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# A Creative Economy Green Paper for the Nordic Region

- Definition of the policy context
- Summary of key issues and opportunities
- Green paper recommendations



Author: Dr. Tom Fleming, Tom Fleming Creative Consultancy

**Author:**

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Tom Fleming, Tom Fleming Creative Consultancy, UK

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# 1. Introduction

The Creative Industries represents one of the leading assets and opportunity areas for the Nordic Region of Sweden, Norway, Finland, Denmark and Iceland. The greatest assets of any region are its people, their individual creativity, skill and talent. Within the economy those industries based on these assets are known as the 'Creative Industries' – a unique sector that is creating wealth and jobs through developing and exploiting intellectual property<sup>1</sup>. As well as representing one of the largest and fastest growing sectors, the Creative Industries sits at the heart of the Creative Economy: encapsulating those wider processes, products and services for which creativity is a central activity. In doing so, it plays a critical role in the economic competitiveness of the Nordic Region, providing the added value required for a distinctive, high quality, knowledge-driven offer. A strong, well-supported and highly connected Creative Industries sector provides the platform for a competitive, entrepreneurial and globally-facing Nordic Region.

**The objective of this Green Paper is to open up a policy debate about the drivers of the Creative Industries in the Nordic Region, and to understand the opportunities and challenges facing the sector. It is designed to help policy-makers from the local to national level recognize the potential – and seriousness – of the Creative Economy; and identify ways to support the Creative Industries in a more coordinated, connected way.**

In March 2000, at a meeting of the European Council in Lisbon, EU Governments agreed an agenda to ensure that by 2010 the EU would be:

*“(T)he most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion<sup>2</sup>”.*

This Green Paper helps policy-makers to situate the Creative Industries within this wider 'knowledge economy push' and to develop policies accordingly. It focuses on the key content generating parts of the Creative Industries but also points to the wider role of creative products and services across a *value range* that stretches from economic growth to social cohesion.

The Green Paper recognizes the diversity between and within the nations of the Nordic Region. It also fully appreciates the differences between the various parts of the Creative Industries sector – a sector that includes activities as varied as music, design and visual arts. However, there is a growing recognition of the linkages between different parts of the Nordic Region and the value these bring; and of the common drivers for the Creative Industries, plus their role in leading creativity into the wider economy. This Green Paper focuses on these linkages and commonalities as a basis for partnership and a coordinated policy approach.

In order to get a constructive non-Nordic view, Tom Fleming Creative Consultancy, a UK-based leading international Creative and Knowledge Economy consultancy<sup>3</sup>, has been commissioned by the Nordic Innovation Centre (NICe)<sup>4</sup>, on behalf of the Nordic Council of Ministers, to develop this Green Paper. It builds on existing policy development to:

- Provide an overview of the current profile of the Region's Creative Industries

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<sup>1</sup> See BOP 2007, South West Regional Development Agency Creative Industries Strategy.

<sup>2</sup> See: [http://ec.europa.eu/employment\\_social/employment\\_strategy/index\\_en.htm](http://ec.europa.eu/employment_social/employment_strategy/index_en.htm)

<sup>3</sup> See: [www.tfconsultancy.co.uk](http://www.tfconsultancy.co.uk)

<sup>4</sup> See: [www.nordicinnovation.net](http://www.nordicinnovation.net)

- Introduce the current policy status of the Creative Industries
- Highlight key opportunities for growing the Creative Industries and maximizing the sector's wider value
- Present a set of actionable policy recommendations for partners to pursue.

## **1.1 A Nordic Approach?**

Based on the project recommendations of the NICe Creative Industries projects and upon consultation with partners in government and business across the Region, the Green Paper provides the first coordinated step in establishing a Nordic policy for the Creative Industries. This is based on recognition of the need for a pan-Nordic approach to global challenges and opportunities. While recognising the importance of developing national and local approaches to sector development, and in addition to the more obvious cultural and political commonalities between the countries, a Nordic-level approach is required because:

- Collectively, the countries of the Nordic Region are amongst the global leaders in Creative sectors (such as design and games); processes (such as linking new technology to new content); and activities (such as in developing cultural tourism). Yet individually, by country, this status is significantly diminished. The Nordic Region faces fierce competition from growing overseas markets: this is competition that requires a pan-Nordic response.
- Taking into account local differences, at a macro level, markets and supply chains are already being configured at a Nordic level. For example, major music companies conceptualise the Region as a coherent market and often have a Regional office rather than one in each Nordic country; and a large proportion of books published in one Nordic language are also published in other Nordic languages. Also, there is significant labour market mobility within the Region and the past 20 years has seen the development of cross-border regions such as Copenhagen/Malmö. A further example is the direct partnership and exchange projects, from the by NICe supported Creative Industries network Jenka to projects and initiatives of Nordic Innovation Centre; from informal networks of film producers to Keđja, the North European Dance Encounters programme. Indeed, Keđja is the Icelandic word for chain. It signals that the project has originated from countries of a common cultural background and symbolises that the aim is to connect, attach, encircle and move outwards as well as to strengthen the already existing chains.
- There is no common Nordic-level approach to gathering data and intelligence on the profile and performance of the sector, making comparison difficult and hampering attempts to develop targeted policy that hits major opportunity areas. This is despite Nordic partners taking a global lead in developing advanced methodologies for measuring the scale and scope of the sector (e.g. the work of Media Group in Turku, Finland). There is a plethora of underdeveloped concepts and definitions across the region – with policy agendas focusing variously on the 'Experience Economy', 'Cultural Industries sector', 'Creative Economy', and 'Creative Industries sector'. This also affects our ability to highlight the commonalities that draw the Creative Industries together, as well as the differences that mark creative sub-sectors as different from one another.
- In the Nordic Region, the Creative Industries is only beginning to have the national policy status befitting a major growth and value-adding sector. Too often, it is considered 'fun and frivolous', an added bonus or a diversion; rather than a serious economic sector in its own right. However, this is changing – for example, Innovation

Norway recently launched a targeted funding programme for the 'culture and experience economy'<sup>5</sup>; and the Finnish Ministry of Trade and Industry recently published a Development Strategy for Entrepreneurship in the Creative Industries sector for 2015. Policy development is also becoming more advanced in Denmark – such as through a focus on creative education. Yet the lack of data and intelligence and the underdevelopment of partnership at national and Nordic level are key contributors to an at times ambivalent perception of the Creative Industries.

- In the context of a global market, the actual market is small for Creative Industries products and services in the Nordic Region (the populations of the countries are simply too small for a large 'internal market' for the Creative Industries). However, the market is *proportionately large*, with high levels of disposable income and a commitment to distinctive creative goods and services. However, taken as a whole, the Nordic Region provides a much larger market of prosperous creative consumers, and this market is expanding with an ageing demographic and increased affluence.
- By country, clusters are relatively small and supply chains underdeveloped. 'Critical mass' is far more achievable at a pan-Nordic level, with a mobile, knowledge-driven labour market, opportunities to connect key areas of specialism, and the potential to share resources and efficiencies. Without denying the importance of developing local and national approaches to sector development, as well as building multi-lateral links beyond the Nordic Region; a densely networked, coordinated 'Nordic offer' is in many ways more compelling at a global scale.

*"No longer is the Nordic Region marked primarily by its industrial features, but are characterised by the shift from industrial manufacturing to service industries centred on information technology..."*

*"Culture plays an increasingly important role in the knowledge economy. The Creative Industries provide potential for economic growth and prosperity. It is a growing sector that continues to provide more jobs, and adds increasing value to products and services within the Nordic Region".*

Nordic Innovation Centre (NICe): Norden – a Creative Powerhouse, 2006.

## 1.2 Key Themes

There are **four themes** that underpin this Green Paper, each of which is recognised as essential for the Nordic Region to operate a high growth and competitive Creative Industries sector, and a major global Creative Economy:

### Theme 1: Entrepreneurialism and Creativity

For a vibrant, competitive Creative Industries sector, it is important that creative producers adopt entrepreneurial approaches to business development, or at least work with people who have these qualities. In the Nordic Region, too many ideas are not translated into commodities; and too few acts of innovative and creative origination are developed into tangible or at least commodifiable assets. This can be attributed to multiple factors, not least a 'culture of doing business' that prioritises lifestyle factors above commercial considerations, or simple knowledge barriers that make commercialisation too difficult. Focusing on how to support the development of creative entrepreneurs across the Nordic Region, Theme 1 highlights pre-graduation entrepreneurial development and specialist business support as key.

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<sup>5</sup> See: [www.innovasjon Norge.no](http://www.innovasjon Norge.no)

## **Theme 2: Growing Creative Businesses**

As introduced in Theme 1, many creative businesses in the Nordic Region are not even beginning to grow to their potential. This is due to a mix of structural and cultural barriers to growth that include:

- Supply-side: Underdeveloped entrepreneurial and management skills, insufficient knowledge of intellectual property issues (and thus diminished confidence), weak supply chains (inside and outside the Creative Industries), and a degree of failure in the finance/investment market for early stage and small creative firms
- Demand-side: Under-exploited local markets for creative goods and services, not least for firms across the wider economy; and under-developed Creative Industries export markets. In addition, labour market demand – to live and work in the Creative Industries of the Nordic Region – is far less than in those ‘global creative capitals’ such as London and New York, or global creative regions such as California.

Theme 2 highlights business acceleration models, targeted investment, and specialist intellectual property services, as a key means to grow creative businesses in the Nordic Region. Critical here is building on the existing support structure, much of which is locally-orientated, to broker a coherent and connected landscape of support across the Region.

## **Theme 3: Building Creative Clusters**

There are many targeted Creative Industries (and wider Knowledge Economy) cluster initiatives in the Nordic Region. These include campus projects (akin to science parks), higher education incubator initiatives and multiple managed workspace and activity space models. There is much good practice here and the potential exists to develop more and better connected cluster initiatives - as sector growth poles – not least as a means to deliver the agendas of Themes 1 and 2. New models are emerging here that better connect creative businesses to the wider economy – such as by co-locating different businesses from complementary sectors and mixing production and consumption activities. Indeed, an opportunity exists to reconfigure creative clusters in the Nordic Region to establish more porous, open and connected concentrations of activity that have a far more meaningful and engaged role to play in the construction of vibrant, creative places. In addition, opportunities exist to connect specialist clusters across the Region with other cluster initiatives, introducing a pan-Nordic approach to cluster development.

Theme 3 explores new approaches to cluster development and identifies how, with better connectivity and coordination, the Nordic Region as a whole can be conceptualised as a *creative cluster of global significance*. Theme 3 provides an overview of the existing and ongoing role of Nordic creative clusters, and explores how they need to respond to change and be progressive and entrepreneurial to create change, at a time when the technological and strategic landscape requires new and innovative types of partnership, cross-art-form and cross-sector practice, and an acute engagement with new technology.

## **Theme 4: Building Creative Places**

Over the past twenty years, economic restructuring and an increasing realisation that the convergence of technology and content provide high growth and distinctively competitive market positions, have made culture and creativity an increasingly key focus for Nordic regions and cities: providing the leading edge for their tourist industries, offering a ‘creative brand’ to attract inward investment, and providing new skills and identities that are hoped will bring with them a unique, competitive edge.



This creative focus accelerated during the 1990s, as the 'network society', 'experience economy', 'creative cities' and 'globalisation' were used to define new modes of production and consumption within the 'new economy'. Today, the availability and quality of the local cultural resources and offer can determine whether or not people think their area is a 'good place to live'. This is why culture and creativity is increasingly associated with *quality of life*. Increasingly, place-making strategies focus on their cultural offer and on the presence of cultural infrastructure and a dynamic Creative Industries sector. This means that by helping to create positive images, vibrancy and distinctiveness, the Creative Industries sector has a direct impact on inward investment and the attraction/retention of skilled 'knowledge workers'.

Local approaches to creativity-planning are very common in the Nordic Region, with long-held investment in cultural infrastructure extended to building 'creative places'. Theme 4 highlights how this agenda needs review, with more and more places exploring the 'creativity dividend' without a serious engagement with their creative assets or potential. A more considered approach is required that supports the creative potential of a place without burdening the Creative Industries with the sole responsibility of resolving every economic or social issue.

The Creative Industries need to be positioned as part of a series of interdependencies that contribute to effective creative place-making. These include high quality cultural infrastructure that encourages the co-development of innovation and creativity, a distinctive and open public realm, and an emphasis on cultural tourism. Theme 4 focuses on how such cultural planning tools lever the value-adding role of creativity (such as to cultural tourism agendas, through convergence, and via design), and are crucial for a successful and sustainable Creative Industries sector. It identifies how the conditions for Creative Industries development and growth – a 'Creative Place' – can be effectively measured and nurtured.

### ***1.3 The Nordic Region as a Creative Connector***

By establishing a set of common pan-Nordic policies for the Creative Industries, national and local policies will be better connected, more effectively bench-marked and have a higher profile and wider impact. An approach that identifies pan-Nordic solutions is not to be developed as a means of devaluing local and sub-sectoral approaches. On the contrary: it is local and sub-sectoral approaches that most effectively reach creative businesses and are most pertinent to business development and growth. In addition, state investment is relatively devolved in the Nordic Region, firmly establishing local policy as a critical driver. *A carefully planned and selective pan-Nordic approach is designed to add value to the local and sub-sectoral by maximising impact on a global scale.*

The Nordic Innovation Centre has already introduced the notion that the Nordic Region can become a global 'Creative Powerhouse'. In terms of quality and, if the sector continues to grow, scale, this is certainly possible. This Green Paper emphasises that sustained growth based on high quality, innovative creative products and services – the Nordic Region as a Creative Powerhouse – is best achieved by conceptualising the Nordic Region as a **Global Creative Connector**. This is based on the Nordic Region's significant existing strengths and emerging opportunities as:

- **A connector between different parts of Europe and the world:** for example, Nordic countries are increasingly connected (through markets, supply chains and strategic partnership) to the Baltic States and Russia, as well as developing partnerships in the North Atlantic region. Added to this, the Nordic countries are developing strong relationships with the 'BRIC economies' of Brazil, Russia, India and China (plus other large and growing economies such as South Korea). With a coordinated pan-Nordic approach, such relationships can be developed further and with more parity.

- **A connector between the Creative Industries and the wider economy:** the Creative Industries sits as the 'creative core' of the overall Creative Economy, operating as the developers of 'expressive value' which in turn provide products, services and the inspiration for creative approaches across domains that range from planning to public service delivery; tourism to inward investment policy. For example, the value-adding role of design is critical in organising new ideas and providing ways for them to be delivered. Much can be developed from the long-held commitment in the Nordic Region to positioning cultural infrastructure at the heart of approaches to place-making. In addition, the very high penetration rates of broadband in the Nordic Region<sup>6</sup> equip businesses with the capacity to develop new content quickly and efficiently, and provide consumers with the capacity (and appetite) to consume far more content<sup>7</sup>.
- **A connector between innovation and creativity:** These are overlapping concepts, with creativity focusing on the origination of new ideas and innovation on their successful exploitation. The Creative Industries fosters an attitude towards creativity and innovation which transmits to other parts of the economy. The Nordic region is already a global leader here, with many examples of supply-responses to an increasingly demanding and wealthy consumer: distinctive product design, bespoke holidays, mobile phones and other communications devices, are all driven by an iterative relationship between producers and consumers, creatives and innovators. In the Nordic Region, standards expected by consumers drive supply-side factors to stretch the boundaries of innovation and creativity; while direct approaches to generate user-driven innovation are increasingly common. However, as will be shown, there is a tendency in the Nordic Region to overly formalise connections that thrive through their informality: creating the enabling conditions for innovation and creativity is far preferable to managing the processes of exchange.

## ***1.4 Maximising Potential: The Creative Policy Matrix for the Nordic Region***

By establishing the Nordic Region as a proactive, internally dynamic and globally-facing Creative Connector, the potential exists to ensure that the Creative Industries sector enjoys **high levels of sustained growth, underpinned by a familiar course of creative excellence**. However, for this to occur, a major shift is required in the way the sector is conceptualised, measured, supported and connected. This Green Paper recommends a set of actionable policies be considered, with each requiring further feasibility development as a direct next step.

**Under the 4 key themes, a set of recommendations** is introduced below. These are presented as a **Creative Policy Matrix for the Nordic Region**. These are to be delivered by a new ministerial-level **Creative Economy Working Group** for the Nordic region and a set of thematic sub-groups. These will be supported by a **new coordinated and harmonised evidence base** that establishes comparable data and intelligence on the Creative Industries of the Nordic region. In addition, there is a need to **support the connection between local projects and programmes** to ensure that 'bottom-up' approaches can fulfil pan-Nordic policy goals for the Creative Economy.

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<sup>6</sup> The EU average is 11%; in Denmark it is 23%, Finland 24%. This provides a major driver for the growth in creative content production and consumption (KEA 2006).

<sup>7</sup> During the 1990s, Finland became the most ICT- specialized economy in the world and thus completed its move from the resource-driven to knowledge- and innovation-driven development.

## NORDIC CREATIVE POLICY MATRIX

Policy Connector Theme	Policy Issue(s)	Policy Action(s)	Evidence Requirement(s)
Entrepreneurship & Creativity	Under-developed awareness of career paths in the Creative Industries	<b>Establish a Creative Economy Learning &amp; Skills Council for the Nordic Region</b> – operating as the lead policy development body & broker between industry & education, driving creativity & learning agendas across the Region.	Coordinated data & intelligence on current learning & skills initiatives in the Creative Industries
	Low-level commercialisation of creative ideas and skills		Coordinated data & intelligence to explore industry needs
	Cultural value placed on developing 'lifestyle businesses'	<b>Launch a Creative Entrepreneurialism campaign</b> as an education & economic development policy – targeting schools, universities & early stage creative businesses; raising the profile of career paths & commercial opportunities in the Creative Industries	Feasibility study for a Learning & Skills Council
			<b>Coordinated baseline mapping: data &amp; intelligence on sector dynamics across the Nordic region.</b>
	Excellent local/institutional programmes but little coordination & interconnectivity	<b>Stage a Creative Entrepreneurship Awards Programme</b> - connecting the existing Creative business support offer through partnership initiatives & via an <b>on-line Creative Entrepreneurialism Portal</b>	Evidence of current cooperation and feasibility research to develop this
	Pan-Nordic knowledge-sharing is underdeveloped	<b>Develop cross-institutional cooperation between Creative education institutions &amp; programmes:</b> A Nordic Creative Academy Network & delivery vehicle	<b>Coordinated baseline mapping: data &amp; intelligence on sector dynamics across the Nordic region.</b>
	Labour market mobility in the Creative Industries is under-developed	<b>Introduce a Nordic Creative Student Exchange Programme</b> – establishing pan-Nordic study as a syllabus requirement	Feasibility research to develop delivery models
	Diverse communities are disproportionately excluded from the Creative industries	<b>Introduce a Pan-Nordic Work-based Learning Programme</b> for creative undergraduates to work in Creative SMEs – as part of the above exchange programme	<b>Coordinated baseline mapping: data &amp; intelligence on sector dynamics across the Nordic region.</b>
Learning & skills provision is not fit for industry purpose, with students lacking the flexibility & entrepreneurialism, as well as niche skills, to prosper in industry.	<b>Broker industry to academy networks: a Nordic Creative Knowledge Exchange Programme</b> – establish an industry & academic panel to develop a networked approach exchange. This would introduce new learning models & manage the delivery of, for example, work-based learning programme(s)	Feasibility research to develop models <b>Coordinated baseline mapping: data &amp; intelligence on sector dynamics across the Nordic region.</b>	

Creative qualifications are not recognised universally across the Nordic Region. This is a barrier to labour market mobility & knowledge exchange.

