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# The development potential of cultural and creative industries in:

# Cottbus, Klaipeda, Linköping, Zielona Gora and Tartu

Proposals for action plan within the framework of the Urban Creative Poles project

**Compiled by:**
Silja Lassur • Külliki Tafel-Viia • Andres Viia

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# Structure of the report

# Introduction

URBAN CREATIVE POLES is a European project whose objective is to create and apply good practices in the public sector in order to promote creative industries as a growing economic sector. It will provide a basis for innovation in striving for a knowledge-based economy. The project aims to provide valuable input to future policies (a new generation of Operational Programmes) and well-structured knowledge management to allow other towns to replicate successful approaches.

The project Urban Creative Poles includes five Baltic Sea Region towns: Cottbus, Klaipeda, Linköping, Zielona Gora and Tartu.

This study within the framework of the project is aimed at comparing the towns based on a SWOT analysis of their cultural and creative industries (CCI) sector and making recommendations for possible future (joint) actions. Specifically speaking, the analysis is based on the following methodological principles:

- It is a case study of the developmental potential of creative industries in five mid-sized European towns;
- It is a comparative study where the creative industries of five towns – the cases – are compared (intra-case comparison). Both multilateral and bilateral comparisons between the towns as well as comparisons with other towns and cities outside the project are carried out (based on the secondary data analysis of other researchers);
- An ecosystem approach is followed which treats context as the critical explanatory dimension. This is important because the towns exhibit differences in their overall position and developmental stage as well as in their practice of and potential for developing creative industries.

The analysis is structured into four main parts.

Firstly, an overview of each town is given, based on its main characteristics. The structural variables include the following: size, location and accessibility, the main geographic features, the significance of the town to the state as a whole and in the context of creative industries, the town's approach to creative industries and its main sub-sectors together with the percentage share of companies involved (where available), as well as the main features of the governance of creative industries. This stage in the analysis is important in order to get a general understanding of each town as well as for providing the bases for comparing the towns.

Secondly, a SWOT analysis based on the SWOT analyses the five towns have carried out individually is undertaken, comparing the strengths, weaknesses, opportunities and threats of all five towns.

Thirdly, following this, a further comparison is done from the perspective of strengths and opportunities in order to obtain information about the possible complementarities of the towns and an understanding of what the regions can offer each other.

Fourthly, the five towns are positioned in an international context through comparing their profiles in the development of CCI with the practices in other European cities. The five town-regions will be examined according to the model of creative industries policies developed within the framework of the research project 'Creative Metropoles' (CM) where the creative industries policies of eleven 'old' and 'new' European cities were analysed.

Fifthly, conclusions and recommendations concerning possible future (joint) actions are made. Based on the analysis, we are able to offer possible fields for future action in two areas: (a) opportunities for future developments of creative industries in towns, based on the CM policy model for creative industries; and (b) transnational action fields based on a comparison of the SWOT analysis of the five towns.

The carrying out of the study involved several stages. First, the SWOT analyses carried out by the towns according to a common methodology were analysed. The town representatives were sent questions to specify unclear issues in their SWOT analysis and/or to ask for additional information and explanation concerning the development of CCI in their city. Second, additional background information about the cities was gathered via desk research and secondary analysis of data to obtain a more comprehensive overview of the socio-economic situation of the towns. Third, the first draft report was compiled and sent to the town representatives to get confirmation from them that the results were interpreted correctly. Fourth, the report was revised according to the comments from the town representatives. The plan of (future) joint actions incorporated into the study was developed further by restructuring actions into clusters of main action fields and adding single actions in two areas: actions at the level of individual towns and joint actions which the towns can develop together. The revised study report was once again sent to the town representatives for final comments. Fifth, the study report was finalised and transformed into an e-publication.

The study was carried out by three researchers from the Estonian Institute for Futures Studies at Tallinn University: Silja Lassur, Külliki Tafel-Viia and Andres Viia.

# 1 Main characteristics of the 5 towns

The project Urban Creative Poles includes five Baltic Sea Region towns: Cottbus, Klaipeda, Linköping, Zielona Gora and Tartu (see also Figure 1).


**Figure 1.** Five towns in the Urban Creative Poles project

Each town is described in terms of its main structural variables such as size, location and accessibility, the main geographic features, the significance of the town to the state as a whole and in the context of creative industries, the approach to creative industries and its main sub-sectors together with the percentage share of companies involved (where available) as well as the main features of the governance of creative industries. See also Table 1 which covers the main characteristics of the towns and Table 2 which highlights the subsectors of the CCI sector in each town.

