

RESTART_4Danube
Boosting cREative induSTries in urbAn Regeneration
for a stronger Danube region

Deliverable

D.T1.3.2 Urban Green Papers

1st draft

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Main author	Kathrin Stainer-Hämmerle (CUAS) Thomas Zametter (CUAS) Kathrin Zupan (CUAS)
Contributors	UPB and CCI Vratsa
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1 Table of Contents

1.1	Table of Contents	3
1.2	List of Figures	4
1.3	List of Abbreviations	4
1.4	Executive Summary	5
1.5	Introduction and the general potential of CCIs	6
1.6	URBAN GREEN PAPER	13
1.7	Introduction and policy objectives	13
1.8	What is an Urban Green Paper?	14
1.9	What is the cultural and creative industry (CCI)?	14
1.10	What is “Creative” Urban Regeneration?	14
1.11	Data basis and Sources	15
1.12	Key issues	16
1.13	Targets and new opportunities	16
1.14	Capacity building and publicity	17
1.15	Physical/digital infrastructure and regeneration of places	19
1.16	Creative business incubation	21
1.17	Networks and clusters	22
1.18	Access to finance	23
1.19	Policy Transfer	24
1.20	Instruments and needs	26
1.21	Capacity and distributional aspects	27
1.22	Questions and outlook/next steps	28
1.23	General Questions	28
1.24	Detail Questions	28
1.25	Conclusion	29
1.26	Bibliography	30

1.27 List of Figures

Figure 1, Figure 1, Painting with hand and feet. Pixabay. CC-License	7
Figure 2, Effects from CCIs. Zametter (2021)	8
Figure 3, Turnover and added value of CCI 2013-2019	9
Figure 4, Employment effect of CCIs in EU-28	10
Figure 5, Turnover and added value of CCI 2019-2020	11
Figure 6, CCIs economic impact on sub-sectors.	12
Figure 7, Framework conditions for CCI (gross topics). Zametter (2021)	16
Figure 8, Financial instruments and fundings for CCIs. Zametter (2021)	23
Figure 9, Multi-Level Approach for development of CCIs. Zametter (2021)	24

1.28 List of Abbreviations

Restart_4Danube

AF	Application Form
CCIs	Cultural and Creative Industries
WP	Work Package
AN	Activity Number
HEI	Higher Education Institutions
R&D	Research & Development

2 Executive Summary

The project Restart_4Danube “Boosting creative industries in urban regeneration for stronger Danube region” aims to improve strong framework conditions and policy instruments for a new model of urban regeneration involving cultural and creative industries (CCIs). In the following Urban Green Paper (1st draft) you will find necessary information, explanations, strategies and approaches and also open questions. The presented paper displays the current status of the discussion. For this reason, the 1st draft is developed as a kind of “living paper” that is to be used as a basis for a further comprehensive discussion and the possibility to give feedback to the authors. In the coming process, questions, ideas, new good-practices, further reports and new views with regard to the topic will be integrated into the next draft. An evolutionary growth process with additional learning effects is planned for the further development of the Urban Green Paper.

The final version of this Urban Green Paper will show you how to support CCIs and how they can be used in the field of urban regeneration processes. It also suggests how these strategies could be integrated into existing and new policies at various levels of development. At first glance, the meaning of CCIs becomes clear: CCIs play an important role for urban and regional development; CCIs have a high number of positive effects on economic, social and environmental development; CCIs have the quality and the energy for urban regeneration processes, because they bring life to the city! E.g. CCIs create jobs and turnovers, support an innovative and open-minded environment, are an important unifying element of social cohesion through diversity and tolerance or can revitalize city centers. These are just a few selected positive effects.

Due to the COVID-19 pandemic, the economic situation and development of CCIs is not very strong and stable. Many CCIs rely on personal contacts and have not yet sufficiently integrated digital opportunities into their business models. This leads to a highly volatile development of the sector in general. CCIs are not yet implemented stable in urban regeneration processes or in regional or economic development. In addition, they are not fully considered in urban development programs, in government programs, or even in EU programs although many scientific theories, good examples and studies clearly validate the positive effects of CCIs in this context (Autio, 1996; Campell & Carayannis, 2009; Ernst & Young, 2021; European Commission, n.y.; Florida, 2012; The World Bank, 2021). Good and innovative development opportunities are not exploited enough in this context.

To achieve the full impact of CCIs for urban regeneration processes, their framework conditions need to be improved with more capacity building and publicity, a better

(physical & digital) infrastructure, with creative business incubations and the stronger use of clusters and networks, with a better access to finance and new good governance approaches.

3 Introduction and the general potential of CCI's

More than a half of the people worldwide live in cities since 2007. Europe's degree of urbanization is 75 percent in 2020.¹ About every seventh inhabitant in the European Union (EU) lives in an urban area. The megatrend of urbanization continues to increase every year. In consequence, the importance of the sustainable development of cities increases. Many cities will reach their limits to growth i.e. the increasing of land consumption, rising rents, strong need of energy, growing waste production, unsustainable traffic, increasing anonymization and social differences. The proceeding climate change, the demographic change and – often unshaped – digital transformation processes lead to further major challenges for cities in the near future. There is not much time left to act. Hence, a creative strategy is needed. With creativity and innovation, these challenges can be solved and the megatrends can be met.



Figure 1, Painting with hand and feet. Pixabay. CC-License

¹ Statista.com. URL: <https://www.statista.com/statistics/270860/urbanization-by-continent/> (18.10.2021)

In many of these areas, CCIs can be involved as a puzzle piece of the solution, because finding creative solutions and developing innovation are their core competencies. CCIs can be used in this context as an important driver for improving and designing the economic structure (i.e. the creation of jobs and turnovers), for sustainable development and growth (i.e. the re-use of old or vacant infrastructure), for building up a stronger social cohesion between different social and cultural classes (i.e. by creating a liberal, diverse and inclusive environment) or for a strong innovation ecosystem (i.e. offering creative services for the economic system and for other economic sectors). All these effects have a positive impact on the quality of life in a city. The quality of life is increasingly important in today's knowledge society. Cities, which offer a good quality of life, will develop resilient and more competitively.

