

## Creative Spillovers for Innovation - Local Action Plan Košice

Local Action Plan for Košice is a short term action document focused on the spillovers development between Creative and Cultural Industries (CCIs) in the city and other economy sectors.

*“Being on the crossroads between arts, business and technology, cultural and creative sectors are in a strategic position to trigger spillovers in other industries” (EU communication on Promoting cultural and creative sectors for growth and jobs in the EU).*

As the document states in the first part, CCIs represent important sector for Košice in light of their potential benefits in the city development in terms of society and economy. According to its emerging sectors of tourism and ICT, Košice Local Action Plan (LAP) development of spillover effects has been concentrated around these two economy sectors.

The importance of the CCIs is underlined not only by theoretical approach and international best practices, but it has been agreed by URBACT Local Support Group (ULSG) members, which accepted the invitation and attended local stakeholders group meetings during 2013 and 2014.

Local Action Plan was prepared as the output of the Creative SpIN project. It was build based on the activities organized with the ULSG in Košice and learning from the transnational network.

The transnational meetings took place several times through the years 2013 and 2014 across European cities. Thanks to the workshops and trainings provided throughout the course of the project we have collected different experience and best practice cases. According to Košice situation described further in the document, as the most reasonable actions we have identified the artistic interventions learned at the transnational meeting in Tallinn with Pia Areblad from TILLT. With the help of these trainings we continue further cooperation with Pia also on other international and local projects.

ULSG meetings took place in different forms, including team meetings and individual sessions with local stakeholders. Furthermore it continued with pilot activities led by external ULSG experts teaching and facilitating the know-how of artistic and creative trainings and interventions in the businesses. According to the ULSG sessions, the interest in spillovers with CCIs is desirable not only in the main domains identified, the ICT and tourism, but the other economy sectors and businesses as well. The main reason for the broader scope is the size of the local market and limited number of businesses and organisations in respective sectors.

Based on the identified challenges from the ULSG meetings in Košice and with the help of the transnational network learning, we have brought new methods and tools into the city environment for the creative spillovers support between artists and creatives on the one hand, and stakeholders from other economy sectors on the other.

With the support of the small pilot activities led by the external experts for the CCIs in cooperation with local stakeholders and ULSG members in the Creative SpIN project, several particular activities were proposed. Their common objective is to support the expansion of the cross-sectoral collaboration between the CCIs and other local economy sectors.

**The expansion of the real cross-sectoral collaboration between Creative and Cultural Industries and other local economy sectors** presents the main aim of the Local Action Plan for Košice. The main aim of the LAP is supported by the activities and tools in the 4 main domains:

- Cross-sectoral education and training

- Cross-sectoral interventions
- Urban game
- Platform

## Situation

The Košice Region is one of the 8 Slovak administrative regions. With 792,000 inhabitants it is Slovakia's second largest region. About one third of the region's population lives in the conurbation of Košice, which is its main economic and cultural centre. With 235,000 people living in, Košice is the 2<sup>nd</sup> largest city in Slovakia. It is the economical social and cultural centre of Eastern Slovakia. It lies in the eastern part of Slovakia, close to the borders with Hungary (20 km), Ukraine (80 km) and Poland (90 km).

Košice has been dominated by its steel works, which caused the city to grow from 60,000 in 1950 to 235,000 in 1991. At its peak, it employed some 30,000 people and now, although this has reduced to 16,000, its current owner, US Steel is the city's largest employer. Košice has in the past 50 years, always been known as the 'Steel City' and this is an image some now wish to change. The region accounts for 9% of the Slovak GDP but has a slower rate of growth than Slovakia's 7 other regions. 48% of all employees in the region work in the service sector, 30% in industry, 12% in the public sector, 10% in education and 10% in transport, storage, post and telecommunications. Out of the total, 3% people work in ICT, 2% in scientific and technical activities and 2% in arts, entertainment and leisure.

The region has over 150,000 students and pupils, 50% of these are elementary school pupils, 30% attend high schools and 20% universities. Košice is the second university centre in Slovakia, after Bratislava. The Technical University of Košice is its largest university, with 15,000 students. Pavol Jozef Šafárik University is the second major university with its 7,500 students. Other universities and colleges include the University of Veterinary Medicine in Košice (1,400 students) and the private Security Management College in Košice (1,100 students). The Technical University conducts a wide-range of research work and projects including international research and development cooperation. It is currently a partner in 69 international (and in 2010, delivered 260 Slovak) research projects. There are over 5,370 employees involved in R&D jobs across the region. The majority of them are involved in the field of technical sciences.