# Cottbus

Cottbus with 100,000 (2010) inhabitants and a declining and ageing population is the second major town in the State of Brandenburg after the capital Potsdam. Cottbus has supra-regional significance for the economy and provides services of general interest for the surrounding region. Cottbus has a high quality of life, marked by an especially good cultural and social infrastructure for adults, youth and children. Being located half-way between Berlin and Dresden it has both rail and road connections to the European Transport Corridor to Wroclaw and Krakow and is a major regional transportation hub in the region south of the Berlin metropolis.

The **spatial structure** of Cottbus is marked with linear extension by having a strong north-south orientation. A decrease in population, coupled with increasing ageing, has severely affected several town districts. This, as well as the enormous backlog in development of historic urban centres have been the reasons for comprehensive urban development in Cottbus from the 1990s. Today, the focus of urban planning of the town is raising the quality and attractiveness of its town centre.

Cottbus is a traditional industrial town. Its economic history is mainly influenced by textile manufacturing and mining industries. With regard to the current **economic structure** of Cottbus, the leading economic sectors are the energy industry and media, information and communication technology.

**Geographic features**: landlocked town, a river runs through the town. Cottbus is a ‘green’ town with numerous parks and open spaces.

**The CCI sector: its importance, approach and general architecture of public support**

The relative importance of the CCI sector in the overall economy of Cottbus constitutes about 4% – which is relatively small in comparison with the other four towns under analysis. In particular, in 2010 there were 201 CCI enterprises. These constitute 4.2% of Brandenburg’s CCI enterprises and 4.2% of all Cottbus’s enterprises. The major sectors (in terms of figures) of CCI are the design industry, architecture, art, software and the advertising market. Dedicated education is provided in some CCI sub-sectors (not for film and broadcasting industries, performing and visual arts, book and press markets) and at different education levels (university and UAS (FH)). Overall, the CCI sector is mainly considered to be an arts-based sector in Cottbus with no direct positive influence on economic development, although a slight change in this attitude can be noticed. The annual festivals give some presence to the CCI sector in the town: Filmfestival Cottbus, Cottbuser Musikherbst, Festival der Masken, Toni-Festival, etc.

In regard to an approach to CCI, the university representatives carrying out the SWOT analysis find that Cottbus follows the state level approach that divides creative industries into cultural industries and creative sectors. Cultural industries comprise cultural activities in the narrower sense, including publishing, film and broadcasting industries, arts-based and other groups, trading in cultural goods, the architecture market and the design industry. The advertising market and the software/games industries are recorded as creative sectors.

In Cottbus there are no explicit policies regarding creative industries. However, if the definition of CCI is widened to take cultural, public and intermediate organisations into account one can perceive that the orientation of policies is both social and spatial. It is also possible to focus, on the one hand, on fostering cultural diversity and support of artists, and on the other hand, to raise the quality of CI infrastructure by building or renovating buildings and urban areas and providing spaces for creative professionals at low rent. CI policy has also both an inward and an outward focus: making the town more attractive to locals as well as focusing on attracting tourists. There are no explicit measures supporting CCI in Cottbus. Cottbus-based CCI businesses are eligible for relevant services at national and federal state levels.

Regarding support, there is no special body or centre for developing CCI. At the municipal level, the department of Youth, Culture and Social Affairs is responsible for the cultural affairs of the town. There is no municipal office of economic affairs in Cottbus – these kinds of tasks are outsourced to a municipal subsidiary company which is also responsible for marketing the town. There is also an organisation called Kunst.Fabrik that is aimed at improving the business profiles of actors. It is not only an advisory organisation, but also organises workshops and project seminars, and provides coaching – especially for visual and performing artists.

# Klaipeda

Klaipeda is the third largest town in Lithuania (178,000 inhabitants in 2010) with a rising birth rate that is higher than the Lithuanian average. Klaipeda is Lithuania’s second town in terms of economic and social prosperity. It is a port town with a great cultural vibe and is one of the best and most attractive regions to work and live in. Klaipeda is also a university town – there are two universities and five colleges situated in Klaipeda. Due to its unique geographical position, Klaipeda is the largest regional transport and distribution hub that connects land, sea and rail routes. It is also the only ice-free seaport.