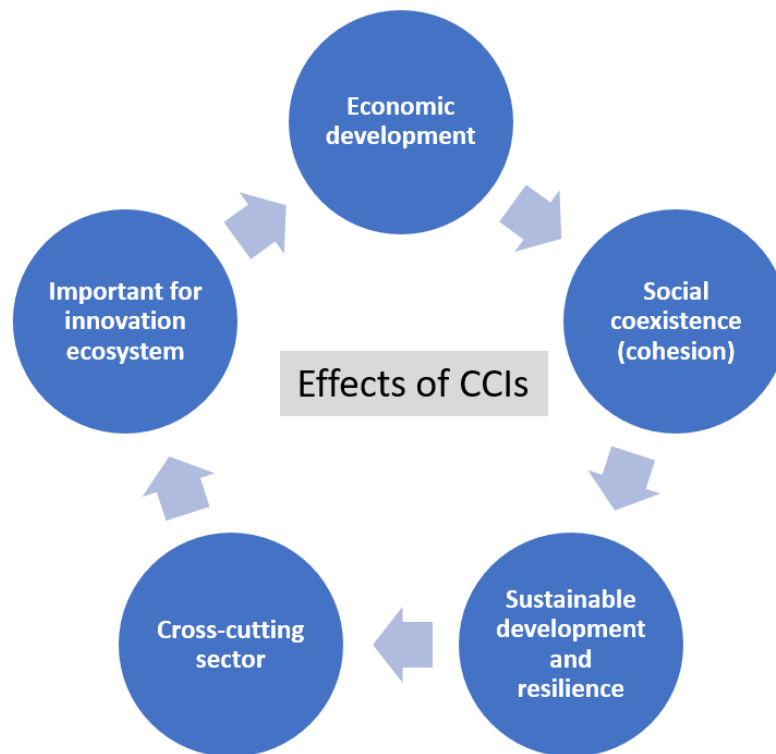
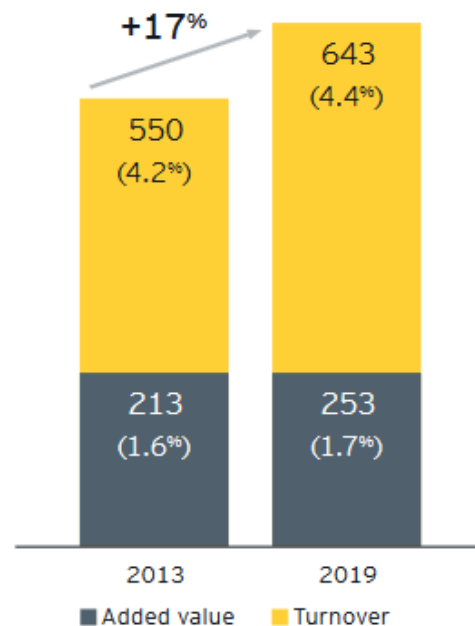


Figure 2, Effects of CCIs. Zametter (2021)

Many solutions of the future challenges (in cities) are directly related to CCIs and their effects. CCIs have a strong impact beyond their own sector. For this reason, cities are well advised to involve CCIs more in their strategies.

CCIs created in EU-28 a 643 billion EUR turnover and a total added value of 253 billion EUR in 2019, before the COVID-19 Pandemic. Between 2013 and 2019, there was a growth in the sector of +17% (turnover) and 700.000 new jobs were created. The overall effect on Gross-Domestic Product (GDP) is even greater, since multiplier effects are not included.²

Turnover and added value in 2013 and 2019, and share of GDP
 (in € billion and %, EU-28)



Sources: Eurostat; GESAC; professional organizations; EY modeling and analysis 2020.

Figure 3, Turnover and added value of CCI 2013-2019

The creative sector is on the one hand a large production of creative products and services. On the other hand, the sector is a demander from products and services from different sector in the form of advance payments. For example, Austria's 9th Kreativwirtschaftsbericht (=Creative Report)³ proved that if 1 EUR is spent in the CCI sector, an additional value of 0.70 EUR cents is induced economically. This results in a

² EY-Rebuilding Europe Study. URL: https://1761b814-bfb6-43fc-9f9a-775d1abca7ab.filesusr.com/ugd/4b2ba2_f88b63e2fd814956aff12871f50562c8.pdf (29.10.2021)

³ Kreativwirtschaftsbericht Österreich. URL: https://www.kreativwirtschaft.at/wp-content/uploads/2021/06/9KWB_barrierefrei_fin.pdf (29.10.2021)

total effect on the economy of 1.70 EUR and shows the great leverage effects and the multiple positive externalities of CCI sector.

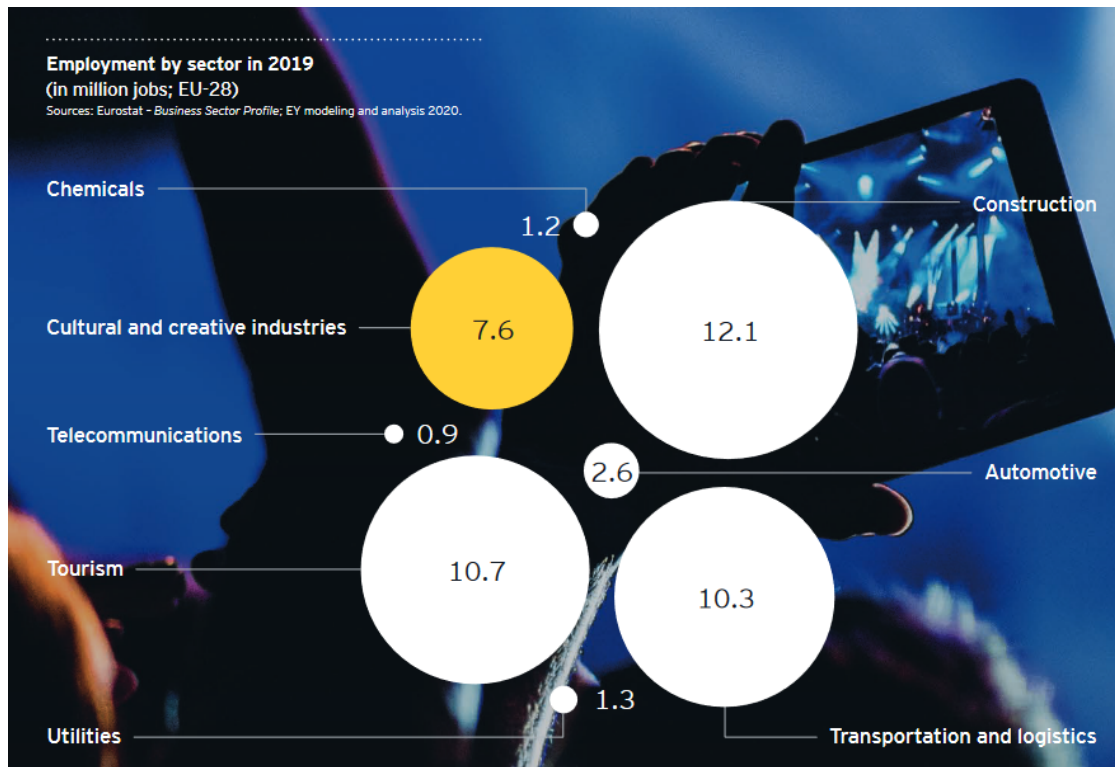
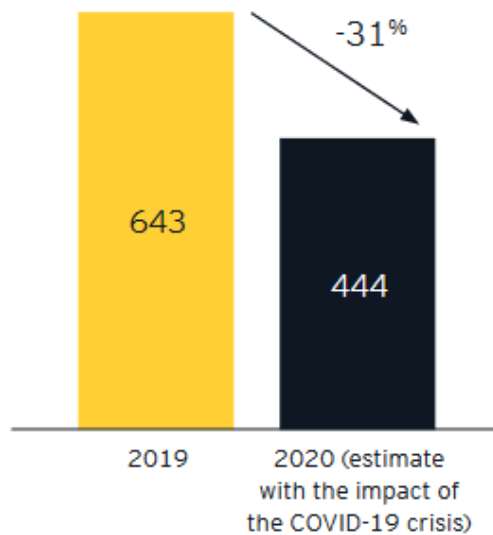


