

European Commission
DG Enterprise and Industry
Unit D1 Innovation Policy Development
Mr Peter Dröll

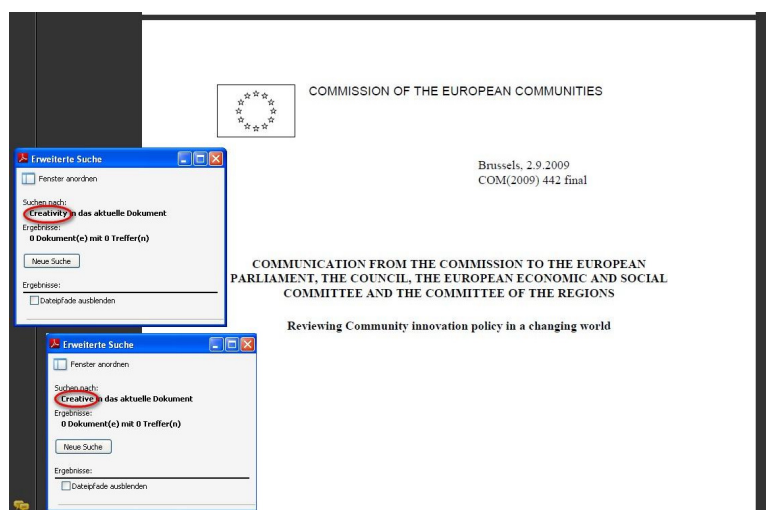
16th November 2009

Public consultation on Reviewing Community innovation policy

Dear Mr Dröll,

The European Interest Group on Creativity and Innovation (“EICI”) welcomes the opportunity to comment on the most recent EC Communication “Reviewing Community innovation policy in a changing world”¹. In the following, we limit ourselves to address key issues that are of relevance to our network and indicate in the text which of the questions from the consultation document are addressed. We would of course be happy to meet with you or your colleagues in person to further discuss any of the comments made below.

We believe that Europe’s capacity to innovate depends on the ability of companies, individual entrepreneurs as well as policy makers to integrate a greater notion of creativity into their innovation strategies. Therefore, our main concern is that the valuable lessons that have been learned during the 2009 European Year for Creativity and Innovation are not reflected in the Communication. **The Communication so far fails to recognise the essential importance of creativity in making Europe more innovative.** The words creative and creativity are absent from the Communication, as it appears from the image below:



¹ COM(2009) 442 final

This is even more worrying as creativity is not only a new theme to be added to Europe's innovation agenda. It is also a new way to design and implement policies and support measures in general, as recognised by the most recent "**Manifesto for Creativity and Innovation in Europe**"².

This contribution is organised in three sections, which in our view capture the three-dimensional nature of innovation. The first addresses the thematic focus: "**WHY**" creativity is important and why it should be included in future EU innovation policy. In the second section, we address the "**WHERE**": There is a need to take into account the spatial perspective of innovation and the importance of regions and cities in developing it. In the third section, we address the "**HOW**" and suggest innovative methods and tools by which creative innovation can be fostered.

1. Towards more creative innovation in Europe

Innovation is an essential driver of competitiveness, employment and sustainable development in the European Union. The EU has put Europe's innovation capacity on the top of its policy agenda in the past decade³. However, Europe's innovation strategy is still too focussed on technology-centred innovation and limited objectives of R&D expenditure. It does not take enough account of softer, more subtle and customer-centred ways to innovate (**Question 1**).⁴

Europe's post-industrial economy is characterised by increased connectivity (especially due to the roll-out of ICTs) and fast global production and distribution processes. Furthermore, the importance of creative content and the integration of symbolic and aesthetic knowledge in new products and services across a wide range of industries shape buying preferences in today's consumer society. Creative capacities and design skills are necessary to push European industries to "the upper end of the value chain", as the Communication suggests.

Creative open innovation

In this new economic environment companies need to increasingly collaborate with creative firms, technology companies, research institutions and users in order to develop successful and market-oriented products and services (**Question 4**). In our view, this process-oriented, more hybrid understanding of how innovation comes about is less linear than traditional science- and technology-oriented definitions of innovation. A notion of "creative innovation" recognises that societal and economic renewal emerges in creative eco-systems, which are shaped by the interactions of diverse players, by shared norms and values as well as by

² The Manifesto for Creativity and Innovation in Europe is one of the key outcomes of the European Year of Creativity and Innovation in 2009. It is the result of a collective work of the Ambassadors of the Year (November 2009). The document recognises that "creativity and innovation can move society forward toward prosperity"

(<http://www.create2009.europa.eu/fileadmin/Content/Downloads/PDF/Manifesto/manifesto.en.pdf>)

³ Mainly through the Lisbon Agenda and the follow up Lisbon Partnership for Growth and Jobs

⁴ Research shows that 70% to 80% of new product and service development that fails does so not for lack of advanced technology but because of a failure to understand real users' needs (Von Hippel 2006)

technological development. This notion is closely linked to von Hippel's understanding of open innovation⁵. Innovation barriers in these ecosystems are more behavioural and fine-grained than those in traditional industries and often related to a lack of soft skills such as creativity⁶. Capacities such as communication, interdisciplinary management, cultural awareness, creative talent, and the ability to develop ideas, products and services in a playful and iterative manner become ingredients of success that are as important as technological inventions or market share of businesses.

