues (Table 2). Calculations about the share of GDP or share of employment that CI represents are made very carefully due to possible biases and uncertainties about the sub industries included.

ESTONIA (2009)	LATVIA (2008)	LITHUANIA (2009)
Arts (visual and applied arts)	Visual arts	Visual arts, applied arts and heritage
Performing arts (theatre, dance, festivals)	Performing arts (theatre, dance, festivals)	Performing arts (theatre, dance, festivals)
Music (interpreting, composing, producing, publishing, musical instruments, festivals, etc)	Music (interpreting, composing, producing, publishing, musical instruments, festivals, etc)	Music (interpreting, composing, producing, publishing, musical instruments, festivals, etc)
Architecture	Architecture	Architecture
Design (product design, fashion, graphic design)	Design	Designer fashion, Graphic design
Film and video	Film and video	Film and video
Broadcasting (radio and television)	Television, radio and interactive media	Television, radio and interactive media
Entertainment IT (online and computer games, entertainment internet sites)	Computer games and interactive software publishing	Computer games and interactive software publishing
Publishing (books, periodicals, newspapers, catalogues, etc)	Publishing (books, periodicals, newspapers, etc)	Publishing (books, magazines, newspapers, etc)
Heritage (museums, libraries, archives, handicrafts)	Cultural heritage	Heritage (museums, libraries and archives)
Advertising (advertising, media agencies)	Advertising	Advertising and public relations and communication activities
	Cultural educational activities	Educational activities
	Recreation, entertainment and other cultural activities	Botanical and zoological gardens
		Travel agencies and tour operators

Table 1. Subsectors of creative industries covered by statistical research

Source: Survey and Mapping of the Creative Industries in Estonia, 2009; Creative industries research. Actualization of statistics, 2008; Lithuanian Creative and Cultural industries, 2009

PROBLEMS THAT OCCURRED WHEN MAPPING CI

Countries have used somewhat different databases and data collection methods. Estonian statistical research is based on Statistics Estonia's entrepreneurship and cultural statistics data. In addition, data has been gathered from the Central Commercial Register, which also includes information about the self-employed and all micro businesses. Information about the self-employed with a yearly turnover of less than 250 000 EEK was obtained from the registry of the Estonian Tax and Customs Board. However, the problem with these databases is that industries are not defined precisely enough, and there may not be sufficient data. For example, statistics about Estonian music and visual and applied arts are nonexistent (Eesti ..., 2009).

Latvian research mostly concentrates on data gathered by the bureau of sta-

tistics, and the data on CI was calculated according to a definition based on the NACE classification. The Latvian Statistical Office only collects data according to NACE 4-digit codes; therefore, many CI businesses are classified within the group "other activities" and are not included in the research (Mikelsone, 2008).

Lastly, CI research conducted in Lithuania also relies on data collected by the bureau of statistics and the NACE classification. Gathering information about design businesses is a more specific problem in Lithuania for example, as there are no enterprises in Lithuania that could be classified as "design enterprises", and there is no statistical data according to which one could determine the share of such enterprises in CI. That is why the identification of the design sector is associated with the design functions embedded within traditional manufacturing, advertising, architecture and other CI sectors (Lietuvos ..., 2009).

Similar problems with mapping and statistics can be identified for all countries:

- Only fragmentary data is currently available – the databases provide insufficient data and in some sub sectors there is no statistical data at the national level whatsoever;
- A wide range of types of business ownership exists in CI sectors – NGOs, limited companies, limited-liability companies, self-employed, government and local-government organizations, foundations – the databases with private, public and non-government sector data are not comparable with each other. They can also include contradictory data about sub sectors.
- National statistical registries (e.g. NACE) do not include many new professions or fields of operation,

and this is also characteristic of CI in the current context of globalization and economic integration. According to NACE even the handicraft industry is not distinguishable.

Therefore, researchers in all three countries have claimed that it is important to improve the statistics for culture and creative industries. Additionally, it is essential to come up with specific data collection methods in order to obtain adequate data about these industries and compare them with other economic spheres in each country.

FROM STATISTICAL COMPARISON TO EXCHANGES OF EXPERIENCE

It is not enough to develop effective and sector specific political methods using data from statistical mapping alone. More sub sector specific and qualitative research is needed to map

	ESTONIA (2007 DATA)	LATVIA (2006 DATA)	LITHUANIA (2006*, 2007 DATA)
Number of people working in CI (% of all employed)	28 000 (4.3%)	63 511 (5.8%)	61 297 (4.02%)
Number of businesses in CI (% of all businesses)	Over 5 000 (9.4%)	9 327 (8.9%)	6 149 (8%)
Total income of CI	EUR 1 146 000 000	EUR 1 014 000 000	EUR 1 256 000 000
CI as a share of GDP	2.9%	n/a	5.2%*
Concentration in the capital city	47.1% of CI enterprises	54.8% of CI enterprises	70% of value created by CI

Table 2. Economic and statistical indicators of CI

Source: Survey and Mapping of the Creative Industries in Estonia, 2009; Creative industries research. Actualization of statistics, 2008; Lithuanian Creative and Cultural industries, 2009

the needs of creative industries and the problems hindering their development. Region specific studies and analyses of cities and districts are also important. A range of qualitative studies has been conducted in all three countries. Due to the strong influence of region-specific characteristics, such research is mostly initiated at the city level. In each region or city (or district within larger cities), a specific CI structure has been built up to deal with sub sectors that dominate, how

cooperation between different sectors works and what problems domestic enterprises experience. This has been examined for example by Lithuania in the Užupis district in Vilnius and in Klaipėda, and by Estonia and Latvia in their capitals and other regions. In addition, sector specific studies have been conducted in all three countries; for example, the state of design and its need for improvement have been mapped in all three countries.² Thus, in most cases statistical mapping is a

good tool for bringing creative industries onto the political agenda, meaning that it is (economically) important in domestic and international comparisons. However, mapping alone is not enough to bring about the required supporting structures and methods for developing creative industries. As already mentioned, all three Baltic countries (including several individual cities and regions) have carried out several studies for the purpose of highlighting potential development claims as well as

opportunities to support and develop CI in order to create a political framework for CI.

Comparing CI in the three Baltic countries, the purposes of its various sub sectors and its potential for support facilitates additional opportunities to interpret statistical indicators. At the same time it makes it possible for the Baltic States to learn from each other and exchange best practices (and why not worst ones too).



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² Mollerup, P. (2002) *Establishing the basis for the elaboration and application of the Estonian design policy measures. The Estonian Ministry of Economy. Tallinn*; Mollerup, P. (2004) *Design for Latvia. Final Report. Copenhagen*; Mollerup, P. (2008) *Design Opportunities in Lithuania. The Vilnius Academy of the Arts, Vilnius.*

CREATIVE INDUSTRIES POLICY IN ESTONIA

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INTRODUCTION

Creative Industries have been widely discussed all over the world in the last decade, and from the beginning of this century, Estonia has also been actively involved in those developments. As in many other countries, Estonia carried out a mapping exercise in 2005, and along with an overview of the creative industries, the first set of policy recommendations were submitted. Along with continuing awareness raising activities, the stage was set for more concrete actions to design new support measures for creative industries in Estonia.

CREATIVE INDUSTRIES AND EUROPEAN UNION STRUCTURAL FUNDS

Based on policy recommendations, creative industries were included in the National Strategy for European Structural Funds for 2007–2013. The Operational Program for the Development of the Economic Environment supports entrepreneurship through raising the innovation and growth capacities of enterprises. Supporting creative industries is one of seven pri-

ority areas within that strategic goal alongside supporting internationalisation, innovation, access to capital, the creation of new businesses, knowledge and technology transfer and the development of tourism³.

CI measures and policies are coordinated in close cooperation between the Ministry of Culture and the Ministry of Economic Affairs and Communications. Programs are implemented by Enterprise Estonia, which is one of the largest institutions within the national system for entrepreneurship support, providing financial assistance, advice, cooperation opportunities and training for entrepreneurs, research establishments, and the public and third sector⁴.

The main focus areas supporting creative industries in Estonia for 2007–2013 include the growth and sustainability of enterprises within creative sectors and enhancing creativity in the business community through synergies between creative people and companies and the rest of the economy⁵. The role of cultural and educational institutions is to focus on the early stages of the creative industries value chain⁶ (including the creation phase) through

educating creative professionals and mediators and supporting the core arts fields and cultural industries.

ENTERPRISE ESTONIA AND CREATIVE INDUSTRIES SUPPORT MEASURES

Enterprise Estonia is the primary contributor of support and development programs targeted towards entrepreneurs including creative businesses and in 2008 the Creative Industries support program was started. The different measures for the support of creative industries fall under two main categories. The first set of measures is not specific to the creative industries and is open to general applications. In recent years these programs have been analysed, and through awareness raising and competence building, these funds have been used to successfully finance creative businesses and networks. These programs include cluster support programs (e.g. film industry cluster development), export support and joint marketing programs (e.g. “Tallinn Music Week” – an event to show-case Estonian music, “Black Market” – a film co-production), skills and knowledge development programs (e.g. design management training courses) and awareness raising and entrepreneurship promotion programs (e.g. the Creative Estonia initiative, see below), support for innovation, product development and training

In addition to these general support measures, a sector-specific program was created to finance the development of different support structures, including creative incubators, hubs and cen-



³ <http://www.struktuurifondid.ee/key-goals-4>

⁴ <http://www.eas.ee/index.php/about-enterprise-estonia/overview>

⁵ <http://www.eas.ee/index.php/for-the-entrepreneur/development-of-the-company/development-of-creative-industry>

⁶ See more: <http://unesdoc.unesco.org/images/0015/001598/159804e.pdf>

tres. The program aims to strengthen systems through which many creative businesses can grow in the coming years. The overall budget for those structures is 6.3 million euros. In the first round (see below), financing was available for both operating costs and investments in infrastructure and technology. According to preliminary plans only operating costs and project support will be granted in the second round.

The strategic goals of supporting the Creative Industries include, first of all, more sustainable and fast growing start-ups. Co-operation with CI sector will also contribute to increasing export and internationalization of Estonian companies. Additionally, higher R&D capability of Estonian companies in CI sector is expected, thus, resulting in more revenues from creative clusters and balanced regional development.

