



EU SCALES UP EFFORTS TO SUPPORT THE CULTURE AND CREATIVE INDUSTRY

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EU SCALES UP EFFORTS TO SUPPORT THE CULTURE AND CREATIVE INDUSTRY

EVENT REPORT

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The Culture and Creative Industries (CCIs) have been among the hardest-hit branches by the COVID crisis, losing up to 90% of their revenues since the beginning of the pandemic. In this context, the EU is launching a new initiative to boost innovation in the sector.

The EU will soon launch a call for proposals for a new Knowledge and Innovation Community that will be managed by the European Institute of Innovation & Technology (EIT). The EIT is already managing eight Knowledge and Innovation Communities (KIC) which bring together research, education and business.

The new Culture and Creative KIC, which could become a driver of innovation in the Culture and Creative Industries, is creating an environment where the industry's innovators can exchange ideas and develop partnerships that address key sectoral challenges.



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EU aims to boost innovation in ailing cultural, creative sectors

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By Luca Bertuzzi | EURACTIV.com



Revenues in cultural and creative industries have shrunk by 30% on average during the pandemic across the bloc, with performing arts revenues plummeting by as much as 90%. [EPA-EFE/Alejandro Garcia]

The European Union has launched a new initiative aimed at fostering innovation in the bloc's ailing cultural and creative industries, which have been among the worst hit financially during the pandemic.

Revenues in cultural and creative industries have shrunk by 30% on average during the pandemic across the bloc, with performing arts revenues plummeting by as much as

90%. Before the pandemic, the sector employed up to 7.4 million people and was estimated to contribute to 4.2% of the EU's GDP.

With this in mind, a new EU initiative aims to support the sector in this moment of hardship. Launched on 21 April, the initiative will be managed by the European Institute of Innovation and Technology (EIT) and is backed by the EU Commission, Council and Parliament.

Bringing together business leaders, researchers and innovators, the EIT will create a new Knowledge and Innovation Community (KIC) to prioritise cultural and creative industries, build bridges across sectors and promote financially sustainable projects.

The initiative, part of the EIT's [2021-2027 Strategy](#), aims to take advantage of the full range of the EIT

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network, which includes projects on urban mobility, sustainability, energy, and education fields.

Manuel Heitor, Portuguese Minister of Science, Technology and Higher Education, said the EIT had become a “point of reference” in innovation across many sectors. MEP Eva Kaili agreed, saying that the cultural sector was a crucial element of Europe’s competitive edge.

The EIT have so far supported eight KICs, comprising over 2,000 partners across Europe and raising investments worth €3.38 billion.

Catherine Magnan, head of unit for cultural policy at the European Commission, said the new initiative will complement existing EU initiatives in creative and cultural sector by focusing on innovation. She welcomed the KIC approach, which provides for closer collaboration with businesses.

EIT director Martin Kern pointed to the enormous innovation potential of the cultural and creative industries to contribute to Europe’s ongoing digital transition.

“One of the positive aspects that has come out of the pandemic and this crisis is that there has been an acceleration of the use of innovation the deployments and the use of digitalization. We hope the EIT can now make a major contribution in this sector” he told journalists.

The publication of the call for proposals that will establish a consortium of innovators from the creative industries is expected in the autumn, with a deadline of spring 2022.

EIT projects are generally required to address the industry’s key challenges, to become financially sustainable and to be business-driven.

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INTERVIEW

Commissioner Gabriel: New EU budget will support cultural and creative sector

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European Institute of Innovation and Technology (EIT)



Mariya Gabriel, Commissioner for Innovation, Research, Culture, Education and Youth [European Commission]

Mariya Gabriel, the Commissioner for Innovation, Research, Culture, Education and Youth, talks about the importance of innovation in the cultural sector, the role that the European Institute of Innovation and Technology can play in those efforts, and the general state of digital skills in today's Europe.

Interview

The EU's cultural & creative sectors have really had a tough time during the coronavirus pandemic. How important is it to foster innovation in these industries in order to garner long-term sustainability?

Indeed, the cultural and creative sectors have really been hit very hard

by the COVID crisis, with a loss of over 30% of their revenues in 2020 – particularly impacted are performing arts, live music and festivals.

This crisis represents a huge challenge for the sector and I know the struggles of facing an uncertain future. We must also consider that this may also represent an opportunity to embark the entire sector in a

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transition towards a model that will be more resilient, more sustainable and that will make the most out of the digital transformation. The world in lockdown showed how important the creative industries are for our well-being, and openness to the world, and how important it is to support their development at EU level. But it has also exposed dramatically some of their weaknesses that call for the development of innovative solutions both at systemic and specific levels. Even before the crisis, the creative sectors were highly fragmented, which resulted in a weak knowledge and know-how transfer between culture-related education, research and business, and ultimately, in less innovation.

