



*European Economic and Social Committee*

**CCMI/074**  
**Cultural and creative**  
**industries**

Brussels, 21 October 2010

**OPINION**

of the

European Economic and Social Committee

on

**Unlocking the potential of cultural and creative industries (Green Paper)**

COM(2010) 183 final

---

Rapporteur: **Mr Cappellini**  
Co-rapporteur: **Mr Lennardt**

---

On 27 April 2010, the European Commission decided to consult the European Economic and Social Committee, under Article 304 of the Treaty on the Functioning of the European Union (TFEU), on

*Unlocking the potential of cultural and creative industries (Green Paper)*  
COM(2010) 183 final.

The Consultative Commission on Industrial Change (CCMI), which was responsible for preparing the Committee's work on the subject, adopted its opinion on 8 September 2010.

In view of the renewal of the Committee's term of office, the Plenary Assembly decided to vote on this opinion at its October plenary session and appointed Mr van Iersel as rapporteur-general in accordance with Rule 20 of the Rules of Procedure.

At its 466th plenary session, held on 21 October 2010, the European Economic and Social Committee adopted the following opinion by 71 votes in favour with one abstention.

\*

\* \*

## 1. **Recommendations and proposals**

Prompted by the questions put forward by the Commission in the Green Paper (COM(2010) 183 final of 27 April 2010) and in the light of the recommendations earlier put forward by the Platform on the Potential of Cultural and Creative Industries, together with the internal dialogue underway – including ad-hoc hearings – the Committee has formulated a series of practical proposals in support of the European Cultural and Creative Industries (CCIs).

### 1.1 Recommendations:

The EESC:

- a) Calls on the Commission to pursue its efforts for a better definition of the sector and for it to be more accurately reflected in statistics, paying particular attention to the economic and social situation of those working in artistic professions. There is indeed no single, agreed definition of "cultural and creative industry", although this is a key requirement for:
  - i. fostering recognition of the specific features of CCIs;

- ii. analysing their impact on long-term growth, international competitiveness, regional development and territorial cohesion;
  - iii. encouraging the adoption of policies taking into account the cultural specificities of the sector, through the effective implementation of former Article 151(4) TEC, now Article 167(4) TFEU.
- b) Recommends that the Commission redouble its efforts to create a "European space for creativity", by fostering a European regulatory framework based on fair access to the market, free competition, measures against abuse of dominant positions, support and development of SMEs and craft businesses, promotion of cultural diversity, protection of intellectual property rights and the fight against piracy, with a particular focus on the sector's digital potential.
  - c) Calls for the adoption of tax concessions and new models and instruments to encourage funding for the sector's future development, and the establishment of Participatory Public-Private Partnerships (PPPPs); in other words, the aim – in this sphere – is to provide for direct participation by citizens alongside conventional PPP models<sup>1</sup>.
  - d) Underlines the contribution made by CCIs to the strategic objectives of "European cohesion", and recommends that local authorities (municipalities, regions, etc.) cooperate with other local and regional bodies (universities, banks, associations, public and/or private content providers, etc.) to promote the CCIs and make them part of regional development.
  - e) Points to the need for robust measures to offset the vulnerability of the sector's businesses, especially SMEs, and of those working in artistic professions, and at the same time, signals an urgent need to facilitate a "critical mass" of investment in the sector, harnessing "economies of agglomeration" in order to stem the penetration of the European market by cultural products which inculcate patterns of behaviour detrimental to European culture or which can lead to fully-fledged cultural colonisation.
  - f) Emphasises the role of ICTs (e.g. EU *Internet of the Future* initiatives) in providing new opportunities (broadband or creativity support services, particularly in disadvantaged or low-income areas), both in terms of producing creative products and services, and in their distribution and use by end users.
  - g) Highlights the importance of fostering greater knowledge of the creative industries in school programmes and vocational training, as already indicated at European level in the International Charter of Artistic Craftsmanship.
  - h) Points to the need to consider the most appropriate instruments for facilitating access to credit for creative companies and the various types of professionals in the sector, encouraging firstly, a sharper focus on the economic and financial sustainability of projects/works on the part of companies, and secondly, boosting the ability of credit institutions to assess the economic and financial potential of cultural and creative projects.

