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KREANORD

NORDIC CREATIVE ECONOMY

# BIG CHANGES – BIG OPPOR- TUNITIES

ENGLISH SUMMARY

ANALYSIS OF DEVELOPMENTS  
IN POLICY TO PROMOTE CULTURAL AND  
CREATIVE INDUSTRIES IN THE NORDIC REGION  
2007–2012

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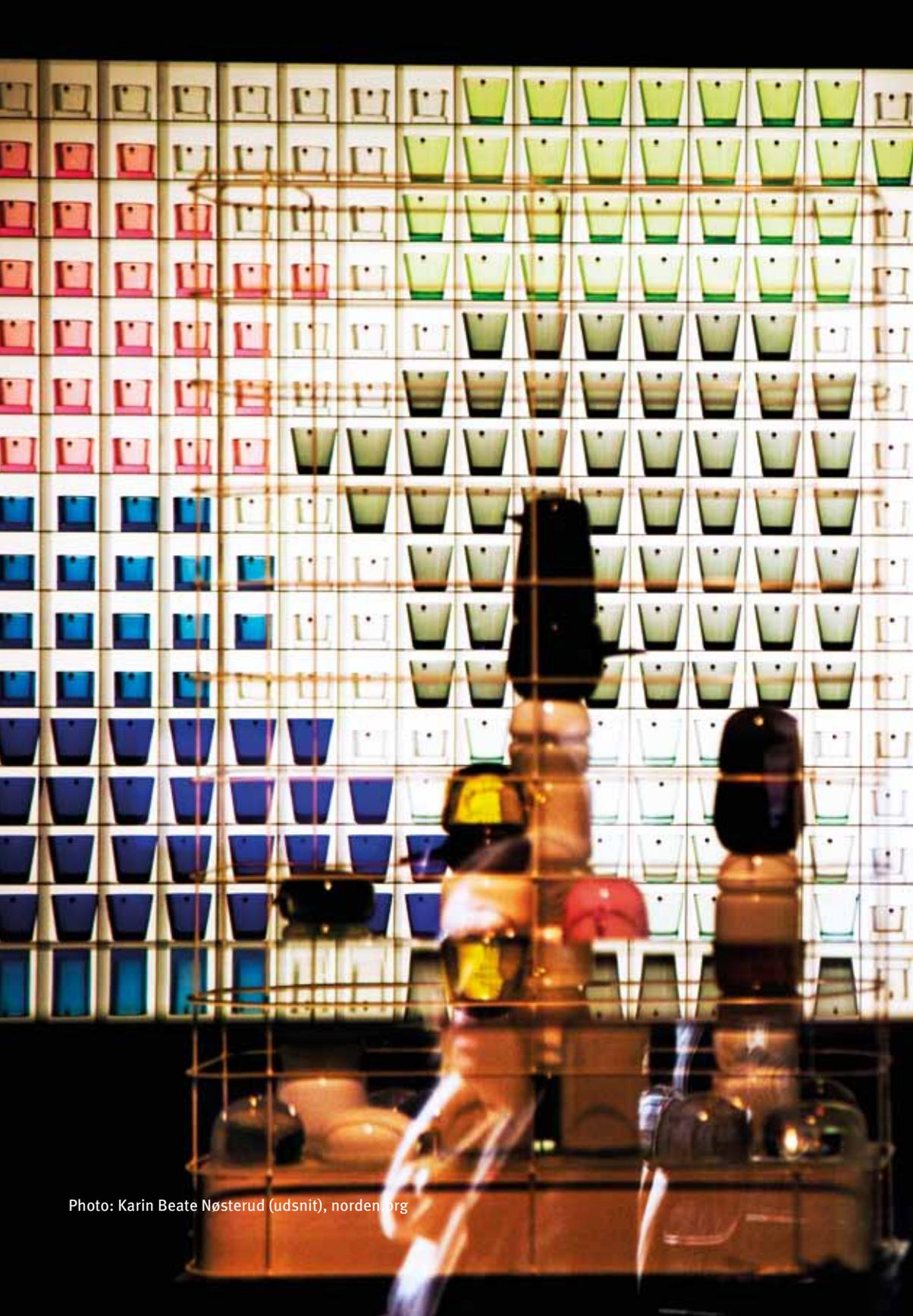


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This is an English summary of the KreaNord report, “*Store Forandringer – Store Muligheder. Analyse af policyudvikling til fremme af de kulturelle og kreative erhverv i Norden 2007–2012*” (Big Changes – Big Opportunities. Analysis of developments in policy to promote cultural and creative industries in the Nordic Region, 2007–2012). The summary presents four overall themes that have proved to be of general relevance to policy development in the Nordic countries since 2007.