Figure 4, Employment effect of CCIs in EU-28⁴

CCIs are also important employers. Between 2013 and 2019, a growth of 700,000 jobs has been registered in the EU-28. For example, CCIs employment quantity is 8 times higher than in the telecom industry. In the COVID-19 pandemic (2019-2020), CCIs lost heavily economically. Above all, it can be explained by the lack of personal contacts – e.g. galleries, concerts, events, etc. that could not take place. The turnover and the growth of the sector have therefore fallen sharply so far. The still underrepresented development of digitalization in the CCI sector has also contributed to the fact that the impact on CCIs was greater than in the economic average of the EU (-12%). The risk of further lockdowns and further measures of reduction the pandemic is still vacant.

⁴ EY-Rebuilding Europe Study. URL: https://1761b814-bfb6-43fc-9f9a-775d1abca7ab.filesusr.com/ugd/4b2ba2_f88b63e2fd814956aff12871f50562c8.pdf (29.10.2021)

Total turnover generated by CCI in the EU-28 (in € billion)



Sources: Eurostat; GESAC; professional organizations; Oxford Economics - *Global Industry, Second Wave Scenario*, as of 7 September 2020; EY modeling and analysis 2020.

Figure 5, Turnover and added value of CCI 2019-2020⁵

Due to the COVID-19 pandemic, CCIs have lost -31% in economic performance (-199 billion EUR). An in-depth analysis, however, shows that not all subsectors lost out equally. Nevertheless, all sectors except for computer games lost sales, but the radio sector recorded minor losses. Heavy losses were seen in the music, performing arts and visual arts subsectors (sector with a large number of personal contacts) (see Figure 6).

⁵ EY (2021): *Rebuilding Europe. The cultural and creative economy before and after the COVID-19 crisis.* https://1761b814-bfb6-43fc-9f9a-775d1abca7ab.filesusr.com/ugd/4b2ba2_1ca8a0803d8b4ced9d2b683db60c18ae.pdf (29.10.2021)

Estimated change in turnover 2019-20 by CCI sector (in % of total 2019 turnover and in € billion; EU-28)

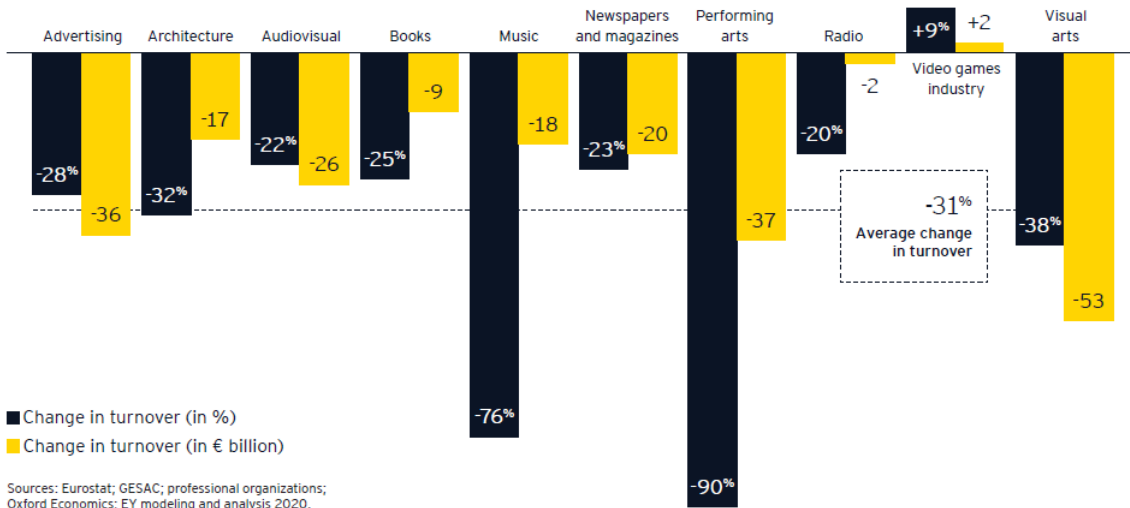


Figure 6, CCIs economic impact on sub-sectors.⁶

Nevertheless, learnings and new developments were initialized by the COVID-19 pandemic; e.g. new businesses have been founded, new technical possibilities or new ways of working where developed step by step. New perspectives for CCIs are emerged through the learnings during the COVID-19 pandemic in terms of more intensified use of digital solutions, new forms of financing and funding, or even a changed view on the economic viability of one's own company and its sustainability and resilience. CCIs will also play an important role in rebuilding the economy after the pandemic, because they are a growth and future market.

⁶ EY (2021): Rebuilding Europe. The cultural and creative economy before and after the COVID-19 crisis. https://1761b814-bfb6-43fc-9f9a-775d1abca7ab.filesusr.com/ugd/4b2ba2_f88b63e2fd814956aff12871f50562c8.pdf (29.10.2021)

4 URBAN GREEN PAPER

4.1 Introduction and policy objectives

The project Restart_4Danube “Boosting creative industries in urban regeneration for stronger Danube region” aims to improve the framework conditions and policy instruments for a new model of urban regeneration involving cultural and creative industries. The project output shall be to develop a common strategy, tools and recommendations to support creative and innovative urban developments, to implement five Local Action Plans in Croatia, Slovenia, Hungary, Romania and Bulgaria, to boost transnational collaboration and develop cross-linkage across the Danube region and at least to give different opportunities and platforms for public authorities to discuss issues and exchange ideas. So, Restart_4Danube targets to develop synergies and networks, improve the framework and to enable international exchange of stakeholders, in order to strengthen CCIs and the urban regeneration in the Danube region.