---

<sup>1</sup>

See, in a different context, the opinion on *Improving "participative public-private partnership models" in deploying "e-services" for all in the EU 27* (TEN/402, adopted by the EESC at its September 2010 plenary session, not yet published in the OJ).

- i) Stresses the need to foster greater debate within the Community institutions regarding a structured dialogue on the social impact of developing creativity clusters, and on improving the employment conditions of those working in the sector.

## 1.2 Proposals:

In the light of the above, the EESC draws the attention of the European institutions and of the Commission as a whole (rather than its specialist units) to a series of practical proposals in support of CCIs:

- a) Entering into a "structured dialogue" with all stakeholders and, in cooperation with all the relevant Community institutions, launching a series of discussion and awareness-raising initiatives on the role of CCIs within "European territory", paying particular attention to disadvantaged areas and regions coming under the cohesion policy. The EESC is eager to encourage this structured dialogue and to work with the other Community institutions, offering its own technical know-how and network of links for this purpose.
- b) On the basis of pilot projects launched in some areas of the Union, creating physical locations for informal meeting and experimentation (modelled on the science shops, Future Centres, Multimedia Parks, etc.) that can promote the direct participation of target groups comprising members of the public/users/associations and organised civil society. The aim is to foster the involvement of every part of the EU's territory in developing the potential of the creative industry, and not only in large urban centres, which are often considered to be the sole promoters of creative development processes. In this setting, local and regional communities can play a key role in making the CCIs part of regional development (applying the "think small first" principle contained in the European Small Business Act).
- c) Fostering an "internal market" for creativity, by promoting:
  - i) movement;
  - ii) effective use of the right of establishment;
  - iii) mutual recognition of occupational categories, qualifications and certifiable skills;
  - iv) development of a real support system for the sector (harmonised tax arrangements to protect those working in artistic professions and safeguard cultural heritage, agreements to prevent double taxation, etc.);
  - v) exchanging best practices and developing cross-border co-productions and partnerships in addition to public-private ones (e.g. multiple agreements between users and content providers), in part with the aid of new PPP models at regional and local level.
- d) Stepping up the dialogue between university-level institutions and SMEs, and between craft enterprises and their respective representative associations; enhancing students' computing and technological skills; and launching initiatives to set up new businesses in the sector, not least through forms of peer-coaching.
- e) Supporting funding for creativity, firstly by drawing up Europe-wide business plan guidelines for creative and cultural projects/services/works, as well as specific

performance indicators that can facilitate the technical and economic assessment of investment in the sector and, secondly, by means of credit facilities, joint public-private guarantee funds and rotating funds, and new types of association and partnership between the various stakeholders in the segments concerned (ICT, book publishing, film production, music, etc.).

## 2. What are the cultural and creative industries (CCIs)?

- 2.1 As recognised by the EU 2020 strategy, the cultural and creative industries play a central role in growth, competitiveness and the future of the EU and its citizens. By their very nature, they create innovation and jobs, and act as an interface between various branches of industry. In addition, they are generators of comparative advantage that cannot be reproduced elsewhere, factors for local development and drivers of industrial change.
- 2.2 The EESC also emphasises the role played by the CCIs within "European society" in support of pluralism and cultural diversity, and as a tool for promoting a "European identity". They also contribute to a better quality of life, to tolerance and to countering behaviour contrary to human dignity, to integration and to visitor capacity.
- 2.3 The ambitious aim of this opinion is to reveal the full potential of the cultural and creative industries, a cornerstone of the new Europe 2020 strategy, as underlined also by the European Council and key actors in the area of European industrial change. This firstly requires adequate knowledge of the subjects under consideration, distinguishing between design, analysis of production and consumption processes and governance.
- 2.4 Although reference is generally made to CCIs, a distinction should nevertheless be maintained between *culture* and *creativity*. While culture is generally understood as the set of knowledge, customs and levels of artistic and scientific development that defines an era or social group<sup>2</sup>, the term *creativity* is specifically interpreted as the capacity to think in an innovative way, or to produce new ideas that bring together existing elements in a new way (be they processes, objects, knowledge, etc.). This, in turn, should not be confused with the term *innovation* which refers more generally to processes and products developed from knowledge, techniques and tools<sup>3</sup>.

