

# Cross-sectoral cooperation and innovation within Creative and Cultural Industries – practices, opportunities and policies within the area of the Northern Dimension Partnership on Culture

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# 1.

## Context and Background

This policy brief, the second of a series, is one of the deliverables of the EU-funded project 'Cross-sectoral cooperation and innovation within Creative and Cultural Industries - practices, opportunities and policies within the area of the Northern Dimension Partnership on Culture'. One of the purposes of the project is to contribute to the Northern Dimension Partnership on Culture's forthcoming strategy for the period 2021-2024.<sup>2</sup>

The project was conceived and its terms of reference defined before the COVID-19 pandemic when cross-sectoral working and innovation was seen as something desirable. In this new world it is going to be essential. It is going to be essential because for much of the Cultural and Creative Industries (CCI) sector to survive it is going to have to find new ways of working and new sources of income and funding.

With United Nations' designation of 2021 as the year of "The Creative Economy for Sustainable Development", CCIs will be expected to take a proactive role in finding solutions to global and local challenges. Creative and innovative companies and entrepreneurs will need to significantly increase their efforts in terms of cross-sectoral working. The CCI sector can contribute effectively to solving many of the challenges and issues of other sectors if some of the barriers such as cross-sectoral communication gaps and other constraints can be tackled.

In the first Policy Brief attention was drawn to how the Covid-19 crisis is profoundly changing behavior and practices. Further consideration of the implications of this will be found below. The fact is that there has probably never been a more auspicious time for new policy development and for re-visiting strategy.

The ability of CCIs to connect with other sectors and contribute to cross-sectoral innovation is the major focus of the project of which this Policy Brief is one component. For this second Policy Brief the project wanted to explore the potential of the CCI sector to innovate 'traditional industries'. There are many ways of interpreting the term 'traditional industries'. For some it conjures up areas such as coal and steel, oil and gas, the automotive industry and so on. In order to be able to have a narrow and clear focus, it was decided to look at CCIs in relation to territory close to it - the traditional cultural sectors and activities. Because the education sector is so often a relevant factor and because it is in many ways a 'traditional industry' it was also included in the overview.

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1 "And those who were seen dancing were thought to be mad by those who could not hear the music."  
A quote from Friedrich Nietzsche.

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2 While an important aspect of the project is to contribute to the NDPC's 2021-2024 Strategy, the deliverables, including this policy brief, are intended for a much broader audience. The audience includes CCI organisations and individuals in the Northern Dimension region, policy-makers and funding bodies in that region, others in Europe who are researching or are involved in CCI cross-sectoral innovation and finally those in the EU who commissioned and funded the project.

This Policy Brief represents the inputs and ideas of many experts and specialists whom we want to thank. Those listed below<sup>3</sup> actively contributed to an Experts Focus Group which took place as an online event on 10<sup>th</sup> September 2020. It was extremely fruitful in developing thinking on a quite complicated theme and was very valuable in contributing to the further maturing of the wider project.

## 2. Approach

The aim of this Policy Brief is to begin to explore the potential of the Cultural and Creative Industries to work with 'traditional industries'. Being such a wide and complex subject, to narrow the focus it looks at the CCI sector in relation to the traditional cultural sector. It looks at how the Cultural and Creative Industries can engage further with the traditional cultural sector and the education sector to mutual benefit and to start to define what actions or support measures are needed to facilitate this. It concentrates on three areas:

- ✚ How traditional is traditional culture or any kind of traditional industry in a fast-changing world. What are the survival scenarios for CCIs and the traditional cultural sector in the post-Covid-19 world?
- ✚ How can CCIs, the traditional cultural sector and the education sector educate each other and how can the common interest be identified? How effective is the CCI sector at communication and advocacy?
- ✚ How can the benefits of cross-sectoral cooperation and innovation between CCIs and the traditional cultural sector be stimulated, recognized and evaluated or measured?

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## 3. Key Messages and Recommendations

### 3.1 How traditional are 'Traditional industries' and what are the survival scenarios for CCIs and 'Traditional industries' in the post-Covid-19 world?