In this context, recent research from the UK shows that companies that spend twice as much as the average firm on creative services are 25% more likely to introduce product innovations⁷. In other words: creative collaborations pay off.

Interestingly, diverse industries throughout the economy as well as the public sector can learn from creative firms how to navigate in this new environment. First, because companies from the creative industries have long mastered the delicate challenge of creating demand driven markets by shaping consumers' desires and aspirations. Second, because many creative firms have long practiced open-innovation that is driven by iterative product development processes which involve diverse stakeholders and users⁸. KEA's recent study for the European Commission concerning the impact of culture on creativity illustrates the importance of such creative innovation in developing Europe's ability to compete⁹.

Creative innovation drives societal as well as economic renewal and growth

The EICI supports the EC's attempt to broaden the scope of its innovation agenda to address major societal challenges such as demographic change, globalisation, energy efficiency and climate change (**Question 2**)¹⁰. Indeed, we would argue that social progress is today often inextricably linked to economic development and that a reciprocal relationship connects both issues.

In fact, the concept of 'social innovation' is gradually more present in EU policy documents: *"We propose to base EU action around compelling social challenges, to finance venture and social innovation funds, to incentives large scale community level innovations, to transform the public sector and to unlock the potential of new infrastructure and new types of partnerships"*¹¹. Moreover, according to President Barroso, *"The financial and economic crisis makes creativity and innovation in general and social innovation in particular even more important to foster sustainable growth, secure jobs and boost competitiveness (...) to shape our collective thinking*

5 Hippel E. V. (2006). Democratizing Innovation. The MIT Press.

6 Potts and Morrisson (2008). Nudging Innovation - Fifth generation innovation, behavioural constraints, and the role of creative business. Research report created for NESTA.

7 NESTA, Creating Innovation, 2008 (<http://www.nesta.org.uk/research-reports>)

8 Consider, for example, development processes in film production companies or design agencies. For more information on these aspects see Paris T. (2007). Organisation, processus et structures de la création. Culture prospective.

9 KEA, 2009, The Impact of Culture on Creativity, Study for the EC, (<http://www.keanet.eu/impactcreativityculture.html>)

10 Territorial Agenda of the European Union – Towards a More Competitive and Sustainable Europe of Diverse Regions, Informal Ministerial Meeting on Urban Development and Territorial Cohesion, 2007

11 Reinvent Europe through Innovation - Recommendations by a Business Panel on future EU innovation policy, 2009 (http://ec.europa.eu/enterprise/policies/innovation/files/panel_report_en.pdf)

on how social innovation can be promoted at all levels for the benefit of our citizens and societies.”¹²

We would propose that the above outlined notion of “creative innovation” will yield the best results when trying to trigger innovation in a range of sectors and organisations that are of public interest.

A good example of how creation and creativity lead to social change would be the health-care sector where both private companies as well as publicly subsidised organisations struggle with the challenges of an ageing society. Companies from the creative sector can help to reform and rethink health care delivery. For example, innovative interface design by digital media companies lies at the core of developing new solutions in the domain of e-health. Furthermore, design-thinking approaches to developing health-care solutions can help hospitals and other providers to rethink patient treatment and organisational processes¹³.

Is creative innovation best served by sector-specific policy?

We suggest that this question could also be looked at from a different angle and propose that any effective European innovation policy should first of all take due account of all the relevant sectors driving innovation, including the creative industries, the ICT industries as well as the cultural sector (**Question 3**).

First, as illustrated in the KEA study on the economy of culture in Europe carried out for the EC in 2006, the creative sector itself is a dynamic trigger of economic activity and job creation throughout the EU. The number of people working for the cultural sector in 2004 was evaluated at 5 million, equivalent to 3.1% of total employed population in EU-25. Moreover, the creative sector contributed around 2.6% to the EU GDP in 2003, with growth significantly higher than that of the economy in general between 1999 and 2003¹⁴. Additionally, the above also outlined how collaborations with creative firms can lead to innovation impacts in companies outside the creative sectors.

Second, the importance of the ICT industry is also well recognised: the ICT market is growing 4% a year, the sector represents 4,5% of European GDP and ICT contributes to more than 40% of productivity growth. ICT underpins much of today’s product and process innovation across all economic sectors. Yet in this context we have to stress the widespread recognition that technological innovation goes hand in hand with design, as shown by cases such as Google, the Nintendo Wii and the Apple iPhone.

Considering the economic and systemic importance of both the creative and the ICT sectors it should be noted that many of the EICI’s members currently run projects that examine and

¹²<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/81&format=HTML&aged=0&language=EN&guiLanguage=en>

¹³ KEA’s study on the impact of culture to creativity provides several case studies in this context. We would also like to point out that the German ministry for the economy and technology is about to launch a short research project on the links between the health-care sector and the creative industries.

¹⁴ Study on the Economy of Culture in Europe, conducted by KEA European Affairs for the European Commission, 2006.

foster positive interactions between creative industries and traditional industries (agriculture, tourism, crafts, furniture, textiles, gastronomy, etc.) as well as between creative industries and technology-intensive industries (nanotechnologies, ICTs, etc.). The links between culture, creativity, technology and innovation are at the centre of Europe's future competitiveness.