This is a crucial distinction because, on the one hand, it isolates separate concepts that are often blurred in current language; on the other, it highlights the deep interconnections between culture, creativity and innovation (see also the *Council conclusions on the contribution of culture to local and regional development* of 29 April 2010).

---

<sup>2</sup> Cf. EESC opinion on *Europe's Creative Industries* (OJ C 108, 30.4.2004, p. 68).

<sup>3</sup> Cf. EESC opinion on *Unlocking and strengthening Europe's potential for research, development and innovation* (OJ C 325, 30.12.2006, p. 16; and in particular point 4.12 and footnote 55).

2.5 The multifaceted nature of culture and creativity makes it difficult to pinpoint a single analysis approach: at one extreme there are those who would limit creativity to cultural activities alone; at the other extreme are those who think that all industries are intrinsically creative. Thus the process of identifying the so-called *creative sectors* risks being somewhat arbitrary, and this could have a knock-on effect on the effectiveness of the policies driving EU2020.

2.6 The problem of defining the sector's boundaries is also linked to a problem of "perception", both "internal" (operators within the sector who do not see themselves as belonging to a particular single "industry") and "external" (societies that do not recognise the specific sectoral nature of those working in the cultural and creative industries).

### 3. **Overview of Europe's CCIs**

3.1 Based on the Commission's definition, CCIs as a whole contribute around 2.6% of EU-27 GDP and provide employment to some five million people (source: Green Paper COM(2010) 183 final). Other sources indicate an even greater impact. This statistical diversity accurately reflects the diversity of assessments regarding the sectoral groupings covered by the CCI definition (see recommendation in point 1.1.a)).

3.2 In 2007, the EU-27 balance of trade in the main creative industries recorded a surplus of EUR 3 billion. According to UNCTAD (*Creative economy report*, 2008), the creative industries are among the most dynamic sectors in world trade in terms of growth. Over the period 2000-2005, global trade in creative goods and services grew by almost 9%, thus confirming the industry's good long-term growth prospects.

3.3 Typical occupational profiles in the sector include artists, thinkers, producers, publishers and performers, but there are other more conventional profiles, for both technical and business aspects, such as craft activities. However, the lack of suitable legislation for the sector, the lack of specific recognition of occupational categories in the sector and of social protection geared to them (for example, providing protection for very short-term contracts, social security aspects or to facilitate international mobility) should be noted.

3.4 The CCIs nevertheless offer considerable potential for growth and employment in the EU. Creativity is universally seen as an engine for sustainable, smart and inclusive growth, and culture plays a fundamental role in developing an information and knowledge-based society. Moreover, both of these, as well as being tools for more competitive and better organised supply, serve to stimulate demand for content, provide education for cultural diversity and at the same time help to combat social exclusion and discrimination.

3.5 Moreover, creativity plays a key role in relation to international competitiveness, generating "immaterial value" and "products", and transforming them into a particular form of "experience". More and more economic activities outside the sphere of the creative industries

per se are now dedicating an ever greater share of resources to creative activities as an input for their products. The creative sector is thus not only fundamental to businesses' international competitiveness, but also generates spill-over effects on the rest of the economy<sup>4</sup>.