These sectors with distinct value chains (i.e. design, fashion, audiovisual, cultural heritage, video games, architecture ...) have a strong innovation capacity and are able to drive innovation in other sectors of the economy, through creativity, design and new organisational processes and business models. Innovation is not a linear process from the idea to the market, and the approach that the EU offers reflects this, with a range of instruments addressing the needs of the sectors along various angles.

The new EU long-term budget for 2021-2027 and NextGenerationEU include several instruments specifically designed to support the cultural and creative sectors. To name a few: the new Creative Europe and Erasmus programmes, the reinforced Horizon Europe programme with a dedicated cluster on "Culture, creativity and inclusive society", and the upcoming EIT Knowledge and Innovation Community (KIC) specifically for these sectors, as well

as other programmes such as Digital Europe, InvestEU, and the Recovery and Reform Facility. All EU funds are mobilised to support the cultural and creative sectors in this particularly difficult time.

We will not, of course, solve at our level the main problem of revenue loss of cultural and creative sectors due to the COVID crisis. But we can help the reconstruction of the sector by accelerating greatly its recovery and prepare its reopening in the coming months. On 17 March 2021, the Commission adopted a new Communication on the safe and sustainable reopening, which also means helping the most affected sectors such as tourism and the cultural and creative sectors. This safe reopening will also be made possible thanks to innovative solutions, and it is the role of the Commission to provide the framework conditions for these innovations to come to life.

Why will Europe benefit from a new Knowledge and Innovation Community focused on the cultural & creative sectors and industries (CCSI)?

Cultural and Creative Sectors and Industries (CCSI) are incredibly important for Europe and its future. They not only display our shared values, history, diversity and culture, but inspire us to reimagine our futures and push the boundaries for innovation. With the European Institute of Innovation and Technology (EIT), new opportunities will be created for the CCSIs focused on entrepreneurial education, business creation and innovation projects that will power the next generation of innovators and creatives across Europe. These sectors and industries will work

together more closely to emerge stronger thanks to the Knowledge and Innovation Community (KIC). Through its unique approach to innovation, the EIT and CCSI will collaborate to tackle fragmentation, stimulate innovation by connecting innovators and organisations, retraining and upskilling a workforce that has been severely impacted by industry changes (e.g. digitalisation), and pioneering solutions to urgent challenges.

What can the EIT do for the CCSI which other EU bodies cannot? What's the EIT's added value for CCSI?

The EIT has been very successful in setting up Europe's largest innovation ecosystem, one that not only connects business, education and research organisations but also facilitates and accelerates their cooperation. With a unique model that targets interventions at every stage of innovation – from student to entrepreneur, from idea to lab, from market to customer – the EIT is extremely well placed to offer new innovation opportunities to the cultural and creative sectors and industries. The new EIT KIC on cultural and creative sectors (CCSI) will benefit from and draw on the support from the wider EIT Community, with eight existing KICs that each tackle a global challenge ranging from climate, digitisation, sustainable energy to health, raw materials, food, manufacturing and urban mobility. CCSI will now have the chance to join the heart of Europe's largest innovation network, working together with support from the EIT to build a new community from the ground that will be unique and maximise innovation and impact for Europe's CCSI.

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How does the Cultural and Creative Sector Guarantee Facility integrate with the new KIC on CCSI?

In the cultural and creative sectors, ventures, in particular at early stage, and innovators face major obstacles when trying to access private finance. Systems for estimating risks of investment and business models for these sectors significantly differ from most other economic sectors. In some cases, limited possibilities for replication and scaling up of their products or activities makes them less attractive for venture capital. This creates challenges for growth and market access, leading to poor economic performance. The ecosystem approach, through which the EIT is operating, is particularly fit for purpose in addressing these financial shortcomings. In this context, the new Knowledge and Innovation Community on cultural and creative sectors and industries will have a significant share of its activities aiming at supporting early stage ventures and innovators, notably in securing funding.

One of the EU instruments specifically designed to address those needs, is the Cultural and Creative Sector Guarantee Facility (CCS GF). The CCS GF was launched in July 2016 as the first financial instrument specifically targeting the cultural and creative sectors, with a total budgetary appropriation of € 252,4 million in the 2016-2020 period. The targeted leverage effect of CCS GF is expected to reach at least €2.3 billion of additional financing for the cultural and creative industries.

This support is increased as of this year under the Invest EU program where the cultural and creative

sectors are clearly recognised as an investment target. The Invest EU programme can focus on provision of debt finance, and equity instruments for the audiovisual sector but also reach out to investors to they support the creative economy.

It is expected that the new Knowledge and Innovation Community on creative and cultural sectors will raise awareness about the funding opportunities provided to CCSI ventures through the Invest EU program at various stages of development, from the very early stage to the scale-up. The new KIC is thereby a perfect partner for Invest EU, connecting the financial intermediaries with one of its main target groups.