The project is part of the Interreg Danube Transnational Program and is funded by the European Regional Development Fund, the Instrument for Pre-Accession Assistance and the European Neighbourhood Instrument with 1,814,895 € in total. 25 partners from 12 different countries are part of the project, which is why a wide range of potentials, opportunities and needs of CCIs can be displayed.

According to the Application Form (AF) this Urban Green Paper aims to fulfil this purpose. It shows the importance of CCI's for economy, society and innovation. The Urban Green Paper aims to present concrete ideas to strengthen (entrepreneurship of) CCIs via different approaches in capacity building, the physical infrastructure and regeneration of places, the use of implementation of creative business incubation opportunities, the importance of access to finance and at least the effects and advantages of networks and clusters to push creative output and spill overs.

Hence, the Urban Green Paper discusses the potential of CCIs, targets and new opportunities, instruments and needs and the capacity and distributional aspects. Questions to the targets will give an outlook and an insight to the next steps. So, the Urban Green Paper contributes towards PA7 (knowledge society), PA 8 (competitiveness or enterprises) and PA10 (institutional capacity and cooperation) of the EU Strategy for the Danube Region (EUSDR) and helps to build prosperity and to strengthen the Danube region.

4.2 What is an Urban Green Paper?

There is no standard definition of a Green Paper or an Urban Green Paper. We understand it according to the EUR-lex as discussion paper to address new topics and we want to deepen and professionalise these topics through discussion, feedback and research in form of a multi-stage evolutionary development process. This paper is the first draft.

The Urban Green Paper is designed as a “living paper”. On the way to its final version, there are several feedback loops from the project partners, other selected stakeholders and – if possible – from political decision-makers in the CCI sector and beyond.

4.3 What is the cultural and creative industry (CCI)?

In order to be able to provide concrete ideas to strengthen CCIs and for the construction of a good supporting framework in the field of urban regeneration processes, an exact definition of CCIs will be needed. According to the European Commission (n.y.)⁷: *“Cultural and creative sectors’ means all sectors whose activities are based on cultural values or artistic and other individual or collective creative expressions. The activities may 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. They will have a potential to generate innovation and jobs in particular from intellectual property. The sectors include architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design (including fashion design), festivals, music, literature, performing arts, books and publishing, radio, and visual arts.”* Nevertheless, a common definition of CCIs does not exist. Various reports and documents always use the most appropriate one for themselves. However, this first draft of the Urban Green Paper follows the definition of EU Commission. It provides a good insight and understanding of the sector and its linkages, impacts and outputs.

4.4 What is “Creative” Urban Regeneration?

A concrete definition of the term “Creative” Urban Regeneration cannot be found in the theories of urban geography. The term “urban regeneration” means all activities that serve to preserve, improve and purposefully develop cities or city districts (building fabric, vacant areas, open spaces, land consumption, infrastructure, economic structure or social structure). This requires specific strategies for development, which are usually

⁷ EU Commission (n.y.): Cultural and creative sectors.

<https://ec.europa.eu/culture/sectors/cultural-and-creative-sectors> (29.10.2021)

carried out within the framework of spatial planning as a sovereign act by the municipal government, but often also by strong business enterprises (global players) or branches (i.e. strong technology sectors or clusters). These players have a major impact on urban development, especially in medium-sized cities. They are strong developing forces especially in small and medium-sized towns. Medium-sized cities do not have the comprehensive budgets very often and a critical mass to undertake urban development on a comprehensive scale. Therefore, it is primarily the business community or even individual sectors that are strong driving forces. Ideally, the citizens are integrated into selected regeneration processes (collecting or bringing new ideas or for the collection of an opinion survey) for the city government.⁸

The additional term “creative” can be interpreted that the CCIs can be part of urban regeneration processes. The functionality mode of CCIs (innovative, open minded, tolerant, liberal, diverse or intercultural, etc.) and the connection of the branch with other sectors create an innovative environment. It might be a part of a soft and non-physical urban regeneration model.

4.5 Data basis and Sources

The following resources are integrated in the Urban Green Paper:

- The Danubian Baseline Study is an excellent document and was jointly prepared by 10 countries (Austria, Bosnia & Herzegovina, Bulgaria, Croatia, Germany, Hungary, Moldova, Romania, Slovenia and Ukraine) of the Danube Region, finalized in December 2020. It shows strength and weaknesses of CCIs. These can also be seen as success and blocking factors for CCIs development. Development takes place by strengthening the strengths and reducing weaknesses.
- The organized policivil (follower) workshops with stakeholder, expert opinions and good examples.
- Scientific Literature e.g. E. Autio (1998), D. Campell (2009) or R. Florida (2012/19) et al.
- International and national studies, scientific papers, and new reports for evidences of CCIs i.e. The Creative Europe Program (2021)⁹, the EY Rebuilding

⁸ Broll et. al. (2017): Diercke Wörterbuch der Geographie.

⁹ EU-Commission. URL: <https://ec.europa.eu/culture/sectors/cultural-and-creative-sectors> (19.10.2021)

Europe Study (2021)¹⁰, The World Bank – Cities, Culture and Creativity Report (2021)¹¹ or maybe for Austria the 9th Kreativwirtschaftsbericht (2021).

- Local Action Plans from the project partners.
- New issues and information from the Urban Regeneration Day in Maribor.
- Feedback from project partners and other stakeholders.

4.6 Key issues

In the next chapters, the general potential of CCIs, the targets and opportunities (capacity building, physical infrastructure and regeneration of places, creative business incubation, access to finance and networks and clusters), the instruments and needs to reach the discussed targets and opportunities and the capacity and distributional aspects are analysed. The differences in the needs and potentials of CCIs vary according to the level of development of the countries/regions and cities. The respective status quo of CCIs is in turn determined by the regional economic structure and political programmes or actual political topics in the respective countries. Nevertheless, there are general understandings of the needs of CCIs and how CCIs can be strengthened. Practical examples and good-practices can be found, which support the theoretical discussion.

4.6.1 Targets and new opportunities

The following framework conditions strengthen CCIs and provide opportunities for a stronger CCI involvement in urban regeneration processes. The framework conditions are clusters and filled with sub-topics accordingly. It should be noted that there are no exact delimitations of topics, as these must always be considered in a cross-divisional manner. Furthermore, the first possibilities of transferring these new framework conditions into existing and also new development programs/strategies through policy will be also discussed.

