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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
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Subject:	Draft Council conclusions on cultural and creative crossovers to stimulate innovation, economic sustainability and social inclusion - Adoption

In the course of several meetings, the Cultural Affairs Committee has prepared the above set of conclusions with a view to their adoption at the Education, Youth, Culture and Sport Council on 18-19 May 2015. The text now meets with the agreement of all delegations.

The <u>Permanent Representatives Committee</u> is accordingly invited to confirm the agreement reached on the draft conclusions in the Cultural Affairs Committee and to forward the text to the <u>Council</u> for adoption and subsequent publication in the Official Journal.

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Draft Council conclusions on cultural and creative crossovers to stimulate innovation, economic sustainability and social inclusion

THE COUNCIL OF THE EUROPEAN UNION,

RECOGNISING THAT:

- the cultural and creative sectors are a source of both cultural and economic value. In recent
 years significant work has been done to establish the cultural and creative sectors as an
 integral part of Europe's society and economy and as a source of growth, jobs and prosperity.
 However, their broader contribution has not yet been fully recognised, notably in terms of the
 potential of culture and artistic creativity to trigger innovation in other sectors of the
 economy, in society as a whole, and for the well-being of individuals;
- 2. the crossovers between the cultural and creative sectors and other sectors can be understood as a process of combining knowledge and skills specific to the cultural and creative sectors together with those of other sectors in order to generate innovative and intelligent solutions for today's societal challenges;
- 3. cultural and creative crossovers can be mutually beneficial to all sectors involved if the sectors participate on an equal footing;

CONSIDERS THAT:

- 4. cultural and creative crossovers to other sectors can result in a wide range of benefits¹, including:
 - improving customer care, employee satisfaction and organisational efficiency in the business and public sectors by involving designers, artists and other creative professionals in developing innovative and user-friendly solutions and by forming multidisciplinary teams;
 - increasing pupils' attendance and achievements, fostering creative learning and pupils' well-being, and improving parent engagement by involving artists and creative professionals in school activities;
 - reducing medical expenditure and rates of hospitalisation by improving the prevention of illness and the rehabilitation process of patients through artistic and creative practices;
 - regenerating industrial areas and urban spaces and promoting tourism by integrating culture and creativity in long-term local and regional development strategies;

On the basis of the policy handbook on Promotion of Creative Partnerships, prepared by the open method of coordination working group (2014), http://ec.europa.eu/culture/library/reports/creative-partnerships_en.pdf

- increasing environmentally-conscious behaviour among consumers and manufacturing industries, reducing energy consumption and use of resources by involving designers, artists and other creative professionals in the recycling and upcycling of waste materials to create new, innovative and functional products with added value;
- improving social inclusion and community life through cultural and creative activities and by integrating contemporary architecture, arts and design in public spaces and buildings of cultural and historical value;

NOTING THAT:

- 5. there is a lack of awareness of the potential of combining arts, culture and creativity with technology, science and business, as well as insufficient exchange of good practices. In particular, the catalytic effect of culture and the arts on innovation in all sectors is still underestimated and thereby underused;
- 6. crossovers take place at the intersections of different sectors. However, sectors and policies are still often organised in silos, thus limiting the scope for synergies and the emergence of innovative solutions. To overcome silo thinking and to promote crossovers, there is a need for a comprehensive strategic approach involving all actors from the local to the EU level;
- 7. there is a need for reliable and comparable data on cultural and creative crossovers that would allow the capture and analysis of their contribution to the overall economy and of their impact on wider society at all levels;

- 8. the development of creative skills and critical thinking throughout formal education and non-formal and informal learning allows individuals to better meet the needs of an increasingly diverse and knowledge-based society as well as of a demanding and rapidly changing labour market;
- 9. Europe's Digital Single Market should encourage the creation and circulation of quality content which thrives on Europe's cultural and linguistic diversity and provide for a balanced framework of rights and duties across the value chain;
- 10. investments in the cultural and creative sectors are often perceived as risky and volatile as they are based on intangible assets. There is therefore a need for innovative financial instruments specifically targeted at the cultural and creative sectors that will strengthen their capacity to engage in cross-sectoral collaboration, including at international level;

INVITES THE MEMBER STATES AND THE COMMISSION, WITHIN THEIR RESPECTIVE SPHERES OF COMPETENCE AND WITH DUE REGARD TO THE PRINCIPLE OF SUBSIDIARITY, TO:

11. raise the awareness of all stakeholders, in particular policy makers, creative professionals, industries, businesses and investors about the cultural, economic and societal value of creativity and innovation through cross-sectoral cooperation. For this purpose, it is important to encourage widespread dissemination of information about good practices, results, and lessons-learnt in cross-sectoral collaboration, as well as expert networking and peer-learning;