Staying on the topic of COVID, in terms of innovation generally across the block, where have we seen examples of certain regions falling further behind? You have recently launched the EIT Innovation Capacity Building for Higher Education initiative. How vital is it to make sure there is uniform innovation across Europe's educational sectors?

We should do our best at EU and national level to make sure that the crisis does not accentuate the innovation disparities between regions. Addressing the innovation divide is a priority, and our goal is to make sure that we can support Europe as a continent to develop world-class innovations and harness its innovation potential. EU countries each have different levels of maturity in terms of innovation capacity. It is important that we provide support that is flexible enough to these varying levels to ensure that we can all continue to grow, contribute and

advance together for the success of European innovation. The EIT is at the forefront of this battle to help tackle this disparity in different ways.

Through the EIT's Regional Innovation Scheme, tailor-made support is targeted to bridge innovation gaps, and boost innovation by connecting regional partners, sharing good practices, experience and know-how emerging from the EIT Community. With the newly launched Higher Education Institution (HEI) Initiative, the EIT will help universities and other higher education organisations boost their entrepreneurial and innovation capacities. It is important that universities can play a more important role in innovation and in the economy as a whole. We want to ensure that our graduates, who are the ones that will drive the innovations of tomorrow, are equipped with the right entrepreneurial skills and mind-sets, and are offered the best opportunities to bring their ideas to reality.

On digital skills, as part of the European Skills Agenda, the Commission has set out the objective of ensuring that 70% of the EU adult population has basic digital skills by 2025. How confident are you that this benchmark will be met?

We should not be naively optimistic about this target. The current level of basic digital skills of the EU adult population was measured by Eurostat as standing at 56% in 2019. 70% is therefore a very ambitious objective, and we know that the level of digital skills of the general population has been stagnating despite the awareness of their importance. The past year demonstrated how digital skills have become the keystone for working,

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learning, participating in society. It has also revealed that we are not fully ready for digitalisation.

Yet, we can consider this period as a wake-up call. We already knew that 90% of jobs in all sectors require some form of digital skills, and that more than 40% of businesses in Europe say they have difficulties finding ICT specialists. What we know now, compared to a year ago, is that we cannot wait any longer for tackling the digital skills gap. We need a comprehensive and clear strategy at European level to ensure that all citizens, regardless of their age and background, are prepared for the challenging recovery period ahead of us and have the necessary basic and advanced digital skills to live and work in the digital age.

The recently adopted new Digital Education Action Plan 2021-2027 will contribute to these aims by enhancing the digital competences of all citizens for the digital transition. In the public consultation we launched in preparation of the action plan, 74% of the respondents recognised that the crisis has increased the importance of digital skills on the labour market, while 62% shared that their digital skills had improved during this period. This is a positive trend, but we should not wait for another crisis to develop our digital skills out of mere necessity.

The plan includes actions to boost the development of digital skills from basic to advanced, paying special attention to lifelong learning and inclusion. We are confident that with the implementation of the Action Plan, the overall provision of digital skills and competences in education and training will increase, including the inclusion of high-quality computing education across curricula.

Besides policy measures, there are funding opportunities available for reaching this target. For instance the Recovery and Resilience Facility represents a huge investment opportunity and foresees a flagship for reskilling and upskilling. We should also note that digital is currently one of the priorities of the Erasmus+ programme, and that European Social and Regional funds continue to play an instrumental role in fostering the development of digital skills.

20% of the EU's recovery fund has been earmarked for digital projects. Where do you believe are the most important areas for this outlay to be invested in?

The Next Generation EU and the new Multi-annual Financial Framework have channelled more funds than ever before into education, research and innovation through different EU programmes over the next seven years.

The Recovery and Resilience Facility (RRF) shows the importance of upskilling and reskilling for the digital and green twin transition and foresees a major focus on both green and digital.

This investment can support digital infrastructures, reforms on digital strategies for education and training, digital skills needed by the workforce on the labour market, or support to the development of digital competences of teachers and educators. We will continue to invest in connectivity, infrastructure and equipment but if these investments are not matched by reforms regarding digital skills and capabilities, then the infrastructure and connectivity will be left unused.

This is one reason why I launched in February of this year an expert

group on investment in education. The European Commission will be helping national authorities in making the best use of the available funds, thanks to the work and reflection of this group composed of academics and education experts from the public and the private sectors and from across the European Union. Their first meeting will take place on 4 May.

The Commission recently published its 2030 Digital decade targets, which feature some ambitious proposals including in connectivity and edge computing. Could you tell us a bit more about how important research and innovation is in these benchmarks?

Public and private research and development investments are at the heart of the 2030 Digital Compass initiative. Today, digital technologies are mostly developed outside the EU and the convergence across EU countries on digitalisation remains limited, hampering economies of scale. The EU will be a stronger international partner if we reinforce our strengths and capacities.