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### ABOUT KREANORD

KreaNord was set up in 2008, an outcome of the 2007 meeting of the Nordic prime ministers in Punkaharju, Finland. KreaNord was given the task of positioning the Nordic region as a region of culture and creativity on the global stage, by improving co-operation between sectors, supporting the development of Nordic skills, and promoting innovation and creativity.

A key objective of KreaNord is to develop national experiences of the cultural and creative professions, and to serve as a common knowledge platform in the Nordic countries and autonomous territories. KreaNord implements Nordic analyses, projects, profiling activities and policy recommendations.

KreaNord’s steering committee comprises representatives from the Nordic ministries of culture and business, who consult regularly with the respective ministers. The presidency of KreaNord is aligned with the presidency of the Nordic Council of Ministers, which rotates between the five Nordic countries and is held for a period of one year.

Norway holds the presidency of the Nordic Council of Ministers, and thereby of KreaNord, in 2012. With a main focus on the welfare state in a Nordic perspective, the programme for the Norwegian presidency emphasises developing the Nordic region as a creative and cultural region.

# Preface

*The Norwegian Government is implementing a policy that provides a historic boost to the culture sector in Norway. This new platform for the culture sector is called the “Cultural Initiative”, and involves a major investment in culture in Norway. By 2014, one per cent of the government budget will be allocated to culture.*

*The objective of the Cultural Initiative is that Norway will become a leading cultural nation. Art, culture, sport and voluntary activity enrich a society and are essential to people’s quality of life, sense of community, and development.*

*Art and culture have great value in themselves. Investment in culture has a strong influence on the achievement of other social goals, such as business development, employment, urban development, integration and inclusion, health, education, and creativity.*

\* \* \*

*Industrial policy also embraces culture in the form of cultural business enterprises. The most recent review shows that cultural enterprises are playing an increasingly important role in the Norwegian economy. In other words, the major investment in culture is also important for business development.*

*In Norway, we are well on the way to producing a new action plan to promote business development of cultural enterprises. The Government hopes that the action plan will encourage us to take cultural enterprises seriously. Business challenges faced by cultural enterprises will be tackled with business policy – not culture policy.*

\* \* \*

*It is a time of crisis in Europe. We cannot do much about the economic storms from other countries that blow over our region. But what we can do is prepare ourselves and build up a business community that can withstand sleet and rain. More economic crises and recessions lie ahead.*

*If we are to meet the challenges of the future – climate change, population growth, an ageing population, and globalisation – we must be able to adapt. We must think in new ways, offer new solutions and continue to deliver the goods and services that the world needs.*

*If the Nordic countries are to continue to compete in the international market, we must think in new ways. The culture sector can grow, offering added value and employment in the future. The creative sector also contains many of the assets that are needed if Nordic business is to succeed in being innovative and adapting to a world that never stands still.*

\* \* \*

*Like its Nordic neighbours, Norway is a small country, and KreaNord was set up in 2008 to enable the Nordic region to market itself as a creative region. KreaNord comprises representatives of the business and culture communities in the Nordic countries, and is working to put Nordic creativity on the map.*

*The core of the Nordic co-operation is that, together, we are stronger but also that we can learn from each other. The background to this analysis is that all the Nordic countries have put creative enterprises high on the agenda in recent years.*

*This has led to various action plans and initiatives. This analysis summarises the*

*initiatives that have been implemented so far and promotes knowledge about future cultural initiatives and policies. This will enable us to work together in developing a creative and competitive business community in the region in the coming years.*

*Trond GiSk  
Minister of Trade  
and Industry*

*Hadia Tajik  
Minister of Culture*

#### **FACTS ABOUT THE NORDIC REGION**

- The Nordic region consists of Sweden, Iceland, Finland and Denmark and the three autonomous territories Åland, Greenland and the Faroe Islands
- There are approximately 25 million inhabitants in the Nordic region
- The Nordic region constitutes the world's eleventh largest economy (2009)
- In the Nordic region 12–20 pct. of the inhabitants between the ages of 20 and 39 are enrolled in higher education.

# Introduction

Like the rest of the world the Nordic countries are experiencing that existing ways of creating value for society, citizens and business are changing. The traditional industries are transformed and new ones arise. Cultural and creative industries are growing, and a workforce with creative competencies is increasingly important for adding value to society. This means great changes and great opportunities for the Nordic countries.