Therefore, the integration of creative approaches and ICT-skills should be fostered in schools, higher education, in research as well as in business. Creative companies and ICT innovators should become a natural component of innovation clusters that are developed in diverse industries.

In our view, Europe's innovation policy should first of all be sector neutral and not favour one industry over the other as innovation is increasingly an ingredient of any organisation's long term strategy. There is a danger that sector-specific policy would create a silos approach and hinder cross-fertilisation and hybridisation, which are the fundamental aspects of creative innovation. Finally, convergence of technologies and sectors lead to an important role of creativity and innovation in many different areas of the European economy.

Some EU policies have started to include the principles of creative innovation

The European Year of Creativity and Innovation clearly showed the importance of a more open and interdisciplinary approach to innovation policy formation. Therefore, the EC should make sure that the lessons learnt through the Year's activities are fully reflected in the future EU innovation strategy. In the words of the EC, "*The multidimensional character of creativity implies that knowledge in a wide range of different domains – both technological and non-technological - can be the basis for creativity and innovation [...] The communities of creativity and innovation – those of the arts on the one hand and technology and business on the other – are often not well connected. An important contribution of the Year will be to bridge these worlds, by showing with concrete examples the value of considering the concepts of creativity and innovation together in a number of domains, such as in schools, universities, private and public organisations.*" In our view, the EC's Communication on design as a driver of innovation illustrated this important link between creativity and innovation and more of its findings should be integrated in the currently discussed Communication.

Furthermore, the Council of the EU recently defined culture as a catalyst for creativity and innovation and called for more strategic investment in the creative industries¹⁵. This important political statement should be understood as an encouragement by EU policy makers to review their innovation policies in order to better benefit the development of creativity and the creative industries throughout Europe.

The important impacts that the creative industries can have on innovation was also underlined by the European Parliament (EP) in a resolution on cultural industries in Europe adopted in April 2008. The EP stressed that, "*within the framework of today's "post-industrial" economy, the competitiveness of the European Union will also have to be reinforced by the sectors of culture and creativity*". Therefore, the EP called on the EC and the Member States "*to set as*

¹⁵ "Culture as a Catalyst for Creativity and Innovation", Conclusions of the 2941th Education, Youth and Culture Council meeting of 12 May 2009.

*priorities, policies based not only on entrepreneurial innovation, but on the innovation of cultural actions and creative economies*¹⁶.

While these are still general declarations of principle, it has to be acknowledged that recent initiatives from the EC indicate that there may be a shift towards integrating a notion of creation and creativity in future innovation policies. The innovation scoreboard includes more non-technological parameters than its predecessors and the above mentioned staff working document on user-centred design stresses the importance of design as a driver of innovation¹⁷. A scoreboard on design and creativity has also recently been published by Pro-Inno Europe¹⁸. Yet, these initial attempts still need to be reflected across a range of EC innovation policies and – importantly – they also need to translate into funding priorities. **The innovation policies that are listed in the Communication are designed in such a way that funding creative innovation is the exception rather than the rule.**

Against this background, the EICI suggests that the **cross-sector contributions of creativity as well as ICT** to innovation need to be further integrated in Europe's future innovation and R&D policies (**Question 4**).

Finally, it is worth keeping in mind that DG EAC is currently developing the Commission's approach to supporting the creative industries and will be publishing its green paper concerning the cultural and creative industries in early 2010. Future EC strategies from DG Enterprise should be aware of and benefit from the synergies that could be harnessed by integrating a notion of creativity into Europe's innovation policy.

2. The spatial dimension of creativity and innovation

To really help EU citizens benefit from EU innovation policy, the EU institutions need to recognise the importance of regional and local creative ecosystems to trigger innovation. As underlined by the Presidency Conclusions of the European Council of 13-14 March 2008, *"efforts towards improving the framework conditions for innovation should be better coordinated, including through (...) the development of regional clusters and networks"*.

Creativity, similarly to innovation, has a specific local dimension (**Questions 7 and 8**). Both depend on proximity – the closeness between creative companies, suppliers, R&D facilities and public institutions. In addition to this, creative companies often create products and services linked to specific consumer tastes that develop along linguistic and cultural borders. Moreover, new approaches of open innovation, user-generated innovation and service innovation inherently require more interaction between the "creator" and the "consumer". This interaction between innovation driving actors in the eco-system can often be supported (but does not always have to be based on) spatial proximity.

16 European Parliament's resolution on cultural industries in Europe, 10th April 2008 (2007/2153(INI)), article 2.

17 European Commission's Staff Working Document, "Design as a driver of user-centred innovation" of 7.4.2009, SEC(2009) 501 final.

18 Pro-Inno Europe is an initiative launched by DG Enterprise and Industry which aims to become the focal point for innovation policy analysis and policy cooperation in Europe.

In today's knowledge society, business success often relies on the dynamics of local and regional creative clusters and related support mechanisms. These small and flexible local networks generally flourish in environments where creative individuals and businesses, arts schools, scientists and cultural operators are encouraged to communicate, collaborate and nurture each other. European cities and regions with all their respective creative specificities and diversities are well positioned to develop these clusters. Where creative talent settles, creative companies, entrepreneurs and investment tend to follow. Local initiatives aimed at supporting culture and creativity bear fruit in a large number of European regions and cities¹⁹.