¹⁰ EY. URL:

https://1761b814-bfb6-43fc-9f9a-775d1abca7ab.filesusr.com/ugd/4b2ba2_406dc3efc5d849b49b4b83a01302f0ab.pdf (19.10.2021)

¹¹ The World Bank. URL:

<https://www.worldbank.org/en/topic/urbandevelopment/publication/cities-culture-creativity> (19.10.2021)

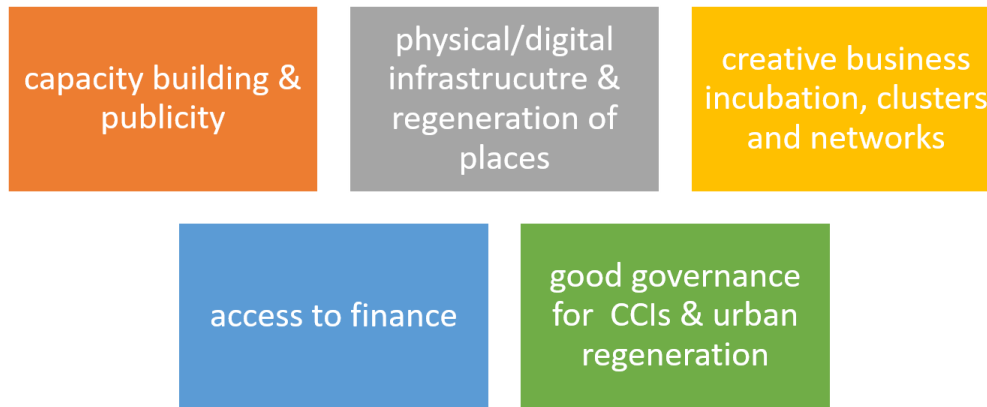


Figure 7, Framework conditions for CCI (gross topics), Zametter (2021)

4.6.1.1 Capacity building and publicity

Creativity, knowledge and lifelong learning are key resources of the future - because they are the key resources of the knowledge society. Jack Ma, founder of Alibaba says in 2018 at the World Economic Forum in Davos: *„Value, believing, independent thinking, teamwork, care for others... we should teach our children sports, music, painting, art... Everything we teach should be different from the machines. If the machine can do better, you have to think about it!“*. Creativity and innovation are CCIs key competences. Strengthening CCIs is therefore strengthening creativity and innovation. In the future, it will be important for CCIs to be more in the public eye and to raise their profile. They need a ready mass or new capacities for this. There are new opportunities here, especially in the education sector. The training of soft skills such as creativity, art and culture must be carried more strongly into the formal and informal education sector. The creative and cultural opportunities in companies and other organisations should be increased. In addition, from the perspective of the demographic change, older population groups, which will be the majority in the future, need the possibility to learn and train soft skills. This should be kept in mind, while creating new educational formats. The Future Digital Skills Report (2021)¹² display the need of competences in the field of digitalization. Computer use, data security, use of digital tools for communication and cooperation, use of digital tools for digital content creation, use of digital tools to increase productivity are also so important as fostering creativity and innovation.

¹² ATOS (2020): The Future of Skills. Driving skills development in a fast changing world.
<https://atos.net/wp-content/uploads/2021/03/future-of-skills-report.pdf> (29.10.2021)

Study programs should cover the expectations of employers in the field of CCIs and awake an entrepreneurial spirit in young people. Hence, the development of specific and diverse study programs should be prioritised. They also acquire entrepreneurial and economic knowledge. On this basis, the diversity and various perspectives in the higher education institutions (HEI) increases, which leads to more creativity. To further increase the diversity, Erasmus programs can attract foreign students and an exchange of different ideas and aspects innovation and creativity will be established.

The presence of HEI and trainings opportunities will also be needed after the graduation to establish lifelong learning of people. Therefore, students and professors as well as universities and companies should be well connected in the field of CCIs. For example, students can be included to develop projects and processes. CCIs should identify the need for research and development (R&D) and increase the academic focus on CCIs. Hence, there are an ongoing exchange and synergies between HEI, R&D, the next generation of entrepreneurs and employees and the CCIs themselves.

Another aspect is, that there should be space for culture and arts in R&D institutions and HEI, to strengthen the creativity. Nevertheless, the need of digital sciences should be kept in mind. Digitalization already might be the basis for innovation today and become the basis for innovation in the future for sure.

Another important factor for capacity building is cooperation. Besides the exchange of R&D, HEI, their students and CCIs, partnerships between CCIs and municipalities should be built. CCIs need support from local authorities, which can create incubators, co-working spaces, support local associations and involve experts in the development of innovative strategies at the local and regional level. In addition, EU policies should be implemented to support CCIs. At this level, cross-border cooperation can be built, to expand and to reach international publicity. Such expansions can also affect the regional and local level positively.

Besides cooperation, competition is important, which can be boosted with awards and titles and can attract talented people. With the participation at competitions, the chances arise to show the singularity of each enterprise in the field of CCIs and to increase the visibility of CCIs in the public. Official challenges also might be starting points for further projects and cooperation. In addition, such competitions can be the platform for conferences, where findings of the R&D can be presented and discussed. Hence, researcher, entrepreneurs, students and local authorities might come together and further discuss and develop the future of CCIs in the region. In consequence, the dissemination of information in the public, in R&D and HEI institutions, at the chambers

and within the community of CCIs is important. Stakeholder will know about the status quo, next steps and the further developments.

With the development of study programs and trainings for lifelong learning, with the cooperation of HEI, entrepreneurs in CCIs, local authorities and R&D, with the involvement of culture, arts and creativity in R&D institutions and with competitions, CCIs might will fully be recognised in the economy. Their economic potential of creativity is their unique selling point.

4.6.1.2 Physical/digital infrastructure and regeneration of places

CCIs and creative people need physical space to try out or test their visions. Especially cities need to establish organized creative places e.g. in the form of renewed garages, open technology labs or makers spaces, because citizens often don't have room in their private living space and they also often don't have the financial resources for the requested infrastructure (3D printers, special software, microscopes, machines).

In order to establish successful CCIs in urban areas, innovative spaces have to be created. CCIs, entrepreneurs in the field of CCIs and innovative start-ups absolutely need technological infrastructure. Old infrastructure, industrial legacies (revitalization and re-use), vacancies can be used for that. This brings also new people to the city. There are also more economic effects, because many start-ups and innovations have already emerged in such an infrastructure. These concepts need a specific philosophy, for example "*Inspiring community spaces that invite to share and realize visions and ideas with each other*".¹³ In addition, such facilities are popular meeting places for exchange, face-to-face contact and networking. They revitalise city centres and occasionally lead to start-ups, as they have a certain entrepreneurial spirit.

Open space projects are more successful, if the municipality is involved, the driving force or an indirect economic sponsor. Municipalities can make their vacancies available or rent buildings (communities go into contact with the owners) and make them available. The municipality often has better possibilities to set up contracts and to introduce rent brakes to the owners of the buildings. This is important because in particular SMEs or interested private individuals often cannot raise the financial budget for rents.