In September 2008 the City of Košice was awarded the title European Capital of Culture 2013 (ECOC). This was a strong impulse for the city and region in terms of reconsidering Culture and creativity as driving force for their economy and growth. Košice Interface 2013 project had an ambition to create and implement a strategy which will enable the city to attract, retain and generate talent and help to make it more competitive. With the title European Capital of Culture 2013 the city identified two main areas of development. The first was the development in the field of creative industries as one of the economic driving forces for the city and the region. The second was community development as a crucial part of the civic society and basic social driver for post-communist countries.

In last 8 years the number of jobs in ICT increased from 1000 in 2008 up to approx. 7000 in 2015 and there is plan to reach 10.000 jobs in 2018. After T-Systems started their operations in Košice, several other companies crossed the city borders, including NESS KDC, AT&T, IBM, Microsoft, and many other SMEs, including the local ICT company Antik Telecommunications. For Košice it is very important to create jobs with high added value in the ICT research and development and provided product and services. Thus this is the space where the creativity should be in the core of the activities. That's why ICT belongs to the key players of Košice economy and starts to be one of its drivers.

## **Creative and Cultural Industries Local Policies**

**City of Košice thanks to European Capital of Culture 2013 project which has been prepared and implemented since 2008 has developed 2 main policy documents dealing with the targeted area of the cultural and creative sectors within the ecology of other sectors in the city.**

### **Košice 2020 Masterplan for Creative Economy**

This document has been created and delivered by international group of experts working alongside with the locals and local stakeholders.

Masterplan, the Košice Creative Economy plan sets a broad agenda for its sustainable growth, improved performance and the region's central city transformation from being known primarily as "the Steel City" to becoming recognised as "a Creative City" by 2020.

The Master plan is for the city and the region of Košice. Throughout the plan, Košice means the region and the city combined, unless one or the other is specified.

This Master plan is for all stakeholders across the region and city - public, private and community, and is intended to be a bold, challenging, and forward looking strategy to place Košice at the centre of the Knowledge and Creative economy in the Carpathian Region of Europe.

Košice 2013, working with and supported by a wide-range of partners that include the City, the Region, the Business Community and Kosice's Universities, has led the process of producing the Masterplan. The plan has been informed by the views of a wide range of leaders, experts and practitioners. The Masterplan has set a target of 2020 to realise its full vision that is described on page 4. This will be achieved through delivering the plans, strategies and programmes in phases, the first being phase 1 from 2013 to 2015, whose programmes and projects are included in part two of the Masterplan.

### **Košice Cultural Strategy 2014-2018: A Vision for Culture**

After the European Capital of Culture project city has acknowledged the importance of the culture and has developed the Cultural Strategy based on the achievements of the ECOC project such as new cultural infrastructure, new funding programs, increasing collaboration, communication and networks, developing audiences, education, talent and professional development.

The City's ambition is to make Košice a world-class city for everyone believing that culture – whether it takes the form of the architecture that surrounds us, the museums that reflect our past and present, or the literature and performing and visual arts through which we celebrate our experiences – plays a profound role in shaping people's experiences and attitudes. According to the Košice Cultural Strategy, the vision for Košice is to be a world-class, culture city by 2019. This is to be achieved through:

- Developing and promoting cultural activities and events those enhance and leave a legacy in the lives of individuals and communities.
- A partnership-based approach to sustaining, developing and improving the cultural life of the city.
- Encouraging attainment amongst young people, promoting cultural ambition and improving the opportunities for them to access, work in and actively participate in high-quality cultural activities.
- Building on the success of ECOC, our international connections and profile, magnifying our originality and bringing people together.
- Creating a thriving city where people flourish and where opportunities are created.
- Building capacity and cohesion, increasing confidence and self-esteem.
- Attracting inward investment.

This vision for Košice to be a world-class city – vibrant and innovative – attracting interest and visits from across the globe: a city whose culture is built on its unique heritage and contemporary edge, with people, community and partnerships at its cultural heart.