In this context of using local and regional creativity for development, the European Parliament underlines the importance of promoting *"tailor-made and regionally or locally adapted projects as these are the most effective and sustainable projects for regional and urban development"*²⁰.

Many of the EICI's supporting members assist the European Union in developing and delivering such projects in the context of supporting the creative industries. In this context, it is laudable that some of the regional funding mechanisms (such as some strands of Interreg) have since 2007 recognised the creative sectors as particular drivers of innovation. However, we believe that an overwhelming majority of regional support is still given to large infrastructure projects and that further attention should be given to supporting projects that foster creative innovation. In this context, we would like to point out that a recent research assignment commissioned by DG EAC will be examining the role of culture in European regional funding endeavors²¹. We suggest that DG Enterprise takes into account the results of this assessment and uses its outcomes to further develop its strategy regarding creativity and innovation.

Moreover, EC innovation support should aim for emerging service industries, which will provide competitive advantage for regions in the future, especially in a times of crisis in the traditional strongholds of the European economy. Nonetheless, this calls for adaptation of schemes to the specificities of service industries, especially if SMEs with little or none systematic R&D activities constitute predominately the economic backbone, like it is the case in creative industries. Cluster policies and research funding has to take into account the fuzziness of value chains and the indirect knowledge and technology transfer mechanisms in the creative economy.

3. How to nudge creative innovation

In Europe's emerging knowledge-based and networked creative economy innovation policy makers need to rethink how innovation can best be supported. In the past, innovation and

¹⁹ Some examples: In Berlin around 18,570 companies are active in the creative industries which generated a turnover of € 8.1 billion in 2002. In 2004, 6.9% of the total number of jobs in Amsterdam was provided by the creative industries, a sector also responsible for regenerating key urban areas. In London, the creative industries are the second largest business sector and third largest employer after the financial sector (Source: KEA newsletter on the role of culture and creativity in local and regional development (<http://www.keanet.eu/news/news14.pdf>))

²⁰ European Parliament resolution of 2 April 2009 on the role of culture in the development of European regions

²¹ See soon to be published results of seminar Seminar 'Culture in Local & Regional Development – Evidence from the Structural Funds' which took place on Wednesday 11th November 2009 in the scope of the study "Culture and Regional and Local Development" that is being conducted by the ERICarts Institute and the Centre for Strategy & Evaluation Services for the EC.

research policy has focussed too much on benefiting large industry champions and primarily supported functional technology-oriented research. Future innovation and research policy should reach out to embrace the innovation potential of SMEs, focus more on the marketability of new products and services and integrate users and creative stakeholders in R&D and innovation processes (**Questions 5 and 6**). Only creative policy can make Europe more creative.

Art, creativity and design are key components of innovation policy, complementing technological research. The collaboration between artists, designers and technologists opens new ways to create high-concept products and services for the world market, fostering innovative solutions at the interface of creativity and technology in areas such as media, design, culture, architecture and engineering. This profitable hybridisation between creativity and ICT is widely recognized by innovation actors on the ground, as an increasing number of events and conferences on this topic shows²². Yet, this bottom-up attention is not sufficiently reflected in the context of traditional research and innovation funding. As expressed in section 1, one could learn from innovation processes in creative industries, which have long practiced open-innovation²³

Europe's innovation support mechanisms should further embrace the role of design and user-generated innovation. Across industries, design-oriented companies are more innovative, more profitable and grow faster. Design helps to better cater to the needs of the user, increasing market acceptance, and it creates new market opportunities by surpassing the pure need for functionality towards superior service experience, avoiding the threat of commoditization. Innovation policies cannot overlook the role of design: it is revelatory that the same countries and agencies that invest in user-centered innovation have strong design policies, focus on service innovation and recognise the importance of the creative industries²⁴. Furthermore, it is vital to involve users in the research and development process. (both end-users and ICT-using companies) in order to integrate users insight and feedback, detect problems early, assess usability, likeability and business models in a real-life situation²⁵.

Creative innovation can't be mechanically created by financial incentives. It calls for softer, more sophisticated measures which are able to reach out to creative professionals and innovators. All too often innovation support mechanisms attract the wrong kind of people: experts in writing tenders rather than in creative innovative products and concepts. All too often innovators are discouraged from applying for public funding because of the gap between the excitement and creativity of the idea and the abstract and cumbersome process for distributing public funding. Therefore, innovation policy has to be simpler, more flexible and adaptable, in line with rapidly evolving markets and able to support unpredictable innovations. Different policy tools have to be used alongside project funding, such as prize-based incentives and public procurement of innovative solutions. New approaches should be continuously explored

²² <http://www.futuresonic.com>, <http://dorkbot.org/>, <http://www.technarte.org/en/>, <http://enter4.org/>

²³ It is worth noting that one of the most interesting policies for open innovation in the field of new media has been developed not by government but by a TV station, Channel 4, through their 4IP program <http://www.4ip.org.uk/>

²⁴ European Commission's Staff Working Document, "Design as a driver of user-centred innovation" of 7.4.2009, SEC(2009) 501 final.