A massive scale-up of investments, through all relevant EU funds and national spending, is necessary, including leveraging significant private investments, to allow the EU to develop critical technologies. We want to follow our own model of economic development in full coherence with our societal values.

On the international front, the EU will build strong international digital partnerships matching the four pillars of the EU's Digital Compass: skills, infrastructures, transformation of business and of public services. The EU's international digital partnerships will be underpinned by a toolbox, which will include cooperation and research partnerships.

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Building innovative cultural and creative sectors and industries to secure Europe's future

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By Gioia Ghezzi | European Institute of Innovation and Technology (EIT)



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Europe has always been home to a thriving community of artists, intellectuals and professionals in the cultural and creative sectors and industries (CCSI). Today, these industries are experiencing some of the greatest challenges in recent history. The causes are diverse, and they can only be tackled together. That's why the European Institute of Innovation and Technology (EIT) will launch a new Knowledge and Innovation Community, EIT Culture

and Creativity, bringing together research, education and business to enable CCSI to flourish with innovation like never before.

Gioia Ghezzi is the Chair of the EIT Governing Board.

From architecture, film, television and video games to cultural heritage, music, publishing and performing arts, Europe's CCSI play a crucial role in our society. At the end of

2019, they represented [4.4 % of the EU's GDP](#) in terms of turnover and employed [7.4 million people - 3.7 % of total employment](#). In addition to generating growth, they are at the heart of Europe's identity and values, creating social cohesion by establishing a shared sense of history and culture.

These societal benefits as well as their economic potential mean the CCSI are capable of delivering world-

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class solutions to global challenges. Unfortunately, CCSI have rarely faced as many challenges as they do today.

SURVIVING IN A CHANGING WORLD

Digitisation and globalisation especially are affecting the business of culture and creativity. Across Europe, creative and cultural organisations of all kinds are facing a lack of entrepreneurial and cross-cutting skills and are struggling to engage with new generations. Culture and creativity have strong local roots and high growth potential, but they are diverse, fragmented, and often micro-sized in terms of organisation. The COVID-19 crisis is an acute additional challenge, squeezing already tight margins and [causing a 30 % job loss](#) since the pandemic hit in 2020.

If the CCSI are to survive this crisis or, better yet, emerge stronger, they need a long-term approach that aims to make the sector crisis-resistant by addressing the root causes of unsustainability. In short: a lack of entrepreneurial skills, mentoring and the room to experiment and innovate are serious obstacles on the road to success.

And that is precisely where the European Institute of Innovation & Technology (EIT) wants to step in. As Europe's largest innovation ecosystem, we will support CCSI in not only making them more resilient and more connected industries and sectors, but also in harnessing their power to deliver solutions to challenges through our unique innovation model.

RISING TO THE CHALLENGE

To stimulate the development of innovative ecosystems, the EIT has set up Knowledge and Innovation Communities: pan-European partnerships among leading companies, research labs and higher education. These partnerships, of which there are currently eight, are dedicated to finding solutions to specific global challenges, from climate change and sustainable energy to healthy living and food. To date, the EIT Community has generated more than 13 000 jobs, EUR 3.3 billion in external investments, more than 1 170 innovative products and services and more than 3 100 graduates completing EIT education programmes.

The EIT powers innovations of tomorrow and sees the early potential in start-ups to grow and scale. To date, the EIT has supported two unicorns (privately held startup company valued at over \$1 billion): Lillium – the world's first electric vertical take-off and landing jet, and Northvolt – a European supplier of sustainable, high-quality battery cells and systems.

Tapping into the potential of the creative and cultural sectors and industries, the EIT will soon be launching its ninth community, *EIT Culture and Creativity*, which will target the CCSI with the aim of launching innovative solutions and a new generation of entrepreneurs. Given its multi-disciplinary approach, The EIT wants to create more opportunities dedicated to innovators, learners and entrepreneurs from the CCSI.

CREATING AN INNOVATIVE FUTURE, TOGETHER

Establishing an innovation ecosystem with the cultural and creative sectors and industries will enable them to leverage their potential together – boosting European sustainable growth and competitiveness. Innovating with the EIT could help kickstart CCSI transformation into future-proof, resilient sectors and at scale industries with the ability to tackle current and upcoming challenges.

EIT Culture and Creativity will break down barriers to innovation across boundaries, sectors and disciplines. It will accelerate the sectors' transition to new technologies and digital platforms. And it will power new ventures and equip the next generation of creative innovators with needed entrepreneurial skills.

Are you ready to rise to the challenge? Join our community to make a difference, forge a new partnership and innovate with the European Institute of Innovation & Technology.

Find out [more](#) and join the dedicated webinar on Wednesday 21 April at 14:00.



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