**Harmonise Creative qualifications** – led by the Creative Economy Learning & Skills Council.

Feasibility research to develop models

**Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.**

## Growing Creative Businesses

IPR knowledge, valuation, realisation, & protection are under-developed. This hampers collaboration, creativity & innovation.

**Establish a Pan-Nordic Creative IPR advice & Intelligence Service** – as a web-portal & face-to-face delivery mechanism that provides IPR intelligence, provides pro bono legal support, encourages pan-Nordic collaboration, & brokers relationships with an expanding body of legal providers.

Feasibility & development research

**Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.**

Investment provision for the Creative Industries is fragmented, under-coordinated & in some instances inappropriate. Creative businesses find it difficult to identify appropriate investment opportunities.

**Establish a coordinated investment map** in the Nordic Region - to map the current investment landscape (state & private finance) & make this visible & navigable to Creative businesses across the Region, helping businesses to identify appropriate investment solutions.

Research existing provision

**Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.**

Market failure exists across the Nordic region for early stage equity investment in the Creative Industries (mostly venture capital but in some regions this also applies to seed capital), including the more growth-orientated sub-sectors.

**Launch a pan-Nordic Creative Investment Fund** - a dedicated equity fund for growth-orientated Creative businesses that operates across a Nordic-wide portfolio of Creative businesses

Feasibility research and partnership development

**Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.**

Business angel investment in the Creative Industries is under-developed, with networks weak, knowledge of the sector poor & thus risk management costly.

**Launch a Nordic Creative Investment Club** – developing a network of interested business angels & establishing a portfolio of creative & innovation companies as a creative portfolio investment scheme

Mapping of current business angel activity across the knowledge economy

**Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.**

Creative Industries markets in the Nordic region are small & under-developed. There is significant potential to grow markets that have an affinity with a 'Nordic Brand', & develop new markets – e.g. in non-creative sectors.

**Launch a campaign to nurture local markets for & establish loyalty to a 'Nordic brand'**

Brand & market research

**Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.**

Nordic countries have a low profile & relatively weak voice at global platforms for the Creative Industries. For selected sub-sectors, a Nordic approach would remedy this, as well as adding value to the distinctive values of each Nordic country.

**A credible 'Nordic Creative brand' is required if global markets are to be nurtured more effectively.** A coordinated approach to selling the Nordic Creative Offer is required to develop the sector's profile abroad, to diversify its portfolio, & to introduce greater collective capacity to respond to increased demand.

Brand & market research

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

**Launch a Nordic creativity campaign** in target sectors, expressed at world trade shows & possibly through a new Nordic Creativity Fair.

**Develop sub-sector specific initiatives that seek to connect different Nordic Creative businesses on the ground** (such as through direct inter-firm brokerage & prioritised investment in firms working through pan-Nordic partnership) – so that there is an increased pan-Nordic business-led drive to develop international markets. This will give any campaign & brand credibility & ownership.

## Building Creative Clusters

Creative cluster initiatives are under-connected with the local & Regional Creative Industries sector. While offering exceptional quality through on-site delivery, knowledge exchange & partnership are under-developed.

**Develop a Creative Cluster Partnership Programme** that supports knowledge exchange initiatives through the Region, investing in partner initiatives & brokering relationships between businesses

Mapping of existing/forthcoming cluster initiatives – for profile, dynamics and connections.

Complementary strengths & resources are not conceptualised or connected as a pan-Nordic Global Creative Cluster.

**Develop a Creative Cluster Map for the Nordic Region** that showcases strengths & launches the proposition of the Nordic Region as a Connected Global Creative Cluster

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

## Building Creative Places

Cultural and creativity planning does not position the Creative Industries at its heart. It is also fragmented & under-coordinated. A Region-wide approach to benchmarking creative infrastructure is required.

**Develop a Creativity Tool-Box for the Nordic Region** – testing each city & sub-region for the availability of 10 specific Infrastructural Conditions & joining them together as a unified Nordic offer.

Test the 10 infrastructural conditions across the Nordic region and develop a Nordic Creativity Tool-Box that best expresses the Nordic Creative Industries Global Offer.

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

## 2. The Creative Industries in the Nordic Region: Defining the Policy Context

For the purpose of this Green Paper, the Creative Industries refers to the definition used by NICE focusing on design, events, music, designer fashion, film, interactive software, music, publishing, and television and radio. This is a targeted selection of the 13 sub-sectors identified in 1998 and 2001 Mapping Documents by the UK Department of Culture, Media and Sport (DCMS)<sup>8</sup>. This is the most commonly used international definition and critically one that many developing economies are using. These sub-sectors, though very different, each share a core business model:

*“All originate ideas of expressive value which they commercialise<sup>9</sup>”*

This can:

*“...(R)ange from the humblest pleasing song or appealing advert to the latest interpretation of Shakespeare or a new design for a car. They create new insights, delights and experiences; they add to our knowledge, stimulate our emotions and enrich our lives<sup>10</sup>”.*

Since 1998, there have been multiple attempts to refine the definition of the sector, both narrowing its focus (such as by focusing solely on the most scalable parts) and widening its base (such as by referring to the ‘Experience Economy’ to include tourism and leisure). The sector is also frequently understood as interacting at the heart of the knowledge economy, where innovation and creativity take centre stage as the cause and effect of increasingly rapid feedback processes between production and consumption, technology and content, social gratification and mobility. Other approaches, such as that developed by NESTA (2006) and London School of Economics (2004), focus on the different supply chain dynamics of the sector to point to the similarities and differences between activities and sub-sectors<sup>11</sup>.

Most recently, the UK DCMS, under the auspices of a national policy review for the sector – the ‘Creative Economy Programme’<sup>12</sup> - identified Creative Industries activities as surrounding, articulating, reproducing and distributing the ‘core creative fields’ where ‘expressive value’ is most intense. This places the Creative Industries at the heart of a wider economy that increasingly relies on creative processes and services for its competitiveness. It augments analysis in the report ‘The Economy of Culture’ prepared by KEA European Affairs for the European Commission (with the support of Media Group {Turku School of Economics} and MKW GmbH {Germany}), which explores the relationship between the Creative Industries<sup>13</sup> and the less profit-driven cultural sector.

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<sup>8</sup> *“Those activities which have their origin in individual creativity, skill and talent, and which have their potential for wealth and job creation through the generation and exploitation of intellectual property. These have been taken to include the following key sectors: advertising, architecture, art and antiques, crafts, design, designer fashion, film, interactive leisure software, music, the performing arts, publishing, software and television and radio”* (DCMS 1998).

<sup>9</sup> The Work Foundation 2007, p.19.

<sup>10</sup> The Work Foundation 2007, p.19.

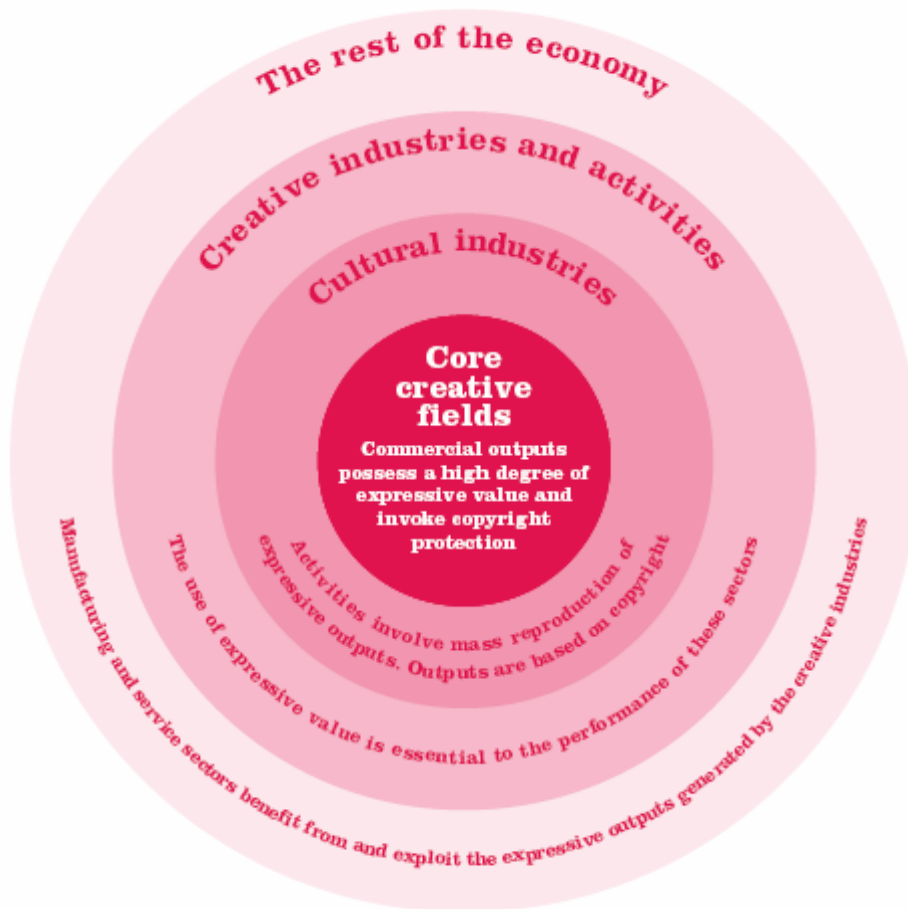
<sup>11</sup> For example, Pratt (2004) identifies a Creative Industries production chain as containing four key links: Creation/content origination; Manufacture; Distribution and mass production; and Exchange.

<sup>12</sup> [www.cep.culture.gov.uk](http://www.cep.culture.gov.uk)

<sup>13</sup> Referred to as the ‘Creative Sector’.

It also has much in common with the approach developed by Power and Jansson for Nordic Innovation Centre (Creative Directions - A Nordic framework for supporting the Creative Industries, 2006), where the Creative Industries are analysed in both economic and systemic terms. This is the approach adopted for this Green Paper – connecting sector characteristics and issues to the conditions required for and developed by such characteristics and issues:

**Figure 1: The Creative Industries – a Stylised Typology (Work Foundation 2007).**



## **2.1 The Economics of the Creative Industries**

However defined, it is clear that the Creative Industries is a large and growing sector.

**At an EU level**, the report 'The Economy of Culture' (2006) is the most significant pan-European study into the scale and impact of culture. Undertaken by KEA in collaboration with Media Group (Turku School of Economics) and MKW GmbH (Germany), this report utilises a methodology developed for the World Intellectual Property Organisation (WIPO) by Media Group (in close cooperation with the Finnish Ministry of Education) –

as the WIPO Guide on Surveying the Economic Contribution of the Copyright-based Industries<sup>14</sup>. Media Group, soundly supported by the Finnish Ministry of Education, has been at the forefront of developing methodologies for measuring the value and impact of culture<sup>15</sup> - a real Nordic success story in developing global knowledge on the creative economy<sup>16</sup>. The 'Economy of Culture' report shows that:

- In 2003 the 'Cultural and Creative Sector' had a turnover of more than €654 billion; contributing to 2.6% of EU GDP. This compares with a % GDP of 0.5% for textiles and 1.9% for food, beverage and tobacco manufacturing.
- The overall growth of the sector's value-added was 19.7% in 1999-2003, which was 12.3% higher than the growth of the general economy.
- In 2004, 5.8 million people worked in the sector: 3.1% of total employment.
- The sector is well-educated, with 46.8% of workers educated to degree level, compared to 25.7% in total employment.
- There are a range of non-quantifiable contributions. For example, there is interdependence between the Creative Industries and ICT, with each depending on the other for growth. In addition, the report states that "culture is a main driving force for tourism", working to attract an increasingly affluent and discerning tourism market.

However, beyond the obvious value of the above research, little comparative research has been undertaken on, for example, the dynamics of creative sub-sectors across Europe, or the relative scale of the Creative Economy in key cities and city regions. Comparison between, for example, Amsterdam and Copenhagen; or Hamburg and Stockholm; has not been undertaken and the available data would prevent this.

**In the UK**, which has undertaken the most systematic long-term approach to sector measurement and for which there are multiple regional and local studies, the headline figures are impressive:

- The Creative Industries accounts for 7.3% of the economy (comparable in size to the financial services industry)
- The sector employs over 1 million people, while a further 800,000 people work in creative occupations.
- Growth continues to be significant: 4.5% in 2004, with certain sub-sectors growing fastest radio and TV contributed 1.8% of this growth and electronic publishing contributing 1.7%). Indeed, GLA (2002) report that in London, certain creative sub-sectors such as video, film and architecture have shown very high

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<sup>14</sup> See: [http://www.wipo.int/copyright/en/publications/pdf/copyright\\_pub\\_893.pdf](http://www.wipo.int/copyright/en/publications/pdf/copyright_pub_893.pdf)

<sup>15</sup> Although the focus on copyright industries means that a considerable amount of cultural and creative activity is not adequately measured – e.g. many creative service companies do not produce much measurable copyright.

<sup>16</sup> Also see Media Group, 2003: The Contribution of Copyright and Related Rights to the European Economy [http://ec.europa.eu/internal\\_market/copyright/docs/studies/etd2002b53001e34\\_en.pdf](http://ec.europa.eu/internal_market/copyright/docs/studies/etd2002b53001e34_en.pdf)



productivity growth rates, while other sub-sectors such as fashion are amongst the weakest in the whole economy.

At a **Global level**<sup>17</sup>, the Creative Industries is growing fast, most significantly in major emerging economies where the growth in knowledge-intensive industries and disposable income establishes new demand for creative goods and services<sup>18</sup>. UNESCO show that trade in cultural goods<sup>19</sup> has increased over the last decade from \$39.3 billion in 1994 to \$59.2 billion in 2002. UNESCO also points to the added value of culture and creativity, speculating that the market value of industries that rely heavily on this to be at \$1.3 trillion. At a policy level, there are very few countries in the world where the Creative Industries is not being pursued as an opportunity for economic growth, social cohesion, or advancing civil society.

The European Union leads the way in terms of creative exports, with 51.8% of world exports in 'cultural goods' (as defined by UNESCO). However, since 2003, Asia has established itself as the second largest exporter (20.6% share). However, a lack of consistency in how different countries' statistical offices classify the Creative Industries, and the absence of systematic research makes comparison across the world very difficult.

What is clear is that supply and demand in the BRIC<sup>20</sup> economies is growing and has the potential to grow substantially. This provides major market opportunities for countries with established creative export markets, as well as introducing a set of threats posed by cost and convenience factors in, say, India or China. Each of the BRIC economies has shown major ambition to operate as major Creative Industries producers and markets. However, the sector remains proportionately very small, while manufacturing and agriculture are resolutely dominant<sup>21</sup>. Indeed, even in those relatively developed Asian regions, the Creative Industries does not account for a comparable share of the economy to the European Union. For example, in Japan the sector sits at just 3.3% of GDP<sup>22</sup>, and at 2.5% in Hong Kong<sup>23</sup> (although differences in classification and measurement may be an influence here). Key factors for consideration here include<sup>24</sup>:

- Off-shoring of services are growing, with off-shore labour markets increasingly serving developed world markets. However, this has mostly focused on routine and relatively low skill tasks. This is set to change, but not as drastically as some predict over the short to medium term: for example, the consultancy firm McKinsey points to severe talent shortages in the Chinese economy, with only 160,000 of China's 1.6 million engineering graduates deemed suitable to work in

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<sup>17</sup> This section draws heavily on research by the Work Foundation, 2007.

<sup>18</sup> See Barroclough, D. and Kozul-Wright, Z. 92007): 'Creative Industries and Developing Countries: Voice, Choice and Economic Growth' for an overview of the current status and profile of the Creative Industries in developing countries. Also see WIPO 2003: 'Guide on Surveying the Economic Contribution of the Copyright-Based Industries' - for a methodology now being employed in more than 20 countries.

<sup>19</sup> This is defined as heritage goods, books, newspapers and periodicals, other printed matter, recorded media, visual arts and audiovisual media (UNESCO Institute for Statistics, 2005).

<sup>20</sup> Brazil, Russia, India and China.

<sup>21</sup> Manufacturing and construction account for 52.2% of China's GDP (Economist Intelligence Unit 2007).

<sup>22</sup> See [www1.worldbank.org/devoutreach/nov03/textonly.asp?id=221](http://www1.worldbank.org/devoutreach/nov03/textonly.asp?id=221) 'Urban Development Needs Creativity: How Creative Industries Can Affect Urban Areas'.

<sup>23</sup> University of Hong Kong, 2003.

<sup>24</sup> This evidence is drawn heavily from the Work Foundation, 2007.

multinationals (approximately the same number as the UK)<sup>25</sup>. Growth in higher-skilled off-shore services is likely to be achieved as much by stealth and strength in numbers as by quality.

- A strong and dynamic Creative Industries sector requires a supportive institutional environment and a degree of policy liberalisation. The latter has brought a vibrant 'bottom-up' approach to creative production, evidenced by the growth in social networking sites, huge blogging culture and some evidence of creative business creation (certainly in India). There is an energy and appetite that bodes well for a dynamic Creative Economy. However, the former is less apparent, with little evidence of a coherent push from national government to drive creative growth.
- Indeed, with very high levels of piracy and the absence of a committed intellectual property protection/negotiation system, markets remain under-developed and the will to innovate is eroded. For example, counterfeiting is estimated to account for 8% of China's GDP<sup>26</sup>. It is likely that, as countries such as India and China become increasingly prosperous, compliance with global IP norms will increase. However, the current climate can be considered as negative for innovation and at best a determinant of imitative and derivative products and formats (rather than new, globally-leading approaches).

Correspondingly, it an adroit approach from Nordic and other developed regions is to nurture new markets in BRIC economies, seek to capitalise on informational asymmetries that retain an overall market edge, and to do so through a commitment to establishing and retaining the best creative infrastructure possible. With investment in research (pure and applied), entrepreneurialism, a clear and transparent approach to intellectual property protection and realisation, a commitment to connecting investment in cultural infrastructure to investment in creative business development, and a better-coordinated promotional push, a more prosperous 'developing world' provides more opportunities than threats for the Nordic Creative Industries sector.

### **2.1.1 Nordic Creative Industries: Underdeveloped Evidence?**

At a Nordic level, there is an absolute lack of sufficient official statistical data on the Creative Industries and where data does exist, the methodologies and classification systems used to calculate it vary enormously, thus undermining its credibility and preventing the translation of data into intelligence. This is a serious omission and an impediment to effective policy development, not least because it weakens the 'economic case' for supporting the sector and because it blocks comparison within the Region and with other parts of the world. It is also a surprising omission, given the innovative work undertaken by Media Group in Finland to develop a strong and standard-bearing methodology for measuring culture. However, the status and consistency of data is improving, with Media Group playing a key role – for example, studies of Finland and Norway have been undertaken and an analysis of the cultural sector has been published in Denmark – based on the WIPO methodology referenced above. Yet currently, evidence on the scale, scope and dynamics of the Creative Economy within and across the Nordic Region is a mixture of local, sub-sectoral and anecdotal:

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<sup>25</sup> Farrell, 2006.

<sup>26</sup> Congressional-Executive Commission on China, 2005.