²⁵ Open innovation and user-centered innovation approaches are at the core of the concept of 'living lab' and of the "European Network of Living Labs" integrated by around 128 labs from all over the world (<http://www.openlivinglabs.eu/>).

to involve the most innovative players and to reach out to the wider community of innovators. Moreover, policy makers as well as funding bodies should live up to their commitment of user-centered innovation and involve SMEs and creative companies in the design of new support mechanisms.

Several supporting members of the EICI are currently developing and/or implementing some of these new forms of support which seek to take into account the realities of increasingly networked and hybrid innovation processes. Because they are closer to the “ground”, EICI partners are able to experiment and develop more flexible, open and relational approaches to innovation support. A selected number of such initiatives is included in the annex.

4. Access to finance for creative and innovative SMEs?

Creative innovative SMEs that engage in the development of creative content and services or related ICT applications face difficulties in accessing financial sources such as debt finance, equity finance or direct public funding. Reasons for this are multi-faceted and have most recently been analysed in a policy workshop held by an EICI member (**CIDA**) in Brussels (**Question 9**).²⁶

First, investments into creative companies are often high risk undertakings as each creative product or service tends to be valued differently and thus can never count on a defined target market (8 out of ten films fail commercially). This is the case with all experience goods and makes it difficult for investors to assess their potential return on investment.

Furthermore, the nature of creative businesses, as well as the processes and business models which they use, mean that they often possess few tangible assets at the start of a project. Therefore, creative industries companies provide few of the normal opportunities for risk mitigation or security – no IP to sell off, no manufacturing assets to buy out. The competitive advantage is mostly kept in the heads of creative employees or business partners. There are therefore very few corporate financiers who have specialist knowledge of the risk profile of the sector and its investment needs.

As illustrated above, there is a need to rethink existing financing mechanisms – both with regards to the creative industries as well as with regards to SMEs in other knowledge-based industries. **Financial instruments need to be further adapted to the needs of SMEs and creative professionals that increasingly operate in hybrid economic structures.** There is a need for more micro-finance schemes that can benefit small and micro companies as well as start-ups. Furthermore, existing financial mechanisms need to be adapted to the needs of creative enterprises.

Against this background, we would like to stress our strong support to article 27 of the EP’s resolution on cultural industries in Europe in which the Parliament stated: “it is *necessary for the Structural Funds, programmes for SMEs and the Seventh Framework Programme for*

²⁶ The Creative Industries Development Agency CIDA organised a conference on investment structures in the Creative Industries, held in Brussels in 2008 for an international delegate base from UK, France, Holland & Germany. Run by CIDA as part of the ECCE programme funded through Interreg IVB.

research, technological development and demonstration activities (2007-2013) to give pride of place to development and allocate sufficient funding for the cultural and creative industries, including SMEs and individual artistic undertakings in the field, and repeats its requests that the Commission put forward a study on the impact of funding from the Structural Funds, and the Seventh Framework Programme, for the cultural and educational sectors”.

We also support article 28 of the above mentioned resolution in which the Parliament “reiterates the importance, and calls for the prioritisation of the European Investment Bank’s objectives within the Innovation 2010 Initiative (i2i); encourages the Commission and the Member States to explore further ways of providing financial assistance for the start-up and growth of SMEs in the cultural and creative sectors (for example by means of the Seventh Framework Programme; encourages the use of the Structural Funds to support traditional art and heritage sectors and cultural and innovative industries; calls on the Commission to monitor those activities and help the dissemination of best practices”.

The EICI would furthermore recommend EU institutions to adopt the following policy measures:

1. Mandate the EIB to **set up a specialist structure devoted to lending to creative industries** including SMEs.
2. Encourage private investment in the creative sectors by **building bridges with the financial community**.
3. As requested by the Council of the EU in its Conclusions on “Culture as a Catalyst for Creativity and Innovation” of May 2009, the EC should “explore the relevance and feasibility of **enhancing, in the longer term ...community financial support to cultural and creative industries**, with special attention to SMEs”.

In this context, policy makers and managers of European investment schemes should develop new and more flexible financing mechanisms that cater for the needs of a more fragmented and creative economy in the European Union.

5. The innovation potential in public services

(Question 10) In many areas of the private sector, we are currently witnessing a paradigmatic change away from traditional approaches to innovation processes towards concepts circling around user-driven and open innovation. These new concepts are widely applied in product development (e.g. Tchibo Ideas²⁷, Apple iPhone Apps) but also for research issues (e.g. Innocentive²⁸).

Yet, attempts to utilize and harness the “wisdom of the crowds” in a public sector environment e.g. to improve public services remain sparse, especially in the EU. This is not surprising: by their nature, user-driven innovation and open innovation are at odds with conventional top-down processes at work in public service delivery.

²⁷ <https://www.tchibo-ideas.de/index.php/loesungen?source=NAVI>

²⁸ www.innocentive.com

There is more than one reason to carefully review this stance. Taking into account the great potential and energy being unleashed by using the wisdom of the crowds in the private sector, there is no reason to neglect its potential with regards to innovation in public services. The number of potential stakeholders is huge, and so is the potential number of contributors. In times of increasingly constrained public budgets, creative open innovation provides excellent tools to provide additional (and completely new) services by setting the right incentives for a large community to willingly provide out-of-the-box solutions. A very interesting example for such a process is the initiative²⁹ Applications for Democracy, an Innovation Contest run by Washington D.C. With this service, the community reaps large benefits in original and citizen-developed applications and tools for everyone, by setting out small awards for community-centered technical innovations, e.g. a free Urban bike router tracker for iPhones or virtual city tours using mashed up data from city sources.