With regard to the **spatial structure** of Klaipeda, it has experienced several redevelopments over the centuries. It was transformed after World War II when most of the town was rebuilt. As red bricks were used in the reconstruction of the town, an image of ‘red Klaipeda’ was formed that also distinguishes Klaipeda from other towns in the region. The next big wave of development started in the 1990s, marked by the intensive expansion of the town towards the coast. Today, the focus in urban planning is on increasing the density of the centre.

The **economic structure** of Klaipeda is mostly shaped by port activities: manufacturing, transportation and other activities related to port services. Manufacturing (furniture, wood processing), food and beverage industries and tourism are an important part of the overall economy of Klaipeda.

**Geographic features**: located on the coast, Klaipeda has natural beauty with sandy beaches and sand dunes.

**The CCI sector: its importance, approach and general architecture of public support**
Several cultural institutions are located in Klaipeda – art galleries, concert halls, music theatres, libraries and museums. It also offers a great variety of spaces for all kinds of cultural activities. About 30 different festivals are held in the town annually (e.g. the Sea Festival, the Klaipeda Castle Jazz Festival and Street Musicians Day). However, Klaipeda considers its CCI sector as being rather modest. Based on a concentration of CCI enterprises – 6% (470) of the CCI companies in Lithuania are located in Klaipeda which makes it the third most-important town in Lithuania. The major CCI sectors are architecture, advertising, new creative activities and the visual arts.

Klaipeda combines different approaches with regard to CCI. In general, a distinction is made between a ‘cultural sector’ which is derived from traditional art fields and cultural industries, whose outputs are exclusively ‘cultural’, and the ‘creative sector’ which gathers the remaining industries and activities that use culture as an added-value for the production of non-cultural products. In Klaipeda the following sub-groups are listed: cultural areas, crafts, traditional cultural expression, performing arts, visual arts, books and publications, audio-visual media, new media, design, architecture creative services, advertising, creative R&D, recreation, IT and digital creation.
It is worth noting that tourism is not included in Klaipeda, although it is in other regions of Lithuania.

The policy for CCI is still in under formation. The main strategic documents developing CCI are at a state level where the development of CCI is seen as part of innovation policy priorities and is included in the export strategy of Lithuania. On the municipal level one of the main activities is the development of a cultural factory – incubator; support for creative start-ups is also provided. Thus, we may assume that Klaipeda’s CCI policy has a strong economic and also a spatial orientation. CCI is also fostered via cultural policies that are again more socially orientated. Attracting tourists is also one of the focuses, and therefore, we may notice outward orientation in CI-related policies.

Regarding support, there are several bodies, but no single national or regional coordinating institution. On the municipal level the following institutions are important: the Association for Creative Industries in Klaipeda region, Klaipeda’s Economic Development Agency and the Klaipeda Science Technology Park.

# Linköping

Linköping is the fifth largest town in Sweden (146,416 inhabitants in 2010) and has a relatively young population compared to other Swedish municipalities. In terms of population growth (natural and migration) and business growth, it is a town that is expanding. Linköping is known as the cultural centre of the region and also as a former regimental town and Swedish centre for aviation. Being a university town, Linköping is long-established as a centre of learning and culture. Located 200 km from Stockholm and 45 km from the harbour of Norrköping on the Baltic Sea, and also being situated on the main national railway and motorway between Stockholm and Copenhagen, Linköping is a regional hub for road and railway connections.

Compared to other Swedish towns, Linköping has a well preserved **spatial structure** where small-scale architecture dominates. Today, the focus of urban planning is the building of a rounder, denser and more cohesive town. Urban renewal is needed for the increasing number of inhabitants and is aimed at building new housing areas and the reorganisation of travel centres.

Regarding its **economic structure**, Linköping is in a strong position because of its role in the manufacture of the SAAB aeroplane, as well as its strong presence in information technology-based industries. It follows the general path of the Swedish economy that has increasingly become service-based. The economic growth of Linköping is mostly driven by several international companies. The University of Linköping also plays an important part in future economic growth as it provides good education in the fields of technology and IT (games and software).

**Geographic features:** landlocked town, a river runs through the town; Linköping is surrounded by agricultural plains and is situated close to Lake Roxen.