A range of national studies exist, each using different sector definitions and methodologies. For example:

- In Sweden a study into the 'Experience Economy' shows that the sector employs some 280,000 people and accounts for nearly 5% of GDP. It also shows that it is a predominantly 'small business sector', with 98.5% of companies employing less than 20 employees<sup>27</sup>.
- In Denmark, Copenhagen Business School undertakes the most consistent and thorough sector mapping in the Nordic Region. For example it has undertaken studies of the Danish Computer Games, Design, Fashion, Film, and Recorded Music industries. This provides valuable local evidence on the different growth models, markets and dependencies within the Creative Industries. It shows, for example, how in music major growth can only be realised by becoming less dependent on a comparatively small domestic market; how artistic recognition (such as in film) does not necessarily directly bring with it substantial economic success<sup>28</sup>; how in fashion, turnover has decreased while exports have increased, thus indicating growth potential in foreign markets; and how in Games the sector is dominated by 5 relatively large and approximately 20 smaller companies, with the relatively small workforce set to expand by up to 60% to develop content for the next generation of consoles<sup>29</sup>. In addition, the CBS Research Centre, Imagine, undertakes a key role in knowledge development for the Creative Industries in Denmark – such as through the project 'Creativity, Competence and Competitiveness in the Danish experience economy', supported by the Tuborg Foundation. The research project includes the development of both qualitative and quantitative definitions of the experience economy, a systematic mapping of the Danish creative industries, an exploration of the barriers to growth as well as future potentials, and the development of new managerial practices in the creative industries<sup>30</sup>.
- Norwegian mapping carried out on the request of the Norwegian Ministry of Trade and Industry (Haraldsen *et. al* 2004) shows that the 'cultural industries'<sup>31</sup> accounted for approximately 3.5 % of GDP and total employment in mainland Norway in 1996–2001. The study showed a pattern of relative sector concentration, with Oslo the only county in which the cultural industries are overrepresented compared to the country average. Oslo accounts for 37% of sector employment and 33% of all firms in the cultural industries.
- In Finland, a 2007 study based on a similar methodology to the KEA Study showed that in 2005 the turnover of the cultural and creative sector amounted to almost €7 billion, representing a 16% growth from 2000; the value added of the sector was €2.4 billion, growing 15% from year 2000<sup>32</sup>; the total value added

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<sup>27</sup> FUNK (2006): A Growth Model for the Experience Economy.

<sup>28</sup> Although the multiplier effects might achieve this.

<sup>29</sup> See Copenhagen Business School, 2005.

<sup>30</sup> See: [www.experienceeconomy.dk](http://www.experienceeconomy.dk) and [www.cbs.dk/forskning\\_viden/institutter\\_centre/institutter/imagine](http://www.cbs.dk/forskning_viden/institutter_centre/institutter/imagine)

<sup>31</sup> Note the different title, which in turn is based upon a different definition.

<sup>32</sup> However, the GDP rose by 19% during the same period of time and thus the relative contribution of these industries to GDP slightly diminished.

generated by the sector represented 1.5% of the country's GDP in 2005; and the number of firms in the sector grew by 10% from 2000, compared to the 6% increase in the national economy overall. Due to differences in available statistical data, these figures are not comparable with the KEA Study, despite a shared methodology.

- In 2005, the Ministry of Education and Culture in Finland set up an inter-ministerial Working Group for the assessment of the economic impact of culture. The task of the Working Group was to improve the availability and coverage of statistical information on the economic contribution of culture for public-policy making purposes through co-operation between the different ministries, Statistics Finland and other relevant bodies. The main proposal of the Working Group was to develop a system of accounts for cultural sectors. The system, referred to as a *Satellite Account for Culture*, will be connected to the system of national accounts (SNA) and base them and on the labour force calculations for culture. This benchmarking and mainstreaming of cultural measurement makes the economic potential of cultural sectors more visible and better understood and to be able to better target public policy measures.

### **Exploring the Value of Creativity**

Despite the lack of coordinated, regularly updated, officially recognised data (and thus intelligence), a significant body of work exists across the Nordic Region that explores the value-adding role of the Creative Industries, as well as the wider role of creativity in a competitive knowledge economy. For example:

- Much emphasis has been placed on the value-adding role of design. For example, a study by The Research Institute of the Finnish Economy analyses the use of design and the position of the design function in Finnish manufacturing firms. It also features the impact of design on companies' business performance. It shows that design use in manufacturing companies is still on a relatively low level, yet the impact of design on business through most 'effect channels' is statistically significantly higher in those companies in which design is an integrated part of the company's core functions and strategy, and in which design is used continuously.
- A further Finnish Study<sup>33</sup> shows that the role of design-focused goods and services is significant for Finland's foreign trade. For example, design values are absolutely central to the core business model of Nokia, with a major impact on export sales.
- Other studies have pointed to the value-adding role of creativity and on the role of specific places in developing, attracting and retaining creative activity, not least from the 'creative class' that Richard Florida identifies as so important for the growth of the knowledge economy and civil society more generally. For example, Copenhagen Business School has attempted to map the 'creative class' across Denmark in cooperation with eight countries through the 'Technology, Talent and Tolerance in European Cities' project. The research centre Imagine has played a strong role here – such as through an analysis of the ability of the Hovedstaden

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<sup>33</sup> Aku Alanen (2006), 'International Competitiveness of Finland by Design', Journal of Statistics Finland 6-7.

region<sup>34</sup> to generate hi-tech economic growth on the basis of its urban qualities. There are also many local examples here, such as in Kristiansand, Norway, where a study on the impact of the Cultiva Foundation (established to support culture and creativity as central to urban development) shows how a high profile for culture and Creative Industries activity positively influences the outside perception of the city and builds confidence at a local level.

### ***The Need for Nordic data and Intelligence***

The lack of consistency and coordination in data gathering and intelligence development across the Nordic Region presents makes effective policy difficult, not least because it leaves the scale, scope and impact of the sector open to question. For instance, it is very unfortunate that Iceland has not undertaken any systematic overall sector mapping at a national level; and it is disappointing that pan-Nordic methodologies are not currently under development.

A common approach to sector mapping is necessary for the delivery of effective pan-Nordic policy because it allows for benchmarking to be undertaken, progress and impact to be checked, and a shared set of policy responses to collective challenges and opportunities. Moreover, with the appropriate methodology, it would allow us to understand the cross-border flows of ideas and labour; the relationships between different clusters; and strongholds for certain markets. Opportunities for Nordic-Baltic cooperation should be explored here – building on the Nordic-Baltic Innovation Platform for Creative Industries (a 2006 NICe Project) – where harmonized data and intelligence will ease partnership and communication.

## ***2.2 From Research to Policy***

The best intelligence on the Creative Industries in the Nordic Region is sub-sector specific and locally-focused. It is at this scale that policy-orientated research has been undertaken (in-keeping with the devolved structure of government and finance), often to inform specific projects (such as Creative Industries incubators, training schemes or funds). It is therefore of little surprise that this is where the most innovative and effective policy lies. Indeed, the Nordic Region is often cited as the location for significant good practice in Creative Industries and wider knowledge economy policy and intervention, especially with regard to local cluster development, incubation and knowledge transfer, and specialist business support/acceleration. As shown above, such interventions lack reference to overarching pan-Nordic data and intelligence; and as will be shown, what is missing are the connections between these policy interventions: they rarely operate as part of a coordinated landscape of policy support for the Creative Industries – in particular on a pan-Nordic level.

In-line with the 4 Key Themes for this Green Paper, there are 4 main areas of existing policy development for the Creative Industries in the Nordic Region. These range from the very micro – such as local networks of creative businesses; to the macro – such as taxation policy for film. While there are multiple policy approaches and an increasing number of policy interventions across the Nordic Region, it is clear that in too many instances policy and intervention:

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<sup>34</sup> See: [http://www.cbs.dk/forskning\\_viden/institutter\\_centre/institutter/ivs](http://www.cbs.dk/forskning_viden/institutter_centre/institutter/ivs)

- Is not based on a strong evidence base, which leads to a plethora of short-term (often copy-cat) pilot initiatives and major difficulties in monitoring success
- Is not clearly positioned alongside other policy and intervention – for other sectors and in other places
- Is under-connected across the Nordic Region, with a significant amount of duplication and a lack of knowledge-sharing.

In addition, connections with new markets and supply-side partners are under-developed. For example, the 2007 NICE Programme '**Nordic Baltic innovation platform for Creative Industries**' recommends the development of a Nordic and Baltic platform that will stimulate the interaction between traditional industries and creative disciplines (especially design) and which will strengthen the creation and development of strong Nordic and Baltic creative businesses. It also recommends the development of a plan of actions at Nordic and National level to increase the value generated by creative industries during the period 2005-2010.

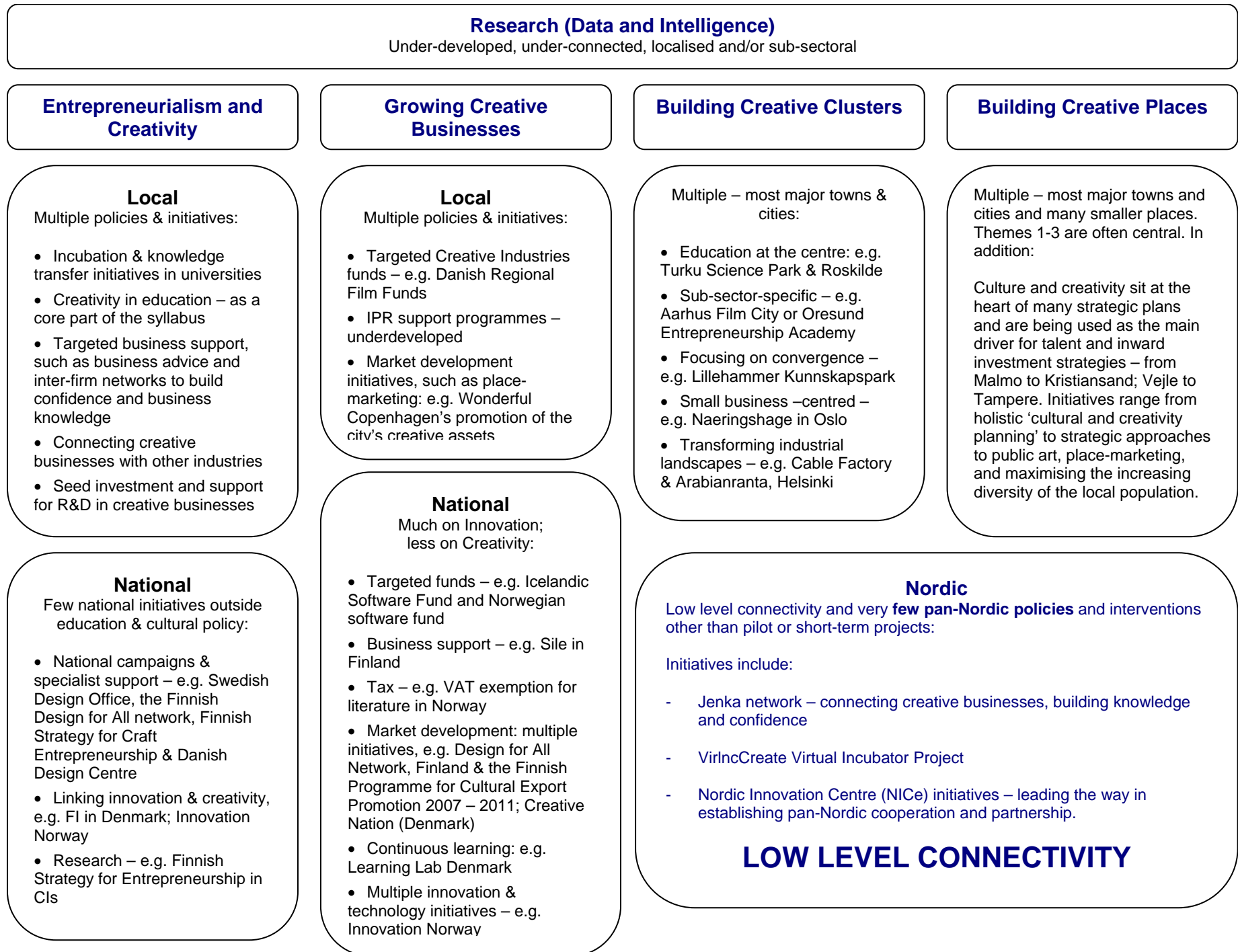
This Green paper does not provide a thorough overview of existing policies across the Nordic Region (or across to the Baltic Region). Rather, its focus is on identifying sector development challenges and opportunities, and identifying the pan-Nordic policy implications of these. **Figure 2** illustrates key policy areas in the Nordic Region and highlights the current complexity and 'policy clutter' as a **Creative Policy Map for the Nordic Region**. This indicates the existing policy range in the Nordic region – from localised creative networks to national sector funds; from holistic approaches to cultural and creativity planning, to highly specialised incubator developments. The level of commitment to establishing a strong institutional and infrastructural base for the Creative Industries is not questioned, although a range of options for improving the focus and effectiveness of the policy offer is introduced in **Section 3** of this Green Paper. However, two major gaps in provision seriously undermine a strong regional push for sector development and growth:

- The **lack of consistent, coordinated data and intelligence** will always lead to an equally inconsistent and under-coordinated policy approach. It will also reduce the likelihood of the large-scale commitment of resources to sector development as a core economic policy. This is because informational asymmetries heighten risk and for too many policy-makers the Creative Industries remain a risky proposition.
- The **lack of connectivity between policies** – from the local to pan-Nordic. Effective policy is that based upon a coordinated fabric of interventions that are driven through interdependence and are accessible and navigable to the sector that they are seeking to support. Currently, policy is too fragmented, under-connected and ill-defined in terms of its aims, objectives and thus how impact can be measured.

These issues are highlighted in **Figures 4 – 9**, which provide sector policy SWOTs for each of the Nordic Countries. These SWOTs link sector development issues to the existing policy landscape as a platform for exploring common concerns in **Section 3** of the Green Paper. Strengths, weaknesses, opportunities and threats are introduced as

relative terms, utilised as a prompt to explore where policy is most focused and where it is most disconnected.

**Figure 2: A Creative Policy Map for the Nordic Region**





**Figure 3: Creative Industries Policy and Sector Profile in Iceland**



<p><b>Strengths</b></p> <p><b>Quality of Life</b></p> <p><b>Creative communities</b></p> <p><b>A fast response environment</b></p>	<ul style="list-style-type: none"> <li>- The relatively remote location has helped forge a strong identity and nurtured from the bottom-up a deep-set commitment to creativity – as a cultural &amp; financial commodity. This includes a long-held policy commitment to cultural infrastructure. It can also be linked to the National Curriculum in school on innovation and entrepreneurship for children.</li> <li>- A well-developed investment infrastructure, led by Invest in Iceland, such as through the New Business Venture Fund &amp; the Icelandic Software Fund</li> <li>- A strong &amp; diverse music sector, with a robust music education system and intensive support – such as through outward missions for bands</li> <li>- Considerable business support infrastructure, led by ICETEC, with its IMPRA Service Centre for Entrepreneurs and SMEs. There is also a strong research base – such as through RANNIS – the Icelandic Centre for Research &amp; the Institute of Business Research at Iceland University has a special CI Research centre.</li> </ul>	<ul style="list-style-type: none"> <li>- No National Creative Industries policy</li> <li>- Very little sector data or intelligence exists</li> <li>- A remote location and very small market and labour pool hamper attempts to grow creative companies, even with quite high levels of entrepreneurialism. Also, Levels of out-migration are high, with ‘talent leakage’ a concern. Additionally, a narrow mix of industries = smaller creative markets</li> <li>- With under-developed relationships between technology, innovation and creative content agendas, creative businesses are not widely recognized for their growth potential</li> <li>- Labour pools are too shallow to develop multiple growth businesses – unless a more systematic approach is applied to positioning creativity, innovation and entrepreneurialism together through the education sector and business support offer</li> <li>- Policy tends to focus on budgets – i.e. project funding – rather than development support.</li> </ul>	<p><b>Weaknesses</b></p> <p><b>No CI data or policy</b></p> <p><b>Small markets</b></p>
<p><b>Opportunities</b></p> <p><b>A distinctive creative place to live and work</b></p>	<ul style="list-style-type: none"> <li>- A burgeoning finance sector introduces opportunities for investing in content as well as the existing portfolio of technology businesses</li> <li>- An established approach to ICT (such as the 1999-2004 ICT Programme) can be built upon</li> <li>- Culture is supported through the Ministry of Education &amp; Culture, which provides opportunities for positioning creativity &amp; entrepreneurialism at the heart of the education offer.</li> <li>- High levels of out-migration are countered by high levels of return-migration, with returnees bringing global links to markets, expertise &amp; capital</li> <li>- A beautiful physical geography &amp; growing eco-tourism offer provide opportunities for cultural tourism &amp;, in-turn, inward investment in creative firms &amp; commodities</li> </ul>	<ul style="list-style-type: none"> <li>- Iceland enjoys a contemporary popularity – as a place to visit and do business, but this is a fragile position for a small country and the international market for ‘affection’ is growing</li> <li>- A growing finance sector is recruiting professionals who might historically have developed a creative career. This is another ‘small country’ issue</li> <li>- Cost: Iceland is in many ways an expensive business to live and work, which can deter creative people from taking the risk of developing a creative business</li> <li>- Connections to other Nordic countries are under-developed, with global connections not developed in a strategic way for the Creative Industries</li> </ul>	<p><b>Threats</b></p> <p><b>Fragile success factors</b></p>

**Figure 4: Creative Industries Policy and Sector Profile in Sweden**



<p><b>Strengths</b></p> <p><b>Design at the centre</b></p> <p><b>Proven success</b></p> <p><b>Bigger markets</b></p>	<ul style="list-style-type: none"> <li>- A long-held specialism in and policy support for Design – e.g. Design sits at the heart of 'Innovative Sweden: A Strategy for Growth Through Renewal'. The embedding of Design across policy is a critical strength</li> <li>- Considerable infrastructure and competence support by the KK- foundation in co-operation with regional investors</li> <li>- A strong and coordinated approach to innovation, with Vinnova &amp; NUTEK leading the way</li> <li>- A long history of creative success stories, with an established set of large firms developing talent (which then spins out) and showcasing the scalable potential for Creative businesses</li> <li>- Major state commitment to cultural infrastructure and to recognisably Swedish cultural content – e.g. direct government investment into art periodicals, film and music</li> <li>- Many local culture &amp; creativity planning projects</li> </ul>	<ul style="list-style-type: none"> <li>- No clarity of sector definition and under-developed data and intelligence</li> <li>- No dedicated national policy, with relevant policies and initiatives spread across the Education, Culture and Industry Ministries</li> <li>- NUTEK – the Agency for National &amp; Regional Growth – does not have a Creative Industries policy</li> <li>- Innovation and Technology policies and initiatives do not position creativity on an equal footing</li> <li>- A plethora of regional initiatives are not being connected, with duplication and unnecessary competition common. Indeed, this needs to be effectively mapped</li> <li>- The investment market is not reaching early stage creative businesses, with the sector considered a high risk proposition</li> <li>- ICT businesses remain too separated from CIs</li> </ul>	<p><b>Weaknesses</b></p> <p><b>Low level data</b></p> <p><b>Fragmented policy</b></p>
<p><b>Opportunities</b></p> <p><b>ICT &amp; Content</b></p> <p><b>Creative city regions</b></p>	<ul style="list-style-type: none"> <li>- The Swedish ICT Sector is increasingly focusing on content development – introducing major new market opportunities</li> <li>- With a better coordinated policy structure, the overall Swedish offer could be better promoted internationally</li> <li>- An increasingly diverse population introduces new markets and opportunities for creative production and business development</li> <li>- Key cities are becoming significant growth centres for creative businesses with different specialisms (e.g. Trollhattan for film). These can be connected as a 'creative portfolio' for Sweden</li> <li>- Good practice exists in IPR intelligence and support – e.g. through CIP in Gothenburg – this is a sector growth opportunity if it can be extended</li> </ul>	<ul style="list-style-type: none"> <li>- New policy concepts are not positioning IP protection and realisation at their heart. Creativity and growth need to be considered together – a focus on IP allows this</li> <li>- Research and development does not sufficiently cross boundaries – e.g. between technology and content</li> <li>- Public sector subsidy and private sector investment is not being drawn together through complementary agendas</li> <li>- The high number of small creative businesses and a substantial footprint of large businesses exist; but Sweden lacks the 'middle-sized' businesses. Over the long-term, this could damage sector vitality</li> <li>- The design values of Sweden are increasingly global, which diminishes the added value effect</li> </ul>	<p><b>Threats</b></p> <p><b>Fragmented policy</b></p> <p><b>Rigid boundaries</b></p>