Of course, our understanding of the exact mechanisms at work within the rare cases in which open innovation has been applied successfully in the public domain is very limited. Therefore, there is a clear case to establish multiple test beds for user-driven and creative innovation in public services, across all levels of government in the EU. Existing funding schemes e.g. in the structural funds should be modified to allow for open innovation methods to be applied in public sector environments. The (few) existing cases and best practices need to be monitored and evaluated carefully and be broadly implemented, if successful.

If Europe is to become the world's most creative and innovative region, the chance of looking at user-driven and creative innovation in public services must not be squandered.

²⁹ <http://www.appsfordemocracy.org/>

Annex A :

About EICI

The European Interest Group on Creativity and Innovation (the “EICI”) is a pan-European initiative of more than 30 regional and local development agencies, research institutions, companies and support organizations that foster the relationships between creativity, culture, technology and innovation in order to make Europe more competitive and sustainable. While still being in development it has in the past 12 months contributed considerably to networking these diverse stakeholders across Europe by establishing a joint communication platform, enabling information sharing and collaborative project development, and by organizing policy events in Brussels to give input into the currently developing EU strategy on creativity.

The European Interest Group on Creativity and Innovation was set up by MFG Baden-Württemberg. It has a specific peculiarity compared to all other networks already existing in Europe. Most of the EICI’s members are already involved in European projects or international, national or regional activities concerning the creative industries and innovation. CReATE, Creative Clusters, Creative Growth and ECCE Innovation are just some EU supported initiatives/projects in which EICI members are actively involved as partners or coordinators. The concrete examples here mentioned plus the background experiences of each institution are the best proof of the wide competences and expertise that regional and local development agencies have when it comes to nurturing the links between creativity, culture, technology and innovation. The EICI is therefore committed to developing into a strong partner of EU institutions with regards to their future endeavors concerning the creative industries.

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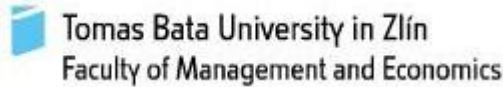

www.creativity-innovation.eu

List of members:

<ul style="list-style-type: none"> • MFG Baden-Württemberg (DE) 	
<ul style="list-style-type: none"> • CIDA – Creative Industries Development Agency (UK) 	
<ul style="list-style-type: none"> • INTELI (PT) 	
<ul style="list-style-type: none"> • CSP – Innovazione nelle ICT (IT) 	
<ul style="list-style-type: none"> • Nantes Metropole (FR) 	
<ul style="list-style-type: none"> • FlandersDC – Inspiring Creativity (BE) 	
<ul style="list-style-type: none"> • South Denmark European Office (BE) 	<p>South Denmark European Office Det Syddanske Bruxelles-Kontor</p> 
<ul style="list-style-type: none"> • Ostsam regional Development Council (SE) 	
<ul style="list-style-type: none"> • Upplelseindustrin – Swedish Creative Industries Initiative (SE) 	

<ul style="list-style-type: none"> • IBBT – Interdisciplinary Institute for Broadband Technology (BE) 	
<ul style="list-style-type: none"> • Dublin City Council (IE) 	
<ul style="list-style-type: none"> • Politecnico di Torino (IT) 	
<ul style="list-style-type: none"> • Regione Piemonte (IT) 	
<ul style="list-style-type: none"> • Imaginove (FR) 	
<ul style="list-style-type: none"> • Advantage West Midlands (UK) 	
<ul style="list-style-type: none"> • SEZ –Steinbeis Europa Zentrum (DE) 	
<ul style="list-style-type: none"> • Incubator for Creative Industries (GR) 	
<ul style="list-style-type: none"> • Metropolregion Rhein- Neckar (DE) 	

<ul style="list-style-type: none"> • WSP –Wirtschaft und Stadtmarketing Pforzheim (DE) 	
<ul style="list-style-type: none"> • Creativity 4 Growth n.g.o. (GR) 	
<ul style="list-style-type: none"> • Gestluz Consultores (PT) 	
<ul style="list-style-type: none"> • Fundação de juventude (PT) 	
<ul style="list-style-type: none"> • Industrias Creativas &CO (SP) 	
<ul style="list-style-type: none"> • Wirtschaftsförderung Region Stuttgart (DE) 	
<ul style="list-style-type: none"> • Urban Learning Space(UK) 	
<ul style="list-style-type: none"> • Istituto Superior de Contabilidade e Administração do Porto (PT) 	
<ul style="list-style-type: none"> • SouthWest Design Forum (UK) 	
<ul style="list-style-type: none"> • Creative Tampere (FI) 	

<ul style="list-style-type: none"> • MENON Network (BE) 	
<ul style="list-style-type: none"> • Institute of Digital Innovation (UK) 	
<ul style="list-style-type: none"> • Opium (PT) 	
<ul style="list-style-type: none"> • HIE - Highlands and Islands Enterprise (UK) 	
<ul style="list-style-type: none"> • Tomas Bata University in Zlín (CZ) 	
<ul style="list-style-type: none"> • Gesellschaft fur Kreativitat (DE) 	

ANNEX B

Examples of support mechanisms for creative innovation developed by EICI members

In the fall of 2007 IBBT³⁰ launched a new research program, called Art&D. The contacts with the range of IBBT partners have revealed that the creative aspects of technological innovation are increasingly important for the development of a competitive advantage in the international markets. A grant system was therefore created supporting the artist as well as the IT researcher, attributed on a project basis and for the maximum duration of one year. It is an “artists in residence” program in order to encourage interaction between researchers and artists. It is an open-ended program, which opens possibilities for creativity and unplanned results by bringing together artists and IT researchers.