Already before the COVID-19 crisis, there were major social, economic, technological and communication changes taking place. The pandemic was an accelerator for processes and changes in behaviour and practices that were already in train. Therefore, it is legitimate to start by asking to what degree the 'traditional industries' in a fast-changing world of sustainability, green and circular economy revolution - are traditional.

The impact of the Internet and digitalisation in the ND countries, as elsewhere, has been huge. In some cases, it has disrupted the methods and practices of the traditional cultural sector. For example in some cases it has offered localised cultural creation the opportunity to become globalised through new forms of marketing and new ways of delivering services. Another small example of where traditional cultural practice has been impacted by digitalisation and new technology is architecture. An architect working in vernacular wooden architecture and another working on a modern office block are likely to both use the same CAD (Computer-Assisted Design) software. Even where technological change has not impacted methods and practices, the relationship of the traditional creator to the outside world has. The fact is that the use of the word 'traditional' often falsely presupposes or implies the absence of change or resistance to new ways of doing things. The reality is that the traditional cultural industries and those working in them are often dynamic and open to innovation.

Against that background, attention should be drawn to the fact that there are overlaps between the traditional culture and contemporary creative industries, which can be seen as 'cousins'. There is a blurred edge between traditional culture and contemporary CCIs. An obvious example is fashion, which can be seen as a craft, for example in terms of textile craftsmanship and the fashion industry with its significant place in the contemporary design sector. This fact of being in many respects of the same family should mean that the cross-collaboration challenges and 'language' barriers highlighted later, although they may still be an issue in engagement between traditional culture and the CCIs, are unlikely to be as great an impediment as is the case with working with other sectors. One could argue that if the contemporary cultural and creative industries were not able to collaborate extensively and create innovation with the traditional cultural industries then the outlook for cross-sectoral collaboration and innovation with other sectors would be bleak.

As already mentioned, COVID-19 in many respects has helped place some recent trends into a clear perspective. For example, the enforced COVID-19 digital networking and remote co-working practices are paradoxically leading to greater opportunities for CCI cross-sectoral collaboration and innovation. Working with other sectors is now more possible than it has ever been. The replacement of aeroplanes by Zoom has simplified regional and international connectivity and in many respects it has never been easier to explore new relationships regionally or internationally. We are currently in a world of social distancing and distant socialising.

From the project research, it is clear that regional and international networking is still seen as a priority for CCI practitioners. Other priorities include development of online professional events and of new digital platforms which can also be effective instruments for brokerage of cross-sectoral cooperation.

### **3.2 How can CCIs, cultural sector 'traditional industries' and the education sector educate each other and how can the common interest be identified? How effective is the CCI sector at communication and advocacy?**

The issues related to CCIs, the traditional cultural sector and the education sector educating each other and identifying a common interest echo the challenges that CCIs have in establishing dialogue with any other sector.

There is a recognition that different sectors have different languages (which is discussed further below) and their own particular ways of thinking and seeing things. There are certainly gaps between CCIs, the traditional cultural sector and the education sector. There is also a well-identified need to help bridge those gaps. Greater contact through cross-sectoral networking opportunities will contribute to this as will prominence being given to cross-sectoral cooperation and innovation in sector-level policy documents. There will remain however the fact that CCIs' resources are usually limited which constrains their ability to join or become engaged with other sectors' ecosystems. The general absence of funding for cross-sectoral networks is a further constraint. The main policy and practical challenge is creating the environments in which cross-sectoral networking can develop.

Networking within sectors and sub-sectors in the NDPC region is well-developed and often well-supported financially. The initiatives of individual impact-makers is important but there is a need for cross-sectoral networks which can be anchored into the system and be institutionalised. Probably the most important social and professional cross-sectoral networking opportunities were in the past offered in the context of physical facilities such as co-working spaces, some hubs and accelerators. These are currently often not available because of national or local COVID-19 rules.