## GREAT CHANGES

The changes take place at several levels of societal development, which is reflected in a number of analyses from the Nordic countries. In Finland the number of people employed in cultural industries has increased by more than 22 pct. in the period 2004–2011, compared to a general increase in employment of 5 pct.<sup>1</sup> In Norway a survey in 2009 showed that the cultural industries employed 75,000 people, distributed between 27,000 businesses, which created a total value of 42 billion NOK<sup>2</sup>. In Iceland a survey in 2011 showed that the creative industries were responsible for 6.3 pct. of total trade<sup>3</sup>. In Denmark the importance of creative industries has also been documented. More than 11 pct. of value creation and approximately 7 pct. of both turnover and

employment can be ascribed to creative industries<sup>4</sup>. Added to that, the cultural and creative industries contribute significantly to growth and innovation in other areas of the business community.

The mentioned surveys all point to the fact that cultural and creative industries are highly significant for the economy. However it is difficult to fully identify the development when the known business sectors and business models are used as the basis for comparison. Value in the cultural and creative industries is created in the intersection between economics, culture and technology<sup>5</sup>. Amongst the challenges is the need to provide and promote new knowledge on what characterises the new business opportunities and value creation in the cultural and creative industries.

## NEW NORDIC OPPORTUNITIES

Competency development and cooperation between cultural and creative businesses and the traditional business community bring about significant potential for innovation and business development. The Nordic countries have an edge in this respect, as Nordic businesses generally have a well-developed organisational structure with emphasis on innovation, creativity and human resources development. The Nordic business community is also ahead on the transformation

1 Statistics Finland (2010): Cultural statistics 2010, cultural employment in Finland

2 Menon Business Economics (2011): Kulturnæringsens betydning for norsk økonomi

3 Sigurdardóttir & Young (2011): Towards Creative Iceland: Building local going global – Quantitative and qualitative mapping of the cultural and creative sectors in Iceland

4 The Danish Ministry of Business and Growth (2012): Oplæg til vækstteam for kreative erhverv og design and the Danish Business Authority and CKO (2011): Vækst via oplevelser

5 More about this in section 5, theme 1.

to a modern economy based on the triple bottom line, where human, environmental and economic aspects of value creation are inextricably connected. The increasing use of creative competencies in business may be key to further promoting this development.

Increasing interchange between cultural and creative industries and other parts of the business community is not only beneficiary for the business community, but also improves the conditions for the players in cultural life. In the Nordic countries we educate some of the world's most outstanding talents and entrepreneurs within the cultural and creative industries – and Nordic film, music, architecture, design, computer games, handicrafts etc. are known and respected all over the world. Yet graduates from the cultural and creative institutes of education are still faced with great challenges when it comes to making a living from their creative competencies<sup>6</sup>. This emphasises the need for sustainable development in the cultural and creative industries, and thus is not in contrast to the meaning and value of cultural life and art as such.

At European and Nordic levels there is increasing focus on the cultural and creative industries through a number of initiatives. The Green Book by the European Commission from 2010<sup>7</sup> and the Commission's report on competitiveness<sup>8</sup> from the same year set out the

great significance of the cultural and creative industries on the continued competitiveness of European businesses on the global market. Policy development is one of the European Commission's focal points. In 2010 a broadly founded international group of experts put forward 100 best practice examples of European policy initiatives for promoting cultural and creative industries, and most recently, in 2012, the European Commission has launched the European Creative Industries Alliance (ECIA). The Nordic countries are specially represented in the ECIA through the partnership in the initiative FAME, which deals with the financing of the creative industries, as well as through the chairmanship of the ECIA which is held by Denmark.

## DEVELOPMENT OF THE CULTURAL AND CREATIVE INDUSTRIES IN THE NORDIC COUNTRIES

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The Nordic countries have unique traditions of cooperation and, as the analysis shows, each Nordic country has several years of experience with developing the regulatory framework and policies for promoting the cultural and creative industries as well as growth and innovation in other parts of the business community. Policymakers across the Nordic countries are now able to share experiences and together create the framework for the Nordic region to be developed as a creative region – to the benefit of each of the countries and of the Nordic countries as a whole.

<sup>6</sup> See Bille et al (2010): Performing artists' income conditions and careers in Denmark

<sup>7</sup> European Commission (2010): Unlocking the potential of cultural and creative industries

<sup>8</sup> European Commission (2010): European competitiveness report 2010

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The full report (in Danish) provides an overview of policy development for the promotion of cultural and creative industries in the Nordic countries since 2007. The analysis takes as its starting point the most important milestones of policy development in each of the Nordic countries and illustrates the differences and similarities between the approaches to the field in the different countries.