This will require a refining of the current approach to the city's cultural investment, management and organisation – to one in which global ambition and local benefit are always fused – so that investments in cultural organisations, projects and infrastructure bring with them real investments in skills, community benefit, and the best possible cultural product in international terms.

### **Importance of CCIs spillovers for Košice**

The high levels of innovation in the creative industries supports the idea that, in addition to contributing directly to regional innovation processes through the innovative activities in which they engage, they could also do so indirectly, by generating spillovers that benefit the wider economies of the places where they are located.

The highest concentration of jobs in the Creative Industries and those places with the greatest potential for sector growth are cities and city-regions. There are many reasons for this, but the most widely accepted is that creative individuals and businesses thrive best within the 'agglomeration economies' that cities only offer – the flow of talent, ideas, capital, multiple institutions and connections that only the density of cities can offer .

However, this relationship is not just one-way: just as Creative Industries flourish in cities, so cities with a thriving creative sector flourish too. It is estimated that for every job created in the 'innovation economy' (which includes the Creative Industries), another five are generated elsewhere in other professions and services. This is one part of the multiplier effect that the sector has for the wider economy - boosting other key sectors including manufacturing, ICT, tourism and finance.

It is generally acknowledged that innovative sectors and activities such as R&D are an important source of spillovers with benefits that spread across the economy. These spillovers occur where the knowledge activities of one firm or industry result in economic benefits for another one that the former is not able to fully capture.

- Knowledge spillovers occur when new ideas and technologies developed by creative businesses are fruitfully applied elsewhere without compensation: for example, the use of social networking features originally developed by digital media companies to manage communications in businesses. Knowledge spillovers can also be embodied in labour flows. Creative professionals such as designers, advertisers or software developers may be employed outside the creative industries, bringing with them new techniques, ideas and ways of working. Or, they may start spin-off companies in a different sector.
- Product spillovers take place when creative goods and services increase demand for complementary goods in other sectors, or are adapted to other markets.
- Network spillovers occur where the mere presence of creative businesses in a given place benefits other local firms. Richard Florida's 'Creative Cities' noted how a thriving cultural scene attracts knowledge workers, who can then be employed by other local businesses.

## **Main Challenges**

### **Cultural and Creative Industries striving in further development**

European Capital of Culture 2013 has brought extensive experience and momentum in developing Creative and Cultural Industries, but on the other hand there are still several challenges for reaching the objectives set in the local policies' strategies.

At present there is limited support, programmes and infrastructure to develop the creative industries in Košice. Where the Košice city already has its Creative Economy Master Plan, the Košice region seeks to increase the number of jobs in the creative industries and thus is currently producing its own creative economy plan (significantly based on the Creative Economy Master Plan).

The Košice 2020 Creative Economy Master Plan sets out a clear strategy for the development of the creative industries that would lead to increased employment and economic growth. But until its recommended programmes and projects are all co-ordinated, supported and initiated, the city will not realise its stated vision of becoming a 'creative city'.

#### **Causes**

- Talented people leaving the city
- Missing proper skills
- No real cross-sectoral collaboration
- Lack of entrepreneurship

### **ICT sector fast growth problems**

*"We do not need highways to develop ICT, but we have to inevitably invest in the interconnection of business with academia, innovation and a creative economy."* Jozef Ondáš, former IT Valley executive director.

With the plan to increase number of jobs from 6,000 in 2014 to 10,000 in the ICT sector in Košice by the end of 2018 strategy for the sector requires more focus on retaining talented and high educated people in the city so their potential could be leveraged and used in growth of the new ICT companies and supporting services.

#### **Causes**

- Insufficient education
- Lack of the SMEs support
- Talented people leaving the city

### **Lack of innovation to attract tourists**

Despite European Capital of Culture 2013 title and tourist incoming rise in 2013, city needs to develop tourism offer further.

#### **Causes**

- Missing innovations in services
- Lack of cross-sectoral cooperation
- Weak marketing skills especially communication: digital, social and visual

- Missing destination recognition for Creativity Friendly Environment

### **The local economy suffers from the brain drain**

One of the key issues across the city economy sectors is that people and particularly young people are leaving the region to either study or work elsewhere and many then do not return. A lot of them go to Bratislava, Prague, Austria, or other parts of the Europe.