What is very clear is that what is needed to develop cross-sectoral working and innovation is a new kind of networking support across, rather than only within, sectors. The promotion of networking and mobility which used to be a main policy priority certainly at EU level was, however, possibly without exception, confined to intra-sectoral activity and exchanges. That said, in recent times under COSME and Horizon 2020, for example, at project level the tendency to encourage cross-sectoral cooperation has increased and should now be the focus of networking support initiatives.

Traditional project-based funding is normally short-term and does not provide for the continuity, which is often needed for cross-sectoral relationships to flourish. CCIs and the education sector have common problems and mutual challenges. Identifying them clearly and providing appropriate platforms for exploring cross-sectoral solutions should be a policy priority for both sectors. In general the establishment of common, primarily digital, platforms for such exploration would be a step in the right direction.

### **3.3 How can the benefits of cross-sectoral cooperation and innovation between CCIs, cultural sector 'traditional industries' and the education sector be stimulated, recognised and evaluated or measured?**

While there are already examples of cross-sectoral cooperation being encouraged through a variety of mechanisms, instruments and schemes, what is available is not yet adequate in terms of scale nor sometimes in terms of practical application. Good examples can of course be found. These often include commissioned cross-sectoral projects, incubator programmes, design and innovation vouchers, targeted research projects, artist-in-residence programmes etc.

The problem is that at this early stage of CCI cross-sectoral cooperation and innovation the results are not yet having sufficient impact for the 'market' to be the engine that drives development. Because of this, public policies and funding are of critical importance. As a generalisation at this stage of cross-sectoral and cross-innovation development it is public funding which more often than not is supporting experimental collaborations and the risk-taking without which much potential cross-sectoral innovation will not happen.

Through the project research there have been strong indications that as a result of COVID-19 there are at least two trends emerging within the CCI sector. The first is that there is an increasing focus on, or interest in, local opportunities and partnerships. The second is that CCI actors are often expressing a desire to move to more thorough, longer-term and possibly slower ways of working. If these trends are real they have potentially serious, practical implications for both public policy and funding. The increased local focus will mean that local government policy and funding will be of increasing importance. The possible transition to more thorough and longer-term working patterns will further show up the inadequacies of short-term project-funding which until now tends to be the chosen instrument of support used by many funding bodies.<sup>4</sup>

In short, not only should more attention be paid in public funding programmes, including EU programmes, to cross-sectoral cooperation and cross-innovation, two other factors should be taken into account. The first is the design and criteria of such programmes. They need to reflect the reality that cross-sector collaborations often require an initial and slow relationship-building phase, which intra-sector collaborations often do not. In addition, cross-sector innovations by their nature may need a longer time to mature than current project-funding timelines allow.

One of the recurring themes the project has constantly been meeting is related to a perceived communication gap between the CCI sector and other sectors. Reference is frequently made - by both CCI actors already involved in cross-sectoral cooperation and those who would like to get involved - that the different sectors and disciplines speak different 'languages'. The clear implication is that cross-sectoral cooperation cannot work unless the 'language' barrier is bridged.

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4      *At present it is only through a limited number of programmes, such as Interreg, that there is sustained long-term funding.*



## HEARING AND DANCING? HOW CAN THE CULTURAL AND CREATIVE INDUSTRIES ENGAGE WITH 'TRADITIONAL INDUSTRIES' TO MUTUAL BENEFIT?

So far two approaches to this conundrum have emerged. The first is a patient engagement period where understanding of each other can be built so that a common 'language' can be found. The second is 'translation' provided by involving mediators. Such mediators are usually described as being experts with knowledge of two or more sectors who can understand and communicate the values, processes and techniques of different sectors and be a critically important resource for bridge-building.

The role of being a mediator/cross-sectoral producer and the competences required is currently an area in the early stages of development and there are some good examples of such mediators and their effectiveness. Some incubators and cross-sectoral projects have developed methods of cross-sectoral mediation.

One important point which has been made several times is that mediators need to be involved in collaborative processes from the outset, not be brought in as fire-fighters after things are not working or have gone badly wrong. The role of mediators in cross-sectoral cooperation needs much more attention and research than is presently happening.