- 3.6 Another aspect that should not be underestimated is the contribution made by the development of this sector to the "quality of life" in the relevant local area: it influences the training system, models of behaviour for young people, and the growing interest in culture disseminated through the work of the CCIs, helping to impart "dynamism" to the towns and regions concerned.
- 3.7 Lastly, the potential offered by applying the new technologies to the sector should also be underlined, as illustrated by the social media phenomenon: means for sharing text, images, video and audio material by users. This sector could at the same time serve as a launchpad for interesting ideas, productive dialogues and fruitful comparisons (*Wikinomics*, for example), although they are also experiencing management difficulties, as for instance in intellectual property concerning shared content. And lastly, the new technologies can help fight digital piracy.
- 3.8 However, the sector remains vulnerable. On the one hand, it is dominated by SMEs, and on the other, it is susceptible to the formation of oligopolies which kill off competition (the so-called *bestseller effect*) – e.g. global multimedia or advertising companies.
- 3.9 The role played by SMEs remains crucial. It is this type of company that assumes the "risk" arising from non-technological innovation, by investing in new talents and new aesthetic forms and attempting to provide varied and diverse products for consumers.

However, the problem arises of a "critical mass" of investment, capable of stemming the penetration of the European market by cultural products which inculcate patterns of behaviour and values that are alien to European culture. It would be helpful, in this regard, to put in place specific support and aid measures promoting "local SME systems", and developing "regional clusters" and "economies of agglomeration".

- 3.10 Policies on the cultural industries in Europe still vary. In some Member States, the sector receives substantial public investment; in others, investment is mainly private<sup>5</sup>. Quite apart from any assessment of how effective these policies may be, the fragmented state of national legislation and markets in this field unarguably constitutes a *de facto* distortion of competition

---

<sup>4</sup> A study carried out by the KEA company at the Commission's request (<http://www.keanet.eu/report/BISScreativeindustries.pdf>) points to three key crucial channels in this regard: the link with local/regional development; cross-sectoral relations (e.g. between creative content and ICT, or between culture and tourism); and interconnections between "creative" and "non-creative" sectors. This study was prepared in conjunction with the Amsterdam seminar organised by DG Enterprise, during which the Amsterdam Declaration was also drawn up (<http://www.europe-innova.eu/creative-industries>).

<sup>5</sup> Of course, a detailed examination of the industrial policy models adopted in the different Member States would, once again, require a single, agreed definition of CCIs. Public funding is, however, generally geared to promoting the cultural sector (theatre, cinema, the visual arts, foundations, etc.) with a significant impact on the entire sector, given the interconnection between cultural investment and the development of the creative industries.

in the European market. The Green Paper itself makes clear the importance of stepping up efforts to achieve greater European competitiveness in the sector, thus boosting cultural diversity. Furthermore, an effective boost for benchmarking remains crucial to fostering European policies in the sector.

3.11 At EU level, the objective of both the Commission (Communication of 10 May 2007 on a *European agenda for culture in a globalising world*), the Council (*Work Plan for Culture 2008-2010* of 10 June 2008) and the Parliament (see its *Resolution on cultural industries in Europe* of 10 April 2008) is to maximise the potential of the CCIs, in particular that of SMEs. Planned measures worthy of mention include the *European Creative Industries Alliance*, to be launched in 2011 under the umbrella of the *Entrepreneurship and Innovation Programme* (EIP), itself under the *Competitiveness and Innovation Programme*<sup>6</sup>. Other initiatives involve setting up a working group on CCIs comprising Member States' experts, studies on the contribution of culture to creativity, on the entrepreneurial dimension of cultural and creative industries and on the contribution of culture to local and regional economic development; and the Green Paper on CCIs.

#### 4. **Issues in the debate and priorities identified in stakeholder consultations**

4.1 Publishing the Green Paper on 27 April, the Commission launched a debate on the growth potential of CCIs, highlighting the role of cultural diversity, globalisation and digitisation as drivers of the process. It also stressed the need to equip the industry with the right enablers – facilitating experimentation and investment, providing easier access to funding – and to promote its development by re-orientating regional policies.