FUNDED PROJECTS IN 2010

The first round of applications for the Creative Industries Support Structures Development Program took place in December 2009, and at the beginning of January 2010 seven creative centres and incubators were funded totalling 4.9 million euros of support. The projects funded included the Tallinn Creative Incubator⁷, the Tartu Centre for Creative Industries⁸, the Estonian Design Centre⁹, the Estonian Centre of Architecture¹⁰, the Creative In-

dustries Development Centre within the Tallinn Cultural Cauldron¹¹, the Creative Incubator in Viljandi and the Estonian Film Digitalization (post-production) Centre.

The creative incubators in Tallinn and Tartu have been working since September 2009. In Tartu there are currently 9 start-up creative companies and 20 others in the pre-incubation phase. The Tallinn creative incubator has 26 start-up companies and another 37 have passed through the second pre-incubation training. Both of these examples provide strong evidence that there is strong interest in the creative sector for specialized incubation services, and in times of economic crisis creative entrepreneurship is gaining more and more popularity.

CREATIVE ESTONIA

In 2009, Enterprise Estonia launched an integrated program for raising awareness called Creative Estonia. The program brings together different activities to promote creative entrepreneurship and creativity in society. Creative Estonia aims to bring together different stakeholders and facilitate contact between creative professionals and businesses, policymakers, students and businesses from other sectors. Creative Estonia's activities involve developing a creative industries web portal¹², a comprehensive collection of relevant information on creative industries, web resources for start-up

companies, online advice, networking support and in the future also promotional and marketing capabilities for creative companies. In addition to the portal, Creative Estonia publishes best practices, reports from studies and mapping projects, organises conferences and seminars in different parts of Estonia, offers media support for creative industries initiatives and raises awareness through different means.

OTHER SOURCES OF SUPPORT

This overview focuses on creative entrepreneurship support measures. It is still important to mention that there are a number of other policy measures that contribute to the development of cultural and creative industries. Estonia invests large sums from EU structural funds in the cultural infrastructure to strengthen regional competitiveness and enhance tourism. There is also a number of programs for developing human resources (e.g. training unemployed in product development and entrepreneurship in handicrafts) and the digital society (e.g. approximately 2 million euros for digitalizing cultural heritage and granting public access to the digital content). The Estonian Ministry of Culture and Estonian Cultural Endowment also support the cultural and creative industries and preserve unique cultural expressions through several regional programs. In 2010, the Estonian government approved a proposed law allowing 1% of the public

buildings budget for the acquisition of art and design objects to enrich the public space. Currently, this proposal is being deliberated in Parliament.

INTERNATIONAL COOPERATION

Estonia actively pursues international contacts in creative industries. Cross-border cooperation allows us to share best practices with other countries, and learn from their experiences in developing methodologies and programs for the creative sector. As Estonia has a very limited market and a small population, it is vital for Estonian companies to cooperate with neighbouring countries and form working clusters.

Estonia already founded a network for creative industries policy makers in 2006 in cooperation with Latvia, Lithuania and Finland. Since 2008, Estonia has been taking part in the European Union's cultural and creative industries working group¹³. Estonia has also worked with the European Commission, Finland, Sweden, Norway, Iceland, Denmark, Germany, Poland, Lithuania, Latvia and Russia to set up the Northern Dimension Partnership on Culture (NDPC).

The overall objective of the NDPC is to serve as a focal point for networks, projects and other cultural activities in the Northern Dimension area and promote interaction between cultural actors and the business community. 🏠

⁷ <http://www.esa.ee>

⁸ <http://www.lmk.ee>

⁹ <http://www.disainikeskus.ee>

¹⁰ <http://www.arhitektuurikeskus.ee>

¹¹ <http://www.kultuurikatel.eu>

¹² <http://www.looveesti.ee>

¹³ http://ec.europa.eu/culture/our-policy-development/doc1571_en.htm

CREATIVE INDUSTRIES POLICY IN LATVIA

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INITIAL EFFORTS AND POLICY DOCUMENTS

Following two creative industries studies¹ conducted by international experts, creative industries issues began to enter policy-planning agendas more intensively in Latvia around 2005. At that time, the Latvian Ministry of Culture inaugurated work on a new long-term cultural policy document, involving both local and a wide range of international experts, as well as national, municipal, government and private organizations.

Aware of the rich cultural assets available in Latvia, the Long-Term Cultural Policy Guidelines 2006–2015 “National State”² strived to answer not only questions about the “decorative” role of the cultural sector or to reflect how culture enriches our lives, but also endeavoured to highlight the cultural sector within a multidisciplinary approach; in other words, how culture as one of the branches of the national economy contributes to the well-being of people as well as to the development and competitiveness of individuals,

society and the state. Obviously, cultural and creative industries seem to be one of the keys to implementing a new paradigm in cultural policy.

Latvia, as with other European countries, looked at the British experience in undertaking the initial steps in creative industries awareness. The crucial role of the British Council, Danish Cultural Institute, Nordic Council of Ministers, Goethe-Institute, French Embassy and other international partners should be pointed out here in sharing knowledge and raising local competence in creative industries issues in Latvia in recent years.

The Ministry of Culture was actively engaged in creative industries advocacy, but not just because of the promising international opportunities. Furthermore, the main reasons for introducing creative industries policy topics right from the start involved a logical extension of general cultural policy matters:

- creative industries development was also linked to issues of na-

tional identity, language, unique export offerings and also the potential for marketing Latvia abroad;

- as the Ministry of Culture of the Republic of Latvia is responsible for the cultural and creative industries education sector, creative industries were also linked to the issue of conditions for creative people (artist's social security, mobility of cultural professionals, strengthening the strategic connection between cultural and education sectors etc.);
- considering creative industries in close relation to establishing markets and the consumption of cultural goods and services;
- understanding the interdependence of creative industries development and further improvements to cultural administration (performance based strategic management, training of administrators, establishing sound and sustainable research systems etc.).



¹ Mollerup, Per. *Design for Latvia. Final Report. Copenhagen: Mollerup Designlab A/S, 2004* [http://www.designlatvia.lv/uploaded_files/Mollerup_eng.pdf]; Picard, Robert G./ Toivonen, Timo E.: *The Economic Contributions of Copyright-based Industries in Latvia 2000. Riga: Ministry of Culture of the Republic of Latvia, 2005.* [http://www.km.gov.lv/lv/doc/starptozares/radosa/Latvian_Copyright_latviski.doc].

² Ilgtermiņa politikas pamatnostādnes Valsts kultūrpolitikas vadlīnijas 2006.–2015. gadam „Nacionāla valsts”, 18.04.2006. MK rik. Nr.264. prot. Nr.21 40.§. [http://www.km.gov.lv/lv/doc/dokumenti/kulturpolitikas_vadlinijas.doc].

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⁴ http://www.em.gov.lv/em/images/modules/items/item_file_11631_2.pdf

⁵ <http://www.esfondi.lv/page.php?id=659>

⁶ See under: <http://www.mk.gov.lv/en/mk/venture>

⁷ „Radošs prāts – vislielākais aktīvs”
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⁸ „No Lielvārdes jostas līdz mūsdienai dizainam” http://www.km.gov.lv/lv/masas/lielvarden_josta.html

⁹ Miķelsone, A./ Gubins, S./ Vanags, A. Radošās industrijas Latvijā. Rīga: BICEPS/ KM/ VKKF. 2007

¹⁰ Miķelsone, A. Radošo industriju izpēte: statistikas datu aktualizācijas. Rīga: BICEPS/KM 2008.

¹¹ http://www.mk.gov.lv/doc/2005/KMzin_040808_radind.doc#_Toc200511672

Accordingly, one of the strategic aims of the Long-Term Cultural Policy Guidelines 2006–2015 was directly related to the creative industries: “To improve the cooperation between the sectors of culture and economy to promote the diversity of Latvian culture and the sustainable development of the creative economy.” (Strategic Aim 6.2) Moreover, one emphasis within the cultural policy revealed connections between creativity and economy: “Creativity nurtured by culture and the arts in conjunction with knowledge is now the main resource for economic growth. Creative industries as a new sector of the economy ensure utilising this resource in the creation of goods and services with high added value.” (Emphasis Nr. 3)

After introducing creative industries issues in the national cultural policy guidelines, the Ministry of Culture encouraged the inclusion of creative industries matters in all key policy planning documents in Latvia, such as the National Development Plan 2007–2013³, the National Lisbon Programme 2005–2008⁴ and the National Strategic Reference Framework document 2007–2013⁵. Creative industries were also reflected at the highest political level within declarations on the planned activities of the Cabinet of Ministers headed by Aigars Kalvītis (7 November 2006 – 20 December 2007), Ivars Godmanis (20 December 2007 – 12 March 2009) and Valdis Dombrovskis (since 12 March 2009).⁶

Once creative industries matters were included in all major political papers, a

series of conferences was convened by the Ministry of Culture in cooperation with different partners in order to clarify and intensify these issues for a wider audience; for example, the international conference “Creative mind – the best asset” (7 November, 2007),⁷ the international conference “Design for the future” (5 October, 2007) among others.⁸ Support for political planning for the creative industries appeared as a range of creative industries related studies were also conducted till 2008; for example, the mapping of the creative industries carried out by the Baltic International Centre for Economic Policy Studies, Creative Industries in Latvia in 2007⁹ and the Creative Industry Research: Update of Statistics in 2008.¹⁰ Special consulting bodies with the involvement of CI professionals and NGO’s were also established at the Ministry of Culture; for example, the Design Council (2006, since 2008 relocated under the authority of the Ministry of Economics), the working group on the CI policy document (2007–2008) etc.

SUPPORT MEASURES

On 12 August 2008, the Cabinet of Ministers approved the Report on creative industries and their policies in Latvia¹¹ submitted by the minister of culture, Helēna Demakova. The following four major support areas were identified in the report in order to implement specific policies supported by government and EU Structural Funds with the aim of creating favourable conditions for the development of creative industries in Latvia:

- quality of and access to creative industries education and information, raising awareness of creative industries;
- business-related development (especially within the two priority sectors – design and audiovisual media and multimedia, which have the largest export potential);
- the exploitation of new technologies;
- strengthening the research and development of the regulatory framework.