There is also an east-west divide in the country and a strong rivalry between Bratislava and Košice. The region has a 'brain drain' and as is the case with so many countries and particularly smaller ones, this is partly due to the capital city offering the widest range and volume of work, career, leisure and educational opportunities. 38% of the economically active population in the Košice area still go for jobs outside the region.

#### Causes

- City is not attractive for talented people
- Missing good quality services
- Public/urban life is not fulfilling

### **Creative SpIN Action Plan main challenge**

**City doesn't really have clear cross-sectoral approach and we still have long way to develop trust and effective communication between different sectors. Business sector is still very reluctant when it comes to collaboration with small creative businesses, public bodies or cultural organizations because for many years this kind of collaboration has been based on charity-kind of relationship businesses supporting culture, creativity by subsidizing projects or events in the form of sponsorships.**

Based on the Local Support Group findings and learning from best practices across the transnational network we have selected this one most important challenge for the Creative SpIN Košice Local Action Plan.

## Local Action Plan for Košice

For the Creative SpIN local action plan we decided to focus on the actions that cultivate the cross-sectoral approach. For the city it is very important to help create an environment which helps businesses to innovate and create new jobs, allow creative people to develop their individual ambitions and still be able to live in the city, reduces brain drain and creates interesting and demanding destination for tourists and visitors.

Within this framework we set up following main goal linking main identified challenges:

**Embed creativity and cross-sectoral practices in to everyday culture in business, industry and cultural domain.**

Goal	Actions	Tools
<b>Embed creativity and cross-sectoral practices in to everyday culture in business, industry and cultural domain.</b>	1 Cross-sectoral education and training	1.1 Establishing training program for businesses
		1.2 Establishing training program for creatives and cultural organizations
	2 Cross-sectoral interventions	2.1 Establishing creative residency program in business
		2.2 ICT to Tourism and ICT to Cultural organizations residencies
		2.3 Exchange programs
		2.4 Artistic interventions
	3 Urban game	3.1 Urban Game pilot solution
		3.2 Urban Game complex solution
	4 Regular cross-sectoral platform	4.1 Establishing meeting and presentation platform

## 1. Cross-sectoral education

To create cross-sectoral learning platform we will use both – creative skills and design thinking in sectors of ICT and Tourism – to help those sectors grow in capacities and competitiveness. In the same time some of the skills and knowledge sets which other sectors contain – mostly business skills, organizational and marketing one might be very beneficial for those in creative sectors.

By enhancing and diversifying core activities of Košice 2013 NGO with increased number of organised educational programs we will provide specialised trainings

- with business professionals for people in CCIs,
- with creative professionals for businesses.

### Stakeholders involved and communication

Stakeholders will be involved based on the one on one meetings with businesses and public events for businesses in respective sectors using innovative formats: business breakfast, brunch:

- traditional businesses including SMEs and corporations (T-Systems Slovakia and other ICT companies, U.S.Steel Košice, Košice - Tourism and other tourism organisations and companies, Košice International Airport).
- creative businesses, individual creative entrepreneurs and artists, cultural organisations.

To approach the stakeholders, we will communicate through the personal contacts, first pilot projects developed during the Creative SpIN project and through the presentation of outputs - success stories.

General promotion among partner organisation and networks will be used. Outputs will be measured and communicated online using website and social media profiles.

### Sources of funding and the time plan

10 trainings total per year for 2015 - 2016

Budget:

20.000,- EUR Košice 2013 budget

10.000,- EUR Private funding, fees

### Tools

#### **1.1 Establishing training program for businesses**

*Helping businesses (ICT, Tourism and others) to use their maximum capacities and find new way of approaching problems, organizational questions, tasks and upcoming changes.*

*Outputs:*

*Training and coaching program*

*MOOC*

*Cross-sectoral learning platform*

*Results:*

*Businesses are able to use creative methods in their every day operation*

*Increase of the competitiveness and ability to adapt to the market changes*

*Creativity becomes embedded part of their strategic thinking and planning*

*Online Learning portal – learning platform*

*Key Performance Indicators:*

*Number of the companies on training program*



*Number of employees, managers, CEOs on the coaching program  
Number of trainings available on web based learning portal*