4.2 The Commission's efforts are to hinge around three major policy frameworks: *the Digital Agenda*, one of the seven flagship initiatives of the Europe 2020 strategy, whereby the Commission aims to create a single market for online content and services; specific actions to strengthen the role of CCIs as a catalyst for innovation and structural change as part of the *Innovation Union* flagship initiative; and the strategy on intellectual property, seeking the requisite balance between protection, on the one hand, and developing new business models, on the other.

4.3 The Green Paper also includes open questions aimed at sparking a debate broadened out to all European stakeholders in creativity (in its broad sense). The EESC's intention with the present opinion is to make its own contribution to the debate opened by the Commission, by offering suggestions and practical working proposals. In this regard, the Committee's principal frame of reference remains the recommendations issued by the *Platform on the potential of cultural and creative industries*. Further factors have however emerged from the stakeholder dialogue and in the course of relevant hearings at the Committee.

---

<sup>6</sup> The initiative will have a budget of EUR 7.5 million, and is expected to have a powerful financial leveraging effect (approximately EUR 100 million in three years).



#### 4.4 "Physical spaces" for creativity, clusters, and their role in territorial development

- 4.4.1 One aspect of the debate highlighted in the Green Paper is the issue of "new spaces for experimentation, innovation and entrepreneurship in the cultural and creative sector" and the role played by the new ICT. In practice, this means creating meeting places for interdisciplinary collaboration, suitable for pioneering the creative industry's most innovative solutions and exploring with the public/users new language and forms of expression such as, for example, digital artistic content as a multi-sensory experience (future and/or business centres for creative-industry products and services, virtual reality and multimedia parks).
- 4.4.2 These physical places, marked by the "pursuit of change", could also act as a stimulus to counter the marginality of certain regions relative to the main urban centres of creativity. The principal clusters of European creativity are generally considered to be the main urban centres, such as the Île-de-France, inner London, Milan, Amsterdam, Madrid, etc.<sup>7</sup> (see the *Priority Sector Report: Creative and Cultural Industries* by the European Cluster Observatory).
- 4.4.3 There are many factors that contribute to the development of *creative* industrial clusters such as the economic development of cities and regions; the development of the knowledge economy; creative tourism; the efficiency of production chains; the spill-over effects of innovation, etc. Drawing on this know-how, specific projects should be introduced to encourage the expansion of these clusters and their extension throughout EU territory, and to create Europe-wide networks.
- 4.4.4 This ties in with (see Council conclusions of 29 April 2010) the central role of the creative industries – and their networks and clusters – as a driver of regional development. The *Priority Sector Report: Creative and Cultural Industries* drawn up by the *European Cluster Observatory* provides empirical evidence of a direct link between the location of creative industries and regional development. The problem lies in choosing the most suitable forms of cooperation for fostering the integration of CCIs into strategic regional development.
- 4.4.5 A prominent feature of cultural and creative clusters is their dependence, especially in the start-up phase, on public support and the need for positive integration initiatives that can draw in all regional actors: public administration, the business sector, the training and university system, cultural operators, the intellectual professions and civil society. The strong link between such clusters and their local communities of origin should certainly not be underestimated. These clusters spring from the "shared knowledge" of the local area and are inextricably tied in with a favourable environment which cannot be reproduced elsewhere,

---

<sup>7</sup>

These "territorial concentrations" mainly concern specific sub-sectors such as computer media, sound recording and video recording.

fostering innovation and change (see case studies such as Bilbao, Valencia, Amsterdam, the Ruhr, etc.).