The Ministry of Culture considers the priority areas identified in 2008 as fully acceptable for the foreseeable future; they are also consistent with CI activities within the framework of the European Commission, the Northern Dimension Partnership on Culture and other initiatives at the international level. Furthermore, there were a number of tasks designated to state institutions such as the Ministry of Culture, Ministry of Economics, Ministry of Education and Science and others in the protocol attached to the 2008 report. Today, we can already point out several positive effects of this policy; for example, the support for the creative industries businesses incubator in Riga (about EUR 2.3 million) from 2009 to 2014, as well as the notable modernisation support for all higher education establishments in the arts and culture allocated in 2010 (about EUR 5 million) and many other activities, mostly supported from various EU Structural

Fund programmes. These priorities are also supported by the Culture Capital Foundation of Latvia, where a new branch for design and architecture has been established since May 2010.¹²

The Investment and Development Agency of Latvia is an important player within the creative industries institutional support and developmental framework.¹³ The agency already started significant state initiatives to support the creative industries (mostly industrial and product design) in 2006. In addition, the internet portal <http://www.designlatvia.lv> was opened in 2008. The agency possesses a wide range of different creative industry support instruments; for example, the “Design Bus” or “Design Audit” projects, or the notable support for export and product development activities among creative enterprises and professionals within the framework of traditional business support measures. The agency also provides consultations, seminars and training, which are sometimes specifically designed for creative industries professionals.

RECENT DEVELOPMENTS

As a result of the economic crisis, some support and policy planning activities have been tightened¹⁴ due to a lack of funds or the nature of the activity, but that does not mean that nothing is happening. On the contrary, there is ever increasing interest in and awareness of the creative industries in Latvia. Led by private initiatives with a little state or municipal support, creative quarters¹⁵ are being developed, new initiatives¹⁶ have been established and new training

programs in the creative industries¹⁷ have been instigated. NGOs play a significant role in creative industries processes. Likewise, for example, the Design Information Centre is actively working with the theory and practice of the creative industries.¹⁸ For example, Culturelab regularly observes creative economic and creative industry developments in a dedicated section of the cultural policies monitoring site.¹⁹ Creative industries enterprises, such as “Magnus” in Cēsis, are also supported in traditional business incubators in regional Latvia.²⁰

Creative industries issues are also being dealt with at policy level in cities and towns ever more confidently. For instance, Riga City Council and Swedbank have jointly organised the grant program “Atspēriens” since 2009, established with a view to promoting entrepreneurial activity and supporting young entrepreneurs with business marketing ideas. Riga also actively participates in the international Project “Creative Metropolises”²¹, while the city of Rēzekne plans to build up the restoration and creative industries services and workshops centre “Carandache” in 2011²². There are many more similarly optimistic examples that could also be mentioned.

FUTURE DIRECTIONS

The Ministry of Culture believes that the economic crisis Europe is experiencing at the moment should not stop the further development of knowledge in creative industries at the local, Baltic and EU level, highlighting culture and creativity, both as a value in itself and explaining culture and creativity as

integral aspects of the economy. Similarly, the development of statistical methods as well as research and comparative studies in this field should not be stopped. Even though the scope of financial and other support tools for creative industries has increased in the last five years, there is still a need for significant improvements in productive inter-sector (mostly cultural and economic) dialogue, as well as in the development of support tools to satisfy the needs and coordination of the creative industries.

It is possible that the gradual evolution of the cultural and creative sector over the last ten years is much more characteristic of the changes in our economies than the development in any other sector in general, and this fact cannot be overlooked in future planning, even if it is difficult to make clear forecasts. The long-term strategy Latvia 2030²³ recognises culture and creativity as important assets for the future development of the country. As many of the examples of good practice in the creative industries are based on “pre-crisis” evidence, it would be sensible to seek a comprehensive assessment of future development potential since the euphoria of the recent growth period in Latvia to facilitate policy planning for the creative industries. Such an assessment should identify how current socio-economic challenges could affect human behaviour, including consumption, and what this will mean for the development of the creative industries. An increased awareness of our own strengths, as well as the potential for regional and international cooperation will help bring future possibilities into focus.



¹² <http://www.vkkf.lv>

¹³ <http://www.liaa.gov.lv>

¹⁴ For instance, the Culture and Creative Industries Education Centre was closed down starting from 2010, see under: <http://keriic.lv>

¹⁵ Some examples: <http://www.spikeri.lv> or <http://www.andrejsala.lv/?l=1>, <http://www.kalniciemaiela.lv> and <http://www.totaldobze.com/ArtCenter>

¹⁶ For instance, <http://www.duka.riga.lv/#/about-the-project> or <http://www.britishcouncil.org/latvia-projects-creativity-week-blog2.htm> or <http://www.brigade.lv>

¹⁷ For instance: <http://www.sseriga.edu.lv/event/workshop-creative-industries-new-media-and-innovation-management> or http://www.ba.lv/sites/default/files/programmu_bukleti/m_uznemumu_vadisana_radosajas_industrijas_2010.pdf

¹⁸ <http://www.dic.lv>

¹⁹ <http://culturelablv.wordpress.com/category/radosas-industrijas>

²⁰ <http://www.magnus.lv>

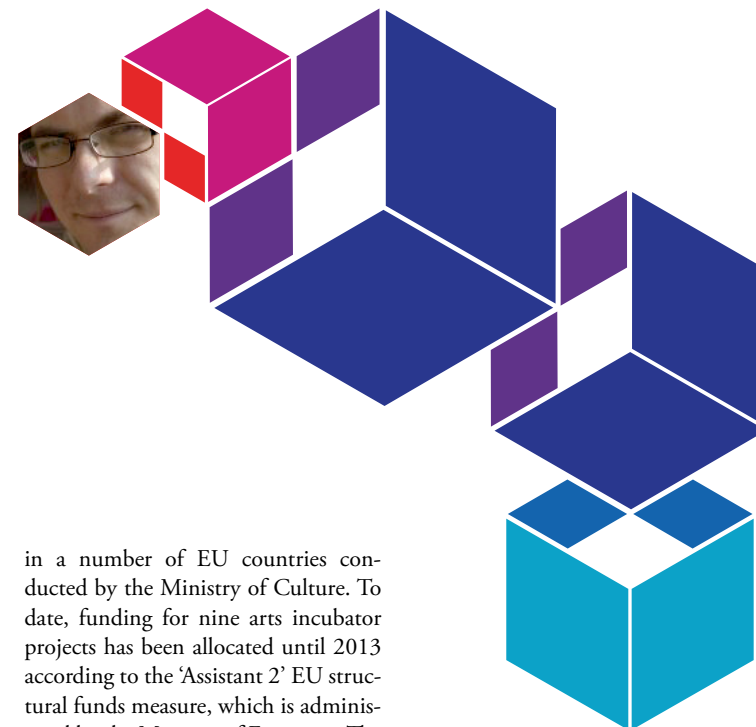
²¹ <http://www.creativemetropolises.eu/#/city/riga>

²² [http://www.rezekne.lv/index.php?id=348&no_cache=1&tx_ttnews\[tt_news\]=3269&tx_ttnews\[backPid\]=422&cHash=8230238337](http://www.rezekne.lv/index.php?id=348&no_cache=1&tx_ttnews[tt_news]=3269&tx_ttnews[backPid]=422&cHash=8230238337)

²³ <http://www.latvija2030.lv/page/1>

CREATIVE INDUSTRIES POLICY IN LITHUANIA

RASIUS MAKSELIS / Head of Strategic Planning Department,
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The concept of creative industries has been considered in Lithuania since 2003, when the first studies in this field were conducted (by Dr M. Starkevičiūtė). Maps of the creative industries in Utena and Alytus counties were compiled in 2004–2005 (head of the project, Dr G. Mažeikis). The Strategy for the Promotion and Development of Creative Industries was prepared and approved in 2007. It provided a definition of creative industries and identified priority areas for development. Creative industries are defined in these documents as 'activities based on an individual's creative abilities and talent, the objective and result of which is intellectual property and which can create material well-being and work places'. The concept of creative industries in Lithuania includes the following: crafts, architecture, design, cinema and video art, publishing, visual arts, applied arts, music, software and computer services, the creation and broadcasting of radio and television programmes, ad-

vertising, dramatic art, and other areas which unite various aspects of cultural and economic activities.

SUPPORT MEASURES

In 2009, as a result of cooperation between the Ministry of Culture and the Ministry of Economy, the concept of creative industries was included in the Lithuanian Strategy for the use of EU Structural Funds for 2007–2013 and in the Operational Programme for Economic Growth. As the Ministry of Culture and the Ministry of Economy were seeking to define specific measures targeted at the promotion of creative industries in Lithuania, it was decided that an arts incubator network should be established in Lithuania next to the existing business incubator network, and that funding from EU structural funds should be allocated for the development of this new network. The usefulness of these measures was confirmed via an analysis of the operation of creative industries arts incubators

in a number of EU countries conducted by the Ministry of Culture. To date, funding for nine arts incubator projects has been allocated until 2013 according to the 'Assistant 2' EU structural funds measure, which is administered by the Ministry of Economy. The budget for the programme is approximately 17 million euros.

The Ministry of Economy has also introduced creative industries into the national innovation policy, clustering programmes and export measures. At least two creative industries cluster projects are being prepared at the moment. The Ministry of Economy also provides support for export projects including participation in international fairs. These support mechanisms are also funded by EU Structural Funds.

RECENT DEVELOPMENTS

With the development of a network of creative industries, the National Asso-

ciation of Cultural and Creative Industries, which includes approximately 40 members, was established in Lithuania in 2009. An opportunity study regarding the National Creative and Cultural Industries Programme was prepared on the initiative of the association. The data presented in the study show that the contribution of creative industries companies to Lithuanian GDP grew from 2 per cent (LTL 2.1 billion) in 2001 to 5.2 per cent (LTL 4 billion) in 2006. According to data provided by the Department of Statistics of the government of the Republic of Lithuania, 6 149 companies with a total of 61 297 employees operated in this sector in 2007. This accounted for 8 per cent of the total number of companies operating in Lithuania and 4 per cent of the total number of employed people in Lithuania. The growth of companies in the creative industries sector was 8 per cent in 2006–2007, and the number of employees in the sector grew 2.8 per cent, which shows that

this sector plays an important role in the Lithuanian economy.

Based on the aforementioned opportunity study, the Lithuanian National Programme for Cultural and Creative Industries was prepared and presented to the Ministry of Education and Science in 2009. There is a plan to use assistance from EU structural funds to implement this programme and it aims to specifically support synergy via a system of arts education, cultural infrastructure and creative business. The budget for the programme is approximately 3 million euros.

The very existence of this programme is evidence that the creative sector in Lithuania is acknowledged as an important area of innovation next to areas such as laser physics or biotechnology.