Looking into the future, the disruptive structure in ICT innovations will continue to have major influence on the way creative firms innovate, produce, distribute and capitalise. The EU funded project CReATE³¹ works as “motor” to link ICT-research with SMEs in Creative Industries. The vision is to promote the inclusion of European research outcomes into the commercialisation within European SMEs. With the four regions in CReATE – Baden-Württemberg, Piemonte, Rhône-Alpes, West-Midlands –some of the leading hot spots of creativity in Europe are gathered.

The KREATEK Platform is an online cooperation platform developed to give Cluster Managers and other Cluster stakeholders access to current information and trends on the topic Cluster Management. The platform is set up in form of a Social Network offering users/members a central information tool, where knowledge is documented and exchange is fostered. Within the scope of the KREATEK cooperation platform, a Cluster Management Guide has been developed and integrated. To meet the demands of Cluster Managers in the German speaking area, MFG has implemented an interactive Cluster Guide on the basis of the Wiki principle (everybody can document personal knowlege, exchange with other members and edit the content).

IBBT launched in 2009 the INCA award³², designed to stimulate creativity and user-driven innovation for social goals. The award requested any developer to submit a fully working brand new IT application, which aims at solving social problems. In one month time, and for a total prize of 20.000 Euros, 35 fully functional new applications were developed, ranging from transport to childcare to environment to inclusion, for different kind of platform: web, mobile phones, surfaces, even hacked kids’ toys. The

³⁰ www.ibbt.be

³¹ www.lets-create.eu

³² www.inca-award.be

award allowed IBBT to reach out to a wider constituency of innovators, beyond the academic and business world, towards individual developers, and inspired developers to work on “stuff that matters”, as suggested by Tim O’ Reilly. Because it assigned prizes to products after they were developed, the prize has been instrumental in reaching out to real innovators, rather than proposal-writers.

The Heidelberg Innovation Forum³³ is an event where researchers and entrepreneurs meet to share the brightest business ideas from current ICT research. Its innovative format, renowned speakers and the exclusive atmosphere of its venues, the Villa Bosch and Palais Prinz Carl in Heidelberg, all add to its appeal. Intensive coaching and networking are being combined in order to create successful technology transfer. Outstanding researchers, who have been specially prepared in workshops, present solutions close to the market. The Heidelberg Innovation Forum is hosted by MFG Baden-Württemberg and the European Media Laboratory, a private ICT research institution created by SAP founder Klaus Tschira. Based on the concept of Heidelberg Innovation Forum the National Research Council Canada (NRC) established their New Brunswick Innovation Forum for the first time in October 2008. In 2009 the link between both forums has been made closer and stronger with visit studies and speakers exchanges.

In 2008, CSP³⁴ together with Torinowireless³⁵ has proposed to SMEs an innovative approach to TT in the INNOVATION4BUSINESS programme.

Several technology assets (sw solutions, prototypes), developed by CSP labs by their R&D activities, are offered free of charge to enterprises, that can transform prototypes and demo into new products and services ready to market. Over 20 assets (in 2008-09 catalogue) cover 7 domains, ranging from digital terrestrial TV, to embedded systems, security and trusted content, image processing, network and signal monitoring, collaborative working, wireless networks.

SMEs can take advantage from reducing R&D cost and time-to-market and from CSP labs training and tutoring. INNOVATION4BUSINESS is meant to help the convergence between policy supporting R&D and policy promoting SMEs and enterprise innovation, while making local R&D results a real driver for local competitiveness.

To promote the interdisciplinary collaboration and to foster the new connections within and between creative and other industries, the ECCE³⁶ Innovation project has established and trained a network of “transfer agents” who now operate across the partner cities to support and advise creative businesses through this innovation process. In 2011, an ECCE Innovation Award will acknowledge the most successful cross sectoral collaborations that emerge from the work of the “transfer agents”.

³³ www.heidelberg-innovationsforum.de

³⁴ www.csp.it

³⁵ www.torinowireless.it

³⁶ [ECCE Innovation website](#)

Several ECCE Innovation partners already operate voucher systems to encourage creative entrepreneurs access to the research and knowledge needed to develop ideas to marketable products and services. Taking account of existing good practice at regional level, the ECCE Innovation partners are in the process of developing creativity vouchers that will help support creative entrepreneurs' access to knowledge and research from institutions across the participating European cities. In addition to training the "transfer agents" and using open innovation techniques, this project recognises the key importance of developing new training methods and courses designed to promote an interdisciplinary approach within higher education. Specific pilot projects are running to sponsor joint teaching methods amongst higher education institutes in the creative field and a pilot project to develop a new European training approach to art and business based in Nantes.