- 4.4.6 Local authorities (municipalities, regions, etc.), in cooperation with other territorial bodies (universities, banks, associations, public and/or private content providers, etc.) therefore play a key role in mainstreaming CCIs into regional development, geared to attaining the sector's strategic objectives. EU cohesion policy has recognised, for example, the CCIs' multiple contribution to its strategic objectives (convergence; competitiveness and employment, territorial cooperation and the inclusion of the most vulnerable sectors of society), although it is difficult to determine its specific impact.
- 4.4.7 Among practical examples of bringing cultures and forms of creativity together outside the major urban centres, often in disadvantaged and/or cross-border areas, and in addition to the consolidated experience of Valencia, the EESC points to the recent experiment with the Puglia Region's "urban laboratories", in which disused buildings, including former schools, historic buildings, monasteries, markets and barracks across the region are renovated and equipped to become, with the region's support, fully-fledged cultural and creative "containers" for young people.

#### 4.5 **A "European space" for creativity: the regulatory framework**

- 4.5.1 Another important factor in counteracting marginality is the mobility of artists and creative practitioners. Indeed, there is an ongoing need to exchange best practice in order to open up new perspectives and challenge the people of Europe to better know and understand each other's cultures.
- 4.5.2 However, there are numerous obstacles to mobility, mainly linked to visa regulations, tax systems and the varying regulatory environments applicable to the creative industries across the Member States, and often also to differing regional administrations.
- 4.5.3 Practical proposals to foster mobility include: promoting European co-productions and/or the exchange of experience and skills, in both the production and design phases, and both within and between sectors; allocating funding for translation into less-spoken and non-EU languages; promoting specific measures for the mutual recognition of activities, skills and qualifications; and reaching agreements to prevent double taxation. The intellectual professions contribute to a "creative cultural economy"; they can help create a network pilot project capable of attracting creative contributions originating from beyond the European Union too.
- 4.5.4 Here, ICT can provide new opportunities both in terms of producing creative products and in their distribution and use by end users. In May 2010 the European Commission presented an ambitious *Digital Agenda for Europe* (the first of the seven flagship initiatives of the Europe 2020 strategy). Among the seven objectives forming its core, the Agenda advocates a new

single market to deliver the benefits of the digital area, a significant increase in options for fast and ultrafast internet access for European citizens, and the aim of providing all European citizens with digital skills and accessible on-line services.

- 4.5.5 The main obstacle to the industry's digital potential is, however, the absence of a regulatory framework safeguarding intellectual property rights pertaining to cultural and creative content in digital form (the current rules are often geared solely towards the needs of large operators), and the right of access to that content for users/the public and SMEs, particularly those located in disadvantaged areas (often bound by unjustifiably restrictive access rules).
- 4.5.6 The issue of intellectual property rights should be viewed in conjunction with the problem of piracy and counterfeiting. In 2008 alone the EU's creative industries (film, TV series, recorded music and software) experienced estimated retail revenue losses of EUR 10 billion and losses of more than 185 000 jobs due to piracy (see the TERA study on *Building a Digital Economy: The Importance of Saving Jobs in the EU's Creative Industries*). Digital piracy is a criminal offence that is damaging to both large and small companies and requires more robust and coordinated measures at European level to boost consumer protection and tackle illicit productions on a larger scale.
- 4.5.7 The potential offered by the open source and Wikinomics models is worth assessing here, given their specific capacity to harness the work of small players, marked by fragmented production processes, highly individual creative contributions, variable production cycles and limited financial resources.
- 4.5.8 The CReATE project<sup>8</sup> report on ICT and CCIs identifies four key future trends through which ICT can drive the economic development of CCIs: digital distribution to facilitate the sharing of online content; enhancement of visual experiences; breaking down barriers and developing sustainable entrepreneurship, especially in disadvantaged areas of the EU; capacity to adapt work organisation to the resources that are spread out across regions and brought together simply by technology and by content providers under PPPPs.
- 4.5.9 A second question posed by the Commission concerns fostering partnerships between art and design schools and businesses, especially craft enterprises, and developing e-skills, particularly where they are lacking or still fragile. The manifesto issued during the European Year of Creativity and Innovation (2009) stressed the need to *reinvent education* so that it prepares people for the *learning society*. There is a specific problem here, however, in the lack of integration between education and business, particularly as regards fostering creativity and the so-called e-skills and, more generally the capacity to adapt human resources to the extraordinary development of the sector.