Additional support for education and the development of creative entrepreneurs was provided in 2010. The

National Association for Cultural and Creative Industries plans to use this support for the preparation of further complex development projects.

REGIONAL COOPERATION

Creative industries are becoming a major area of regional cooperation as well. When Lithuania held the presidency in the Council of the Baltic Sea States, the conference held by the Nordic Council Ministers Office in Lithuania, the Ministry of Foreign Affairs and the Ministry of Culture on 23–24 February 2010 in Vilnius emphasised the need to promote the cooperation of the Baltic Sea countries in the area of creative industries.

THE NATIONAL POLICY

The Ministry of Culture is officially responsible for the national policy in

the field of creative industries. The national strategy for the development of creative industries has been adopted by the Minister of Culture. The Ministry of Culture along with the International Cultural Programmes Centre provides support for mapping creative industries, collaborates with the State Department of Statistics and organizes conferences and seminars related to the creative industries. The ministry has financed a Lithuanian adaptation of the David Parrish book “T-Shirts and Suits”, and the creation of the portal www.kurybinesindustrijos.lt.

The Ministry of Culture takes active part in the consultations held by the government of the Republic of Lithuania concerning the long-term strategic plan, Lithuania 2030. Since a creative civil society is one of the priorities discussed in this strategy, the cultural economy and creative industries are particularly important sectors in achieving this aim.



CREATIVE INDUSTRIES AND THE ESTONIAN OFFICE OF THE NORDIC COUNCIL OF MINISTERS



Creative industries, which is a concept that is developing strongly right across the world, creates employment and a general sense of well being in society through intellectual property. For this reason the Nordic Council of Ministers (NCM) has made the development and better use of creative industries one of its most important missions, both in Nordic countries as well as Estonia, Latvia, Lithuania and north-western Russia.

The NCM offices in the Baltic States, along with experts in the creative industries, developers, institutions and politicians have exchanged ideas and expertise on how best to make use of the unique characteristics of a small cultural sphere in the context of the world stage. The NCM Estonian Office has devoted itself to the concept of creative industries since the end of 2008. To introduce the concept, the council held a series of lectures with inspiring examples of Nordic success

stories in the areas of contemporary jewellery, the music industry, media, advertising, festivals, textiles, marketing cities, cuisine and so forth.

The NCM supported the creation of the Tartu Centre for Creative Industries in a strategic capacity for a year and a half. The centre was ultimately opened in spring 2009. It has received support from the Nordic-Baltic Mobility Programme for Business and Industry and has shared its expertise with colleagues from Finland, Norway, Sweden, Lithuania and Latvia. The creation of a network of contacts involving Nordic and Baltic creative businesses and creative industry developers is currently in progress. In addition to funds for enterprise and industry cooperation, it is also possible to apply for funding from the public administration mobility programme. The creation of the cooperation network is also supported by the Nordic Culture Point and the Nordic Culture Fund.

In addition, the NCM in cooperation with the Estonian Ministry of Culture and KreaNord – an initiative of the NCM that unites all branches of creative industry – organised an international conference in Tallinn in 2009 titled “Creative Industries in the Nordic and Baltic countries”. As a result of the conference new cooperation networks, both at the political and project level, cropped up indicating that the creative industry is a worldwide phenomenon that is most productive when synergies are created.

In 2010, the NCM helped organise a round table on music exports at Tallinn Music Week. Music agents from Finland, Sweden and Iceland spoke about music export strategies and marketing support systems in their countries.

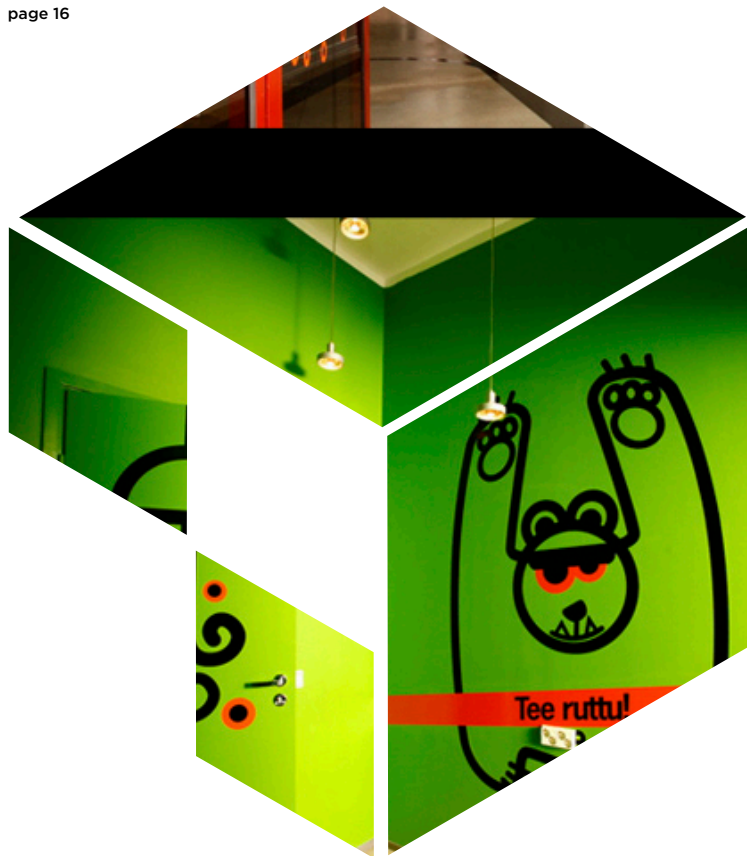
The NCM is working in cooperation with the Estonian Creative Industries internet portal Creative Estonia (Loov Eesti), which publicises Nordic suc-

cess stories and news. In addition, the NCM has helped Creative Estonia invite creative industry experts from the Nordic countries to marketing seminars.

In the future, the NCM Estonian Office will continue to present the views and know-how of Nordic experts, as well as support the creation and continuation of networks of cooperation.

In organising activities the NCM relies on:

- The Guidelines for Nordic–Baltic cooperation 2009–2013
- The European Union Strategy for the Baltic Sea
- The Northern Dimension Cultural Partnership
- The Creative Economy Green Paper for the Nordic Region 



BEST PRACTICES: ESTONIA

THE ESA TALLINN CREATIVE INCUBATOR

The (ESA) Tallinn Creative Incubator, one of three enterprise incubators run by the Business Support and Credit Management Foundation (Estonian acronym ESA), was officially opened in September 2009, though it had already begun to provide support for creative enterprises in 2008.

The idea for the Creative Incubator was born in 2004, when one of Estonia's well known contemporary jewelers, Kärt Summatavet PhD, became a client of the incubator. A collaborative effort by Kärt Summatavet and Anu Lõhmus, a member of the board at ESA, produced the concept for the Creative Incubator, and in September 2006 it was presented for the first time to the Tallinn City Enterprise Board. The City of Tallinn gave the green light for the Creative Incubator and supported it by covering the expenses of planned preparatory projects. From 2010, a support measure was added to develop ESA creative industries sup-

port structures. With this assistance the ESA Creative Incubator is able to fund its activities and develop infrastructure. Even so, the City of Tallinn is the primary source of funds for the ESA Creative Incubator and is an interested party, and because of this the support measure is primarily aimed at creative enterprises based in Tallinn. The Creative Incubator generates its own income from the rent of rooms and sales of services and training sessions, and businesses are subsidised by up to 75%.

The mission of the Tallinn Creative Incubator is to provide a supportive environment for creative enterprises by initially providing them with incubation services. The main emphasis is to improve the business expertise of creative enterprises and to establish a soft infrastructure by developing mechanisms of inclusion, cooperation and participation and to help enterprises become international. This includes making the Creative Incubator an important influence in the creative industries sector.

All enterprises wishing to be included in the incubator must undertake a thorough basic business training course and they are required to compile a business plan. The business plan is assessed by a group of experts and the business is given thorough feedback on their weaknesses and strengths. The entrepreneur defends their business plan before an assessment committee.

Businesses in the Creative Incubator can compensate for their lack of resources (both material and nonmaterial) with help from the incubator and business consultants to develop their business – this assistance can range from business know-how to do with starting and running a business to studio-style rental premises that are below market price. Businesses are included in training sessions, information and network seminars, workshops and educational travel and cooperative marketing events organised by the incubator. With financial support from the incubator, businesses have also had the opportunity to develop their specialist skills through training courses and workshops.

The most popular services provided are business consultations and training, as well as group events ranging from Creative Mornings to cooperative marketing schemes. The incubator's communal rooms are used to host various events, the meeting rooms for holding

meetings with clients and internal discussions and the receptionist and postal service, large library and other communal resources are also invaluable.

Since the project began there are five Creative Incubator businesses that have become success stories. Four export their products and services on a large scale, and three have achieved national recognition in the areas of business and design. Five top Estonian designers have joined the Tallinn Creative Incubator. Their international awards and recognition is an encouragement for other Creative Incubator clients.

The success of and need for the Creative Incubator is clearly measured by its popularity. In 2008, 14 creative enterprises wished to join, in 2009 there were 30 and by the end of spring 2010 there are already 40 creative enterprises.

Since the start of the project, Creative Incubator partners have included the Estonian Academy of Arts, Mainor Business School Design Institute, the Estonian Association of Designers and the Estonian Design Centre. Due to its location and common interests, the Baltika Quarter (Baltika is Estonia's largest fashion manufacturer) has also become a partner. In cooperation with Baltika, cluster events are being organised to develop, market and sell Estonian design and handicraft products.

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TARTU CENTRE FOR CREATIVE INDUSTRIES

The Tartu Centre for Creative Industries was founded on 14 May 2009 on the basis of Tartu City Council decision No. 514. The centre was officially opened on 4 September 2009.

The Tartu Centre for Creative Industries is an umbrella organisation that coordinates the creative industries in Tartu. It shares information about creative industries and provides education and training in the field, and provides legal and business advice to creative businesses, as well as an incubator service. The work of the Centre for Creative Industries is funded by the City of Tartu and Enterprise Estonia.

The Centre for Creative Industries is located at 13–17 Kalevi Street – very close to the city centre in a historically important part of town near a variety of cultural institutions. The buildings are surrounded by a park area for which a concert stage and picnic area are planned, as well as a sculpture garden.

At least once a year the centre organises a creative industries competition for businesses just starting out and seeking incubation services.

At present there are nine businesses operating from the Centre for Creative Industries, two galleries and a café. There are 20 businesses in the preliminary-incubation program.

