



CULTURE, CREATIVE ECONOMY AND LOCAL DEVELOPMENT



Joint project by the Creative Europe Programme of the European Union and the OECD

Culture and creativity are powerful assets for local development

Culture is playing an increasingly important role on the political agendas of cities and regions, both on its own and as a strategy for economic growth and the well-being of residents. Cultural and creative sectors (CCS) constitute a vibrant economic activity and source of jobs, enterprise turnover and tax revenues. However, the role of culture for local development is more than these direct outputs.

Culture and creativity transform local economies in various ways. They increase the attractiveness of places as destinations to live, visit and invest in. Smartly managed culture-led urban regeneration can breathe new life into decaying neighbourhoods. CCS also contribute to increasing levels of regional innovation and productivity, through new product design, new production techniques, new business models, innovative ways of reaching audiences and consumers, and emerging forms of co-production. Cross-sectoral “contamination” can spread innovation into the wider economy.

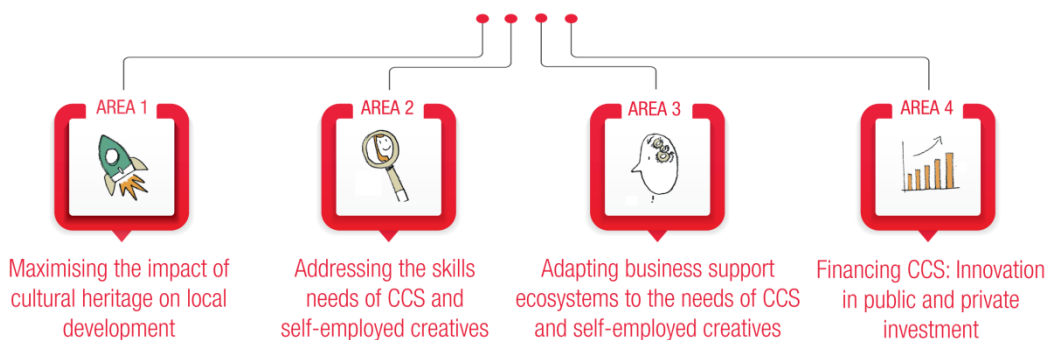
Moreover, there is growing evidence that increased levels of cultural participation have positive effects on well-being and health as well as encourage social cohesion by supporting the integration and inclusion of marginalised groups.

Cultural and creative sectors (CCS) are all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management. CCS include inter alia architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts”. *EU Regulation No 1295/2013 of the European Parliament and of the Council.*

Cities and regions need more evidence to shape their policies

Cultural and creative sectors are evolving rapidly. To unleash their local development potential, policy makers need better data on the performance of these sectors, knowledge on how CCS can help generate jobs and growth, and evidence on the effectiveness of policies. Robust data and evidence on these new sectors contribute to this recognition, not just by relevant policymakers, but also citizens, other firms in the value chain, education and training providers, and investors.

The project, part of the [European Framework for Action on Cultural Heritage](#), aims to provide evidence and guidance to European cities and regions on ways to maximize the economic and social value of cultural heritage and support the emergence of the creative economy. It will focus on knowledge building, peer learning and training in four areas.



Four Focus Areas



Focus Area 1. Maximising the impact of culture and cultural heritage on local development

Following the decline of traditional manufacturing industries, museums and other cultural heritage sites have increasingly been seen as drivers of community regeneration and thus a source of revenue and new jobs. Cultural heritage and a vibrant creative economy can increase territorial attractiveness for talent and investment. At the same time, the role of culture in spurring innovation as well as supporting well-being, health, life-long learning and the creation of social capital have become prominent.

Understanding and increasing cultural participation

The direct and indirect impacts of culture on local development are largely achieved through participation and access of diverse groups of people to cultural amenities and activities. There is, however, still a lack of capacity at subnational levels to measure cultural participation and design instruments that can increase participation especially of disadvantaged groups. This theme will benefit from broader OECD analysis on regional well-being as part of [OECD Regional Well-Being Indicators](#).

How should we measure cultural participation in cities and regions?

What are the most impactful ways to increase participation?

Cross-sectoral strategies and partnerships

To increase the impact of culture on local development, cities and regions need to mobilise a wide spectrum of policies ranging from culture and tourism to employment, skills, health, business development, innovation and spatial planning. New governance and funding arrangements are needed for museums and other cultural institutions to successfully organise themselves to increase their impact on local development. Participants will learn from the [OECD-ICOM Guide for Local Governments, Communities and Museums](#) that provides a self-assessment framework for key partners to better work together.

What are the effective strategies to increase the impact of culture on local development?



Focus Area 2. Increasing productivity, jobs potential and added value of cultural and creative sectors (CCS) by addressing the skills needs of CCS

The creative economy relies on creative talent as the primary source of value. The demand for skilled creative workers is strong and rapidly evolving, both in cultural and creative sectors and other sectors of the economy. To reap these job creation benefits, cities and regions need more reliable data to shape their policies and address the needs of creative employers and self-employed creatives.

Understanding trends and the geography of the creative economy workforce

Cultural employment is often under-estimated as official statistics do not capture secondary jobs or voluntary work, which are significant in the sector. Also, policy makers need the full picture of creative jobs that spread across and drive the performance of many sectors of the economy not labelled as creative (e.g. designers working for car-manufacturing companies).