**Figure 5: Creative Industries Policy and Sector Profile in Denmark**



<p><b>Strengths</b></p> <p><b>Mature policy approaches</b></p> <p><b>Creativity connected across policy</b></p> <p><b>Good mapping – e.g. CBS</b></p>	<ul style="list-style-type: none"> <li>- The most clearly defined policy commitment to the Creative Industries in the Nordic Region – Ministries of Culture &amp; of Business &amp; Economic Affairs have aligned cultural and economic policy. 11 collaborate initiatives have been developed, including a Venture Capital Fund for Film &amp; Media, Learning Lab Denmark and a Forum for Business &amp; Cultural Life</li> <li>- Specific sector strengths (identified by 'Denmark's Creative Potential' in 2000; and 'Denmark in the Culture &amp; experience Economy', 2003) – e.g. architecture &amp; design, music, film, theatre, &amp; the wider 'Experience Economy'</li> <li>- A committed export approach – e.g. Creative Nation; and Trade Council of Denmark has introduced special export terms for the 'culture &amp; experience industries'</li> <li>- Creativity in education is prioritised – e.g. Roskilde University has a Masters degree in 'Experience Management'</li> <li>- Creative city visioning – e.g. Wonderful Copenhagen &amp; a strong creative focus in Aarhus</li> </ul>	<ul style="list-style-type: none"> <li>- Though rich in policy and programmes, there is an apparent lack of capacity and expertise to facilitate and deliver policy 'on the ground'</li> <li>- Despite this policy push, Creative Industries sub-sectors are relatively small, indicating that export markets are not being effectively exploited and businesses with growth potential are not growing as they might</li> <li>- A culture of 'creative lifestyle businesses' predominates, with the expectation and desire for growth underdeveloped</li> <li>- The policy profile for the Creative Industries is at times overly celebratory. Knowledge Strategies for the Creative Industries are underdeveloped</li> <li>- Specific regions need to be supported to specialize: a uniform approach to creativity will undermine growth potential</li> <li>- The Copenhagen/Malmö City Region is under-conceptualised as a major globally-facing creative hub</li> </ul>	<p><b>Weaknesses</b></p> <p><b>Small sector; small businesses</b></p> <p><b>Innovation &amp; Creativity under-connected</b></p>
<p><b>Opportunities</b></p> <p><b>Maximising the creative focus in new policy</b></p> <p><b>Mainstreaming creativity</b></p>	<ul style="list-style-type: none"> <li>- New Growth Councils in each region provides an opportunity for strong Creative Industries policy at this scale. However, it is important that this engages with the distinctive sector opportunities in each place.</li> <li>- Opportunities exist for building a more connected delivery mechanism for policy – e.g. establishing a joint platform for Danish Business and FIST</li> <li>- The introduction of 10 Technology Transfer Centres across Denmark brings a platform for creative content and technology to be developed together</li> <li>- The National Academy – IDEA – has the potential to situate creativity &amp; entrepreneurialism at the heart of Danish society</li> </ul>	<ul style="list-style-type: none"> <li>- As a small country, Denmark relies on establishing strong export markets. These are fragile and sustaining a distinctive profile is an ongoing challenge</li> <li>- Without a national lead on connecting innovation to creativity, economic performance will be under threat. The Danish Innovation &amp; Development Programme can take a lead here</li> <li>- The state-subsidised cultural sector needs to be supported as a driver of creativity and entrepreneurialism – alongside an attention to quality</li> <li>- Creativity &amp; the Creative Industries can be over-used as a marker of difference and inward investment policy across the regions. In some cases, it may be more creative to focus on other sectors</li> </ul>	<p><b>Threats</b></p> <p><b>Shifting markets</b></p> <p><b>Underdeveloped entrepreneurialism</b></p>

**Figure 6: Creative Industries Policy and Sector Profile in Norway**



<p><b>Strengths</b></p> <p><b>Strong cultural policy &amp; investment</b></p> <p><b>New connections between creative &amp; other industries</b></p>	<ul style="list-style-type: none"> <li>- Responsibility for the Creative Industries sits within the Ministry of Trade and Industry, giving it an important economic profile</li> <li>- There is strong commitment to investing in Norwegian cultural content – e.g. the scope of support schemes for film increased in the 2005 state budget</li> <li>- There is widespread commitment to culture and creativity as central to local and regional competitiveness and distinctiveness. This has a strong planning focus</li> <li>- A large industrial market exists for creative goods and services, such as in extraction and engineering.</li> <li>- Creativity and Innovation are increasingly considered in tandem – for example, Innovation Norway has ‘Culture and the Experience Industries’ as a priority (<a href="http://www.innovasjon Norge.no">www.innovasjon Norge.no</a>)</li> <li>- A growing cluster and incubator offer is developing – e.g. the Arena Programme</li> </ul>	<ul style="list-style-type: none"> <li>- Much of the policy focus is on supporting Norwegian content as a cultural rather than economic good: to reflect and retain history, culture and language. This is important for nation-building and for social cohesion, but it can detract from growing products and services for global markets</li> <li>- The strong national emphasis on rural sustainability splits Creative Industries agendas in two: it is identified by some as crucial for sustainable rural communities as a small business proposition; and it is identified by others as a growth-orientated urban concern. This mixed conceptual approach makes effective policy difficult unless clear complementary approaches can be established</li> <li>- The absence of specialist initiatives in IPR can reduce entrepreneurialism and growth – with businesses less inclined to collaborate and appropriate</li> <li>- Levels of entrepreneurialism and creative risk-taking are low – a type of creative conservatism</li> </ul>	<p><b>Weaknesses</b></p> <p><b>Too much culture; not enough business</b></p> <p><b>Industry is disconnected from policy</b></p>
<p><b>Opportunities</b></p> <p><b>Connect centres of excellence</b></p> <p><b>Develop partnership through investment</b></p>	<ul style="list-style-type: none"> <li>- To develop new markets in other industries – promoting creative services and products and establishing platforms for convergence</li> <li>- Connect emerging creative clusters and concentrations – to establish a networked approach to knowledge exchange and business-to-business networking</li> <li>- Develop complementary urban and rural policies for the Creative Industries and underpin this with a far improved evidence base</li> <li>- Introduce a set of interventions that target entrepreneurialism and business competence in the Creative Industries</li> <li>- Nurture investment markets in the Creative Industries</li> </ul>	<ul style="list-style-type: none"> <li>- Low levels of entrepreneurialism and commercialisation will hamper growth</li> <li>- Successful businesses and artists are relocating to metropolitan centres, many of which are outside Norway – in this sense, Bergen has become a music incubator for a global music industry, with the added value for Bergen under-realised</li> <li>- The rural sustainability agenda might over-emphasise the added value of creativity (e.g. the relationship between design and food) at the expense of developing national and export markets for scalable creative content/products</li> <li>- Without strong and consistent research, including an effective and comparable baseline, the sector will not be taken sufficiently seriously by policy-makers and the sector itself</li> </ul>	<p><b>Threats</b></p> <p><b>Mismanaging the rural/urban balance</b></p> <p><b>Low entrepreneurialism</b></p>

**Figure 7: Creative Industries Policy and Sector Profile in Finland**



<p><b>Strengths</b></p> <p>Technology &amp; Content sit together</p> <p>Design-led is the norm</p>	<ul style="list-style-type: none"> <li>- A very strong track record in policy support for the Creative Industries, with multiple programmes and a clear commitment to innovation and creativity.</li> <li>- A world-leading cluster of design-led technology and content businesses, driven by Nokia.</li> <li>- Education sits at the heart of the creative offer, with polytechnics linking with creative businesses (however, the link between universities and creative businesses could be strengthened).</li> <li>- Specialist business support is relatively advanced – e.g. the Sile Refinery, which provides ‘sparring services’ for creative businesses, assisting them to commercialise and grow.</li> <li>- Multiple high quality local projects exist – e.g. the Creative Tampere Programme.</li> </ul>	<ul style="list-style-type: none"> <li>- Knowledge on sector performance is underdeveloped at a local/regional level, making comparison and bespoke policy difficult. The Regional Centre Programme (for Finland's 35 sub-regions) can provide a framework here for knowledge development and a coordinated approach to sector support.</li> <li>- Levels of entrepreneurialism can be increased – as outlined in the Ministry of Trade and Industry Development Strategy for Entrepreneurship in Creative Industries sector for 2015.</li> <li>- Creative processes in rural areas are not being developed to their commercial Creative Industries potential.</li> <li>- The position of the Creative Industries within the wider policy delivery landscape remains unclear – for example, Finnvera, Te-keskus, the Finnish Funding Agency for Technology and Innovation - Tekes, the Trade Promotion Organisation - Finpro, the Finnish Tourist Board - MEK and Statistics Finland need to increase their knowledge of and commitment to the Creative Economy.</li> </ul>	<p><b>Weaknesses</b></p> <p>Weak CI data</p> <p>Small markets</p>
<p><b>Opportunities</b></p> <p>Coordinated intervention</p> <p>Innovation &amp; creativity – a shared approach</p>	<ul style="list-style-type: none"> <li>- Policy coordination is increasing – e.g. between The Ministry of Education and Culture and The Ministry of Trade and Industry.</li> <li>- In 2007, the Ministry of Trade and Industry published an overview report of Creative Industries projects implemented in Finland in 2000-2006. This covered 158 projects, with total funding amounting to €65 million. Much can be learned here – especially in how to best coordinate and connect initiatives.</li> <li>- Opportunities to develop trading and strategic links with the Baltic States and Russia are most pronounced in Finland – within a wider approach to creative exports – aspirations are that approximately €228 million will be allocated for Cultural Export 2007-11.</li> <li>- The investment market for creative goods &amp; services can be developed more progressively.</li> </ul>	<ul style="list-style-type: none"> <li>- The operating conditions are under-sympathetic to sector growth. For example, taxation of copyright remunerations, and the availability of venture capital to growth businesses in the Creative Industries, requires some review.</li> <li>- The fragmentation and under-coordination of Creative Industries intervention. Cooperation between ministries, regional partners and sector development organisations needs to be advanced.</li> <li>- ‘5 Steps for Finland's Future’ - round-table report by TEKES considering the role &amp; potential of Finland in a knowledge &amp; innovation economy – does not cite the Creative Industries as a key factor for success. Innovation and creativity are key, and it is risky to overlook their links.</li> </ul>	<p><b>Threats</b></p> <p>Complacency</p> <p>Fragmentation of delivery</p>

## 2.2.1 New Creative Directions?

The Creative Policy Map and SWOT analyses introduce a set of common policy factors and policy development issues for the Creative Industries in the Nordic Region. Though fragmented, disjointed and lacking robust and comparable evidence, there are multiple common Creative Industries policy approaches across the Region. Unsurprisingly, these respond to a set of comparable policy development issues, where the opportunities and challenges facing the Creative Industries are often shared in different parts of the Region. A set of **collective Nordic sector policy and sector profile themes** is apparent. However, these must be accompanied by a set of national, local and sub-sector specific themes.

Sector policy themes include:

### ***Entrepreneurialism and Creativity***

Under the theme Entrepreneurialism and Creativity, it is clear that every Nordic country is **striving to promote creativity within learning and skills agendas** as a basis for engendering an entrepreneurial culture in creative businesses. This includes a commitment to work-based learning for young people, supporting dialogue and exchange between Creative SMEs and the future Creative work force. Currently, Creative businesses depend on a huge amount of tacit knowledge for their development and growth, while young people at pre- or post-graduation stage operate more on a basis of 'just-in-time knowledge'. It is difficult therefore to develop appreciation among young people on how to translate their creativity into practical business ideas; just as it is difficult for businesses to express their rationale, trajectory and skills needs to aspiring young people. Critical are brokerage and network models, connecting businesses to education and embedding education within business.

This is a growing agenda in the Nordic Region and one that is positioned at the heart of a wider ambition to build a competitive knowledge economy. Creative processes and the commercialisation of such processes are increasingly situated as a key education offer, with projects including the Creative Environments Studio in Malmö University, which focuses on the interplay between interactive media technologies, space, and activity. It explores how physical space and ubiquitous technologies can be used in new ways for multi-user and multi-site interaction<sup>35</sup>.

Other shared policy agendas on this theme include multiple **incubator models**; dedicated **Creative Industries learning and skills initiatives** (both inside and outside the academy); and the growth of **specialist intermediary bodies** (such as development agencies) established to drive networks and provide bespoke advice and support, or at least broker access to specialist support. Networks such as Jenka operate as Creative intermediary services on a Pan-Nordic level; while initiatives such as Sile in Finland provide specialist support aimed at driving entrepreneurialism through creativity. However, such approaches are underdeveloped in the Nordic Region, with relatively few specialist Creative Industries intermediary services. Where they do exist, they more commonly focus on supporting technology businesses, often to the extent of neglecting creative content and service businesses.

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<sup>35</sup> See: <http://www.creativeenvironments.mah.se/index.asp?page=start>



This is changing slowly. For example, state-owned company Innovation Norway recently sparked a policy focus on culture and the experience economy in a new effort to increase the country's competitive edge, and value generation. All commercially active creative industries players can apply for financial support. This includes tourism and agriculture firms - where cultural products represent an important part in the value creation:

*“The services of Innovation Norway aims at unleashing the inherent potential in the culture and experience economy. The target is an increase in innovation ability, cobbled with an increase in the number of innovative creative industries clusters”.*

[www.innovasjon Norge.no](http://www.innovasjon Norge.no)

### **Growing Creative Businesses**

Under the theme Growing Creative Businesses, the Creative Industries sits rather to the margins of a policy agenda dominated by innovation and technology. There is no dedicated approach to providing specialist IPR advice and support for the Creative Industries; brokerage schemes to connect Creative businesses to technology businesses and **other markets are under-developed**; and dedicated investment (as opposed to funding) for early stage growth-orientated businesses is, though increasingly available, piecemeal and under-connected. This reflects a general issue in the Nordic Countries: that the Creative Industries (however it is termed or defined) is not sufficiently associated with high growth. This is despite the global success of multiple high growth Creative companies – such as Ikea and Svenska Spel in Sweden; Bjork and Lazy Town in Iceland; Dogma Films and Bang & Olufsen in Denmark; the Bergen Wave<sup>36</sup> of music and Digimint Games in Norway; and Digital Chocolate and Saraware Oy in Finland. It is also despite increasing recognition that major technology success stories – such as Eriksson and Nokia – are increasingly content and design-dependent, with obvious growth parallel growth opportunities for Creative firms.

Without a robust evidence base that highlights the different growth profiles across the Creative Industries sector and that provides sufficient detail to reduce the informational asymmetries that currently undermine investment, the true growth potential of the sector will not be realized. Indeed, although a mix of excellent cluster (see below) and market development initiatives exist and specialist knowledge and support on IPR issues for Creative businesses is increasingly widespread; the available provision is not effectively connected, and thus knowledge is not efficiently exchanged.

The Nordic Region is replete with successful growing and established Creative businesses, many of which have benefited from a sophisticated and knowledge/content hungry market; high levels of ICT penetration; and a relatively strong commitment to creative learning. However, with low recognition of the growth potential for early stage businesses and the *under-connection of evidence-building and support-providing intervention*, the sector will not grow to its potential.

### **Building Creative Clusters**

The Nordic Region is home to many high quality state-supported Creative Industries cluster initiatives that collectively offer the full range of ‘hygiene factors’ required for

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<sup>36</sup> See: [http://en.wikipedia.org/wiki/Bergen\\_Wave](http://en.wikipedia.org/wiki/Bergen_Wave)

creative ideas to flourish, ideas and knowledge to be exchanged, and businesses to grow. Indeed, with better connectivity between these initiatives and an approach that embeds them within the cities and regions in which they are located, the Nordic Region can rightfully claim to operate as an effective *Global Creative Cluster*.

In the Nordic region, policy and intervention to date focuses on establishing dedicated specialist Creative Industries clusters. For example, the Centres of Excellence Programme in Finland prioritises specialisation by location; the Kunnskapsparken model in Norway features specialist sub-sector incubators, such as the Hedmark Games Incubator; and cities in Denmark and Sweden have either been allocated or have self-allocated specialisms (such as film in Aarhus or Design in Gothenburg). In Sweden, the KK Foundation is working with regional cities to develop 8 specialist local clusters or 'hubs' that are driven locally but operate within a nationwide network that is globally-facing<sup>37</sup>. This management of scale factor is a critical challenge for local cluster initiatives – developing an intensity of practice at an intimate local level that in turn 'speaks to' international supply chains and markets.

There are two major policy concerns here:

- **That cluster policy in the Nordic Region is at times overly instructive and prescriptive:** the allocation of cluster specialisms to specific cities and regions, or their self-allocation, might work to 'force the market' in a direction it would not otherwise take. Sustainable clusters can't be built on this basis. A focus that seeks to build on existing specialisms, or to connect existing assets to develop new specialisms, is more likely to succeed. This might require an approach that conceptualises of the cluster as being city or region-wide, connecting existing assets through network initiatives, shared business support and branding; rather than through pressure to co-locate on a campus. On a global level, it is whole cities and regions of dynamic interrelated creative activities that operate as the most significant clusters: not individual footprints of cluster infrastructure.
- **That cluster policy in the Nordic Region at times overly attends to the hygiene factors and does not account for those unhygienic factors upon which so many creative disciplines thrive.** Modern, clean campus developments with dedicated technology infrastructure, in-house advisors and business clubs; suit the 'culture' of certain types of Creative business, but not others. There is a danger that such developments effectively segregate creative businesses from each other and from other parts of the economy and wider cultural ecology. This is in some cases increasingly likely where a cluster is branded as 'Creative' without the necessary ownership of the brand from Creative businesses. The most effective Creative cluster initiatives in the Nordic Region are those which are embedded within the wider Creative Economy and cultural ecology of the city and region. They are relatively open and porous, driven by wider networks and flows that occur beyond the physical footprint of the cluster. They offer the spaces (physical and virtual) for interaction and exchange, and provide platforms for creative consumption and production; encouraging interdisciplinary activity, brokering new types of relationship that would not

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<sup>37</sup> See: [www.kk.se](http://www.kk.se)



otherwise occur, and actively engaging interdependent processes (such as innovation and creativity; risk and trust).