To become a resident of the centre it is necessary to undertake a 2-month preliminary incubation period during which participants learn how to compile a business plan, become familiar with the principles of establishing a business and hear advice from consultants. After successful defence of the business plan it is possible to apply for the incubation service.

Creative businesses can obtain support from the centre in the form of rooms, know-how and various services. Creative businesses can also use the office and studio spaces, fully equipped meeting rooms, Wi-Fi internet and security services. Businesses are continually offered training and an experienced business consultant provides advice about

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the business plan and overall running of the business. Businesses consider the greatest additional asset to be the inspiring work environment and the benefits reaped from the cooperative work that takes place between the resident businesses.

The Tartu Centre for Creative Industries has become popular to the extent that new premises are now required. The renovation of 15 and 17 Kalevi Street began in June.

A queue is developing for the new rooms because in June the 20 businesses in the preliminary incubation period will complete the program and in autumn a new competition will be announced.

CREATIVE ESTONIA

Creative Estonia is a program launched by Estonian Enterprise and funded by the European Social Fund, which helps promote and develop creative industries and creative businesses in Estonia. The program was established in 2009 and its aim is to:

- Clearly present the content, unique characteristics, economic, social and regional value of creative industries. Create a platform for the discussion of creative industry problems and solutions at the highest level.
- Support beginning and established creative businesses with much needed information and advice. Develop an attitude that creates a positive image of business and to increase the business and export ability of creative businesses.
- Encourage and increase cooperation between creative individuals and the industrial and service sectors, so that the latter learn to make use of the abilities, talents and creativity of creative people with the aim of developing and becoming more competitive.
- Create as many opportunities and channels as possible for the for-

mation of cooperation networks, and the exchange of expertise and information. To present the model of Estonian creative industries to Europe and bring the best European practises to Estonia.

To achieve its aim Creative Estonia clarifies the essence and importance of creative industries to all interested parties. Creative Estonia disseminate news and events in the field via mass, social and industry media, and it's own information channels.


On the Creative Estonia portal www.looveesti.ee it is possible to find information and support material about starting a creative business and guidelines for managing a business. The portal also aims to provide an overview of the creative industry and the events, studies and opportunities for support currently available. Creative businesses are also invited to free marketing seminars organised by Creative Estonia.

This year Creative Estonia will issue the publication "Creative Industries in Estonia", which will present the state of the industry in Estonia and the best examples to show that Estonia is a country committed to innovation and contributing added value. The publication will present the support structure that has been established for creative industries and the support measures put in place by the State, as well as highlight

successful creative industry businesses and projects. To encourage contact between businesses and creative people, Creative Estonia organises various events and seminars, open-coffee style meetings and short lectures where creative businesses and potential investors are brought together. To promote the idea of creative industries, Creative Estonia participates in conferences to do with management, business and innovation as well as other areas, and seeks solutions to problems in the creative industries with input from key figures from local government level right up to the parliament.

This year the focus is on design management, and along with the Estonian Association of Designers, Creative Estonia will be organising an international conference.

Students are an important target-group for Creative Estonia. The essence of creative business is explained to them in an attractive fashion and they are given information about study opportunities both at home and abroad.

Creative Estonia conducts its work with advice from a think tank that includes leaders from creative industries support structures and development centres from the various creative associations. All work is carried out by Creative Estonia along with representatives of the target groups and partners. 

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BEST PRACTICES: LATVIA

HUB RIGA – A NERVE CENTRE FOR CHANGE IN LATVIA

Hub Riga is designed as a platform for creative and active individuals, organisations and companies from every profession, background and culture to meet and interact with the common goal of affecting change.

Hub Riga has started to play a proactive role in warming up Latvia's economy by offering business incubation services to young enterprises in the creative industries. This programme is supported by the European Regional Development Fund and the Latvian State and provides young creative enterprises with financial support during their first years of operation. This support includes partial compensation for administrative, legal, accounting, fund-raising, marketing and rental costs as well as the costs of establishing partnerships and other business processes.

The Hub Creative Incubator is anchored in Andrejsala, a district experiencing promising development, where young enterprises are selecting the

most suitable spaces for their offices, workshops, warehouses and production facilities. Existing and new tenants and partners use Andrejsala as a place to meet, exchange ideas, make mistakes, learn, be inspired and share experiences; it is a place to bridge the gap between those making their first steps in enterprise with more experienced businessmen, artists, thinkers and other personalities.

Among other plans, Hub Riga is preparing to launch the first Hub space in Riga's Old Town in partnership with Riga Art Space. The idea is to offer exhibition goes a more diverse experience and to offer locals and visitors flexible access to facilitate working, meeting and relaxing in a creative space.

To make ideas happen and to scale up its impact, the Hub is collaborating closely with likeminded organisations and individuals, including the British Council, Jaunrīga real estate developer, the Nordic Council of Ministers, Riga City Council, the Latvian Culture College, Riga Arts Space and other local and international organisations, institutions, educational establishments, youth movements, NGOs, and others.

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INTERDISCIPLINARY ART CENTRE KIM?

The pilot project “kim?”, inaugurated by the Latvian Museum of Contemporary Art, is an interdisciplinary arts centre in Latvia dedicated to contemporary culture. Situated in the historical Spikeri district in Riga, “kim?” organizes monthly exhibitions in its three

galleries and provides local and international audiences with a complementary programme of regular lectures, film screenings and performances.

Since opening on 16 May 2009, "kim?" has organized an exciting programme of 103 cultural events and attracted more than 36 000 visitors. "kim?" is currently venturing into launching a residency programme with Germany, The Netherlands and China, initiating several educational programmes and working on the development of a new building for its rapidly expanding scope of activities.

The target group for “kim?” includes art professionals (artists, curators, critics, journalists), creative industry representatives, students and tourists. Using the synergy between different fields of contemporary culture, “kim?” aims to promote the emergence of a new, intellectually and emotionally receptive audience gradually increasing its interest in different expressions of contemporary culture.

In terms of funding, “kim?” regularly applies to numerous international and local grant schemes as its primary source of financing. Other sources include the Ministry of Culture, corporate sponsors and self-generated income through rent and merchandising.

CI entrepreneurs are among the most active and loyal visitors to “kim?”, as “kim?” promotes formal and informal education at all levels, stimulates interest in contemporary culture and provides venues for people to spend quality free time. 🍋



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BEST PRACTICES: LITHUANIA



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COMMUNITY BUILDING CONSULTANTS

The public organization “Bendruomenių santykių konsultantai” (“Community Building Consultants” or CBC) was established in 2005. The main aim of the organization is the sustainable economic, educational, cultural and social development of communities. In recent years the main direction of its activities has been the development of creative industries. Our target group includes CI representatives and non-government organizations that help form cultural policy, and we also cooperate with the Ministry of Culture, the Ministry of Education and Science and the Ministry of Economy. CBC participated in the development of the Republic of Užupis, the Užupis Art Incubator and initiated the establishment of the Užupis Creative Cluster (UCC), which focuses on the creation and development of computer simulation games. In recent years, CBC has developed the following projects and initiatives:

- Qualitative and quantitative CI research in the region of the Republic of Užupis, in which we set out to implement unique CI mapping methodology in Lithuania. The methodology not only reveals statistical CI information and indicators, but also emotional, social and cultural potential. At the moment we are participating in the creation of another CI map in cooperation with the Gediminas Technical University in
- CBC represents CI clusters in international cluster networks and cooperate with them in various projects. We also consult CI representatives who want to establish CI incubators. We help with access to financing, preparing strategies and integrating into the market – most of the funds we help them access come from the EU. We also write projects as well as fund projects from our own resources.

Vilnius. We created the CI map of the Republic of Užupis and are taking part in CI cluster development. We created the online map www.uzupiozinios.lt/zemelapis, which presents CI representatives from different sectors. There are about 130 profiles with information about where people work, what they do and how to contact them.

- CBC consults the Ministry of Education and Science and takes part in preparing the national CI programme. It contributed to writing the feasibility study Creative and cultural industries of Lithuania and the Creative industries national programme. Moreover we are members of the National Creative and Cultural Industries Association, take part in studies related to CI and consult the Ministry of Culture, Ministry of the Economy and Ministry of Education and Science in preparing CI development strategies.



REPUBLIC OF UŻUPIS

CBC is involved in developing one of the districts of the old town of Vilnius, The Republic of Użupis, which houses a unique cluster of creative industries. CBC organizes various projects, writes strategies, conducts fundraising activities and mapping and assists in developing social capital in Użupis.

In the course of time, the unique social and cultural capital as well as the purposeful activities of the community have turned Użupis into a creative industries centre, and its influence on cultural, economic and social life has extended beyond the limits of Vilnius and even of Lithuania. Over the years Użupis has become a naturally formed platform for the creative industries cluster. The facts speak for themselves:

- Over 300 creative industry (CI) representatives work in Użupis;
- There are 50 businesses based on the commercialization of culture and creativity;

- Annual income from CI in Użupis amounts to EUR 6 million
- Użupis boasts approximately 10 000 m2 of creative space;
- The Użupis Art Incubator was the first art incubator in the eastern Baltic counties, and is now already adding some 1 200 m2 of new space;
- Vilnius Academy of Art, private art schools, galleries and exhibition spaces are all located in Użupis.

According to recent studies, Użupis is entering a new stage in its development and is assuming new significance not only in terms of entertainment, artistic and cultural contributions, but also in terms of the economic and political life of Lithuania. The cluster of creative industries in Użupis, which formed naturally on the principles of harmonious development, has been in existence in one way or another for over 30 years, and is the first forma-

tion of its kind in the Baltic States or even Europe. The Użupis CI cluster, within its own specific territory and with its own social and economic relations, unites art incubators (the Art Incubator of Użupis, Vilnius Academy of Arts "Design Business Incubator" and the Arts Printing House), Academies and schools (Vilnius Academy of Arts, private schools and groups of artists), individual artists and their studios, shops, galleries and companies involved in creative activities (totalling about 350 small and micro companies – advertising, design and architectural companies, publishing-houses, photographic studios, art curators, students of culture and the arts, festivals and so on).

The community of Użupis arranges events that unite its members and support their creativity and the commercialization of their activities on a regular basis. The cultural life of Użupis, regulated by symbolic authorizations and agreements, today impacts social, cultural and even business development in the city considerably.