**The CCI sector: its importance, approach and general architecture of public support**

The CCI sector constitutes about 10% of the overall economy of Linköping. There are more than 1,000 CCI companies and more than 3,000 people employed in the CCI sector. In 2010 every fifth start-up company came from the CCI sector. Regarding the CCI sub-sectors, the game and software industry is highly dominant (410 companies and 1925 employees). Other important CCI sub-sectors are the art market and performing arts, and the advertising market and design industry.

In regard to its approach to CCI, Linköping is influenced by the approach of experience industry followed on national level[1]. The CCI sector also uses the value-chain approach to show how other parts are linked to the creative sector, such as materials, creator/originator, reproduction, distribution/agencies, education/support/preservation. In Linköping four main CCI sub-sectors are singled out that are considered equal on a strategic level. These include tourism/recreation/sport, media/digital, arts/design and cultural heritage. All these comprise smaller sub-sectors – altogether there are 21.

1 In Sweden there is a national action plan for Cultural and Creative Industries produced in 2009 by the Swedish Ministry of Culture and the Swedish Ministry of Industry.

The general approach of CCI policy is to support economic growth and to strive to develop entrepreneurship and innovation. Thus, we may claim that the CCI policy of Linköping has a strong economic focus. As culture is seen as part of tourism, the tourism sector is included in CCI and so it may be argued that outward orientation is relevant to CCI policy.

Regarding specific measures (the only Swedish municipality to have such measures), Linköping has implemented a 1% rule for site-specific art, where 1% of the total costs of new constructions must be spent on art and applied art. There are different kinds of grants provided at a municipal level (for cultural workers, for organisers, and for productions as well as for festivals, etc.). The Regional Development Council also supports the CCI sector.

On the national level, there is one central institution – *Generator,* which is a national network of regions and municipalities working to develop CCI. In addition, the administration of culture and leisure at town level promotes cultural affairs and was the initiator of a design incubator. The business development agency, NuLink, provides business support and the regional business support organisation, ALMI, encourages companies and banks to provide loans.

## Zielona Gora

Zielona Gora with 117,000 inhabitants (2009) has a rising birth rate and is one of the foremost communities in Poland where people come for employment. Zielona Gora is a university town and it is the most important educational centre in the Lubuskie region, providing graduates in both the humanities and the sciences. It is also a recognised regional centre in terms of commerce and services. Zielona Gora is also known for its local wine – being the northernmost wine-growing region in Europe. Its recreational activities and historical sites make the town an important tourism destination. Being located on the crossroads of several international roads and rail routes connecting Scandinavia with Eastern Europe, and Warsaw with Berlin, Zielona Gora is also an important regional transport centre.

In its **spatial structure**, Zielona Gora is a historic town. Because of relatively minor war damage, the majority of the buildings in the centre are from the early 20th century and downtown has preserved its medieval image. Being surrounded by forests, the plans for the spatial development of the town have emerged from the ‘garden town’ idea which is still visible, particularly in the composition of green spaces and their links with the surrounding landscape. Today, the focus of urban development is on improving the quality of living conditions and improving the attractiveness of the town.

As it is one of the industrial centres of the Lubuskie region, industries constitute a significant part in the **economic output** of Zielona Gora. Local industries include electronics manufacturing, engineering and furniture and steel production. Zielona Gora’s proportion of agriculture within GDP is among the lowest in Poland. In recent years, Zielona Gora has done well in growing a number of new businesses. Zielona Gora is considered to be an important place for technologically oriented companies to invest.

**Geographic features:** landlocked town, located on numerous hills and surrounded by forests.

**The CCI sector: its importance, approach and general architecture of public support**
There are more than 1,500 enterprises in the CCI sector. These constitute 9.6% of all enterprises in Zielona Gora (1,546 enterprises in 2010). The main CCI sub-sectors in terms of the number of CCI companies/organisations are the literary and press market, the performing arts and computer programming. However, the pre-dominant field of CCI still lies in 'traditional sectors' such as its historical sites, and cultural institutions like its museums, theatres and classical music.

The development of the CCI sector comprises economic, social as well as spatial approaches, and these are integrated activities which cannot be separated. Different activities are written into several town development documents. However, no prevailing orientation can be highlighted. The strong importance of tourism-related activities allows us to assume that there is an outward orientation in CI-related policies.

CCI is supported by different institutions: the Town Office of Zielona Gora which includes the Department of Sports, Culture and Tourism, the Marshal's Office which includes the Department of Culture and also the Polish Agency for Enterprise Development.

