

# The Creative Economy in Europe

## EU Policy and Creative Urban Hubs

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## FINDINGS OF KEA STUDY FOR A CREATIVE BISCAY

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| <b>Territory</b>      | <b>Total expenditure of administrations<br/>2004</b> | <b>Expenditure/<br/>per capita</b> |
|-----------------------|--|------------------------------------|
| <b>Basque Country</b> | <b>€757 M</b>  | <b>€378,5</b>                      |
| <b>Catalonia</b>      | <b>€1258 M</b>                                       | <b>€179</b>                        |
| <b>Flanders</b>       | <b>€1818 M</b>                                       | <b>€303</b>                        |
| <b>Wales</b>          | <b>€261 M</b>  | <b>€87</b>                         |

## EC COMPETENCES AND CULTURE

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- “The Community shall contribute to the flowering of the cultures of the Member States, while respecting their national and regional diversity and at the same time bringing the common cultural heritage to the fore. [...]”
- “The Community shall take cultural aspects into account in its action under other provisions of the Treaty, in particular in order to respect and to promote the diversity of its cultures.”

Article 151 of the EC Treaty

## EU POLICY DEVELOPMENTS

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- The European Agenda for Culture
- Work plan with 5 priorities  
(one of them is the cultural and creative industries)
- The European Parliament Report on Creative Industries
- Cultural stakeholder platforms
- Green paper on creative industries (in 2009)

# KEY FINDINGS – STUDY ON ‘THE ECONOMY OF CULTURE IN EUROPE’

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## TURNOVER



The sector turned over more than **€654 billion** in 2003

- Car manufacturing industry was € 271 billion in 2001.
- ICT manufacturers was € 541 billion in 2003 (EU-15 figures)

## VALUE ADDED TO EU GDP



The sector contributed to **2.6% of EU GDP** in 2003

- Real estate activities accounted for 2.1%
- The food, beverage and tobacco manufacturing sector accounted for 1.9%
- The textile industry accounted for 0.5%
- The chemicals, rubber and plastic products industry accounted for 2.3%

## CONTRIBUTION TO EU GROWTH



The sector's growth in 1999-2003 was 12.3% higher than the growth of the general economy.

## EMPLOYMENT



In 2004 **5.8 million people** worked in the sector, equivalent to 3.1% of total employed population in EU25. Total employment in the EU decreased in 2002-2004, employment in the sector increased (+1.85%).

## THE TRANSITION TO DIGITAL

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From a market valued at € 1,7 billion in 2005 to € 8.3 billion by 2010  
(400% growth)

| <b>Market size in terms of revenues</b> | <b>2005</b> | <b>2010</b> |
|---|-------------|-------------|
| <b>VOD Market</b>                       | 30          | 1,269       |
| <b>Digital Music (online – mobile)</b>  | 196.3       | 1,794       |
| <b>Games (online, mobile)</b>           | 699         | 2,302       |
| <b>Publishing (online)</b>              | 849         | 2,001       |
| <b>Radio</b>                            | 15          | 250         |

Source: European Commission, *Study on Interactive content and convergence: Implications for the information society – Final Report*, Screen Digest, Goldmedia, Rightscom, CMS Hasche Sigle London, 2006.

## CULTURE AND CREATIVITY AS INPUT-FACTORS

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- “The business operations in the creative industries are closely connected to almost all industrial and service sectors”

(Finish Development Strategy for Creative Industries, 2007)