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KLAIPEDA ECONOMIC DEVELOPMENT AGENCY KEDA

The Klaipeda Economic Development Agency (KEDA) was founded in 2003 by Klaipeda city, initially to focus on city branding and marketing communication activities targeting potential investors in Klaipeda. As of 2007, the agency has also been active in supporting and promoting local cultural and creative businesses through support

to creative SMEs, individual artists, institutions and cultural organizations representing the major CI sub-sectors: performing arts, architecture, visual arts, media and video art, design and publishing.

KEDA's main goal is to provide support for the creative industries sector in terms of infrastructure development. In addition, an important part of the service includes providing consultations and practical information, opportunities to advertise on the creative industries digital map and organizing meetings and seminars with members of the local CI support group to share best practices and ideas.

The ongoing "Culture Factory" project includes the establishment of a culture and creativity centre, which will attract a wide-ranging spectrum of artists and creative industries. The new facilities will host an art incubator, conference and cinema halls, studios for dance and audio-visual projects, information centres etc. The "Culture factory" project will create a sustainable physical, informational and organizational infrastructure that will initiate, promote and create the conditions for creative and cultural industries, interdisciplinary and alternative art projects based on innovative cultural management principles.

Klaipeda economic development agency has launched a digital map (programmed using Google Earth technology) for Klaipeda creative and cultural industries. In order to promote and foster the creative and cultural sector in Klaipeda, advertising on the map is free of charge. Each sector is distin-

guished with a different color on the map. Companies simply have to assign their activities to the appropriate category and they will be seen directly on the map (www.kepa.lt/zemelapis). Since 2008, KEDA activities have been financed on the basis of various EU support projects. At the moment, the agency is involved in the following projects in the creative industries:

- The adaptation of a former tobacco factory for creative industries.

The development is at "Phase II" (construction)

- Inter-regional cooperation project CITIES – Creative Industries in Traditional Intercultural Spaces – financed by the Interreg IV C Programme to share experience and good practice in the areas of innovation, the knowledge economy, the environment and risk prevention (full project coordination by KEDA)



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MENŲ SPAUSTUVĖ/ ARTS PRINTING HOUSE

Menų spaustuvė is a performing arts venue aiming to be the first infrastructural complex for the creative industries in Lithuania, where performing arts, business and education can meet to inspire each other. Established in a former printing house dating back to 1585, it produces and hosts creative phenomena including but not limited to theatre, dance, music, new circus, cinema and other forms of art. It supports performing arts NGOs providing them with space for offices, rehearsals and performances.

Activities in the current premises of Menų spaustuvė started prior to the establishment of the organization in 2002. Independent NGOs (such as the Theatre and Cinema Information and Education Centre and the Lithuania Dance Information Centre) started out in a neglected building with new drama and contemporary dance projects that had no opportunities elsewhere.

From the outset, Menų spaustuvė was involved in supporting and promoting independent and emerging artists as well as new forms of contemporary arts in Lithuania. It works in the fields of contemporary drama and new writing,

contemporary dance, contemporary opera and new circus. The scope of the projects consists of small festivals, educational projects, productions and co-productions. It is also built to serve as a residential base for pre-production, production and post-production activities for performing arts organizations.

There are two types of target groups: artists and artistic organizations as well as audiences. The artistic organizations can be narrowed down to a pool of non-government non-profit performing arts institutions (formal and informal) inaugurated in the past decade.

Menų spaustuvė provides low-cost rehearsal, performance and office spaces, and administrative, technical, managerial, financial, accounting and public relations support for arts organizations.

Financing bodies include Vilnius City Municipality, the Ministry of Culture of the Republic of Lithuania, the Culture Support Fund of the Republic of Lithuania and the private enterprise Vilniaus energija.

Menų spaustuvė is a member of IETM (Informal European Theatre Meeting) and TEH (Trans Europe Halles). It hosted the plenary meetings for TEH in 2007 and IETM in 2009.

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DEVELOPING A CREATIVE ECONOMY IN THE BALTIC REGION: CHALLENGES & OPPORTUNITIES

DR. TOM FLEMING, June 2010



This short article provides a 'think piece' on how partners across the three Baltic states of Estonia, Lithuania and Latvia can operate as a major centre for the development of the creative economy.

A key aim here is to open up a policy debate about the drivers of the Creative Industries in the Baltic Region, and to understand the opportunities and challenges facing the sector. I have been working with partners in the Baltic Region for more than five years and during this time, partnership working between the three countries has not yet flourished into full and wide-ranging coordination of activities and the sharing of expertise/resources.

I believe that the economic downturn provides us with the opportunity for reflection and it opens the way for Baltic countries to develop a rich and ro-

bust approach to regional cooperation that plays to individual strengths and delivers profile and impact that would not be possible working individually.

I believe a Baltic approach makes sound strategic sense because of a set of economic, social and cultural reasons. Broadly, this involves:

- Recognising the diversity of the region; while capitalising on commonality and a interdependency.
- Highlighting key opportunities for growing the Creative Industries and maximising the sector's wider value.
- Balancing approaches to growth with approaches to quality of life and wellbeing.

The paper does not focus on specific

Baltic opportunities and challenges in any significant detail. Rather, it posits a set of more 'global issues' that have pertinence to the development of the sector at a regional and local level.

To establish a more detailed Baltic approach would require detailed research and consultation – at the heart of a wider 'Green paper approach' (applying a similar approach to the 2008 Creative Economy Green Paper of the Nordic Region). Indeed, I have for several years advocated that the three countries of the Baltic region commission a high level strategic project – such as a Green Paper – to catalyze policy development, coordinate thinking and mobilize real and effective partnership.

With each country emerging tentatively from the economic downturn, and with clear distinctive strengths as well as weaknesses apparent across the Bal-

tic region, the time has come to work positively as a creative economy unit. The three countries of the Baltic region – Estonia, Latvia and Lithuania – have between them so much talent, rich and intertwined history, and emergent creative economy infrastructure (from improving cultural infrastructure to new workspace facilities).

Moreover, the three nations are ideally located to develop a strong creative exchange programme with the Nordic countries to the north, Russia to the east, and central Europe to the west and south. With a joined-up approach that connects assets, enables knowledge and skills to be exchanged across borders, develops a coordinated brand/identity, and embraces talent and risk as core ingredients for success, the Baltic region can become a major creative economy cluster with global reach and prominence.

THREE TYPES OF LOGIC

There are three types of 'logic' for developing a coordinated approach to the Creative Industries across the Baltic Region:

There is commercial logic: developing greater visibility to local, regional, national and global markets; connecting for scale; coordinating complementary strengths; increasing convergence opportunities with other sectors; and establishing leadership in sector specialisms – design and digital media.

There is a professional logic: exchanging knowledge; developing a richer research; building a larger skills base; and providing a bigger portfolio of investment propositions.

There is a cultural logic: building on intertwined histories; exploring common contemporary sensibilities; and exploiting links to the wider cultural sector.

If the Baltic Region can connect its assets, coordinate its support offer, and position the Creative Industries to the heart of a wider cultural agenda that links the 'creative economy' to the 'cultural ecology', then it will be well-placed to offer the type of environment attractive to creative businesses.

Over the following few pages, a set of three broad considerations and five broad opportunities are introduced – to provoke, stimulate and add to the dialogue that surround policy development for the creative economy across the Baltic Region.

CONSIDERATION 1: INTELLIGENCE & TARGET 'SUB-SECTORS'

For effective strategic partnership and the development of a coordinated approach to the creative industries, we first of all need to establish a robust baseline. This is to understand the current scale of the creative industries but also to develop real intelligence on how it operates: its networks, markets, supply chains, locational preferences, cultural trends, favoured identities and so on.

To date, multiple mapping projects have been initiated across the Baltic region, but they are locally driven, rarely share the same methodology and are often commissioned with different strategic purposes in mind. The time has come for a coordinated approach to mapping that generates rich data and intelligence on the dynamics and potential of the creative economy across the region.

However, for this to play a genuinely meaningful role, it is important first of all for partners across the region to agree on answers to the following:

A. Which parts of the creative industries are we focusing on?

Different parts of the Creative Industries sector have different business models, markets, supply chains and locational characteristics. It is unlikely that in the Baltic Region we can major on all areas of the sector. While we might measure / map the whole sector, it is important at the outset to develop

a sense of our priorities – so that we can 'dig deeper' to generate rich intelligence on such activities.

We also need to embrace the way different parts of the Baltic region have different strengths (and weaknesses). Therefore, we need to consider carefully the current dynamics and profile of the sector and identify where the greatest opportunities lie.

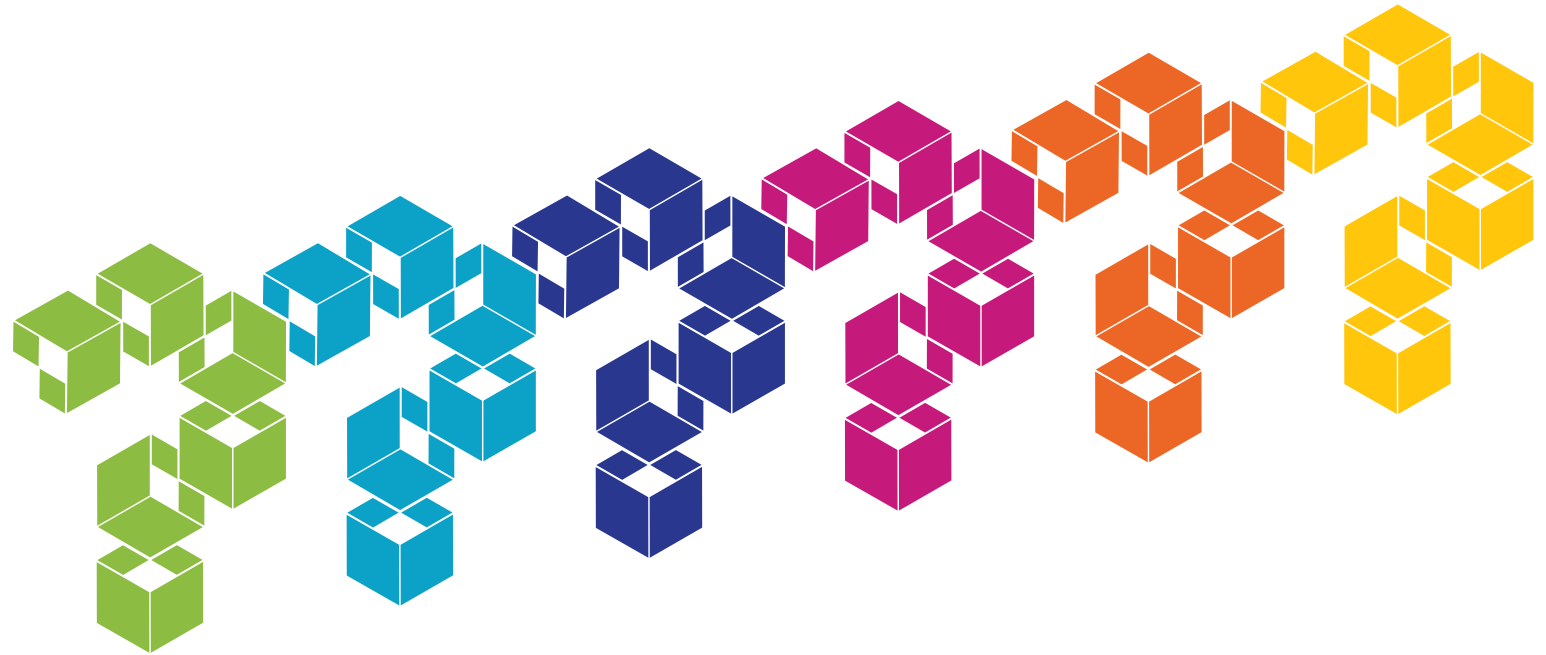
This does not necessarily mean we should focus on those higher growth activities: other activities may play a substantial 'value-adding role' – in tourism, place-shaping, and in improving the competitiveness of the wider economy.