Therefore the analysis can inspire and create an insight into the experiences of the Nordic countries. In this way the analysis contributes to showing the needs and opportunities for future cooperation across the borders of the Nordic countries.

The analysis is based on extensive background research and on six knowledge development workshops held in the Nordic countries and the Faroe Islands. Furthermore the KreaNord network of representatives from the relevant Nordic authorities has acted as an editorial group for the analysis. In doing so, KreaNord has taken the initiative to create an extensive knowledge base with direct input from the Nordic policy players and stakeholders from the cultural and creative industries.

The report initially presents a summary of the most important milestones in policy development in each of the Nordic countries and the Faroe Islands. Subsequently the report presents four policy themes which have been identified as being particularly important in the Nordic countries as a whole. Finally the report contains a more detailed review of policy development in each of the Nordic countries and the Faroe Islands.

# Conclusions

The report outlines individual accounts of policy development for the promotion of cultural and creative industries in each of the Nordic countries, and presents four overall themes which have proved to be of general relevance for policy development across the Nordic countries.

## 1. TRANSFORMATION TO A CREATIVE ECONOMY

The analysis shows that the cultural and creative industries in the Nordic countries are beginning to constitute a driving force within policy areas which reach far beyond the cultural-political arena, including innovation, competitiveness, entrepreneurship, education, trade, investment, export, regional development and tourism. This can be seen as a sign of a political transformation to the creative economy, where issues of economic, cultural and technological value creation are integrated.

The transformation to the creative economy presents new opportunities as well as political challenges. The opportunities include strengthened competitiveness and innovation in a global economy where symbolic and meaningful products, services and contents are very highly rated. This is an economy in which the Nordic countries have an evident position of strength due to their strong tradition of creativity and cultural practices<sup>9</sup>. However the challenge is that, in the creative economy, there are a number of coincidences between previously separate policy

areas, which calls for increased dialogue and cooperation across the policy areas. Whereas before cultural politics and business politics were in contrast to each other, today there are a number of agendas on which the areas have the same interests and mutually complementary effects. In several of the Nordic countries there have been examples of integrated initiatives across policy areas<sup>10</sup>, but the initiatives have been of a temporary nature. This is partly due to changing political priorities and partly to the fact that many of the initiatives were established on a trial basis. In the Nordic countries there is ample opportunity to recapitulate existing experiences and to continuously develop new and more durable political cooperation across disciplines and across the cultural and creative sectors.

## 2. POLITICAL ANCHORING

As mentioned the analysis concludes that policy development for the promotion of the cultural and creative industries in the Nordic countries reaches into several different policy areas. At the same time the cultural and creative industries are still ascribed with having a significant impact on social and cultural value creation.

The analysis points to the evident development in the Nordic countries that policy initiatives for the promotion of creative industries

<sup>10</sup> For example, in 2009, the Swedish Business Department and the Culture Department together commissioned nine different tasks to eleven Swedish authorities and players within cultural and creative industries. In Denmark the Ministry of Culture and the Ministry of Business and Growth have cooperated to establish four so-called experience zones as well as the CKO (Center for Culture and Experience Economy)

<sup>9</sup> Nordic Innovation Centre (2007): A Creative Economy Green Paper for the Nordic Region

are not carried forward by one particular agenda, but form part of several different agendas within different policy areas. This means that the starting point of new policy initiatives is shifted: Whereas before initiatives for the promotion of cultural creative industries were justified by the great "growth potential" of the sector, today the actual "growth challenges" are the triggers for new initiatives. With this development the strengthening of the cultural and creative industries is no longer an action area as a sector in its own right, but rather a "solution" to actual challenges in a broad sense. Thus the cultural and creative industries play an important role in growth politics in general, as they are often part of the solution to actual growth challenges within the fields of innovation, entrepreneurship, tourism, export, trade, etc.

At the same time the policy initiatives in the field in recent years have created a more multi-faceted view of the cultural and creative industries – a view which has also caused more uncertainty as to how the potential can be realised in practice in the Nordic countries. Because of this uncertainty an increasingly critical objectivity has arisen in a few of the Nordic countries, in contrast to the previous optimism in the field. This could, however, also be interpreted as a sign that the cultural and creative industries as a policy area are undergoing a political maturation process which is necessary to move forward. In any case the previously verbose political rhetoric has in recent years been replaced by more down-to-earth discussions, which partly deal with how broadly or narrowly the field of cultural and creative industries should be approached

from a policy perspective, and partly with how cultural and business political goals and efforts should be defined in terms of each other in the creative economy.