Regarding the great challenge of growing land use, it must be discussed whether the monument protection should be adapted so that the building can be used in a modern and sustainable manner for the regeneration of places. There are good examples in the Danube region (i.e. discussed on the Urban Regeneration Day in Maribor, LAP 4) where it

¹³ OTELO (n.y.): Die Otelo Vision. <https://otelo.or.at/ueber-otelo/idee-vision/> (29.10.2021)

works. Such initiatives need to be explored in more detail. With regard to the problems with the reduction of land, mobile containers can be set up – for example garages as shown in the follower policivil workshop in Carinthia. They can be used flexible and are quite popular.

Nevertheless, the protection and preservation of cultural heritage should be focused. The development of cultural heritage might be an idea to keep it alive. The link of cultural heritage with digitalization might be a solution. Smart solutions in museums, e.g. 3D walks, can be interesting aspects for development and innovation in culture and arts.

Urban regeneration and the regeneration of places does not always have to start with a lot of money. Small projects can also revitalise the city or parts of it, with great effect (see example of “Creative and Urban Regeneration Days” conference – Library Under Treetops¹⁴ or presented hackathons and speed datings to exchange business ideas). Also, in the follower workshop in Carinthia, the quality of life in the city centre was significantly increased by artistically designed light installations.¹⁵

Other aspects, linked to the regeneration of places and the need of physical/digital infrastructure for CCIs, are the implementation of automated transport and the planning with smart solutions. Automated transport (see as example LAP3) might be a R&D outcome of CCIs. They would be a benefit for the regional infrastructure – developed by CCIs, the visibility and importance of CCIs in the population would increase. Also, smart solutions, like smart city, smart service, smart urban transport, would be a chance for the development of the whole region. Such developments might be led by CCIs, R&D and their cooperation. Such innovation increases the visibility of CCIs and their importance in the economy enormously.

Many digitization projects cannot be implemented in urban regeneration processes, especially in small towns, because the technology infrastructure is not strong enough. Many projects such as Smart Cities are stalling in their development because the internet is not fast enough. Here, it is important to offer new funding with the federal government and the EU, otherwise the digital transformation process cannot continue. In Carinthia, the first 5G playground has just been created in the Lakeside Technology & Science park.

¹⁴ Library Under Treetops. URL: <http://www.knjiznicapodkrosnjami.si/en/> (29.10.2021)

¹⁵ Colorful umbrellas bring charm to the city. URL: <https://villach.at/stadt-erleben/freizeit/erlebnis-altstadt> (29.10.2021)

In this area, research is being conducted into how 5G can be stronger integrated in Smart Cities.¹⁶

4.6.1.3 Creative business incubation

The already mentioned important aspects for the development of CCIs are education, cooperation and competition for capacity building and the creation of physical infrastructure through the regeneration of places. In order to bring these aspects together, creative business incubators should be built. With creative business incubation, the cooperation of CCI enterprises and R&D projects is activated. Know-how is used in synergies and know-how is bound. Cities, regions, enterprises or universities (or in cooperation) can support CCIs with rooms and infrastructure i.e. as a part of special start-up programs.

The "Gründergarage" of Carinthia University of Applied Sciences – presented at the follower policivil workshop in Carinthia – is a good example of service facility for prospective entrepreneurs on their way to self-employment. An experienced team with a broad network of experts provides support through personal coaching, constructive feedback and networking with experts inside and outside Carinthia UAS. The Smart Lab Carinthia is a high-tech prototyping laboratory for technical start-up projects. Through regular events and long-standing networking in the Carinthian start-up scene, the founders are integrated into a lively community of like-minded people.

Personal connections, good information flow, good international connections are strong advantages of creative business incubations, which link CCIs, HEI and other stakeholder at local, regional, national or/and international level. Through these incubators, internationalization can be seen as an opportunity for qualification, more learnings and know-how transfer. Such incubators develop the region (e.g. IT hubs lead to regional digitalization processes). Synergies are possible and responsibility is shared. For examples, events like the “creative and urban regeneration days” conference, can be the starting points for further connections. Above all, with the presence of creative business incubation, the problem of “start-up drain”, the migration of talented young people to other regions and countries, is faced. In addition, training and education can be organized or communicated by incubators.

4.6.1.4 Networks and clusters

Besides the establishment of hubs and incubators, a stronger cooperation between CCIs and other sectors, experts, coaches, scientists and companies can also be successful

¹⁶ 5G Playground Carinthia. URL: <https://www.lakeside-scitec.com/forschung/5g-playground-carinthia> (29.10.2021)

developed via networks and clusters. The spatial proximity to partners and competitors can bring development advantages known as agglomeration advantages. These advantages of proximity lead to cluster and network formations. Important aspects are the personal connection and trust as well as time resources and constant communication.

Networks can lead to innovation across a range of sectors, but key players should be involved. That's why, local authorities, HEI, NGOs and the enterprises should be included. As problem might arise, the bureaucracy and lack of flexibility of local authorities and the rivalry of different CCI enterprises. Nonetheless, cooperation and the creation of networks and cluster are an opportunity, to work together, network and compete for a common development. Competition is also an important driving factor to develop innovation and to create spill-over effects.

In order to be able to cooperate in networks and clusters, they should be established. CCIs, HEI, local authorities and chambers, NGOs and other stakeholders should be integrated. Information about potential partnerships has to be shared. Interaction between SMEs and CCIs should become routine and strong start-up communities should be built. These networks include the possibility to reach rural areas and smaller cities, to avoid the lack of innovation competencies in rural areas, which were discussed during the “creative and urban regeneration days” conference.

An event or a conference (like the Creative and Urban Regeneration Days Conference in Maribor) might be a starting point and chambers can act as contributors – in terms of funding, organizing events and organizing networks. Especially, associations funded by chambers, can become a joint platform of communication and organize trainings and workshops as well as the network itself.

The next step for existing networks and clusters might be a stronger internationalization. Cooperation can arise through EU funded projects or when the networks and clusters are open for new partnerships and begin to build contacts abroad. The interlink of EU funded projects might be fruitful, as discussed during the “creative and urban regeneration days” conference. In order to obtain a sustainable development for CCIs, they must be included in cooperation programs and development programs more than before. For this, it is necessary to show the positive effects of the sector and to develop intersections for a stronger cooperation.

In addition to public institutions that promote creativity, there are also private organisations that address the issue, such as think tanks. These often see themselves as

innovation, thinking, working and co-creation spaces. Such initiatives can also be promoted by the public sector in the form of public-private partnerships.

4.6.1.5 Access to finance

Besides education, cooperation and physical infrastructure, CCIs need financial support and venture capital to realize innovative ideas, to be able to act innovation and to develop. Financial support can be of the origin of EU funding, of public local, regional or/and national authorities and of investments from privates. Especially, private investors shall feel safe and comfortable and corruption and forms of extortion must be eliminated. In the case of public funding, it might be a question of political leadership and of the topics prioritized by the politics. Sufficient information about these funding and EU funding is needed and the efficiency in the spending should be discussed and improved.