B. Different parts of the Region have a distinctive profile and offer. How do we link different assets while celebrating distinctiveness?

A real strength of the Creative Industries sector in the Baltic region is its diversity: from pioneer micro creative businesses (such as in visual arts and design) in the university towns (e.g. Kaunas and Tartu), to emergent clusters of media businesses in the larger cities (e.g. Riga, Tallinn and Vilnius). The role of the sector varies by context, as do the environmental factors that help it to prosper.

An effective strategic approach needs to embrace that diversity or make a clear distinction between the areas of the sector it is able to most effectively support, and thus the priority places for sector development. This might mean that a set of complementary strategies (and mapping approaches to





inform the strategies) need to be developed: such as a series of hubs, each with their own specialism. when connected as a whole, these could operate as a dynamic creative economy cluster for the whole Baltic Region.

C. Is it a wider 'creative workforce' agenda?

"Look into the toolbox - creativity is the only tool we have left ... and it's important to see it in the round: creativity is a new drug, or a better engine for cars - we shouldn't get trapped in a narrow definition." (Lord Puttnam).

Is the main goal in the Baltic Region to support the growth of the Creative Industries sector, or is there a wider opportunity here to develop an agenda in creativity that cuts across different

sectors, with a 'creative workforce' the main prize? In some areas of the region (smaller cities, rural areas, under-connected areas), the Creative Industries is unlikely to be a large sector. However, if it can influence the practice and culture of the wider economy – such as by introducing creative skills to different disciplines, then the overall outcome may be far more significant. Options here include smart commissioning and brokerage initiatives that connect creative industries businesses to other parts of the economy; and a wider embrace with creative skills development through the learning and skills sector.

D. How do we grow from what we have and indeed grow what we have?

In strategy it is often tempting to develop aspirations that stretch far be-

yond that which is achievable. There can also be a tendency to seek attributes that another place has without fully considering the attributes already 'in place'. A starting point should always be to develop from the existing qualities and assets, growing the sector where possible. The next step should then be to engage existing assets to develop a complementary set of assets – i.e. incoming businesses and markets. Do we have a clear view in the Baltic Region of the assets at our disposal?

E. What is achievable locally Vs approaches that require, regional (i.e. pan-Baltic) and international (e.g. with the Nordic countries, Russia etc.) approaches?

It is important to identify what can make a difference at a 'local' Baltic

level. Many of the 'hygiene factors' for creative businesses are dependent on influences that are international in their scope. This means interventions may need to be developed in partnership with, for example, Russia and / or the Nordic Countries. At the same time, it will be important to develop locally relevant approaches that connect with the sector at a grassroots level.

Put simply, it will be necessary to develop a multi-tiered approach that flexibly links local activities to national and international programmes.

F. How do we measure impact – Outcomes for business Vs Outcomes for strategists?

It is important when setting out ambition for a sector that desired outcomes

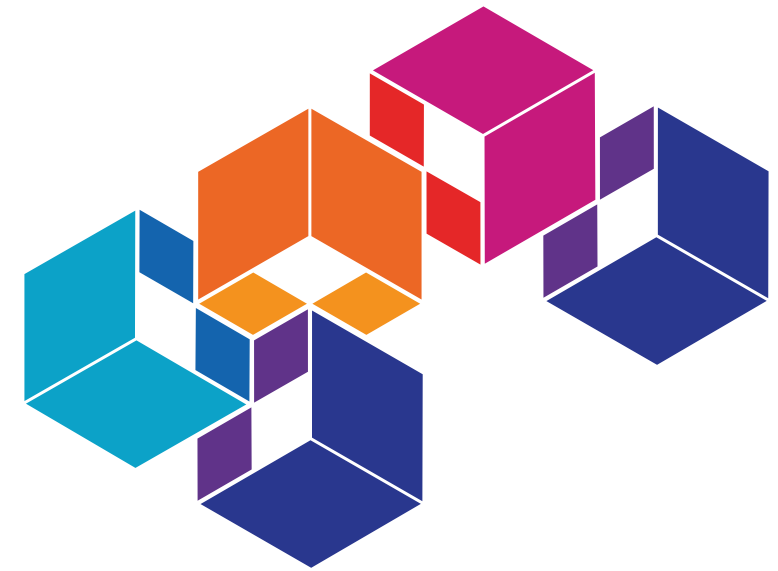
are identified. These can of course change, but without a set of 'key performance indicators' (KPIs), how are we to judge the impact of intervention? Key here is the co-creation of KPIs with the sector: they should not be enforced 'from above'.

For example, a strategic outcome might be increased profile for the Baltic region (and the individual countries), a more successful visitor economy and the attraction of inward investment for infrastructure projects. An outcome for a business might be more trade, better working conditions, and/or improved skills. A joined-up strategic approach will need to identify and agree these outcomes at an early stage so that the sector and its supporting agents work together seamlessly.

CONSIDERATION 2: INDUSTRIAL POLICY VS CIVIC BOOSTERISM

What are we trying to sell? Some creative and cultural strategies are more akin to place-marketing documents than industrial or sector-based interventions. For example, much of Richard Florida's work in the 'Creative Class' assumes that highly skilled 'knowledge workers' are attracted to an area because of a mix of quality of life factors. This presents places as objects to be consumed.

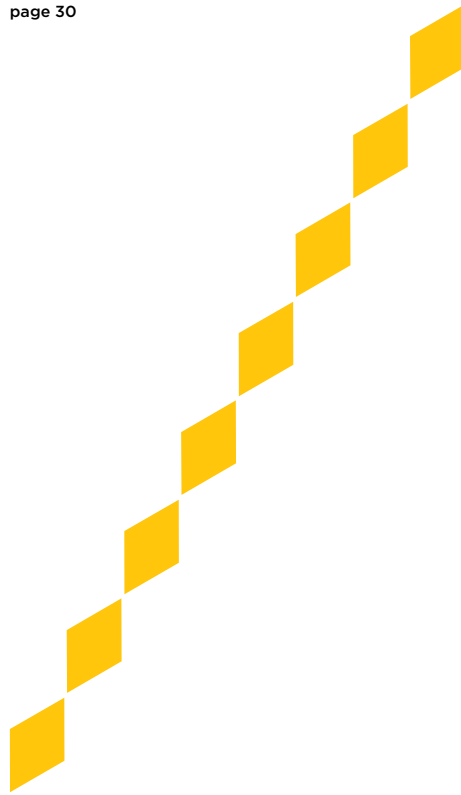
Too often, this assumption is extended to Creative Industries strategies – where the sector is understood to be attracted as much by the identity and perceived vibrancy of a place than a set of business development factors.



This approach is too simplistic. Yes creative businesses are attracted by the perceived cultural life of a place – they are in the business of creating meaning, so the more stimulating and compelling a place, the more attractive it becomes. However, they are also undertaking industrial activities. This means they are equally attracted by a mix of practical factors – such as work-space, finance, access to skills and markets. Therefore, a sector strategy should complement but not be dependent on 'cultural' and 'quality of life' factors. It should be about production and not only the 'consumption' of place.

CONSIDERATION 3: SUPPORTING THE 'EXCEPTIONAL' QUALITIES OF CREATIVE BUSINESSES

Broadly, and very crudely, creative businesses play by the 80/20 rule. For 80% of the time, they operate just as any other business: they have products and services to sell, profits to make, margins to consider. For 20% of the time, they operate in ways that render them different, or in some cases 'exceptional' (NESTA 2009). To some



extent, they reflect a set of wider shifts evident across the economy - in the practice of doing in business, in the location of value in business, and the trajectory of career paths. In other ways they continue to pursue a path unfamiliar for most other types of business. For strategy this means a bespoke approach might be needed to support the '20% exceptionalism' of the creative industries.

THIS 'EXCEPTIONALISM' CAN BE FOUND IN THE FOLLOWING:

Creativity Vs Business: Many creative businesses are 'creatives first' and 'businesses second'. They may be motivated as much by the creative act as its commercial application. This has implications for the types of skills needed to develop businesses while retaining creative integrity. It also affects the style and culture of support offered for many creative businesses: a standard 'one-size-fits-all' approach has too many built-in assumptions on growth, management expertise and levels of entrepreneurialism to effectively embrace the diversity of creative businesses.

Portfolio & Project Focused: Many creative businesses and the practitioners

which run them are dependent on high levels of flexibility and mobility. Their careers are run on a project by project basis and their core market may shift regularly over time. To prosper as a creative business therefore requires access to rich networks of complementary activities. We call these 'privileged creative networks', where access to skills, potential new markets, and critical knowledge on trends and innovations, are made accessible and legible. Good quality sector support opens up access to such privileged networks, brokers connectivity across the networks, and supports creative businesses to develop projects from a position of confidence where it is reasonably obvious where the next project may come from.