### **1.2 Establishing training program for creatives and cultural organizations**

*Training program will help creatives and cultural organizations to use business approach in their production and organizational operation. It will help them to use marketing strategies and audience development tools in order to gain new and retain existing audiences. To help them develop managerial skills.*

*Outputs:*

*Training program – business and management skills*

*Coaching and mentoring program - CEOs or top managers from companies coach and do mentoring*

*MOOC*

*Cross-sectoral learning platform*

*Results:*

*Creatives and cultural organization are able to use business methods in their every day operation*

*Increase of the audiences and revenues*

*More creative freedom with better business approach*

*Online Learning portal*

*Key Performance Indicators:*

*Number of the creatives and cultural organisations on the programs*

*Number of trainings available on web based learning portal*

## **2 Cross-sectoral interventions**

To establish artistic interventions program within the Košice based ICT or tourism companies we will approach the top players in ICT and tourism (top hotels, restaurants) and propose them new collaborations and projects to help them develop new products, tourism offers or packages, help them with internal or external communication and presentation. We will achieve this with collaboration of artists, management and Košice 2013 as a facilitator in between.

### **Stakeholders involved and communication**

Stakeholders will be involved in two stages:

First stage will be organised via personal meetings and workshops with businesses and creatives to communicate activity in detail.

Second stage will be based on the open calls for the interventions:

- Open call for businesses, non-profit and public organisations providing them with a possibility to support their operations or development strategies.
- Open Call for creatives to take part in the respective intervention activity.

Stakeholders will be involved: traditional businesses, non-profit organisations, public organisations and institutions (including the municipality, city companies e.g. public transport, Zoo, city cultural institutions). companies, organisations and individuals working in the CCIs.

Communication will be

- Presentation on the special events e.g. business club, cluster meetings, business breakfast, Pecha Kucha Night.

- In the next stage we will communicate on one to one meetings about specific projects or interventions.
- Short film presentation explaining the benefits of this collaboration using the pilot projects as an example.

### **Sources of funding and the time plan**

4 interventions total per year for 2015 - 2016

Budget:

10.000,- EUR Košice 2013 budget

10.000,- EUR Private funding

### **Tools**

#### **2.1 Establishing cross-residency program**

*Activity will have 2 different forms:*

- *Arts to business and business to arts residency*
- *3-dimensional collaboration between ICT, Tourism creative professionals*

*The business formulates their needs in different areas which might be than addressed by the artistic intervention in order to get new perspective. The Problems like communication outside the companies or internal communication, environmental issues, employee's well being, new product creation or marketing will be addressed in several months long artistic residency/intervention program in order to innovate and improve existing practices.*

*Outputs:*

*Residency program*

*Database of the case studies*

*Problem solution approach platform*

*Results:*

*Businesses are able to see their problems from different perspective*

*Creativity becomes embedded part of their strategic thinking and planning*

*Employees can deliver their creativity in different setting and are encouraged to come with innovative ideas*

*Online Case studies portal – learning platform*

*Key Performance Indicators:*

*Number of people involved in the residencies*

*Number of exchanges*

#### **2.2 Artistic interventions**

Artistic intervention will be managed as a long term intervention focused on processes, internal communication, environment, or identifying hidden problems in companies.

Artist with the management is creating unique project which reflects company, its employees and culture. This leads to investment in non-technological innovation, which might bring positive change in form of employees creativity support, out of the box attitude towards traditional operations, services, products or the company environment.

*Outputs:*

*Long term artistic stay in the company*

*Results:*

*Positive change, problem solved or innovation*

*Key Performance Indicators:*

*Number of artists involved*

*Number of companies involved*

*Number of changes implemented: new products/services/problems solved*

### **3 Urban Gamification and IT platform**

Urban Game platform as tool to engage both citizens, creative and businesses in public life and decision making belongs to most ambitious activities.

As one of the examples, the project FireWorks with Me has been created for the first time in October 2014 during the White Night 2014 event as an interactive installation (connecting mobile application with interactive projection) in the city centre. It was built in cooperation of creatives with T-Systems Slovakia (IT Valley Košice member) and programmers. With its aim to attract people in the joint activity in the public space it supports event attractive for tourist to join. After beta-testing of the application there are already data to be used for the further development. Despite this project is not a direct output from the Creative SpIN project, it represents a case study of the emerging spillovers potential in the city.