Nonetheless, the project funding is a problem, because it does not lead to sustainable, long-term solutions. Long-term solutions might be strategies over years, written by public authorities at all level in cooperation with CCIs and HEI. Hence, all main stakeholders are involved in the development process and decide together, what is needed in the next years/future to act innovative and to develop CCIs.

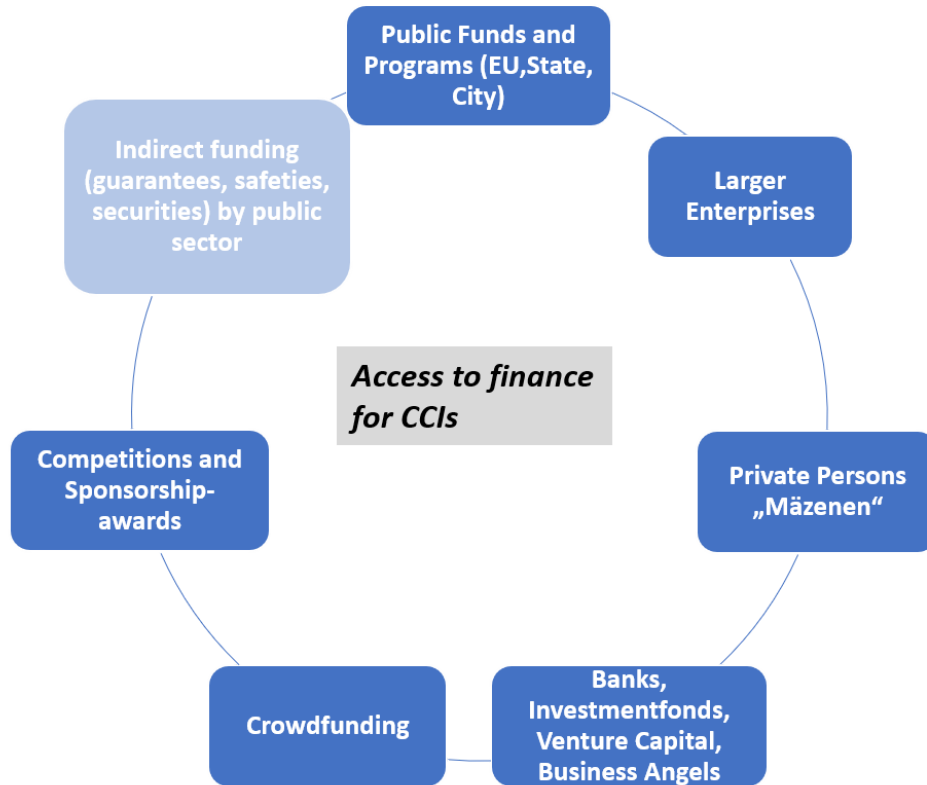


Figure 8, Financial instruments and fundings for CCI, Zametter (2021)

For CCI it is more difficult to acquire capital and funding because of the sectoral structure. Often, there is a lack of economic guarantees, small scales and business structures, lack of liabilities, low economic expertise, low network of contact persons or overviews of financial sources and possibilities to be funded. The funding possibilities often depends on the specific sub-sector segment of CCI. For example, a small gallery or a freelance artist has different financial needs than a film production or a start-up with employees or higher investments in infrastructure. Public administration, chambers of commerce, universities and associations can support CCI in this topic with brochures, digital platforms, contact to experts, trainings or workshops. A resilient CCI sector also requires stronger economic expertise. Nevertheless, these supporters need to be linked with the CCI to increase the interconnection, the cooperation and at least to share the responsibility.

4.6.1.6 Policy Transfer

Not all support measures in the form of the new framework conditions for CCI can just be accomplished by cities and municipalities. Medium-sized cities in particular often do not have the budget and expertise. To improve the effectiveness of strengthening

measures for CCIs at the local level of action, a multi-level governance approach must be adopted. This means that all levels, from the EU to the regional level, are included in strengthening measures. A mix of top down and bottom up actions emerges. This corresponds to the state of the art in urban and regional development.

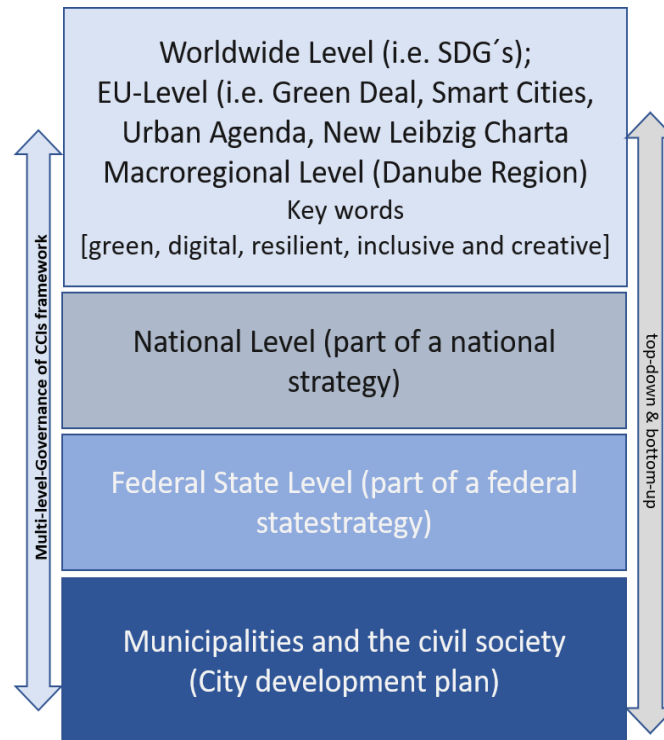


Figure 9, Multi-Level Approach for development of CCIs, Zametter (2021)

In addition, it is necessary to develop interdepartmental coordination in the field of urban regeneration in the sense of an integrated urban development. Various departments from the city administration or the municipal administration (e.g. the department for economy, the department for culture and the urban for city development) work on the topic in a coordinated manner together. This brings more effectiveness to actions, saves costs and leads to synergies. Such coordinated strategies should also be formulated for the medium and long term (beyond legislative periods). It is also important to strongly involve civil society. They are important players in the implementation of projects. For urban renewal projects, it is important to achieve a common commitment with the population. Urban development means common development – e.g. if the Library Under Treetops in Slovenia is not used by the public, it would not be a successful initiative.

4.6.2 Instruments and needs

The Danubian Baseline Study has identified many needs in the form of weaknesses of CCIs. In order to create better framework conditions for CCIs, it is necessary to reduce them. Some of these will be discussed below.