### 3. A FRAGMENTED SECTOR

The analysis concludes that from a policy perspective it is a challenge that the cultural and creative industries are made up of a number of different industries which do not necessarily see themselves as belonging to the same sector – in spite of the fact that their business potentials and challenges coincide in many ways. This means that the cultural and creative sector appears highly fragmented. Trade organisations and other stakeholders from the various cultural and creative sectors are able only to a limited extent to draw up a joint agenda and much less provide input to political decision-making processes, which makes it difficult to accommodate and understand the overall needs and interests of the sector at a political level.

This issue also complicates the adherence to focused goals and strategies in the area across changing political priorities. Because of the low level of organisation in the cultural and creative industries there are no independent interest groups which keep a permanent eye on the framework conditions for entrepreneurship, employment, internationalisation, financing or protection of immaterial rights within the cultural and creative industries.

There is a tendency in several Nordic countries that some cultural and creative sectors are seen politically as being more interesting than others. Only in one case has this policy

approach been evaluated<sup>11</sup>, and the evaluation concluded that a sector-specific approach to the area is not advisable. Partly because it is never certain that the right sectors have been selected, and partly because the sector-specific approach maintains the introvert silo mentality and rivalry between the cultural and creative industries. This is undesirable, considering that demolishing the silo mentality and creating synergy between disciplines form the nucleus of creating value in the creative economy. In the same way other analyses<sup>12</sup> show that, as opposed to other business sectors, the cultural and creative industries have a relatively common and homogenous needs profile and interrelated business challenges, which points to the advantage of policy development cutting across the creative sectors.

#### 4. KNOWLEDGE – FACT OR MYTH?

The analysis concludes that, in recent years, the policy initiatives for the promotion of cultural and creative industries have caused a number of ambiguities in the understanding of this growth area, which continues to pose a challenge to policy development in the field. A number of fundamental issues have made it difficult to distinguish myths from facts, not least in the issue of the extent to which the cultural and creative industries contribute to the economy. The following issues are central:

- Which industries can be defined as cultural and creative industries – and can these industries be considered as one joint sector?
- How can the growth and the innovation capability of the sector – and their derived effects – be documented?
- How can the cultural and creative industries contribute to innovation and growth in the other business sectors?
- Which concrete challenges and potentials do we face in the Nordic countries as regards promoting growth in the cultural and creative industries?

These issues have been discussed and treated in different ways in the Nordic countries for the past years. Although a number of reports<sup>13</sup> have contributed to producing robust knowledge and documentation of the challenges and potentials in these areas, it has not been possible to prevent the debate from fragmenting the political consensus on the visions in the area in several of the Nordic countries. Developments in recent years have thus reflected the fact that different stakeholders within the cultural and creative industries, including the creative trade organisations, political institutions, etc., have varying interests in how the field is defined and appraised statistically.

11 Deloitte (2012): Kultur- og Oplevelsesøkonomien i Danmark – Evaluering af Kultur- og Oplevelsesøkonomien i Danmark

12 Center for Culture and Experience Economy (2011–2012): *What do the Creative Industries need? – Barriers and Possibilities for Growth in the Creative Industries in Denmark* (<http://www.cko.dk/cineedanalysis2012>)

13 See e.g. Statistics Finland (2010): Cultural statistics 2010, cultural employment in Finland; Menon Business Economics (2011): Kulturnæringens betydning for norsk økonomi; Sigurdardottir & Young (2011): Towards Creative Iceland: Building local going global – Quantitative and qualitative mapping of the cultural and creative sectors in Iceland; Danish Ministry of Business and Growth (2012): Oplæg til vækstteam for kreative erhverv og design.

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### **Nordic co-operation**

*Nordic co-operation* is one of the world's most extensive forms of regional collaboration, involving Denmark, Finland, Iceland, Norway, Sweden, and the Faroe Islands, Greenland, and Åland.

*Nordic co-operation* has firm traditions in politics, the economy, and culture. It plays an important role in European and international collaboration, and aims at creating a strong Nordic community in a strong Europe.

*Nordic co-operation* seeks to safeguard Nordic and regional interests and principles in the global community. Common Nordic values help the region solidify its position as one of the world's most innovative and competitive.

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