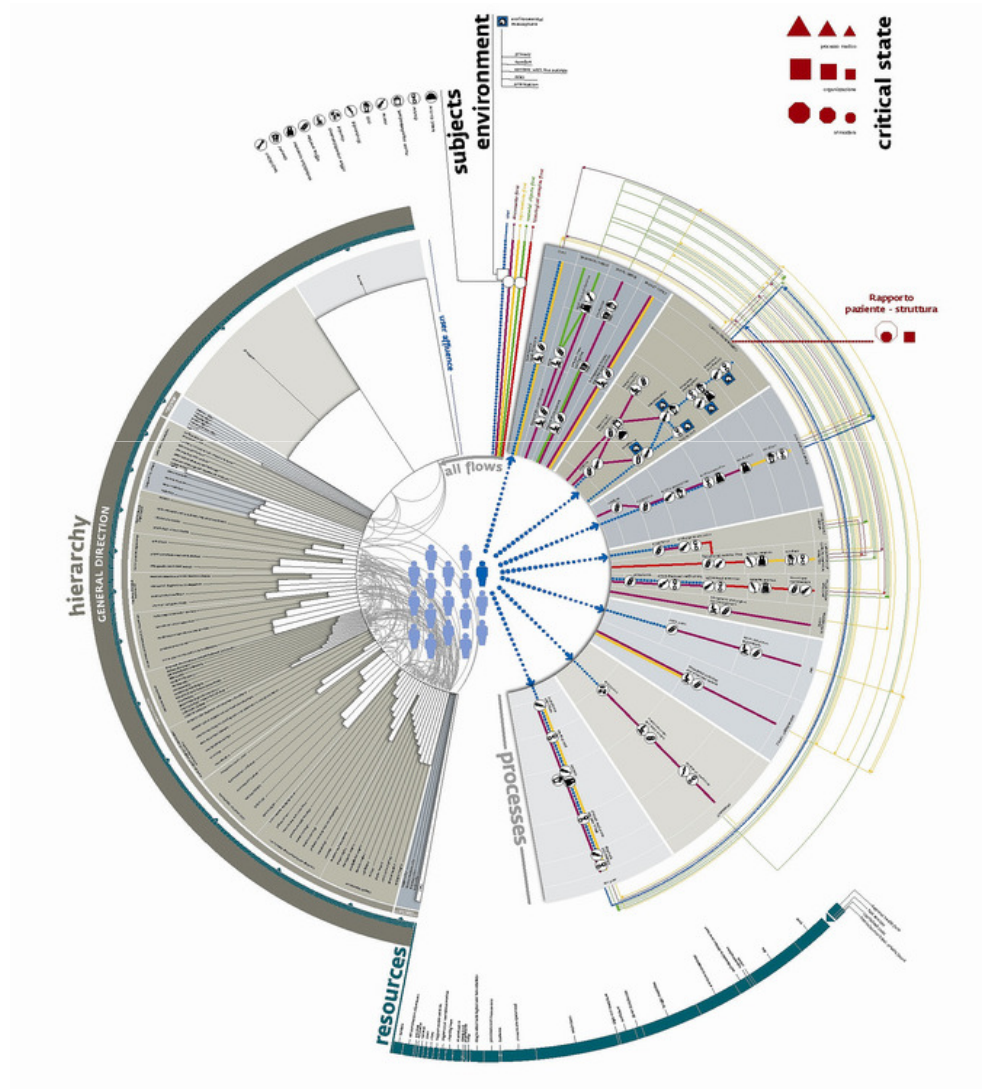
- “In ten years time the local economies of our biggest cities are driven by creativity”

(Creative Britain, 2008)

- “There is a wide-spread belief that the creative economy has a particular important role to play in innovation throughout the economy”

(NESTA, 2008)

# TOWARDS A CULTURE-BASED APPROACH TO BUSINESS AND INNOVATION?



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# KEY EU-POLICY RECOMMENDATIONS OF THE STUDY

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## INTELLIGENCE GATHERING



- Establish a strong quantitative evidence base for policy makers.
- Creativity scoreboard