It is by providing a mixed landscape of cluster interventions – that allow for the clinical and the messy, the new-build and the renovated factory, the suburban and the town centre – which the full infrastructure landscape required for Creative Industries growth, will be established. Indeed, it is by connecting different initiatives in this mixed infrastructure landscape – across cities, regions and nations - that the Nordic Region will operate more effectively as a Global Creative Cluster.

### ***Building Creative Places***

The Nordic Region is a global leader in policy approaches to building creative places. No where else is there such appetite for, knowledge of and commitment to creativity and cultural planning. There is widespread commitment to the Richard Florida 'Creative Class' thesis<sup>38</sup> of successful places scoring the highest in technology, tolerance and talent, not least because the Region scores so highly. This agenda is most marked at a city and city region level, with a deliberate synergy between cultural and economic strategy. For example, the project, 'Cultural Identity, Cultural Mapping and Planning in the Øresund Region'<sup>39</sup> focuses on competence development in relation to municipal and regional planning. Here, cultural planning is positioned as providing the enabling conditions for Creative Industries development and growth (see **Figure 8** below).

In Øresund, an 'Urban Value Production Matrix' has been developed, structured to make explicit the links between, for example, cultural infrastructure and creative business development; social cohesion and the attraction and retention of knowledge workers. Many other regions and cities across the Nordic region share these values, with a recognition that a dual investment in social capital and a creative environment brings long term social and economic benefit.

A further example is the network: **Creative Cities Copenhagen**. This consists of 15 municipalities gathered around the task of creating a broader cross sectoral base for including culture and experience economy in city planning and growth strategies. The network is focused on the education of civil servants and leaders and developing common themes and projects in a regional context. The network has just entered its 2.nd period and focuses on 3 projects: developing models for measuring the impact of sport facilities and the event economy; a new role of the public library in knowledge-driven innovation; and a cross-regional project involving Swedish Municipalities focusing on cultural planning and networks<sup>40</sup>.

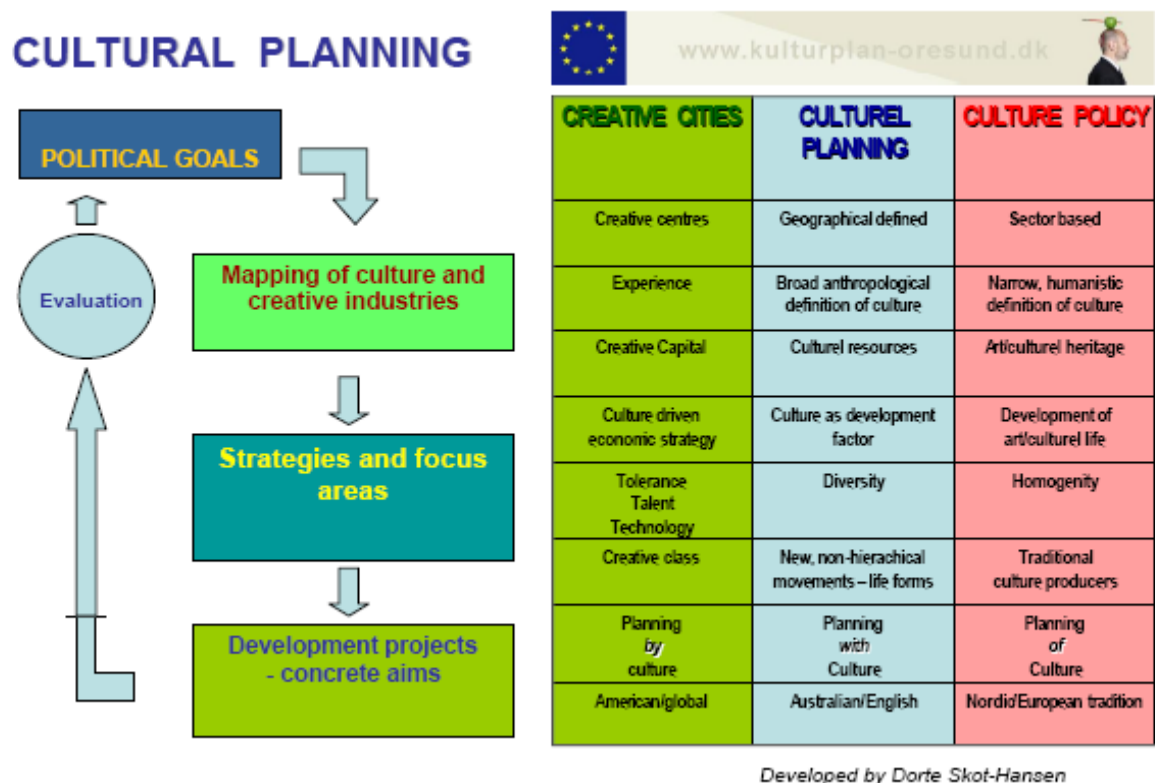
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<sup>38</sup> Florida and Tinagli 2004.

<sup>39</sup> See: <http://www.culturalplanning-oresund.net/>

<sup>40</sup> See: [www.kreativebyer.dk](http://www.kreativebyer.dk)

Figure 8: Cultural Planning for Creative Industries Development – the Øresund Region, Denmark.

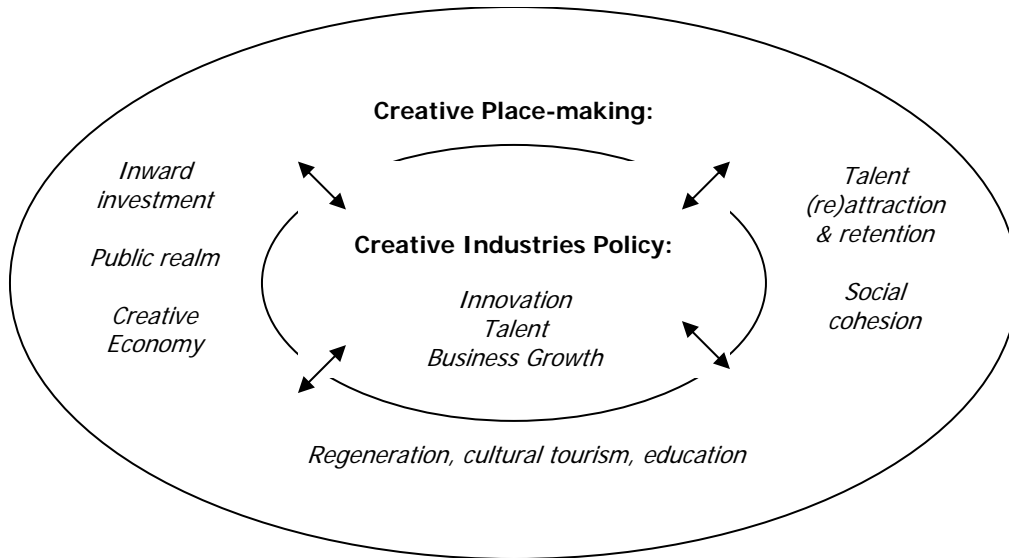


A set of policy challenges exists here. For example:

- A cultural planning approach requires a very long-term commitment, building a policy base upon existing assets (rather than the desired set of assets that the city is trying to develop). Many policy-makers commit an error by proclaiming a cultural asset base that is desired rather than 'reality', thus building from the wrong base. Sometimes the claim of cultural vitality and creative dynamism before their achievement can undermine the credibility of genuine efforts to deliver on cultural, creative and knowledge agendas.
- The most successful creative places are often those with the least prescriptive public policy approach. The state needs to work as an enabler rather than enforcer of cultural activity.
- Approaches to creative place-building can (although many don't) focus heavily on the value-adding role of the Creative Industries. The sector is often used as a 'tool' to deliver on a range of agendas, from social inclusion to cultural tourism. This can create an instrumental burden for which Creative businesses may not wish to carry; and it can introduce additional pressures on Creative Industries policies that may have been devised purely as tools for sector growth. Figure 9 below shows the types of agendas that are increasingly placed within policies that

seek to build creative places through an at least partial engagement with the Creative Industries:

**Figure 9: Instrumental Pressure?**



In the Nordic Region, growth-orientated Creative Industries policy needs to be surrounded by wider approaches to creative place-making, rather than devised to deliver on both of these complementary agendas. Opportunities exist to disseminate good practice within the Region, ensuring that a considered, long-term cultural planning agenda is adopted. This also applies to sharing expertise in policies that collapse agendas – such as Creativity and Food initiatives. **However, the greatest opportunity lies in presenting the Nordic Region internationally as a place that is receptive to new ideas; is tolerant, indeed embracing of diverse cultures; and is determinedly innovative in the way it conceptualises economic growth as an outcome of social capital.**

### **Creativity and Tourism**

Globally, Creative Industries and culture are increasingly significant as a driver of tourism. Internationally, cities as varied as Melbourne, Beijing and Mumbai are positioning their creative economies at the heart of their offer to both leisure and business travelers. The Nordic Region's culture and creative industries tourism offer is developing fast, linked as it is to increasingly nuanced and sophisticated branding of cities and regions. It enables places to move beyond traditional tourist themes such as heritage, and thus 'widen the shoulders of the tourist season' through initiatives that profile processes of creative production (such as cultural quarters) and consumption (such as the nighttime economy). There is also growing realization of the role that new types of cultural tourism can play in terms of inward investment and global profile raising. Crucial is the projection of the Nordic Region as a set of distinctive places that offer stimulation across a fabric of connected infrastructure.

## 2.2.2 Emerging Pan-Nordic Approaches

Pan-Nordic Creative Industries policy approaches are uncommon, and there is no direct inter-governmental policy (although of course mainstream trade agreements impact upon the Creative Industries). There is a growing appetite for inter-regional and inter-city partnership, for instance through the Barents Euro-Arctic Region where multilateral cultural projects are underway<sup>41</sup>; Jenka<sup>42</sup> offers network and knowledge development support for Creative businesses across the Region; and the education sector has a long history of developing pan-Nordic research and exchange programmes. Also, sector-driven initiatives are gaining confidence and building a stronger pan-Nordic profile. For instance, the Nordic Design Network<sup>43</sup> provides an actively managed online catalogue for contemporary Nordic design, fashion and architecture; forms an extensive contact network for design-oriented companies and designers; and provides a market place where thousands of designers and design-oriented firms meet and present their business. A further example is the annual Nordic Games Expo<sup>44</sup>, which convenes the region's top games talent as a marketplace and conference. There are also multiple small scale, often informal, trading relationships, knowledge-sharing initiatives, and even social networks, that express a Nordic dimension to doing Creative Industries business.

**There is a commercial, professional and cultural logic for Nordic Creative Industries businesses to come together, connect, do business and project themselves to global markets:**

- **There is commercial logic:** operating in a larger regional market; developing greater visibility to global markets; merging for scale; coordinating complementary strengths; increasing convergence opportunities with other sectors; and establishing global leadership in sector specialisms, notably Design.
- **There is a professional logic:** exchanging knowledge; developing richer research; building a larger skills base; occupying territories with similar IPR and tax status; and providing a bigger portfolio of investment propositions.
- **There is a cultural logic:** building on centuries of intertwined histories; exploring common contemporary sensibilities; and exploiting a global perspective that connects the Nordic countries as a single cultural (and market) proposition.

The Nordic Innovation Centre, acting on behalf of the Nordic Council of Ministers, has led the process of pan-Nordic Creative Industries policy development, commissioning a range of sector development projects to local delivery partners as a means of sharpening sector intervention, building lasting partnership, and *connecting* agendas. Under the Programme 'Creative Industries – Developing New Markets' – Nordic Innovation Centre has introduced 6 partnership projects. These are profiled in **Figure 10** below.

In a previous round of partnership projects, Nordic Innovation Centre commissioned Dominic Power and Johan Jansson to deliver a policy development document for the Creative Industries in the Nordic region: '**Creative Directions – a Nordic Framework**

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<sup>41</sup> See: <http://barentsculture.karelia.ru/eng/site/1080547982/1086604609>

<sup>42</sup> See: [www.jenka.org](http://www.jenka.org)

<sup>43</sup> See: <http://www.nordicdesignnetwork.com/index.asp>

<sup>44</sup> See: <http://www.nordicgame.com/>

for **Supporting the Creative Industries**'. Published in 2006, this Framework presents policy recommendations relating to:

- **Developing knowledge and innovation in the Creative Industries:** for example, addressing the relative lack of advanced research both within educational institutions and within the private sector; supporting development of Nordic Centres of Excellence in Creative Industries research and development; extending R+D funding for design to all disciplines; networking of Creative Industries firms and institutions into existing 'Living Lab' and 'Testbed' innovation networks; and supporting the internationalisation of the Creative Industries labour market in the Nordic region.
- **Cooperation and collaboration between Creative Industries firms:** for example, supporting shared information sources, coordinating industry organisations to network on a Nordic level; and networking small firms to share experiences and offer joint product packages capable of reaching larger clients.
- **Connecting Creative Industries firms with other industries:** for example, raising awareness, championing and agenda matching on behalf of the Creative Industries sector within other industries and governments; developing regulations to assist public sector procurement policies in maximising the benefits of the Creative Industries; raising awareness of investment opportunities and returns, amongst venture capitalists and other financiers; building technology transfer programmes, to encourage synergies between Creative Industries and other industries
- **Helping Nordic Creative Industries firms to reach the market:** for example, branding the Nordic Creative Industries to communicate its collective value; reviewing IPR issues, possibly through the Nordic inter-governmental framework, and promote IPR solutions to businesses; supporting international trade fairs, as an important sales and networking opportunity; and internationalising Nordic and national trade fairs to access wider markets.
- **Encouraging and investing in entrepreneurship:** for example, promoting creative entrepreneurship as a legitimate form of business, by business promotion authorities and investors/financiers; building business, management and entrepreneurship training into creative education; supporting incubators and incubator networks, including virtual incubators; and supporting diversity through focused mentoring programmes.

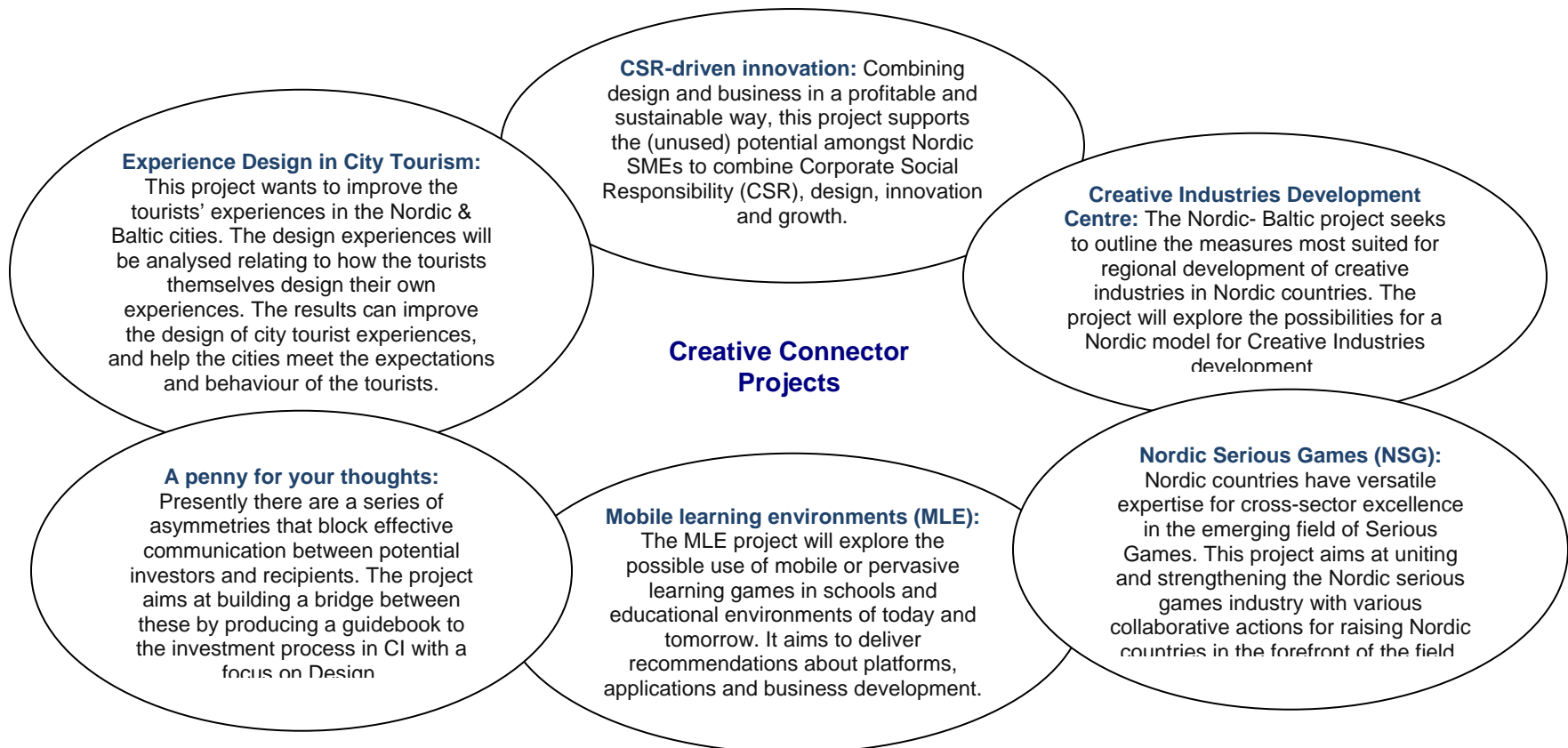
Figure 10: NICe - Making the Connections

## Nordic Innovation Centre – Leading the Pan-Nordic Approach

Nordic Innovation Centre (NICe) is the Nordic Council of Minister’s operating instrument for promoting an innovative, competitive and knowledge-intensive Nordic business sector.

Nordic Innovation Centre is an important partner in Nordic knowledge platforms within the areas of innovation policy, Creative Industries, biotechnology, food safety and innovative building & construction. It is based on the premise that building common Nordic knowledge markets are vital to all Nordic business life, enabling the Region to compete in a global market which is becoming more and more knowledge driven (see: [www.nordicinnovation.net](http://www.nordicinnovation.net)).

The total project portfolio of the Nordic Innovation Centre consists of approximately 120 ongoing projects and networks, plus many completed projects. This includes 6 ongoing projects focusing on developing the Creative Industries in the Nordic (and Baltic) Region:



The Creative Directions Framework neatly summarises the key opportunities and challenges for Creative Industries development in the Nordic Region. It does so by articulating how a coordinated, connecting approach at a Regional level will not only add value to national and local initiatives, but stimulate knowledge development and innovation, drive sector growth and enhance competitiveness for creative businesses. With many creative businesses looking to the Nordic Region as the preferred unit of exchange, partnership and trade; then it is important that policy-makers do the same while allowing for the health though occasionally fierce competitiveness between the Nordic nations.

### 3. Summarising the Key Issues and Opportunities – the Nordic Creative Economy

*“It seems we are not lacking ideas in innovation and creativity. What is lacking is giving them a life” (Icelandic consultee).*

In each Nordic nation, innovation is prioritised as the lifeblood of the knowledge economy. The same value is not always placed upon creativity – either in terms of the commercialisation of creativity (the Creative Industries) or the added value that creativity brings (from convergence to creative place-making). There are many excellent Creative Industries projects and programmes but they lack an overarching policy framework that coordinates activity and maximises connectivity to build markets, exchange knowledge and generate economies and efficiencies of scale. The Nordic Region has an impressive creative asset base, but this is not being supported and exploited to maximum effect.