LOW TANGIBLE ASSETS

For many creative businesses – large and small – the asset base is relatively intangible. This is because it is tied up in the skills base and creative production potential of the workforce. This makes access to appropriate finance more difficult and it increases a dependency on trust (and risk) to develop deals and mobilise investment. Here, access to the above-mentioned 'privileged networks' offers a key means of building trading and investment relations. In

addition, it increases the need for a brokered system of attracting investment to the sector. This is where processes of 'investor readiness' (nurturing investor relationships and reducing the risk profile of creative businesses) are key complements to 'investment readiness' (supporting businesses to develop management skills, business models and risk profiles that make their assets – however intangible – attractive to appropriate forms of investment).

'PROSUMPTION' & PLACE

Creative businesses are in many ways more embedded in place than other sectors. 'Location' is just one factor in determining decision-making; with the cultural dynamics of place at least equally important. Creatives are 'place-makers': they 'produce in place' and in turn 'reproduce place' through its consumption. In other words, the act of developing creative work in a place is also an act of consumption because a place needs to be 'consumed' for new ideas to be produced. Correspondingly, we need to consider the cultural and environmental features of places across the Baltic region if the overall region is to be attractive to different creative businesses; and we need to support creatives to give them a strong and visible role in place-making.

OPPORTUNITY 1: THE INTERSECTION

What is needed are not new or adapted instruments for knowledge transfer, but something quite different: the spaces in which interactions can take place” (Geoffrey Crossick, A lecture to the Royal Society of Arts).

Can we establish the Baltic region as a region of social and cultural connectivity? Can Estonia, Latvia and Lithuania become places recognised for the ways they broker relationships between different creative businesses; stage opportunities for knowledge to be exchanged; open up their cultural and learning infrastructure to develop new knowledge; and provide a mediating role for creative producers and consumers from other parts of Europe?

This will mean developing a strategic approach where proposed interventions focus on enabling the intersection for our creative industries:

- Brokered networks with access to ‘privileged knowledge’, services and markets.
- Flexible co-created workspace & activity space; where the formal relaxes into the informal and

client-facing activities co-exist alongside creative exchange activities.

- Plug-in opportunities for mobile creatives – where the towns and cities of the Baltic region are places to flow through, connect in, move on and then return to.
- A role for cultural infrastructure – the spikes & ‘sticky spaces’ – commissioning new boundary-crossing content; inspiring creatives to work with different sectors; bringing producers and consumers closer together so they participate as one.

OPPORTUNITY 2: THE CONNECTED

Next-generation, super-fast broadband will be a vital part of the emerging creative economy’s infrastructure, enabling dramatic improvements in connectivity and offering new possibilities for businesses, public services and local communities.

How in the Baltic Region are sector strategies being aligned to investment and development of digital infrastructure? Speed and connectivity are key to attracting the growth orientated and

highly mobile creative businesses, as well as to growing existing businesses. Estonia has taken a lead here and Tallinn is one of the most connected capital cities in the world. It is important here to develop corridors of connectivity – just as with transport infrastructure. Parts of the Baltic region are considered under-connected – mostly due to poor transport links. With fast broadband, such areas can rapidly become highly connected – offering the space and quality of life to slow down while delivering the connectivity required in business to speed up.

Opportunities also exist here to increase the pervasiveness of connectivity: with greater connectivity across public spaces and buildings, enabling mobile creatives to connect as they travel through the region. With hotspots of connectivity – in creative workspace and cultural buildings – the entry costs for creative practitioners are reduced and the sector is relatively ‘democratised’, enabling multiple micro enterprises to take part and compete.

Fast broadband also provides the impetus to develop new brokerage and network tools. Knowledge can be provided to creative businesses as part of a wider cultural development push that streams content / knowledge across

multiple platforms & channels. This opens up the space for different types of collaboration and will enable businesses in the Baltic Region to work freely with businesses internationally.

OPPORTUNITY 3: THE CONVERGENT

Creativity’ is the generation of new ideas – either new ways of looking at existing problems, or of seeing new opportunities, perhaps by exploiting emerging technologies or changes in markets.

‘Innovation’ is the successful exploitation of new ideas. It is the process that carries them through to new products, new services, new ways of running the business or even new ways of doing business.

In the Baltic Region, do we provide the enabling conditions for creative practice to deliver innovation – both within the Creative Industries and across the wider economy?

On the Baltic region, with the mix of cultural infrastructure, an expanding higher education sector and growth in network activity across the creative industries, it is possible to nurture and ecology of creativity and innovation.



Here creative businesses will work across different sectors and creativity is championed as a pervasive force across the economy.

This requires the curation of collaboration activities, with interdisciplinary working celebrated. It would also be accelerated by the opening up of higher education institutions as brokers of convergent knowledge; the smart collaboration of creatively-driven projects that operate in the spaces between core activities; and an embrace of risk as a necessary counterweight to core business activities.

There could be major opportunities here. The Baltic region is still relatively industrialised and rapidly re-industrialising. This means opportunities exist to connect the assets of the creative industries to other sectors – such as in manufacturing and agriculture.

The region is also home to an increasingly open and connected higher education sector, with strong research and knowledge development potential. Here creative disciplines – such as in art and design, could explore beneficial collaborations with disciplines in science and technology - to develop new business models and nurture a more creative workforce overall.

It will be important, in any strategic approach, to identify where the interactions are currently taking place; and explore how institutions and organisations can operate as brokers of collaborative activity that connects different disciplines and seeks practical outcomes from creative processes.

For example:

Can a creative knowledge transfer network be established?

Is it possible to introduce a smart commissioning programme that invests across the boundaries of sectors that don't traditionally connect with one another?

Do we need to stage collaborations through events and festivals – to showcase the opportunities enabled through convergent activity?

Is it clear where knowledge and creative capacity currently rests or do we need to work harder to unlock talent and build connections?

OPPORTUNITY 4: THE PIONEERING

Different parts of the Baltic region have, in recent years, become attractive places for pioneering creative practice. Tallinn, for example, is today recognised as an emergent 'centre' for digital media and design; Riga is a leading fashion and media hub; and Vilnius has strong visual arts and emergent digital media sector activities. As a relatively 'low cost' and 'high skilled' economy with an improving cultural offer, it is likely that the creative industries will play a more and more substantial role in the ongoing transformation of the overall Baltic economy and society.

Here, the creative industries is often understood as the 'creative pioneer' that leads processes of creative in-migration to be swiftly followed by other, more

commercially driven creative activities. This means the creative industries of the Baltic Region might be understood as leading wider processes of economic change, regeneration and renewal.

The challenge now is to build from this base: enabling more creatives to develop their practice in the different parts of the Baltic region, while attracting and nurturing a wider mix of creative businesses, some of which will be 'migrants' from other parts of Europe and beyond, and some will be returning creatives who have made their fortunes and developed networks and markets elsewhere.

If the Baltic region is to be a welcoming and open place for pioneering

creative activity, then we need to fully explore the answers to the following questions:

- Is the brand identity of the region and its creative centres clear and accessible, and does the creative sector feel a sense of ownership for the message it is trying to convey?
- Are creative businesses fully understood by those providing business support and other key intermediaries such as educationalists, investors and planners?
- Does the region have sufficient capacity to develop certain business models in the creative indus-



tries – e.g. those that require large and accessible local markets?

- Is there an effective mix of work-space and activity space in and across the region in which creatives of different 'shapes and sizes' can flourish? Are these spaces internally and externally connected?
- Does the cultural and educational infrastructure of the region provide the stimulation and inspiration for creativity to flourish; plus a more structured set of services and facilities that encourage creativity to be staged for commercial as well as cultural reasons?
- Does the business culture of the region enable micro creative businesses to grow? How best to overcome bureaucracy, low levels of entrepreneurialism, and limited access to skills development?
- Is the Baltic region somewhere that encourages risk, that champions the unconventional, that celebrates new ways of thinking and doing?

OPPORTUNITY 5: THE SMART & THE SLOW

"It's about the speed in our lives and how it can only result in a crash"
(Hussein Chalayan).

The whole 'creative industries discourse' is predicated on the rhetoric of growth. For over a decade now the

sector has been presented as the fastest growing in the world, offering major opportunities for job creation and delivering a panacea for some of the more entrenched social problems.

While the creative industries is undoubtedly a growth sector (or at least parts of the sector are), and that growth is likely to recapture its pre-downturn pace in the near future; growth is not likely to be universal and the sector (as with any sector) will grow faster and play a bigger role in some places over others.

It is clear that parts of the Baltic region will be the beneficiaries of sector growth that keeps pace, even outperforms other parts of Europe. However, there is an alternative, equally attractive opportunity for parts of the region where growth will be more difficult to achieve:

Can some parts of the Baltic region become the places in northern Europe that combine opportunities to slow down and develop smart, carbon neutral, progressive creative businesses; while offering the speed to connect and do business with regions elsewhere?

Can rural areas and smaller cities become known for how they balance quality of life with creativity? Can they become micro ecologies of a locally embedded, globally conscious application of creativity that prospers through the activities of social innovators and smart creatives? In the Baltic region, if we work together, can we take a balanced approach where wellbeing and economic growth go hand in hand?

IN CONCLUSION

The Baltic region, with its diverse and youthful countries, has already made significant progress in nurturing its creative industries and developing a broader creative economy. Indeed, with each of the region's capital cities hosting the European Capital of Culture title over a five year period, awareness of the region is at an all time high.

However, with the economic downturn, the region also suffered: financially, of course; but also in terms of its reputation - with the fragility of the economy plain for all to see. This raises the stakes: it is clear that greater diversity is required across the regional economy – to reduce dependency on traditional industries and to attract more 'value-adding' activities. It is also clear that the creative industries provide an opportunity to grow more quickly from the downturn, lifting the Baltic region into growth once again.

Yet to date, strategy and then policy for the creative industries is under-developed across the Baltic region. The debates that surround the sector have not changed significantly in over five

years. Sector definitions are not settled. Policy options are under-formulated. Senior political and strategic figures seem unconvinced of the merits of a 'creative approach' or of the type of value it will deliver to the economy and wider society.

Individually, the countries of the Baltic region are small, with tiny domestic markets, limited capacity and challenges in developing a critical mass of infrastructure, skills and capital.

For many areas of sector strategy, a 'scaled up' regional approach provides far greater potential than a national approach. This is particularly the case for sector knowledge development – e.g. introducing a robust and consistent approach to mapping and the evaluation of strategic impact.

It is also the case for how we share resources, connect assets and project ourselves to external markets. Here a Baltic approach will have greater visibility and it will deliver greater capacity to the sector. The choice now for partners in Estonia, Latvia and Lithuania, is whether to 'go it alone' or work together for mutual benefit.

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