Gestluz Consultores was an adviser with *Opium, Lda.* in the Creation of ADDICT – the Creative Industries Development Agency in the North of Portugal, as a response to the creative industries strategy defined for the region.

ADDICT aims to become a tool for promoting clusterisation of creative innovative business, to expand the business incubation capacity for creative businesses in the region, develop partnerships and networking processes in the North of Portugal and abroad, become a facilitator for financing opportunities and contribute to increased economic value of creative products.

Due to the networking and dynamics created in the region there are now several projects on the way to support creative innovation, as well as several incubated businesses.

Also, the Action Plan developed by ADDICT and *Gestluz Consultores* considers experience sharing events and meetings both in Portugal and abroad, as well as identifying financial opportunities for future businesses.

Annex C:

List of Creative European Projects in which EICI's members are involved

- **CREATIVE CLUSTERS - Creative Clusters in Low Density Areas – EC URBACT II Programme (2008-2010)**: To promote the exchange of experiences and best practices and the proposal of policy recommendations and action plans related with creative clusters in low density urban areas. The starting assumption of the project is that creativity can act as a driving force for economic development of small and medium-sized urban centres and not only of big cities. (www.urbact.eu). (Member involved: **INTELI – PT-**)
- **CITIES - Creative Industries in Traditional Intercultural Spaces – EC INTERREG IVC (2008-2011)**: To improve regional and local policies addressing the promotion of creative industries, namely creative entrepreneurship and creative urban regeneration. The issue of regenerating degraded and old industrial areas takes particular relevance by promoting the attraction and retention of creative activities and talents. (www.eucreativeindustries.eu). (Member involved: **INTELI – PT-**)
- **INTELLIGENT CITIES - Innovation Hubs and Urban Regeneration – EC INTERREG III C (2005-2008)**: To provide strategic orientations for the design of creative urban places (“innovation hubs”), both in historic centres and in degraded and obsolete industrial and logistic areas. The key idea underlying this concept is that science, technology and knowledge (as well as design, arts, culture and media) may be used for urban development and regeneration. (www.intelligentcities.net). (Member involved: **INTELI – PT-**)
- **Creative Media Lab (2007-2012)**: To create an innovative community integrated by several stakeholders who cooperate in the conception, development, production and testing/validation of applications and solutions in the area of Digital Media, in a real-life context (urban areas, cities, regions, etc.). The privileged perspective is based on a user-centric and open innovation. The living lab is member of the “European Network of Living Labs”. (Member involved: **INTELI – PT-**)
- **CReATE (2008-2010)**: The CReATE project consortium has been developing strategies to improve cooperation at both regional and European levels to enhance the innovative capabilities of small- and medium- sized companies from the creative sector. Final goal of the project is the creation of a Joint Research Agenda for promoting ICT-Innovations in Creative Industries across Europe. (www.lets-create.eu) (Members involved: **MFG Baden-Württemberg– DE-, CSP Innovazione nelle ICT –IT- Regione Piemonte – IT- Politecnico di Torino – IT-, SEZ Steinbeis Europa Zentrum – DE-, Imaginove – FR- Advantage West Midlands – UK-)**
- **BeCreative (2009-2012)**: The main objective of B Creative is to streamline different innovation support mechanisms for SMEs in the creative sector in Europe in order to establish closer links between knowledge creation, incubation, finance and clusters. The project will set up a European online platform for creative businesses establishing a European network of relevant stakeholders, bringing them together and providing creative businesses with a toolkit that would help them access venture capital, access entrepreneurial skills and allow them to exchange information on intellectual property, legal issues, and other barriers that KIS enterprises come across. ([Link embedded](#)) (Member involved: **MFG Baden-Württemberg– DE-**)

• **CRETIVE GROWTH** (2008-2011): The Interreg IVC project “Creative Growth” aims to develop the creative sector as a new business sector and a key driver of the emerging knowledge economy. We believe that regions need to foster local-regional creativity and the Creative Growth project will deliver evidence-based knowledge and best practices to this end. In the Creative Growth project 11 partners from different parts of Europe join forces to share experience and knowledge on how to develop the creative sector as a business sector. Creative Growth is working to increase European competitiveness and accelerate regional economic growth through the development of the creative sector as a new business sector and a key driver of the emerging knowledge economy (www.creative-growth.eu) (Member involved: **South Denmark European Office (BE) - Ostsam regional Development Council (SE)**)

• **ECCE** (2009-2011): The Interreg IV B funded ECCE Innovation Project* seeks to promote the innovation capacity of creative and cultural industries to access new markets. It follows on from the ECCE Project (2006-2008) that set up a network of cities and resources centres dedicated to supporting micro companies and entrepreneurs from the cultural and creative sector. The ECCE Innovation project aims to increase the number of business to business partnerships or linkages within and between creative and other industries, to increase the involvement of creative SMEs in bids for public procurement, to encourage new public and private investment schemes and to develop new partnership opportunities between creative industries, higher education and research. ([link embedded](#)) (Member involved: **Nantes Métropole – FR- and CIDA Creative Industries Development Agency - UK, City of Dublin EIRE**)