There are many examples of high performance and creative excellence in the Nordic Region. For example, Sweden and Finland top the Euro-Technology Index, ranking just slightly behind the United States; and both outperform the US on the R&D Index, spending 3.70 percent and 3.30 percent of GDP on research and development compared to 2.62 percent for the United States. Yet these are small economies with comparably small overall investments in R&D: they lack the scale to competitively broaden their research base, with innovation and creativity explored on a relatively narrow footprint. With collective, coordinated action across the Nordic Region, this footprint is immediately expanded.

This Section introduces the key ‘pressure points’ of the Creative Industries sector in the Nordic Region where a pan-Nordic approach will have the most positive impact. For the Nordic Region to operate as a high growth, competitive, global leader in the creative economy, the development of a highly connected fabric of creative policy and infrastructure is required. **If the Nordic region is to retain its long-held competitive advantage in creativity, it needs to reposition itself as a knowledge broker and connector for the global creative economy, using its collective knowledge and intelligence to and build effective global creative partnerships and trading relationships.** Figure 11 below sets out an overview of the current sector profile, with each opportunity focused through a pan-Nordic lens.

### **3.1 Drivers for Growth in the Nordic Creative Industries**

The Creative Industries in the Nordic Region depends on multiple drivers for its growth and sustainability. They relate to issues of:

- **Demand:** sector growth is a direct outcome of a more educated, discerning and prosperous population. Factors such as the early exposure to culture and ‘inspiration’ and a society where aspirational goods are those that are personalised, distinctive and multifariously gratifying; provide the ‘demand climate’ for a strong Creative Industries sector. There are few places in the world where this is as advanced as in the Nordic Region, yet by country, due to the small size of markets, demand is low. Proportionately there is plenty of ability to pay, but payment tends to leak to supply from other parts of the world, and it certainly doesn’t prioritise supply from other Nordic countries. Notionally therefore, opportunities exist to nurture demand for Nordic goods from domestic markets as a priority above goods from other parts of the world. Such ‘Nordic demand for the Nordic’ can come from mainstream consumer markets, *and* from smarter state procurement for creative goods and services, *and* from businesses in other industries for which the importance of creative services (such as design) is increasingly recognized.
- **Learning and Skills:** the Creative Industries needs a highly skilled workforce and this it has in abundance in the Nordic Region. For example, high skills levels positively influence the ability to adopt and exploit new technologies; they are enablers for innovation; and they equip individuals with greater facility to develop tacit skills. This is a real strength of the Nordic Region. However, high technical and academic skills levels have not historically been underpinned by high skills levels in entrepreneurialism, business management, and finance. In the Nordic region, as in many places, Creative businesses too often lack the skills and know-how to realize the commercial value of their ideas. This is due to a mix of structural and cultural factors: the former relates to the long-term under-provision of management and business training in ‘art school’ contexts; and the latter relates to a resistance from many creative people to commercialise their ideas or to cross other boundaries such as cede some control to investors or management partners. To maximize the value of the enormous technical know-how and innovation endeavor of the Nordic region requires far greater attention to mixing creative and business disciplines, developing new boundary-crossing collaborations (e.g. between technologists and content providers; scientists and artists), and capitalizing on the uncommon ground of core general education and industry-specific skills needs.



**Figure 11: Creative Industries SWOT for the Nordic Region**

<p><b>10 Strengths</b></p>	<ol style="list-style-type: none"> <li>1. Proportionately high levels of research and development investment</li> <li>2. Global leaders in ICT penetration and take-up</li> <li>3. Creative approaches to education – e.g. work-based learning</li> <li>4. Excellent models of incubation and cluster development, often with a cross-disciplinary focus</li> <li>5. Proportionately large markets – strong demand for creative products and services</li> <li>6. Strong investment and commitment to cultural infrastructure</li> <li>7. Social cohesion and tolerance; high quality of life</li> <li>8. Design as a specialist sector and a driver of competitiveness</li> <li>9. Cultural planning and creative-place-building sits at the heart of civic and economic development agendas</li> <li>10. The IPR &amp; taxation landscape is relatively coherent.</li> </ol>	<ol style="list-style-type: none"> <li>1. Inadequate evidence and intelligence base for the Creative Industries</li> <li>2. A fragmented policy landscape – with duplication and low levels of connectivity/coordination</li> <li>3. Underdeveloped entrepreneurial skills – creativity is not effectively commercialised</li> <li>4. Distance and climate – leads to a challenging economy at the periphery</li> <li>5. Insufficient interdisciplinary research, with innovation and creativity too disconnected</li> <li>6. Small domestic markets</li> <li>7. Under-exploited global markets</li> <li>8. Other than with ‘Scandinavian Design’, an under-defined profile at a global scale, lacking a strong ‘creative brand’</li> <li>9. The increasingly diverse population is under-utilised as a market and creative asset</li> <li>10. Relatively small cities = low local economies of scale.</li> </ol>	<p><b>10 Weaknesses</b></p>
<p><b>10 Opportunities</b></p>	<ol style="list-style-type: none"> <li>1. To grow domestic markets - e.g. products and services for non-Creative Industries businesses</li> <li>2. To grow global markets through a joint Nordic offer</li> <li>3. To develop entrepreneurialism: creativity = business</li> <li>4. To increase the growth of scalable creative businesses</li> <li>5. To maximize the diversity advantage of the population</li> <li>6. To develop interdisciplinary approaches to research, networking and clusters</li> <li>7. To enhance theoretical and practical education, and research – building on existing strengths</li> <li>8. To grow the knowledge economy through creative place-building</li> <li>9. To advance knowledge exchange through networking</li> <li>10. To be a global creative connector through the above.</li> </ol>	<ol style="list-style-type: none"> <li>1. The weak and under-coordinated evidence base means that the Creative Industries does not have the profile and support it requires</li> <li>2. Emergent economies become creative powerhouses</li> <li>3. Low in-migration from the ‘global creative class’ = less vitality in the Nordic region</li> <li>4. High costs &amp; low entrepreneurialism squeeze growth</li> <li>5. Creativity and innovation are under-connected</li> <li>6. Local and Regional interests are not aligned</li> <li>7. Pan-Nordic approach flattens important local differences</li> <li>8. Cultural planning is too instructive and inflexible</li> <li>9. Diverse communities remain at the margins</li> <li>10. Complacency – where is the crisis?</li> </ol>	<p><b>10 Threats</b></p>

- **People and Partnerships:** the Nordic Region has an increasingly diverse population, yet the Creative Industries remains predominantly white. Furthermore, very settled and established approaches to learning and skills in each Nordic country introduce a relatively uniform, well-educated workforce. Without diversity – be it ethnic, cultural, or in terms of skills – it is likely that opportunities will be pursued uniformly and problems left unsolved exactly because of this uniformity. By providing opportunities for diverse communities to enter the Creative Industries, new supply and demand is immediately nurtured that will introduce new ways of seeing and new mechanisms for pursuing opportunities and solving problems. Similarly, by working collectively, across the Nordic Region, a greater diversity of perspectives and approaches is accessed. Indeed, by encouraging diversity of entry, partnership and approach, competitiveness is advanced because new ideas and techniques provide the type of churn required for innovation. Moreover, more diversity in people and partnerships will introduce the Nordic Region to creative businesses and individuals seeking the positive challenge of engaging with different perspectives in culture and business. Currently, the relatively diverse, risk-taking, sometimes edgy dynamism of, say, London and New York, is more attractive to such ‘markets’ than the relatively homogenous Creative Industries sector of the Nordic Region.
  
- **Connections:** Competitiveness in the Creative Industries requires knowledge to be developed through collaborations that traverse boundaries – be they sectoral, geographical, technological or cultural: *“(N)o single firm can hope to go it alone without mobilising outside resources”* (Work Foundation 2007 p.143). Networks, connectivity and collaboration are critical here – allowing for risk-sharing, gaining access to new ideas and markets, pooling resources, negotiating IPRs, and developing efficiencies. Though difficult to operationalise, social and business networks are an absolute necessity for a dynamic, innovative and growth-orientated Creative Industries sector. However, in the Nordic Region, they are too few, too narrowly delivered (e.g. they do not easily cross sectoral boundaries), occasionally too top-down (state directed), and in some cases too ill-defined. The most effective network models in the Nordic Creative Economy are those which are driven from the bottom-up in a local context. For example, clusters such as the Cable Factory in Helsinki provide the proximity and ‘face-time’ required to develop networks of trusting collaboration. By connecting successful local networks to digital networks and trade fairs that operate across the Nordic Region, the above-mentioned diversity (sectoral, locational, cultural) is able to travel while being underpinned by tangible, visible, local connections *in the cluster*.
  
- **Investing for Growth:** The Nordic countries have each shown strong commitment over a long period to investing in arts and culture as a public good that is of intrinsic value in society as well as a generator of demand and supply in the Creative Industries. The Region is also a world leader in providing a mixed economy model for investing in creativity and innovation (utilising public, private and third sectors); with multiple innovation funds, incubator projects and very high levels of research and development (although, arguably, investment has overly focused on institutions and buildings rather than people). Indeed, much of the success of the Creative Industries and wider knowledge economy in the region can be attributed to a willingness to invest and spirit of exploration from the state. However, despite high growth in the Creative Industries, businesses in the sector are widely perceived to miss out on the opportunities to grow enjoyed by

businesses in other 'knowledge sectors'. In the Creative Industries, a mix of investment readiness and investor readiness factors add to the already significant challenges facing small businesses in attracting growth, development and project financing, especially in terms of equity (rather than debt) investment (see **Figure 12** below).

In this uncertain setting, Creative businesses in the Nordic Region struggle to present the investment case to a market that finds greater comfort in 'lower risk' sectors and activities. Of course, risk is defined by the level of available market intelligence and an appreciation of business models. As has been shown, the evidence base for the Creative Industries in the Nordic Region is underdeveloped and lacking in coordination. Without a coordinated push to harmonise evidence and promote its legitimacy, informational asymmetries will continue to undermine the investment potential of the Creative Industries and thus diminish growth opportunities. Added to this:

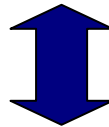
- A high proportion of creative businesses do not deploy robust business planning methods, they lack the management and entrepreneurial skills required to make a business 'fly', and they show a marked lack of awareness of investment opportunities (or the capacity to respond)
- National efforts to establish investment funds targeting Creative Industries - e.g. in Film - in the Nordic region have struggled due to a lack of confidence and interest from institutional investors
- The business models of certain Creative sub-sectors do not allow for the effective management of risk. For example, sub-sectors that rely on 'hits' for revenue cannot guarantee a hit – so the value of music and film is particularly difficult to guarantee in advance of release. Investment funds that manage a portfolio of risks are more effective here; and these are likely to prosper where the pool of investment propositions is deeper – i.e. across the Nordic region rather than in a specific country
- The plethora of targeted investment instruments – from project funds to venture capital – make legibility of the investment landscape difficult for Creative businesses. Simplification and coordination is required at a Nordic level.

**Figure 12: Barriers to Investing in the Creative Industries** <sup>45</sup>

### **Investment Ready?**

- Creative businesses (especially start-up and early stage businesses) too often lack essential 'investment readiness' features, such as robust business plans, an acute awareness of markets, solid management structures/expertise, existing capital, clear realisation of Intellectual Property Rights (IPRs), and a track record of high growth.
- Creative businesses are innovators, developing products and services for which there is not always a proven market. Despite the success of the sector in developing new markets and thus growing year by year, investment is not forthcoming.
- Creative Industries businesses are often 'information poor', lacking basic routes to market knowledge, details of available specialist support, and business planning guidelines.
- Many creative businesses lack an appreciation that there may be finance opportunities for them and thus consider higher and faster levels of business development beyond them. An artificial ceiling is thus placed above Creative Industries businesses.
- Too many creative entrepreneurs consider investors (from both the private and public sectors) to be 'honour-bound' to invest in *their* idea or concept.
- Creative businesses often lack the specialist knowledge and expertise necessary to fulfill investment criteria: the sector is not presenting itself as the 'investment proposition' that, as a high growth sector, it surely is.

**INFORMATIONAL  
ASYMMETRIES**



**STRUCTURAL &  
CULTURAL BARRIERS  
TO INVESTMENT**

### **Investor Ready?**

- Established 'investor communities' are reluctant to invest in small and early stage creative businesses due to a lack of knowledge of creative business growth potential and the inflexibility of current investment criteria.
- Long-held perceptions remain of creative businesses as too 'lifestyle-orientated', existing to support a way of life for the practitioner rather than as a commercially-driven concern. That Creative Industries businesses are often managed by highly skilled and entrepreneurial practitioners with commercial return a prime objective, is under-recognised.
- Some Creative businesses that have developed a relationship with investor communities have presented themselves as deserving of investment without attending to basic flaws in their business practice: investors are right to expect the Creative Industries sector to develop more 'investor-friendly' approaches for investment to take place.
- A lack of investor expertise reduces investor confidence, where a Creative Industries business will be dismissed as falling short of investment-readiness regardless of the viability of the business.
- The structural criteria of existing funds are too inflexible to engage many creative businesses – e.g. the amount of due diligence is disproportionately expensive for a business operating in a market for which little intelligence exists; and minimum investments might be too large for some creative firms.

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<sup>45</sup> This draws heavily on work undertaken by Tom Fleming Creative Consultancy for NESTA, 2003: 'Forward Thinking - New Solutions to Old Problems: Investing in the Creative Industries'.

- The private equity market in the Nordic Region is relatively well-developed, with business angel communities particularly vibrant yet very risk averse. With multiple investment opportunities in extraction and technology sectors, the Creative Industries does not feature prominently on investment portfolios. Connecting pools of investors through targeted network initiatives – offering match-making and deal brokerage – can go some way towards rectifying this, but only if underpinned by much improved sector evidence developed and championed at a Regional level.

**- Intellectual Property:** It is copyright plus a mix of contractual elements that frame Creative Industries business models. It is estimated that 70% of a typical company's value is located through its intangible assets, compared with around 40% in the early 1980s<sup>46</sup>. The successful identification, valuation, protection, (re)negotiation, and sale of these assets is a prerequisite for creative business development and growth. In an increasingly digitised context, these processes are more challenging and fluid, with processes of collaboration, appropriation and convergence hard to map and police. In the Nordic Region and elsewhere, time-honoured certainties such as a strictly delineated approach to protecting copyright, are challenged by the free-play of a file-sharing economy and 'mash-up' culture that outstrips every attempt at regulation and falls prey to markets where piracy is the norm.

An additional concern is the **under-development of assessment and value chain models for the intangible assets of the Creative Industries**. Without the development of new business models and their articulation to investors, opportunities to invest in and support the growth of the sector will be missed. A concerted pan-Nordic approach is required to develop new creative business models and build relationships with investors.

There is also a need to assess the extent to which illicit breaches of copyright are undermining the performance of the Creative Industries sector and to which the opportunities brought by new types of collaboration and convergence are providing the very boundary-crossing dynamic that the Creative Economy requires if it is to retain and redefine its competitive edge. Critical here is establishing a balance that encourages creative endeavour and allows creative businesses to engage confidently with the technology and content 'at their finger-tips', while ensuring that due reward is provided to content originators and key collaborators. This is as much an issue of legal literacy as it is of legal frameworks: a culture of compliance balanced with a culture of creative endeavour depends as much on enabling creatives to confidently read the legal landscape as it does on regulation and prohibition. Emergent schemes outside the Nordic Region such as 'Own It'<sup>47</sup>, the specialist Creative Industries IPR advice and information service in London, could be adjusted to operate successfully in the Nordic Region – perhaps driven by the Gothenburg-based Centre for Intellectual Property Studies<sup>48</sup>.

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<sup>46</sup> Work Foundation 2007.

<sup>47</sup> See: <http://www.own-it.org/>

<sup>48</sup> See: <http://www.cip.chalmers.se/>

### **The Shifting Creative Landscape: Digitisation**

Increasing digitisation will have a profound effect on all aspects of the way individuals produce and consume culture in the Nordic Region and beyond. To grow businesses requires that creative people cross more boundaries and are more entrepreneurial than ever before. Consumption and production are increasingly conflated as one; notions of demand and supply become blurred; and there are multiple new opportunities to enter the market place, regardless of location of 'size'. Key elements that influence the transforming Creative Economy of the Nordic region include:

- **Mobile media:** While the downloading of TV and film to hand-held devices such as mobile phones is still in its relative infancy – certainly compared to music – in the future it seems clear that viewing habits will alter as the 'screen on the wall' becomes just one of many ways that consumers enjoy TV and film. This is likely to lead to even greater personalisation of viewing habits and increasingly the creation of media specifically for viewing on small screens.
- **New platforms and personalisation:** As computer processing power and broadband bandwidth grow, the computer will play as central a role in peoples' viewing habits as it does already for many in their listening habits. One potential effect of this is that consumers will use the opportunity provided by more choice to expand their horizons. The 'Long Tail' theory contends that in a world of consumer choice not constrained by physical distribution barriers there will be greater opportunity for niche players in a market place which is more diverse, fragmented and open to new players.
- **Expansion of wi-fi:** Whereas 5 years ago Bryant Park in New York was a novelty and pioneer in offering free internet access in a public space, many places now operate as free wi-fi zones, allowing foot-loose creative entrepreneurs to operate flexibly, without so many sunk costs (e.g. standard 'workspace').
- **Democratisation and consumer choice:** The relationship between cultural productions - be it of film, video, art - and consumers is changing rapidly. Consumers are increasingly focused on the 'experience' of consumption of cultural products, a trend highlighted by the recent explosion in the popularity of live music and live music festivals. Digitisation is allowing consumers to interact with and personalise the nature of their experience in new ways.
- **Open source and open collaboration:** New models of operation based around open source models, ones which encourage collaborative approaches to creativity and innovation.

### **3.2 Connecting the Drivers: Pan-Nordic Priorities for a Competitive Creative Industries sector**

The Creative Industries sector in the Nordic Region faces a set of challenges and opportunities that vary by sub-sector and location but for which a set of shared issues and thus priorities and actions can be identified. It is of course a sector that has a different profile in each country. By way of illustration:

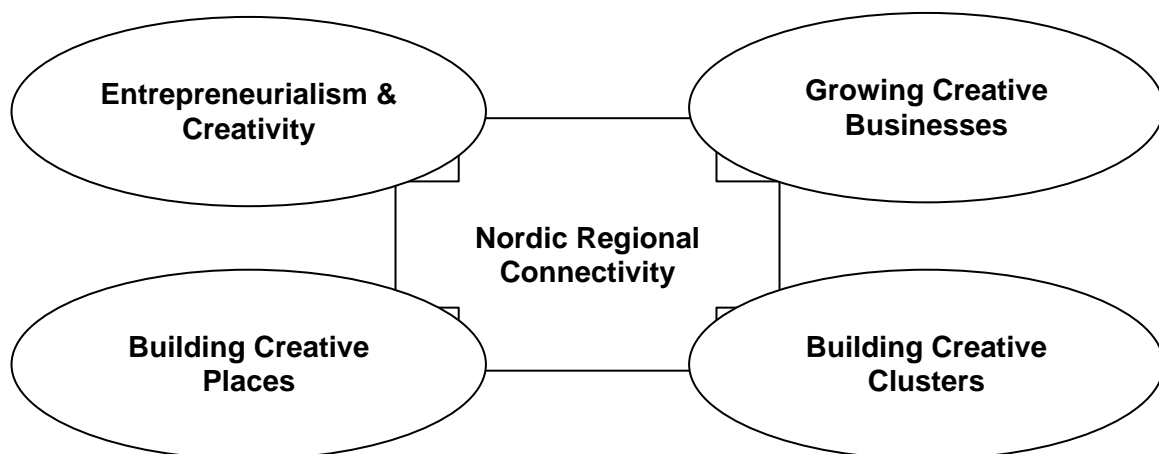
- In **Sweden**, a small number of vertically integrated larger firms use their position as suppliers of distribution services and a global brand to negotiate value from smaller producers (many of which are based in-house); while at the same time, they invest enormously in R&D and operate as huge hatcheries for the wider Creative Industries sector, constantly spinning-out well-managed, growth orientated firms. Along these terms, Ikea and H&M are both stimulants and depressants for the Creative Economy.
- In **Iceland**, a tiny market requires creative firms to look immediately abroad, where they trade on their remoteness (and to an extent their exoticism) to

develop highly distinctive products and services that rely as much on foreign supply-chains and labour as they do on foreign markets.