How can we get better data at subnational level to measure cultural employment trends and characteristics?

Local strategies to address the skills needs of CCS and self-employed creatives

Creative work is often a second job, and/or taken up as a part time or project-based job. These atypical forms of employment necessitate specific policy responses to ensure social protection, career development and skills upgrading pathways for creative workers. Another challenge is related to the mismatch between the skills needed by employers and self-employed creatives and the skills provided by education and training providers.

How can we anticipate and better respond to the skills needs of creative employers and self-employed creatives?

How can we ensure gender balance and address the precariousness of jobs in cultural and creative sectors?



AREA 3

Focus Area 3. Increasing the socio-economic contribution of CCS to local development by adapting business support ecosystems to the needs of micro, small and medium enterprises and self-employed creatives

The cultural and creative sectors are largely composed of micro, small and medium sized enterprises and auto-entrepreneurs. Such firms co-exist with a few large global players. There is a strong demand for better and more reliable data, at subnational level, on the performance of these enterprises, as well as on ways to adapt business support ecosystems to their specific needs.

Understanding the performance of CCS

The highly diverse nature of culture goods and services, their unequal distribution across regions and the greater predominance of SMEs in the sector all make it difficult to produce reliable measures. This is compounded by the concern that in industry surveys cultural activities take place within an establishment classified in a non-culture industry.

How can we improve the measurement of the performance of CCS enterprises? Can we combine official statistics with innovative techniques to provide better evidence for policy?

Adapting business support ecosystems to the needs of CCS and self-employed creatives

Entrepreneurship is a key policy issue for creative sectors. However, the CCS often have different business models from the traditional economy and it can be hard to attract finance from traditional institutions due to many challenges, including the valuation of intangible assets. There is also a need to support cross-sectoral collaborations to spur innovation integrating creativity, art and design with cutting-edge technology and science.

How can we best address the start-up and development needs of CCS? What should be done to support cross-overs with other sectors?



AREA 4

Focus Area 4. Innovation in public and private financing

The activities of culture and creative sectors are financed through various sources, from the public, private and non-profit sectors. Public support for the arts and cultural heritage is crucial because it enables fair access to cultural resources for all, while also protecting cultural resources for future generations. Public support can also reduce barriers to entry for firms in the market for culture. There are varying degrees to which public funding for the arts and culture is decentralised in countries. Overall, local government “culture, recreation and religion” spending accounts for roughly 60% of total public expenditure in this area in the OECD. Such public direct and indirect financing is often combined with funding provided by non-profit and business organisations, and individual donations.

Trends and issues in local government expenditure on culture

Public support for arts and culture largely includes public direct financing such as subsidies, awards, and grants, provided by central and lower levels of governments and indirect financing such as tax reductions and exemptions granted to cultural institutions, as well as tax breaks and credits for donations made to cultural organisations. Analysis will be conducted in co-operation with the [OECD UCLG World Observatory on Subnational Government Finance and Investment](#).

What are the recent trends and issues in local governments expenditure on culture?

Innovation in public and private financing

At the local level, public direct and indirect financing is often combined with funding provided by non-profit and business organisations, and individual donations. Capacities to effectively manage investments and respond to the needs of creative sectors are often uneven.

What are the strategies and instruments to effectively support cultural infrastructure in cities and regions? How can we encourage public-private synergies for combined financing of the arts and culture, and incentive structures to encourage private contributions?

Participation benefits

The project is implemented by the OECD and the EC as part of the [European Framework for Action on Cultural Heritage](#). Participation is open to European and other OECD cities, regions and relevant national level institutions. Engagement with the project will deliver the following benefits:

Rapid assessment

→ by the OECD of the CCS performance and policy ecosystem in your region/city.

Knowledge building

→ & **peer learning** through participation in **four thematic policy seminars** to learn from the latest academic and policy research.

Training

→ Through participation in the **OECD Summer Academy on Cultural and Creative Industries**.

International visibility

→ of your efforts to support the creative economy.

Calendar of events

Date	Event	Venue
May 2020	1 st policy seminar: Maximising the impact of cultural heritage on local development	OECD Venice Office, Italy
7-12 June 2020	OECD Summer Academy on Cultural and Creative Industries	Trento/Bolzano, Italy
Q3 2020	2 nd policy seminar: Addressing the skills needs of CCS and self-employed creatives	Brussels or hosted by a participating region
Q3 2020	3 rd policy seminar: Adapting business support ecosystems to the needs of CCS and self-employed creatives	Paris or hosted by a participating region
Q1 2021	4 th policy seminar: Innovation in public and private investment	TBC

Rapid policy assessment in participating regions

Participation costs

The project benefits from the support of the European Commission covering the organisation of policy seminars and related analytical work. Participation costs for cities/ regions are 70 000€ to be provided to the OECD to conduct rapid regional/city policy assessment and related case study. This amount does not include the travel and accommodation costs related to the participation in 4 policy seminars and the OECD Summer Academy on CCIs.

Contact

Ekaterina Travkina | Ekaterina.Travkina@oecd.org

Co-ordinator, Culture, Creative Industries and Local Development
OECD Centre for Entrepreneurship, SMEs, Regions and Cities

The **OECD Centre for Entrepreneurship, SMEs, Regions and Cities** helps local and national governments unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boosts local job creation and implements sound tourism policies. www.oecd.org/CFE