

Public consultation on the future EU 2020 strategy

Contribution proposed by
the European Interest Group on Creativity and Innovation (EICI)

The European Interest Group on Creativity and Innovation (“EICI”) welcomes the opportunity to comment on the Commission Working Document “Consultation on the future EU 2020 Strategy”¹.

In this document we limit ourselves to gather key issues, relevant aspects and valuable factors of the creative sector for the future EU 2020 strategy. 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. All the so more is not yet well acknowledged the diversified gains furthered by the creative sector. Focusing on the economic aspects, only in 2003, this sector guaranteed in Europe more than 3 % of total jobs with important impacts also on the GDP². This situation is doomed to boost due to the fact that the creative sector is a dynamic forge of economic activity and job creation as well proved in last years.

Starting from these statements, defining the EU’s policies and investment priorities for the next decade, Europe cannot ignore the importance and the value of the creative sector.

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 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, which encourage the creation of a competitive and connected economy. 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. In order to create growth based on knowledge, creative capacities and design skills are imperative to push European industries to the upper end of the value chain.

In the arising digital 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. In our view, this process-oriented, more hybrid understanding of how innovation comes about is less linear than traditional science- and

1 COM(2009) 647/3

http://ec.europa.eu/dgs/secretariat_general/eu2020/consultation_en.htm

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

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

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 technological development. This notion is closely linked to von Hippel’s understanding of open innovation⁴. 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 creativity⁵. 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 innovations⁶. 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 users⁷. 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 compete⁸.

Creative innovation drives societal as well as economic renewal and growth

Furthermore 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 ⁹. 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”*¹⁰. 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*

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

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

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

7 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.

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

9 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

10 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.”¹¹

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 processes¹².

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 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.”*

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 industries¹³. 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 priorities, policies based not only on entrepreneurial innovation, but on the innovation of cultural actions and creative economies”¹⁴*.

¹¹<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/81&format=HTML&aged=0&language=EN&guiLanguage=en>

¹² 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.

¹³ “Culture as a Catalyst for Creativity and Innovation”, Conclusions of the 2941th Education, Youth and Culture Council meeting of 12 May 2009.

¹⁴ European Parliament’s resolution on cultural industries in Europe, 10th April 2008 (2007/2153(INI)), article 2.

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 innovation¹⁵. A scoreboard on design and creativity has also recently been published by Pro-Inno Europe¹⁶. 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.

In addition, 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

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 industries¹⁷. 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 situation¹⁸.

Finally we agree to the claim that *“the EU needs to provide more attractive framework conditions for **innovation and creativity**, including through incentives for the growth of knowledge-based firms. Access to credit is a particular problem, not only in the aftermath of the crisis but because some new sources of growth such as the creative industries need new types of financing adapted to their business models. Innovative firms should be able to have access to pooled public and private sources of growth capital, for example venture capital; this needs to be coupled with administrative simplification and technical support to promote the incubation and growth of small innovative firms¹⁹.”*

In our opinion, 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

¹⁵ European Commission's Staff Working Document, "Design as a driver of user-centred innovation" of 7.4.2009, SEC(2009) 501 final.

¹⁶ 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.

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

¹⁸ 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/>).

¹⁹ COM(2009) 647/3

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 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.

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.

A future strategy, based on of the right mix of creative and inspiring minds and rational ones, would be the best guideline for the following years

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.

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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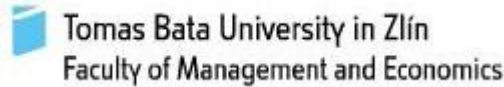

www.creativity-innovation.eu

List of members:

<ul style="list-style-type: none"> • MFG Baden-Württemberg (DE) 	 <p>MFG Innovation Agency for ICT and Media</p>
<ul style="list-style-type: none"> • CIDA – Creative Industries Development Agency (UK) 	 <p>cida Creative Industries Development Agency Creative Catalysts</p>
<ul style="list-style-type: none"> • INTELI (PT) 	 <p>inteli</p>
<ul style="list-style-type: none"> • CSP – Innovazione nelle ICT (IT) 	 <p>CSP Innovazione nelle ICT</p>
<ul style="list-style-type: none"> • Nantes Metropole (FR) 	 <p>Nantes  Métropole COMMUNAUTÉ URBAINE</p>
<ul style="list-style-type: none"> • FlandersDC – Inspiring Creativity (BE) 	 <p>FLANDERSDC INSPIRING CREATIVITY</p>
<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) 	 <p>Regionförbundet ÖSTSAM</p>
<ul style="list-style-type: none"> • Upplevelseindustrin – 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 IBBT²⁰ 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 CReATE²¹ 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 knowledge, exchange with other members and edit the content).

IBBT launched in 2009 the INCA award²², 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

²⁰ www.ibbt.be

²¹ www.lets-create.eu

²² 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 Forum²³ 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, CSP²⁴ together with Torinowireless²⁵ 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 ECCE²⁶ 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”.

²³ www.heidelberg-innovationsforum.de

²⁴ www.csp.it

²⁵ www.torinowireless.it

²⁶ [ECCE Innovation webiste](#)

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.