- In **Denmark**, a well-managed, streamlined and coordinated policy framework provides accessible support to a globally-facing Creative Industries sector that still struggles to move significantly from a culture that prizes creative integrity and independence above growth. The intrinsic and value-adding role of creativity is very much recognized and supported alongside mechanisms designed to grow the sector; but the latter is not as successful as the former.
- In **Norway**, a regional agenda heavily influences sector development agendas, with creative cluster and place-building approaches being developed to support a sector that is populated by very small businesses and is yet to develop its market potential in non-creative industries and as a value-adder to other industries (such as food and tourism).
- In **Finland**, a culture of experimentation, a commitment to innovation and creativity, and a very disciplined approach to developing physical and digital infrastructure; keeps the nation in an ascendant position as a leading knowledge economy. However, opportunities to 'scale-up' are increasingly difficult in certain activities, such as in smaller video games companies. Here, higher returns are only possible through investment from global publishers, which will only provide attractive investment deals once the smaller companies have the scale to negotiate favourable terms – for which they need investment. The challenge of being a small company in a minority language environment in an increasingly globalised and large-firm led activity has never been so acute. In certain activities, being small, marginal and independent represents the top of the growth curve.

As introduced at the outset, there are 4 key themes that best articulate the key policy challenges for the creative Industries in the Nordic Region. These are re-introduced below in **Figure 13**:

**Figure 13: Making Connections – A Nordic Approach**



**This Green Paper is to open up a policy debate about the drivers of the Creative Industries in the Nordic Region, and to understand the opportunities and challenges facing the sector.** It is designed to help policy-makers recognise the potential – and seriousness – of the Creative Economy; and identify ways to support the Creative Industries in a more coordinated, connected way. It provides an overview of the range of Creative Industries development issues across the Nordic Region. It emphasises that there are multiple local and national variations in sector profile; just as many issues are specific to each sub-sector of the Creative Industries. However, its chief role is to highlight those points of commonality and – most crucially – those points of commonality for which a shared policy approach is both desired and practical. Indeed, in a Region where many very similar policies are underway, opportunities exist to coordinate delivery more effectively, to share best practice, and make the policy landscape more navigable to the user and efficient for the provider. In a Region made up of small, open economies with common cultural histories; and in a Region where its individual countries are viewed by the rest of the World as very similar; there are political and market reasons for a shared approach to Creative Industries policy.

There are two main policy opportunities here:

- To connect more effectively existing policy and action – e.g. to harmonise data/evidence collection, establish Creative education standards that are recognised across the Region, and build partnerships between local clusters.
- To introduce new pan-Nordic policy and action – e.g. to establish a new pan-Nordic data/evidence programme, introduce new pan-Nordic Creative learning and skills programmes, and develop pan-Nordic Creative showcasing and market development initiatives.

However, there is also a danger that a too interventionist approach can be developed – introducing coordination and connectivity where it is not needed. For example, while there are some market reasons why a Norwegian video games company would benefit from connecting with a similar company in Sweden; the most beneficial connection would be with markets and partners on a Global level. *The 'Nordic' should not be forced upon globally facing Creative businesses.*

Key pan-Nordic policy considerations are introduced below. These are followed in **Section 4** by a **Nordic Creative Policy Matrix** – which provides recommendations for further consideration.

### **3.2.1 Entrepreneurialism and Creativity**

In the Nordic Region, cultural and structural factors mean that Creative individuals and businesses are in many cases lacking the entrepreneurialism required to ensure their creativity is effectively managed and commercialised. Though more pronounced in certain sub-sectors and locations, these are common to all of the Creative Industries and are not exclusive to the Nordic Region. Factors include:

- A cultural perspective that positions (indeed values) creative activity as a 'lifestyle' rather than business opportunity; and gives credibility to small niche businesses that can offer a 'personal touch'



- An education sector that has historically prized excellence in creativity but not surrounded this with entrepreneurial and management support, or market intelligence
- An approach to creative learning where 'just in time knowledge' makes entrepreneurial skills difficult to learn at pre-graduation level – it is only when 'out in the business world' that creative businesses realise their lack of entrepreneurial training
- Weak management teams, with an over-emphasis on creativity and not the commercialisation of that creativity
- Low level appreciation of markets – with a heavy emphasis on narrowly defined local markets (e.g. classic 'cultural consumers') rather than businesses in other industries and global markets
- Informational asymmetries – where IPR issues, an inaccessible investment market and a complex business support market make accessing intelligence and support difficult
- An over-dependence on local and sub-sectoral networks, with under-developed knowledge-sharing across the Creative Industries and in other localities: entrepreneurialism through knowledge exchange and partnership is not developing as it might
- The lack of diversity and labour market churn in the Creative Industries, which dampens competitiveness and reduces the likelihood of boundary-crossing behaviour.

The policy implications here are complex, attending as they do to agendas in education and business support.

### **Critical is facilitating an entrepreneurial culture through education:**

- There needs to be greater understanding about Creative career paths in the Creative economy for students from school age upwards. The key interface here is through national and local initiatives: establishing creative business schools and incubation programmes; exploring knowledge exchange as a central premise for innovation and creativity to flourish; linking management and business students to Creative students; developing work-based learning that positions students inside Creative SMEs; and providing specialist business support pre-graduation (such as on IPRs, markets and business planning).
- *However, an important role can also be played at a pan-Nordic level: establishing a **Creative Entrepreneurialism campaign**; developing **cross-institutional cooperation between Creative education institutions and programmes**; introducing **Creative student exchange programmes**; **brokering industry to academy networks** so that a fit for purpose supply of graduates and ideas is facilitated; **harmonising Creative qualifications** to encourage labour market mobility; and introducing an international student recruitment programme to attract diverse global knowledge workers to the region.*

**Also critical is developing an entrepreneurial culture through the provision of specialist business support:**

- The current business support offer is very fragmented and under-coordinated. Also, support is often provided with an 'innovation focus' that neglects the Creative Industries market despite the interdependence of innovation and creativity for a competitive knowledge economy. The key interface here is through local and national initiatives: connecting more effectively the existing offer so that the support landscape is accessible and navigable to creative businesses; introducing sector networks that connect creative businesses to each other and to other sectors; and developing targeted business support programmes in areas such as IPR management and market development.
- *However, an important role can also be played here at a pan-Nordic level: establishing a **Regional Creative Entrepreneurship Campaign**; staging a **Creative Entrepreneurship Awards Programme**; connecting the existing creative business support offer through **partnership initiatives** and via an **on-line Creative Entrepreneurialism Portal**; developing a **coherent approach to evidence collection and market intelligence**; and **delivering support on a pan-Nordic level**, with a Creative IPR Support Service a priority (see below).*

### **3.2.2 Growing Creative Businesses**

In the Nordic Region, Creative businesses are in many cases not growing to their full potential or as quickly as they might. This is linked to overall deficiencies in entrepreneurialism and inflexible skills that in some cases aren't fit for purpose (see above). However, it is also due to a mix of issues related to accessing markets and market failure:

- The domestic markets for Creative goods and services are small (though proportionately large). This places enormous pressure on Creative businesses to develop a committed local market that continues to buy locally (including an increasing focus on establishing other sectors as major new markets for creative goods and services); *and* to develop markets internationally
- New markets are under-developed: this applies to other Nordic markets (which are all ageing and increasingly affluent), global markets, and new types of market such as other industries and the public sector. Knowledge of how to access these markets and on what terms is not widely held
- Knowledge of the legal landscape for Creative business development is under-developed; with too few businesses able to identify the scalable value in their business, articulate, protect/negotiate and then sell. Informational asymmetries persist, which perpetuates a risk averse culture for doing creative business, reducing the likelihood of collaboration and experimentation
- Informational asymmetries, under-developed management skills/capacity, unorthodox business models, and a degree of market failure combine to establish barriers to investment to early stage (and some more mature) creative businesses. This varies by location and sub-sector (for example, the state-

supported investment market for creative businesses is more advanced in Denmark and Finland), but this is a widespread issue and one for which there are opportunities for Regional responses (see below).

The policy implications here relate to improving the supply of specialist support for creative businesses and increasing the demand for creative goods and services.

**Critical is establishing a coherent landscape of business support for growth-orientated creative businesses:**

- This includes the introduction of accessible business and management support programmes that target scalable creative businesses (which disproportionately position digital media at the heart of their business models). These should be configured to accelerate creative businesses, surrounding them with specialist IPR advice, management support, and coordinated investment landscape that ensures appropriate investment is available at each stage in business growth. For example, Kulturo is the Creative Industries incubation, investment readiness and investment vehicle of the Turku Science Park in South-West Finland. The Science Park offers over 200,000 sqm of space and specialist services for graduates from the 3 local universities - University of Turku, Åbo Akademi University and Turku School of Economics and Business Administration. Creative graduates are signposted to Kulturo, which has been given 'Centre of Expertise' status by the Finnish Government, which provides it with additional resources and, significantly, a type of 'quality kite mark'. The Kulturo approach is to establish a comprehensive pre-investment to high growth investment support and development service to creative businesses, combining specialist support, advice, investment and workspace. This is conceptualised in terms of an 'investment tube', cradling a start-up business until it has the capacity and commercial partners to 'go it alone'<sup>49</sup>.
- *An important policy role can be played here at a Nordic level. There are two connected agendas for which a pan-Nordic approach would support growth agendas. Firstly, a **coordinated IPR advice and intelligence service**, operating as a Nordic-sponsored on-line portal with a set of local cluster partners through which specialist IPR advice is provided, guides to legal literacy in the Creative Industries are published, and new networks of specialist supply (Creative Industries lawyers and specialists) are nurtured. This has parallels with the Own It model in the UK. It would be most effective at a Nordic level because it could work to harmonise IPR issues/knowledge and broker successful trading relationships between different firms across the Region by providing specialist legal support that allows, for example, cross-territory contract and copyright issues to be negotiated.*
- *Secondly, a **coordinated investment map** is required for the Nordic Region. This would map the current investment landscape (state and private finance) and make this visible and navigable to Creative businesses across the Region, helping businesses to identify appropriate investment solutions. This would operate as the development phase prior to launching two significant interventions: a **pan-Nordic***

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<sup>49</sup> See: [www.turkusciencepark.com](http://www.turkusciencepark.com)

**Creative Investment Fund** - a dedicated equity fund for growth-orientated Creative businesses that operates across a Nordic-wide portfolio of creative businesses; and a **Nordic Creative Investment Club** – a business angel brokerage and nurturing service that provides market intelligence and network support to business angels across the region, and drives this through the presentation of a Nordic portfolio of creative and innovation businesses for which investments are placed (as opposed to being placed on individual businesses).

**Also critical is the development of support to nurture and access markets:**

- This includes support that assists creative businesses to ‘hit the market’ and to nurture new markets at home, across the Nordic region, and in emergent global markets. There are multiple existing interventions here, but they lack coordination and they operate more as showcasing initiatives rather than brokers that actively enable new trading relationships, provide education on shifting market dynamics, and support businesses to diversify their supply-chain relationships so as to produce new products and services for different markets. Of particular significance here are growing domestic markets – such as other industries for which there is significant existing and latent demand for Creative goods and services; and global markets where even tiny upward shifts in income in the BRIC economies introduce huge new markets. In addition, an increasingly affluent, demographically ageing population in the Nordic Region offers a growing market segment. For example, it is estimated that half the population of Norway will be 50 years or older in 2012. This consumer group has over 300 billion NOK to spend each year. The Norwegian Design Council has launched a national guide for universal design. This focuses on product design that does not alienate the seniors, for instance by small lettering on packaging, confusing buttons on mobile phones or unreadable displays. The slogan is "design for everyone", and the focus is user friendly inclusive design in the Norwegian industry<sup>50</sup>.
- *An important policy role can be played here at Nordic level. Firstly, a **drive/campaign to nurture local markets and establish loyalty to a ‘Nordic brand’ is required.** Campaigns such as that undertaken by the Nordic Design Council (see above) would benefit from a pan-Nordic approach, with the wider mix of products and services and their effective integration as a pan-Nordic unique selling point and Brand. Opportunities in Design are most marked, including the promotion of Nordic Design to businesses in other sectors that would benefit from centralising Design within their business models. Secondly, a credible **‘Nordic Creative brand’** is required if global markets are to be nurtured more effectively. Currently, coordination between different Nordic countries is underdeveloped on the ‘international stage’. Countries that ‘go it alone’ lack profile and voice, although they do gain something in terms of distinctiveness and niche reputation. A coordinated approach to selling the Nordic Creative Offer is required to develop the sector’s profile abroad, to diversify its portfolio, and to introduce greater collective capacity to respond to increased demand. In the first instance, this should be through a **Nordic creativity campaign** in target sectors, expressed at world trade shows and possibly through a new **Nordic Creativity Fair**. It should also be complemented by **sub-sector specific initiatives that seek to connect***

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<sup>50</sup> See: [www.norskdsgn.no](http://www.norskdsgn.no)

*different Nordic Creative businesses on the ground (such as through direct inter-firm brokerage and prioritised investment in firms working through pan-Nordic partnership) – so that there is an increased pan-Nordic business-led drive to develop international markets. This will give any campaign and brand credibility and ownership.*

### **3.2.3 Building Creative Clusters**

The Nordic Region has operated as a global leader in supporting the development of dedicated cluster initiatives in technology, innovation and – more recently – the Creative Industries. In addition to those more bottom-up, organic clusters such as the Cable Factory in Helsinki; there are multiple state-driven cluster initiatives, many of which have a sub-sector specialism (such as film). Most are buildings-led: i.e. they operate on a purpose-built campus based very much on the science park model. For instance, there is much good practice in incubator and knowledge park initiatives, plus centres of excellence, but less focus on supporting activity across the wider Creative business landscape 'beyond the walls'. However, there is an increasing focus on conceptualising the cluster as constituting a wider set of relationships that is spread across the city or region – such as the south Finnish coast; Greater Stockholm; and Copenhagen/Malmö. This introduces an opportunity to conceptualise of the Nordic Region as a global creative cluster, specialising in:

- **The highest quality Design at the heart of the Creative process**
- **The highest quality content for existing, new and emerging technologies**
- **The most skilled and flexible Creative workforce – operating across disciplines, managing innovation and creativity as an inseparable process**
- **The most receptive, supportive context in which to operate – with a coherent landscape of support tailored to enable businesses to grow to their potential**
- **The most tolerant, accepting, open Creative environment in which to work**

The small individual markets and sector clusters across the Nordic Region make specialisation difficult – unless initiatives are connected on a Pan-Nordic level through the above agendas. In addition, current cluster initiatives would benefit from some reform. Currently, the infrastructure offer is in many cases too fragmented, and operating as a 'passive enabler' rather than as an engaged/engaging offer that drives creativity, innovation and growth. There is a need for *engaged infrastructure* that brokers new relationships, connects (businesses, providers, markets etc.), and drives new ways of producing and consuming culture. This means that targeted cluster initiatives which focus on specialist support for a small number of tenant businesses, need to connect outwardly as brokers of a much wider set of relationships across the creative economy.

Local creative cluster initiatives in the Nordic Region should be conceptualised as occupying *both* a physical and digital footprint:

- **The physical footprint** refers in the most part to the on-site performance of the local cluster initiative – how facilities and a support programme are

- **The digital footprint** refers to the effective embrace with digital technology on- and off-site, with an emphasis on how the cluster initiatives are extending and can extend further their reach and role – such as through virtual business networks, market development programmes, and digital creative programming.

In the Nordic Region, clusters are too often developed as ‘clean’, ‘sealed’ developments, with a high level of capital infrastructure but low levels of connection to the wider Creative Industries sector and cultural sector. Unless highly specialised and designed to support larger corporate interests (e.g. servicing Nokia in Finland), clusters will need to be configured as more open, connected to the wider creative sector, operating as hubs that connect across the city/region and beyond.

Without a dedicated approach to expanding and improving both the physical and digital footprints of the local cluster initiatives, they will not operate as effective, fit-for-purpose infrastructure in the digital age. Critical to the *sustainable transformation* of the local creative clusters is that they proactively develop new delivery models, broker radical forms of partnership and collaboration, and embrace a culture of innovation, experimentation and risk. This is essential for them to operate as trusted creative intermediaries; as the places where contemporary creative forms and processes collide to produce the most interesting, absorbing and scalable media, the best creative business contacts and ideas, and the tacit sense of creative belonging so crucial to a Creative businesses’ life.

Critical here is that local creative clusters are conceptualized as connected within and contributing to a Global Creative Cluster. This requires that local creative clusters in the Nordic Region are situated as part of a **fabric of creative infrastructure**: each cluster is recognised as a beneficiary of and contributor to the development of a connected infrastructure offer for the Nordic Region. Each Cluster needs to be recognised as a critical connector of existing and forthcoming creative infrastructure, providing the Nordic Region with a clear and accessible fabric of creative infrastructure that is unparalleled on a global scale in terms of the quality of its mix, its critical mass, and its capacity to develop the most innovative and value-adding ideas and content.

Running through each cluster initiative is the need for a strategic approach to knowledge exchange that enables knowledge (and labour) to flow across the Region – establishing genuine economies of scale and excellence. The opportunities for a pan-Nordic policy response here include:

- *Introducing a **Cluster Partnership Programme** that supports knowledge exchange initiatives through the Region, investing in partner initiatives and brokering relationships between businesses*
- *Developing a **Creative Cluster Map** – detailing the dynamics and content of key clusters and promoting this intelligence to other clusters in the Nordic Region and internationally as a partnership and supply-chain*

*development tool. This should include Baltic states – such as through the **Baltic Sea Region Innovation Network**.*

- **Driving IPR and investment initiatives through cluster partners** (see 3.2.2 above).

### **3.2.4 Building Creative Places**

Approaches to cultural and creativity planning are commonplace in the Nordic Region, building on a historically strong commitment to cultural infrastructure. For example, the centrality of culture to place-making, city competitiveness and social cohesion is widely understood and supported. However, there are genuine ‘image problems’ for the Nordic Region here. Many Nordic cities, for example, have a reputation for being clinical, clean and safe – which are not negative characteristics in themselves, but do not encourage the risk, experimentation and ‘counter cultural experience’ so key to ideas generation. In this sense, support for marginal activity and a full embrace with diversity is necessary for the Nordic Region to build a vibrant creative economy capable of exchanging with global creative capitals such as London and New York.