As a tool to support actions leading to creative spillovers in the city, Culpix project - the web-based portal will be created as a place for all the cultural operators and creative people in the city and the region to present themselves in the short 1-minute videos – presentation and project videos as well. Connecting web-based videos with the georeference portal will bring new experience for the citizens and tourists to interfere with cultural and creative production in the city. This platform will represent the complete offer of the culture attractivities and will be available for tourism operators to complement itineraries and provide information support to incoming tourists.

Tourism offer presentation in the city has been identified as a longstanding challenge in the city of Košice. New attractive forms of tourism offer presentation have big potential to improve the overall marketing communication on the national and international level.

#### **Stakeholders involved and communication**

Different cultural operators and artists and creative individuals, touristic operators.

Communication will be managed via existing platforms connecting cultural operators or cultural centres (Creative Košice), tourism operators and the new web page member zone. We will use existing platforms and event formats, regular meetings, one-to-one meetings as well.

General public communication: Different social media and geo platforms (Foursquare).

#### **Sources of funding and the time plan**

IT Pilot solution phase 1 - 2016

IT Complex solution phase 2 - 2018

Budget:

10.000,- EUR Košice 2013 budget

10.000,- EUR membership fees

## Tools

### **3.1 Developing Urban Game pilot solution - phase 1**

*Outputs:*

*Pilot IT solution for the geo-localisation of the cultural offer*

*Results:*

*Engaging cultural community in the creation of the cultural life of the city*

*Engaging cultural community in the modern presentation of the cultural (incentive) tourism offer*

*Providing enlightenment and inspiration on the new technologies among cultural and creative industries*

*Cross-learning across cultural operators*

*Improving tourists' experience*

*Key Performance Indicators:*

*Number of organisations registered on the portal*

*Number of video presentations uploaded*

*Number of visits and views on the portal*

### **3.2 Developing Urban Game complex solution - phase 2**

*Upgrading the pilot IT solution a robust IT product as a professional e-marketing tool for the cultural and tourism will be created. The next level of the IT web-based tool will be upgraded with new functionalities including the support of the user generated content, complex mobile and multiplatform application showing geo-referenced complex cultural offer in the form of video.*

*Outputs:*

*Complex IT product (web-based and multiplatform application) as a professional e-marketing tool for the culture and tourism*

*Results:*

*Engaging cultural community in the creation of the cultural life of the city*

*Support of the Incentive Tourism*

*Increasing the quality of the cultural production*

*More citizens and visitors engaged as an audience for the cultural offer in the city*

*Key Performance Indicators:*

*Number of organisations registered on the portal*

*Number of user generated content uploaded*

*Number of visits and views on the portal*

## **4 Regular cross-sectoral platform**

Regular cross-sectoral platform represents the city-wide communication and presentation platform for the meeting of businesses with creatives and other sectors.

The need of cross-sectoral collaboration and communication will be supported by the joint platform – both in digital as well as physical way.

Online learning platform will be established as well as regular meetings and different presentation and brainstorm formats where different sectors could work together.

This will help to cross-fertilize the whole economical environment and bring new innovative ideas both for business as well as creatives.

### **Stakeholders involved and communication**

City of Košice, Košice self-governing region, Technical University Košice, Košice - Tourism, Airport Košice, T-Systems Slovakia, IT Valley Košice association, Košice hotels and accommodation providers, DIG Gallery, Tabačka Kulturfabrik, White Night, Mazal Tov, other independent cultural operators.

Communication will be managed via existing platforms like IT Valley, Coalition 2013+, AmCham, Košice - Tourism, including Košice Airport, chambers of hotels, restaurants and tourism operators. To keep all members up to date we will use regular newsletter for the different stakeholders target groups and the new web page with the member zone and personalized content will be created.

### **Sources of funding and the time plan**

6 meetings per year for 2015 - 2016

Budget:

14.000,- EUR Košice 2013 budget

### **Tool**

#### ***4.1 Establishing X-Platform***

*Outputs:*

*Online platform*

*Different formats on the social events (business breakfast, brunch, etc.)*

*Results:*

*Cross-fertilizations of the sectors*

*Sectors get to know each other*

*Innovation and collaboration*

*Key Performance Indicators:*

*Number of meetings organised per year*

*Number of people attended per year*

*Number of users registered*