- 12. overcome silo thinking in traditional policy areas by better integrating culture and artistic creativity in strategies for economic growth, social policies, urban and regional development, and sustainable development;
- 13. continue mapping existing policies and trends relating to cultural and creative crossovers and improving data collection in order to strengthen evidence-based policy making. This implies developing new methodologies to measure cultural and creative crossovers to other industries in order to better capture their innovative input, and understand their wider impact;
- 14. promote creative ecosystems and multidisciplinary environments for the cultural and creative sectors via structures such as innovation and business centres, start-up accelerators, incubators, creative hubs, co-working spaces and networking programmes;
- 15. promote cross-sectoral cultural and creative clusters and networks at national, European and international level in order to boost cultural and creative exports and improve access to new markets:
- 16. encourage the use of non-technological, social and service innovation in traditional industries for example by introducing a design thinking approach² and culture-based creativity in these industries;
- 17. encourage the cultural and creative sectors to benefit from the opportunities of the future Digital Single Market;

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Design thinking can be described as a form of solution-focused thinking, which starts with a goal (a better future situation) rather than trying to solve a specific problem. It provides a comprehensive and creative approach that can be applied to resolve a wide range of situations, in particular complex or unanticipated ones.

INVITES THE MEMBER STATES, WITH DUE REGARD TO THE PRINCIPLE OF SUBSIDIARITY, TO:

- 18. encourage cultural and creative crossovers at the local and regional level, if possible on the basis of existing initiatives, in close cooperation with local operators, NGOs, organisations and businesses. The creation of multidisciplinary clusters with the active engagement of local and regional authorities could also be considered;
- 19. support initiatives that encourage joint advocacy for the cultural and creative sectors in order to overcome sectoral silos and develop comprehensive strategic approaches;
- 20. encourage the use of the design thinking approach in the public sector when dealing with complex issues and developing user-centred and efficient services³;

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Based on "Implementing an Action Plan for Design-Driven Innovation" (SWD (2013) 380 final).

- 21. promote favourable conditions for the cultural and creative sectors to further develop their potential in the context of cross-sectoral partnerships, including by considering the recommendations of the European Creative Industries Alliance⁴, through appropriate measures including:
 - innovative financial instruments tailored to the needs and specificities of the sectors, such as creative innovation voucher schemes⁵, seed funding⁶, crowdfunding, loan guarantee mechanisms, risk capital funds (such as business angels and venture capital) and repayable contributions⁷, in order to diversify financial support for the cultural and creative sectors. Pilot projects that foster experimentation and risk-taking as a way to drive innovation could also be considered:
 - exchange platforms and training for investors in order to raise their awareness of the cultural and creative sectors' potential, and for the professionals working in these sectors in order to develop their managerial and business skills;

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The European Creative Industries Alliance (ECIA) is an integrated policy initiative that was set up by the Commission and ran from 2012 to 2014. Its aim was to test and review new innovative policy instruments for creative industries and issue concrete recommendations.

<u>Creative innovation voucher schemes</u> are small amounts of credit provided by governments to small and medium-sized enterprises to purchase services that introduce innovation (new products, services or processes) in their business operations (ECIA recommendation).

Seed capital is aimed at supporting companies in moving from the idea or prototype stage to the first commercial revenues. It concentrates on the very early stages of young innovative companies where risk is high.

Repayable contributions are a new tool financed by public authorities. A selected project gets simultaneously a double financing consisting of a loan with zero cost and a "repayable contribution" which will be paid back totally or partially by the beneficiary company, depending on company's performance during the exploitation period (ECIA recommendation).

22. promote the development of transversal skills such as creativity, cultural awareness, and entrepreneurship in formal education and in non-formal learning. Encourage, where appropriate, cross-sectoral approaches between different areas within higher education institutions, for instance through joint programmes between arts and culture, science, engineering, technology, business and other relevant fields;

INVITES THE COMMISSION TO:

- 23. develop a comprehensive strategic approach to boost the competitiveness and development of the cultural and creative industries, while emphasising their role in the overall innovation process across all industries;
- 24. better tailor and disseminate information about existing EU programmes and funds for the cultural and creative sectors in order to reinforce crossovers with other policy areas;

- 25. consider the use of existing funding available under EU programmes, such as Horizon 2020, the Connecting Europe Facility, Erasmus +, COSME and Creative Europe, for crossovers projects aimed, for instance, at:
 - supporting multidisciplinary teams of artists, researchers and technologists;
 - better supporting non-technological, social and service innovation;
 - developing transversal skills, such as critical thinking and initiative taking;
 - supporting artistic practice in urban development as part of smart and creative cities;
 - fostering a user-centred approach in modernising public services, e.g. through the application of design thinking;

and proceed without delay with the preparatory actions necessary to launch the Cultural and Creative Sectors Guarantee Facility⁸ in 2016;

26. continue the work initiated by its services such as Eurostat and the Joint Research Centre to produce information and data regarding the contribution of cultural and creative crossovers to other economic sectors and policy fields, as well as to growth in general.

AGREES TO

27. take stock of these conclusions in 2018. The aim of the stock taking exercise will be to evaluate the progress made by the Member States and the Commission in the follow up to the conclusions⁹. The Member States should be consulted on the form and scope of the exercise, which should be light and useful.

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Guarantee facility for cultural and creative sectors is a financial instrument set up by the Creative Europe Programme (2014-2020). Its aim is to facilitate access to finance for micro, small and medium-sized enterprises and organisations operating in cultural and creative sectors.

Previous examples include the stock-taking of 2012 Council conclusions on cultural governance which was done in 2015.