---

8

For more information on the CreATE project, see <http://www.lets-create.eu/>.

4.5.10 Some practical proposals in this regard include:

- a) fostering greater knowledge of the creative industries in school curricula; promoting creative entrepreneurship, not least by providing more opportunities for cooperation between schools and art and design institutes (for example internships and seminars);
- b) introducing competitions and awards for young talent and for institutions that foster young people's skills;
- c) fostering artistic and cultural education and, more generally, an interest in the work and products of the creative industry during primary and secondary education;
- d) support measures for recent graduates in the sector by means of financial facilities either directly for the graduate or for the companies employing them;
- e) employability support through lifelong learning and European recognition of qualifications;
- f) the development of IT and technological know-how among the students of art and design schools;
- g) launching partnerships with craft and SME associations, with the aim of making an effective contribution to the process of passing on know-how, entrepreneurship and all the "immaterial" values that underpin creative development.

#### 4.6 **Funding creativity**

4.6.1 A third question posed by the Commission concerns the issue of funding creativity, i.e. how to stimulate private investment and PPPs, and improve CCIs' access to credit. It should be highlighted here that firstly, a greater focus by companies on the economic and financial sustainability of projects/works would undoubtedly increase access to credit and secondly, that credit institutions are unskilled in assessing the economic and financial spin-off of "new ideas".

4.6.2 Practical proposals here include:

- a) business plan guidelines for creative and cultural projects/services/works, as well as specific quality indicators on economic and financial processes and performance to facilitate technical and economic assessment of investment in the sector, avoiding unnecessary costs and red tape for SMEs;
- b) giving appropriate training to assessors; and developing targeted policies and programmes to help CCIs using a "holistic" approach;
- c) using only modest resources, providing soft loans for design and start-up or for preliminary project feasibility and sustainability checks (e.g. feasibility certification), making it easier to attract additional funding for the production phase and for circulating the results to a wider range of interested companies;
- d) introducing tax systems that do not penalise CCIs, and particularly SMEs either individually or collectively, by means of tax credits and/or exemptions (e.g. lower VAT for off-line and on-line products in the sector, as in the USA);

- e) developing various credit facilities including joint public-private guarantee funds for SMEs (European network of SME credit unions) and rotating funds;
- f) promoting new types of association and partnership between the various stakeholders in the sectors concerned (e.g. ICT, music, book publishing, etc.).

4.6.3 A related issue is EU support for investment in the sector. EU policies aimed at supporting the sector should also help encourage the harmonisation of national and regional legislation and policies aimed at promoting CCIs concerning public support and access to credit, both private and subsidised, with a view to setting up partnerships and projects between territories with different levels of development (see the KEA report *Business Innovation Support Services for Creative Industries*<sup>9</sup>).

#### 4.7 **The social dimension of creativity**

4.7.1 A final point to be highlighted is the social impact of the development of creativity clusters. A feature of the development of CCIs is the close link between economic growth and the social growth of the communities concerned. The sector remains intrinsically linked to its environment: clusters feed on local socio-economic relations, which cannot be reproduced elsewhere; CCI operators are rooted in local areas, and closely linked to the field of education and training. Hence the need for structured dialogue between CCIs and local authorities, upgrading of institutional/administrative skills through targeted training and the active involvement of local communities.

4.7.2 Consequently, the Committee stresses the need to foster a structural dialogue within the Community institutions on the social impact of developing creativity clusters, and on improving the employment conditions of those working in the sector. The sector needs targeted social protection measures in view of its specific features, such as the spread of insecure employment and the use of short and very short-term contracts, the absence of proper protection of intellectual property rights and the lack of legislation governing the mobility of workers, independent professionals and artists.

Brussels, 21 September 2010.

The President  
of the  
European Economic and Social Committee

Staffan Nilsson

---

<sup>9</sup> See footnote 4.