Part of the 'language' problem is that it makes difficult the most fundamental starting point for a potential collaboration - each party understanding the needs of the others involved. At a wider level sector-to-sector understanding of each other's real needs is going to provide the launching pad for creating opportunities for exploration of cross-sectoral cooperation and cross-innovation possibilities.

There are therefore three ingredients for opening up the market to cross-sectoral working and innovation. The first is ensuring that all the sectors, through sector policies and imaginative support mechanisms, recognise the value that cross-sectoral collaboration brings to the economy, to society and to the environment. The second is ensuring that the collaborating sectors truly understand each other's needs. The third is availability of support and inducement mechanisms which enables individual businesses and organisations to explore and engage in cross-sectoral activity.

Appropriate sector policies promoting cross-sectoral cooperation and innovation are also important for providing leadership including the ownership of, and commitment to, development of cross-sectoral innovation. This is the key both at a strategic level and at an individual project level. While ownership and commitment have to come from inside a cross-sectoral project it is equally important that more general ownership and commitment are also coming from on top.

Measuring the impact of cross-sectoral innovation initiatives is difficult (e.g. within the time-frame or a project-cycle, an example being the time it takes a patent to recoup the investment). New approaches to measuring CCI impact are at a very early stage of development. Obviously the setting of KPIs, which is increasingly the case for public-funded projects, can be very helpful but in many cases existing standard impact measurement criteria are of limited use especially if cross-sectoral collaboration and innovation are being seen in a wider societal context and the values that that supposes. An extended debate is needed in terms of CCI impact measurement in order to develop appropriate ideas and thinking. Measuring impact in the context of UN Sustainable Development Goals or 'Well-being' are examples of imaginative starting points for further exploration.

# 4

## **Hearing and dancing? How can the Cultural and Creative Industries engage with the traditional cultural sector to mutual benefit? - A Summary of Key Points.**

The wider project has reached a stage of maturity as the research has moved forward and ever more experts and practitioners have joined, contributed and engaged with it in a variety of ways. One aspect of this maturing is the emergence of ever clearer themes, issues and considerations related to CCI cross-sectoral working and innovation.

The opening part of the title of this Policy Brief is a reference to a quote from Nietzsche - "And those who were seen dancing were thought to be mad by those who could not hear the music." Policy that tries to get everyone hearing the music and then dancing together is metaphorically at the heart of developing cross-sector cooperation and innovation. It has become clear that problems of communication are fundamental both at a general level and at an individual project level and are a key challenge in developing cross-sectoral cooperation at a strategy level and individual project level.

Each sector has its own 'language' and of course its own way of understanding and internal logic. There are two possible approaches for addressing this as outlined above. The first is to build the cross-sectoral relationship and develop a common 'language'. This however takes time and of course time is money. It means that cross-sectoral projects are likely to be 'slower-burning' and more expensive than intra-sectoral projects. The second approach uses mediators or cross-sectoral 'producers'. It is clear that many people already involved in CCI cross-sector initiatives believe the role of a mediator is essential to the success of a project.

There is clearly interest in the CCI sector in cross-sectoral cooperation and innovation but a theme that has recurred during the project research is a perceived need for examples of such initiatives and projects to be documented and be generally available. In short there is a real need for knowledge-sharing.

The issues related to contemporary CCIs, traditional cultural industries and the education sector educating each other, finding common interests and cooperating on survival scenarios in the new COVID 19 world are in the main the same issues related to any CCI cross collaboration with any other sector.

Our project research so far suggests that there are three basic ingredients for opening up the market to cross-sectoral working and innovation. The first is ensuring that all the sectors, through sector policies and imaginative support mechanisms, recognize the value that cross-sectoral collaboration brings to the economy, to society and to the environment. The second is ensuring that the collaborating sectors truly understand the needs of each other. The third is imaginative support and inducement mechanisms which enable individual businesses, organizations and creative individuals to explore and engage in cross-sectoral activity.