There are 3 key opportunity areas here:

- The demographic profile of Nordic countries is diversifying (particularly in the cities). This provides a major opportunity to develop new creative talent and to explore the creative connections between different cultures. A new type of ‘diversity advantage’ can be achieved here, if the intercultural talent base of the Region is engaged with as a core principle.
- Creative activities/products/services need to sit at the heart of the Nordic place-branding offer and presented as a real attractor tool for inward investment and as a ‘glue’ for the retention/re-attraction of creative businesses/individuals. This is best managed at a Nordic level, where the true diversity of opportunities reaches a level that is globally competitive.
- Creative infrastructure plays a key role in supporting creative talent development – providing the spaces for inspiration, ideas generation, exhibition, and so on. However, in the Nordic Region this offer is not supported as a coordinated fabric of infrastructure for the creative economy and too few cultural institutions take a strategic creative business-facing approach. There are also major opportunities to promote the cultural infrastructure as a real asset for the creative economy, and to do this on a pan-Nordic level.

A **Cultural and Creativity Planning Tool-box** is recommended for the Nordic Region. Each nation and sub-region should be supported to develop a tool-box that maps the following ‘**10 infrastructural conditions for creative growth**’<sup>51</sup>.

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<sup>51</sup> This is an applied version of Infrastructural Conditions developed by Tom Fleming Creative Consultancy in the UK, 2006.

**Figure 14: A Cultural and Creativity Planning Tool Box for the Nordic Region**

**The Ten Infrastructural Conditions for Competitiveness and Growth**

**Evidence**

- |  |  |
|--|--|
| <p><b>1. A world class, high profile cultural infrastructure</b></p>   | <p>Such as galleries, museums, concert halls and events programmes. The wider the range of this infrastructure, the greater the competitive opportunities for creative businesses, provided they are connected to these institutions through networks and collaborations.</p>  |
| <p><b>2. A wide range of specialist Creative Industries support services</b></p>                                     | <p>Some with a focus on growth such as business acceleration and investment programmes; others which are focused on continuous professional development of the individual.</p>   |
| <p><b>3. A wide range of specialist and accessible facilities for different parts of the Creative Industries</b></p> | <p>Such as through media centres, rehearsal space, studio space, and workspace. Crucial is affordability and accessibility – across the Creative Industries value chain.</p>   |
| <p><b>4. A strong and specialised Higher Education Sector</b></p>  | <p>With outward-facing knowledge transfer, incubation and convergence programmes, strong links across creative and non-creative sub-sectors, and a commitment to inter-departmental approaches to creativity. Key is building management and entrepreneurial skills for undergraduates and supporting them effectively into business creation.</p> |
| <p><b>5. An innovative further and school education sector, plus a strong informal learning sector</b></p>           | <p>The latter is vital to help entrants from non-traditional backgrounds. This needs to be married with services that help people identify career paths, offers brokering and mentoring programmes, offers in-work training and education opportunities and helps develop sustainable businesses/careers.</p>                                      |
| <p><b>6. Spaces of convergence and connectivity</b></p>  | <p>Where creative workers can meet, exchange and build relationships that can help with ideas generation and trade. It is vital that both creative workers and other users feel ownership of these places – allowing them to imprint their identity on the space so they can inhabit it on their own terms.</p>                                    |
| <p><b>7. Global partnerships and trade initiatives</b></p>   | <p>With the most effective being based on the facilitation of business to business relationships and with the tone one of collaboration above competition.</p>   |
| <p><b>8. Diversity advantage</b></p>   | <p>Where complexly diverse communities are supported to project themselves as a major feature of the creative asset base of a place. Infrastructure that effectively provides spaces for exploring and promoting a place's diverse assets, are vital symbols and drivers of knowledge creation.</p>  |
| <p><b>9. Strong spaces of cultural consumption connecting spaces of production</b></p>                               | <p>Consumers play a vital role in the development of Creative Industries, and most practitioners are consumers first and foremost. The aim is to develop highly networked, high energy creative clusters, where processes of cultural consumption are symbiotic with processes of cultural production</p>  |
| <p><b>10. A vibrant night-time economy</b></p>   | <p>As well as cultural consumption of various kinds, a leisure infrastructure is an essential part of the urban creative milieu.</p>   |



The reason for developing the Cultural and Creativity Planning Tool-Box is to allow policymakers to assess the viability of particular initiatives and investment in particular places and enables a connected approach to assessing and promoting the infrastructure offer of specific places and their role in the wider Nordic Region.

It is by ensuring that a fabric of key Infrastructural Conditions are available in each key city and sub-region, and guaranteeing that this infrastructure is effectively connected on a Nordic level, that the Nordic Creative Industries sector will gain its competitive advantage. An opportunity exists here to adopt the 10 Infrastructural Conditions and use them to frame partnership and decision-making processes. By connecting, for example, an agenda that supports learning and skills institutes to establish strong knowledge transfer activities in the Creative Industries; to an agenda that seeks to support a high quality and distinctive public realm; the key contributors to a successful creative place will, for the first time, be effectively aligned. ***It is proposed that a Nordic-wide campaign and research programme be established that charts the existing Infrastructural Conditions from the local to the pan-Nordic level; identifies gaps and the absence of connectivity; and explores ways for gaps to be bridged and connections to be made.***

## **4. The Nordic Region as a Creative Connector: Green Paper Policy Recommendations**

By establishing a set of common pan-Nordic policies for the Creative Industries, national and local policies will be better connected, more effectively bench-marked and have a higher profile and wider impact. As has been shown, the Nordic Region is well-placed to be:

- **A connector between different parts of Europe and the world**
- **A connector between the Creative Industries and the wider economy**
- **A connector between innovation and creativity**

For too long, creativity and culture have been positioned to the margins of public policy-making, especially on national and pan-Nordic levels. This is despite the Creative Industries operating as one of the fastest growing sectors in the global economy; despite increasing understanding of the value-adding role of creativity across the economy ; and despite an ever wider-appreciation of the role of culture and creativity in transforming places and building sustainable communities in distinctive places. Indeed, this is despite the very compelling truth that the Nordic Region's future competitiveness lies in its capacity to utilise its creative assets as the **world's major creative connector**.

To ensure that culture and creativity are afforded the strategic position their significance requires, and to **take forward the recommendations of this Green paper**, it is recommended that at a **Pan-Nordic level, a Creativity Working Group** be established. This should have at least junior minister membership and it should have a change of national leadership every 12 months. This will be the primary policy connector for creativity, ensuring that for every policy area, the following questions are asked:

## “What is the role of creativity?”

### “How do we collectively grow the Creative Industries?”

It may also be appropriate for policy-specific working groups to be established, led by the overarching working group. These would have a focus on major policy areas such as creative education, creativity and IPR and the Creative Industries and growth finance.

The Working Group will focus on **4 Creative Connector Themes**:

- **Entrepreneurialism and Creativity**
- **Growing Creative Businesses**
- **Building Creative Clusters**
- **Building Creative Places**

This approach allows a focus that elevates culture and creativity beyond that of ‘value-adder’ or even ‘optional extra’, to a position where they are central catalysing features and processes of a transforming Nordic economy.

In addition:

- **A Research and Intelligence Working Group** should be established to commission much-needed pan-Nordic Creative Industries mapping, plus a wider set of creative economy research. This will develop a rich stream of new pan-Nordic intelligence that informs policy, sets out the cultural and creative offer of the Nordic Region and identifies how, through collaboration and coordination, it can be utilised more effectively.

- **A Cluster Working Group** should be established, with a role to report to the above Executive. This will focus on connecting infrastructure and building joint infrastructure offers as a way of achieving critical mass. This should *include representatives from the Baltic States*.

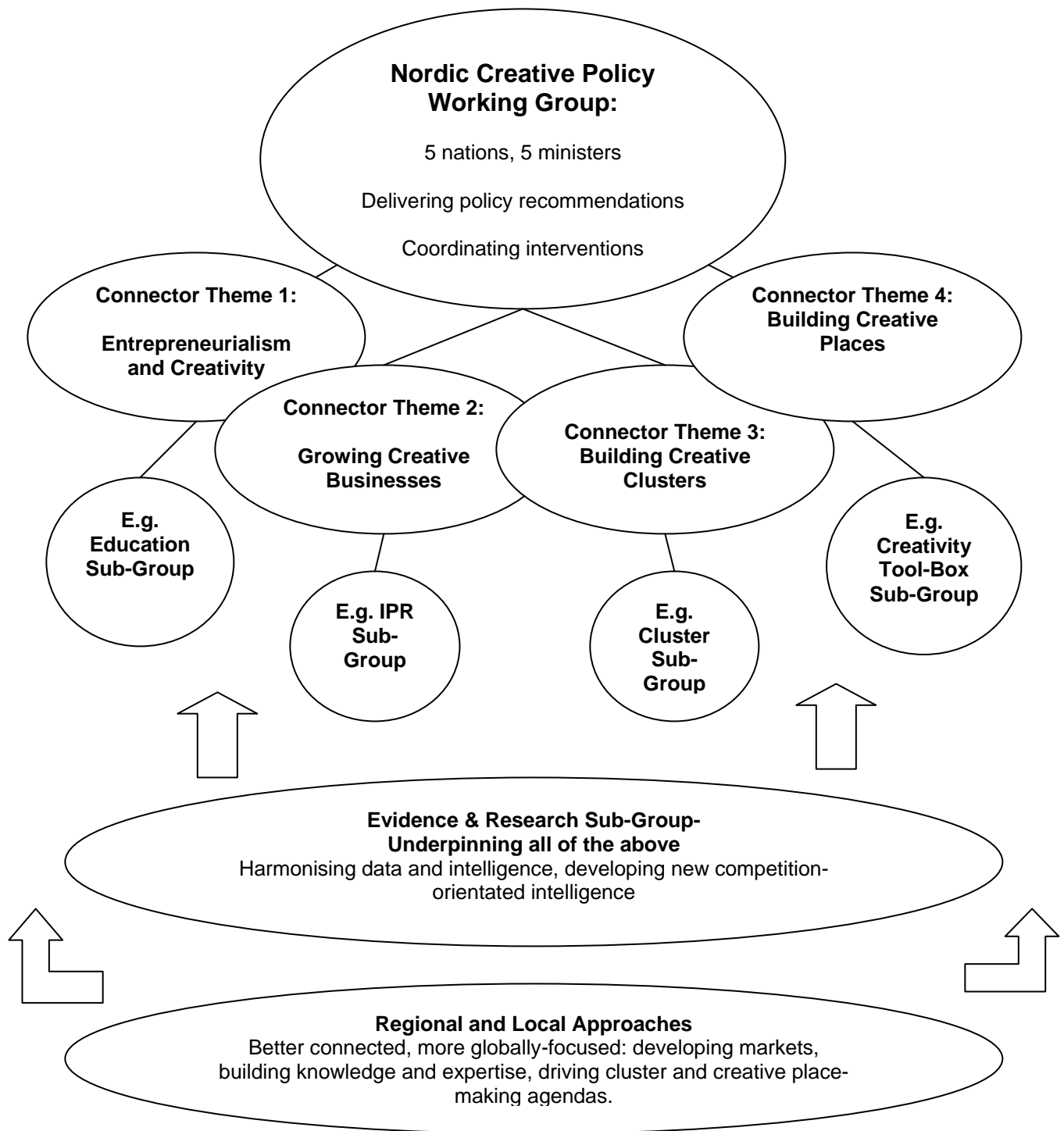
- **A Nordic-Baltic Working Group** should be established to take forward the recommendations of the Nordic Baltic innovation platform for Creative Industries.

It is also important to support local ‘bottom-up’ approaches to sector development, and to connect them more effectively. For example, the KK-foundation in Sweden recently received 24 million SEK for the development of the Swedish Experience Industry Network. Such initiatives ensure that local knowledge and talent is connected more effectively towards business growth. It is important to then to join them to national and pan-Nordic policy so that the ‘bottom up’ connects to the ‘top down’.

## **4.1 Delivery – the Nordic Creative Policy Matrix**

**Figure 15** below shows the basic policy structure for taking forwards the recommendations of this Green Paper. It is followed by the **Nordic Creative Policy Matrix**, which re-introduces the key policy areas and identifies key project delivery opportunities that should be pursued in the short-medium term:

Figure 15: Nordic Creative Industries Policy Development Structure



# NORDIC CREATIVE POLICY MATRIX

Policy Connector Theme	Policy Issue(s)	Policy Action(s)	Evidence Requirement(s)
Entrepreneurship & Creativity	Under-developed awareness of career paths in the Creative Industries	<b>Establish a Creative Economy Learning &amp; Skills Council for the Nordic Region</b> – operating as the lead policy development body & broker between industry & education, driving creativity & learning agendas across the Region.	Coordinated data & intelligence on current learning & skills initiatives in the Creative Industries
	Low-level commercialisation of creative ideas and skills		Coordinated data & intelligence to explore industry needs
	Cultural value placed on developing 'lifestyle businesses'	<b>Launch a Creative Entrepreneurialism campaign</b> as an education & economic development policy – targeting schools, universities & early stage creative businesses; raising the profile of career paths & commercial opportunities in the Creative Industries	Feasibility study for a Learning & Skills Council
		<b>Stage a Creative Entrepreneurship Awards Programme</b> - connecting the existing Creative business support offer through partnership initiatives & via an on-line Creative Entrepreneurialism Portal	<b>Coordinated baseline mapping: data &amp; intelligence on sector dynamics across the Nordic region.</b>
	Excellent local/institutional programmes but little coordination & interconnectivity	<b>Develop cross-institutional cooperation between Creative education institutions &amp; programmes:</b> A Nordic Creative Academy Network & delivery vehicle	Evidence of current cooperation and feasibility research to develop this
	Pan-Nordic knowledge-sharing is underdeveloped		<b>Coordinated baseline mapping: data &amp; intelligence on sector dynamics across the Nordic region.</b>
	Labour market mobility in the Creative Industries is under-developed	<b>Introduce a Nordic Creative Student Exchange Programme</b> – establishing pan-Nordic study as a syllabus requirement	Feasibility research to develop delivery models
	Diverse communities are disproportionately excluded from the Creative industries	<b>Introduce a Pan-Nordic Work-based Learning Programme</b> for creative undergraduates to work in Creative SMEs – as part of the above exchange programme	<b>Coordinated baseline mapping: data &amp; intelligence on sector dynamics across the Nordic region.</b>
	<b>Broker industry to academy networks: a Nordic Creative Knowledge Exchange Programme</b> – establish an industry & academic panel to develop a networked approach exchange. This would introduce new learning models & manage the delivery of, for example, work-based learning programme(s)	Feasibility research to develop models	
		<b>Coordinated baseline mapping: data &amp; intelligence on sector dynamics across the Nordic region.</b>	

Creative qualifications are not recognised universally across the Nordic Region. This is a barrier to labour market mobility & knowledge exchange.

**Harmonise Creative qualifications** – led by the Creative Economy Learning & Skills Council.

Feasibility research to develop models

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

## Growing Creative Businesses

IPR knowledge, valuation, realisation, & protection are under-developed. This hampers collaboration, creativity & innovation.

**Establish a Pan-Nordic Creative IPR advice & Intelligence Service** – as a web-portal & face-to-face delivery mechanism that provides IPR intelligence, provides pro bono legal support, encourages pan-Nordic collaboration, & brokers relationships with an expanding body of legal providers.

Feasibility & development research

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

Investment provision for the Creative Industries is fragmented, under-coordinated & in some instances inappropriate. Creative businesses find it difficult to identify appropriate investment opportunities.

**Establish a coordinated investment map** in the Nordic Region - to map the current investment landscape (state & private finance) & make this visible & navigable to Creative businesses across the Region, helping businesses to identify appropriate investment solutions.

Research existing provision

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

Market failure exists across the Nordic region for early stage equity investment in the Creative Industries (mostly venture capital but in some regions this also applies to seed capital), including the more growth-orientated sub-sectors.

**Launch a pan-Nordic Creative Investment Fund** - a dedicated equity fund for growth-orientated Creative businesses that operates across a Nordic-wide portfolio of Creative businesses

Feasibility research and partnership development

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

Business angel investment in the Creative Industries is under-developed, with networks weak, knowledge of the sector poor & thus risk management costly.

**Launch a Nordic Creative Investment Club** – developing a network of interested business angels & establishing a portfolio of creative & innovation companies as a creative portfolio investment scheme

Mapping of current business angel activity across the knowledge economy

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

Creative Industries markets in the Nordic region are small & under-developed. There is significant potential to grow markets that have an affinity with a 'Nordic Brand', & develop new markets – e.g. in non-creative sectors.

**Launch a campaign to nurture local markets for & establish loyalty to a 'Nordic brand'.**

Brand & market research

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

Nordic countries have a low profile & relatively weak voice at global platforms for the Creative Industries. For selected sub-sectors, a Nordic approach would remedy this, as well as adding value to the distinctive values of each Nordic country.

**A credible 'Nordic Creative brand' is required if global markets are to be nurtured more effectively.** A coordinated approach to selling the Nordic Creative Offer is required to develop the sector's profile abroad, to diversify its portfolio, & to introduce greater collective capacity to respond to increased demand.

Brand & market research

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

**Launch a Nordic creativity campaign** in target sectors, expressed at world trade shows & possibly through a new Nordic Creativity Fair.

**Develop sub-sector specific initiatives that seek to connect different Nordic Creative businesses on the ground** (such as through direct inter-firm brokerage & prioritised investment in firms working through pan-Nordic partnership) – so that there is an increased pan-Nordic business-led drive to develop international markets. This will give any campaign & brand credibility & ownership.

## Building Creative Clusters

Creative cluster initiatives are under-connected with the local & Regional Creative Industries sector. While offering exceptional quality through on-site delivery, knowledge exchange & partnership are under-developed.

**Develop a Creative Cluster Partnership Programme** that supports knowledge exchange initiatives through the Region, investing in partner initiatives & brokering relationships between businesses

Mapping of existing/forthcoming cluster initiatives – for profile, dynamics and connections.

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***

Complementary strengths & resources are not conceptualised of or connected as a pan-Nordic Global Creative Cluster.

Develop a **Creative Cluster Map for the Nordic Region** that showcases strengths & launches the proposition of the **Nordic Region as a Connected Global Creative Cluster**

## Building Creative Places

Cultural and Creativity planning does not position the Creative Industries at its heart. It is also fragmented & under-coordinated. A Region-wide approach to benchmarking creative infrastructure is required.

**Develop a Creativity Tool-Box for the Nordic Region** – testing each city & sub-region for the availability of 10 specific Infrastructural Conditions & joining them together as a unified Nordic offer.

Test the 10 infrastructural conditions across the Nordic region and develop a Nordic Creativity Tool-Box that best expresses the Nordic Creative Industries Global Offer.

***Coordinated baseline mapping: data & intelligence on sector dynamics across the Nordic region.***





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Nordic Innovation Centre

## Nordic Innovation Centre

The Nordic Innovation Centre initiates and finances activities that enhance innovation collaboration and develop and maintain a smoothly functioning market in the Nordic region.

The Centre works primarily with small and medium-sized companies (SMEs) in the Nordic countries. Other important partners are those most closely involved with innovation and market surveillance, such as industrial organisations and interest groups, research institutions and public authorities.

The Nordic Innovation Centre is an institution under the Nordic Council of Ministers. Its secretariat is in Oslo.

For more information: [www.nordicinnovation.net](http://www.nordicinnovation.net)