Awareness building in the society is an issue that is implicit in all the new framework conditions included. The society needs to know about the importance of innovation, entrepreneurship, creativity and start-ups. These will be key competencies of the future. With digital transformation, Artificial Intelligence (AI), machine learning and quantum computers, people need to learn new skills consisting of soft skills (collaboration, knowledge sharing and social cohesion) as well as dealing with the new opportunities offered by technology. CCIs are predestined to support and pave the way here, as these are their key competencies.

CCIs are a drivers for innovation and innovation needs diverse perspectives. Hence, all parts of the society should be activated for innovation, e.g. older people have a different understanding than younger people. The interest and desire of young people to learn should be awoken, to create an entrepreneurial spirit and to lead towards innovation. To establish an innovative society, education and above all, the access to education is the priority objective. Hence, inequalities in aspects of education should be overcome. The focus is the needs of the people to create equal conditions: e.g. how to implement digital illiterates or how life-long learning will become common for old and young people in all branches.

The resilience in the context of globalisation and technological changes, like digitalization, can be met by specialised trainings. Nevertheless, the basis should be the implementation of subject areas of CCIs, start-ups in curricula of schools and study programs. For the further development of employees and employers of CCIs, specialized trainings need to be offered, to focus how young people and their enterprises can become leaders in the global digitalization trends. To meet such requests, the focus on R&D of all branches of CCIs should increase. Such implementations lead to job creations and talented people can be bound to the region, to avoid brain drain.

Another basic need is adequate technical infrastructure. Talented people need attractive surroundings to live and to build up enterprises. This kind of infrastructure depend on the strategies and ideas of the politics and the administrative body at all levels – EU, national, regional and local. Openness of the region and limited bureaucracy is requested to attract talented, international people and create innovation. In consequence, municipalities are asked to support CCIs and top down policies from the EU level.

Awareness building can also be organized as top down process and affect policies at other political levels. A precondition would be the same basic conditions for all CCI branches.

For example, the attendance of creative business incubators or networks might be a selling point. Cooperation is a main characteristic of such incubators or networks. Hence, synergies are possible and the responsibility is shared. In addition, different stakeholder – e.g. CCIs, HEIs, NGOs, public authorities, chambers – come together for a common development. Global challenges, like digitalization, can be faced together.

The financial support is requested to realize all these targets and opportunities. Funding can be of the origin of the EU, of the public local, regional or/and national authorities and of investments from privates. As a long-term and sustainable solutions, strategies over years should be implemented, written by public authorities at all level in cooperation with CCIs and HEI.

Comprehensive advice on funding and development programs could be communicated through a central point of contact (e.g. Creative Urban Service Hub). Currently, many individual measures are available. This requires high search and information costs for CCIs and often prevents no action being taken. A one-stop shop for CCIs could be used to increase the positive effects of CCIs in urban regeneration processes. Either a new structure has to be created for this purpose or an existing one is expanded to include this task.

Excursus

Cities and governments can also support CCIs in seeking to reduce bureaucracy. Medium-sized cities, in turn, can be supported more strongly by introducing a polycentric spatial system as a target in European spatial planning or by strengthening it. If the focus is on large cities strongly, then medium-sized cities lose importance. However, these are important in the sense of the central place concept, as they supply rural areas. In consequence, these agendas support urban regeneration processes as they bring new access to funding and development programs.

4.6.3 Capacity and distributional aspects

For cost-efficient outcomes at EU level, the policy framework should establish trans-European objectives considering global efficiency, but should also allow policy objectives met by each Member States in a way that exploits their national/regional/local resources, capabilities and competitive advantages. The policy framework should facilitate, if possible, the need of capacity building, physical

infrastructure and regeneration of places, creative business incubation, access to finance and networks and clusters in meeting the policy objectives. A genuinely developed trans-EU strategy and network provided with an adequate infrastructure and financial funding are the key facilitators to exploit each country's capabilities in the best interests of Member States and the EU citizens.

4.6.4 Questions and outlook/next steps

To develop the discussion and to approach the discussed targets for CCIs, the following questions are open or partly open. In further development steps, these will be systematically processed. The Urban Green Paper launches a developed policy framework.

4.6.4.1 General Questions

- How can innovation be scaled to compare the level of innovation of CCIs?
- How can the level of innovation be improved to be competitive?
- How can innovation be promoted to build awareness in the society?
- How can (spirit of) innovation be implemented in education and training?
- How can diversity and interculturality be used for innovation?
- How can diversity and interculturality become more positive in the society, in order to normalize diverse teams and perspectives in working processes, networks/clusters and CCIs?

4.6.4.2 Detail Questions

- How can the access to education be equalized?
- What skills need future entrepreneurs of CCIs?
- What kind of education and trainings are fruitful for CCIs?
- How can lifelong learning be strengthened?
- What do culture and arts need to develop?
- How can culture and arts be implemented in research projects?
- What is the right balance of cooperation and competition?
- How can cooperation be increased?
- What forms of cooperation are effective and successful?
- What do CCIs need to cooperate?
- Which stakeholders shall be part of cooperation, networks, clusters or incubators?
- How can competition become more public?
- How can cooperation and competition influence the awareness of the society, positively?

- What kind of working space is innovative?
- What infrastructure is needed to work innovative and creative?
- How can industrial legacies be reused?
- What are the needs of cultural heritage to meet future trends?
- What political leadership affects CCIs positively?
- How can CCIs be implemented in innovation strategies at all political levels?
- How can the access to finance be increased?
- How can information about funding be disseminated?

These questions lead the discussion about, how (entrepreneurship of) CCIs can be strengthened. The strengthening of CCIs can be reached through the presented targets and opportunities for CCIs and through the presented instruments and needs.

5 Conclusion

CCIs deeply affect the economic, social and sustainable development of cities and meet the SDGs. The analysis displays the need of a stronger public visibility of the effects. More scientific research, good practice examples and evidences are needed to convince business, spatial planners, architects, urban and regional developers, decision-makers and policy makers of the importance of the sector. At least, they need concrete recommendations to act.

This requires a more precise definition of what CCIs actually are and which sectors and organisations are involved. While the direct effects of CCIs are easier to determine, e.g. the number of companies, number of employees or the turnover etc., a considerable part of the effects are not monetary, not directly measurable, visible and often subjective, like the creative or entrepreneurial spirit.

In conclusion, CCIs are not sufficiently involved in urban regeneration processes yet. Policy makers, public administrations, enterprises, R&D and CCIs are not adequately connected for this development. Nevertheless, development approaches are highly requested to meet the major challenges of the future. CCIs can contribute. CCIs bring cities to life! **In the future, no city will be able to avoid the option of CCI involvement in creative urban regeneration processes.**

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