## THE LISBON AGENDA



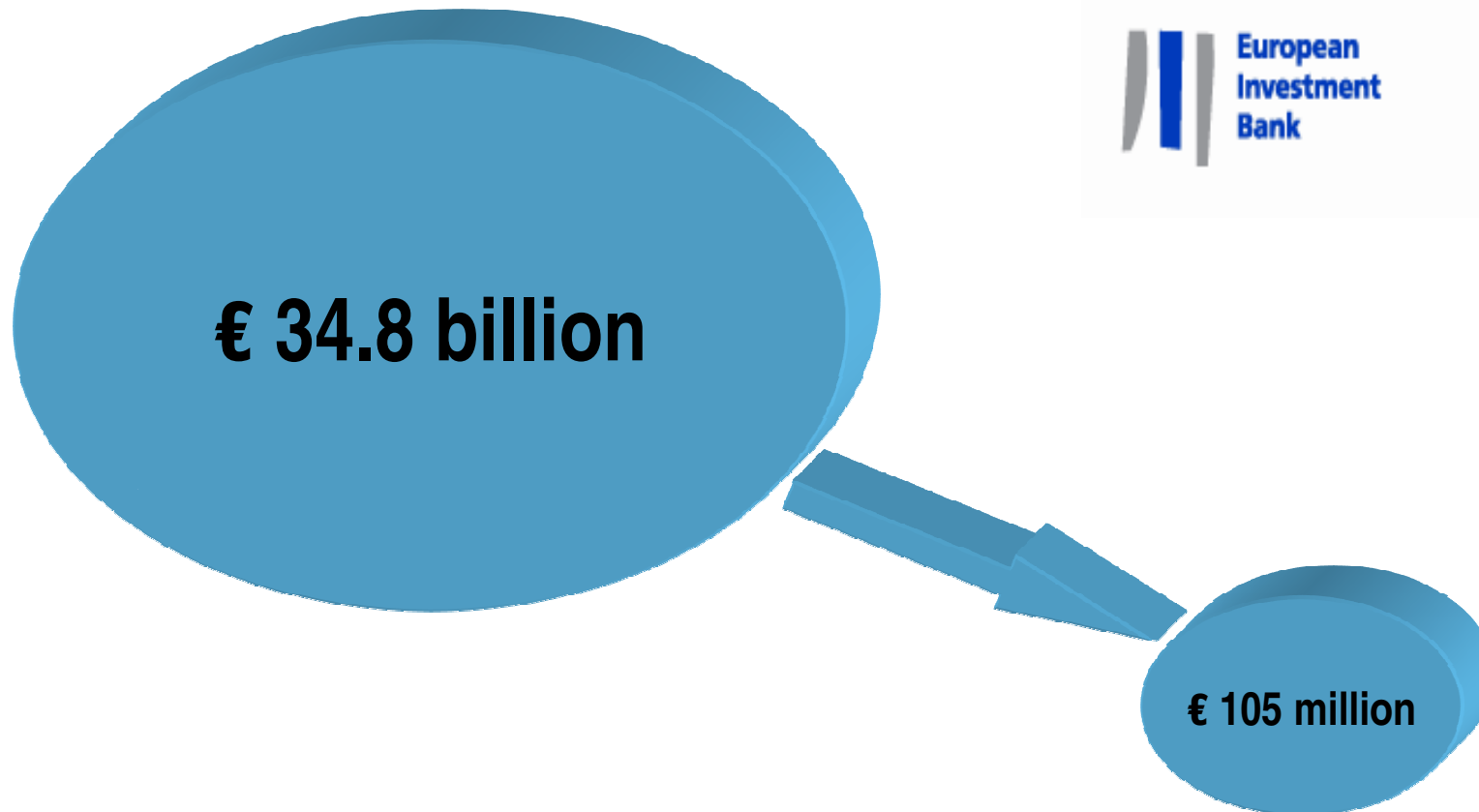
- Use existing EU support programmes (structural funds)
- Internal market and competition policies
- Promote creativity and business education
- Promote links between creators and technology to support the digital shift (FP7 and CIP)
- Address chronic under-funding of creative industries and maximise use of financial instruments (EIB, EIF)
- Integrate the cultural dimension in cooperation and trade agreements (UNESCO Convention)

## STRUCTURAL REFORM



- Reinforce coordination of activities and policies impacting on the cultural & creative sector within the European Commission .

## EIB PROGRAMME FOR INNOVATION (2000 – 2005)



## EU SUPPORT TO CULTURE AND INNOVATION 2007 - 2013

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### Innovation:

- FP7: € 53 billion
- CIP: € 3.6 billion

**Total: € 56.6 billion**

### Content:

- CULTURE: € 400 million
- MEDIA: € 755 million

**Total: € 1.1 billion**

- **STRUCTURAL FUNDS: € 308 billion**

# Thank You

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*PDF files of KEA studies and newsletters available at [www.keanet.eu](http://www.keanet.eu)*

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