# Tartu

Tartu is the second largest town in Estonia (98,561 inhabitants in 2010) and has a rising birth rate. It is considered the cultural and intellectual hub of Estonia, but it is also the economic centre for southern Estonia. Tartu is a long-established centre of education and science: it is home to Estonia's oldest university (Tartu University). There are also several other educational institutions, including Tartu Art College, the Estonian University of Life Sciences and the AHHAA Science Centre. The Estonian Ministry of Education is also situated in Tartu. An inland town, Tartu is located 186 km south from Tallinn and on the crossroads of two international transportation routes.

The **spatial structure** of Tartu was formed over centuries and has experienced several redevelopments. Much of the medieval architecture was destroyed by fires in the 18th century and large parts of the town were destroyed in World War II. The large waves of development were during the Soviet occupation and after re-independence in the 1990s.

Tartu's **economic structure** is mostly service-based. The largest volume (20%) of business is in wholesale, retail sale and motor-vehicle repair sectors. Science, professional and technical branches are of secondary importance (12%). These also include the spin-offs of the university, and several ICT and biotech companies. The number of ICT companies has risen remarkably during the last five years. The third most-important sector is the building and real estate sector but this has experienced a great fall since 2009.

**Geographic features**: landlocked town, a river runs through the town. It is a green town consisting of 230 ha of parks and green spaces and 72 ha of woods.

**The CCI sector: its importance, approach and general architecture of public support**
Tartu is the second most-important CCI centre in Estonia after the capital Tallinn. The number of creative industries and businesses related to them (excluding non-profit organisations and foundations) is 1,043 making up 12% of the total number of businesses registered in Tartu in 2010. It has more than doubled over the last 10 years. The major CCI sub-sectors are the art and crafts, the performing arts and also hobby education centres.

In general, Tartu follows the British approach to CCI that is also followed on the national level. According to this approach, CCI are those industries which have their origin in individual and collective creativity, skill and talent which have a potential for job and wealth creation through the generation and exploitation of intellectual property. Tartu distinguishes eleven sub-sectors of CCI: architecture, the audio-visual sector, design, the performing arts, festivals, publishing and literature, journalism, arts, crafts, museums, libraries and music.

Regarding the CCI policy focus, it is on the one hand, dominated by cultural policy goals and on the other hand, by the economic/business dimension. CCI is also included in cultural development as well as in business development strategies. CCI is also a part of Tartu's general development strategy. A large part of CCI-related activities at the town level include support for classical culture, festivals and also cultural hobby activities. Since the establishment of the Tartu Centre for Creative Industries the business dimension has become more important. We may notice a shift from a social-cultural orientation towards an economic-environmental orientation. CCI-related policy has had an inward orientation but the outward focus is gradually becoming more important: attraction of tourists and developing exports.

Regarding specific measures in force, the Tartu Centre for Creative Industries provides pre-incubation and incubation services for CCI enterprises. At the town level, support is provided to festivals and people active in cultural fields. The town has also invested in the development of a CCI infrastructure (buildings, environment). At the national level, Enterprise Estonia provides different support schemes for enterprises (including CCI enterprises) and there is a special programme targeted at the development of CCI support structures.

In regard to the organisational support structure, the main body is the Tartu Centre for Creative Industries established in 2009. The Centre operates as the coordinator of creative industries in Tartu and south Estonia by providing CI related information and training, legal and economic consulting for creative entrepreneurs, as well as business incubation (and pre-incubation) services. The cultural department and the business development departments of the Town of Tartu also play an important role.

**Table 1.** The main characteristics of the towns

| | Cottbus | Klaipeda |
|---|---|---|
| Population of the town | 100,000, ageing population | 178,000, birth rate is higher than the Lithuanian average |
| Type of the town and its importance in the region | • regional transport hub<br>• supra-regional significance in terms of the economy and in the provision of services of general interest | • 3rd largest town in Lithuania<br>• 2nd town in terms of economic and social prosperity<br>• 2nd most attractive town to work and live in<br>• university town<br>• regional transport hub |
| Spatial structure | • linear extension with having a strong north-south orientation<br>• urban redevelopment due to a decrease in population and increasing aging as well as due to enormous backlog of historic urban centres | • several redevelopments over the centuries<br>• major transformation after World War II and new big wave of development in the 1990s |
| Geographical features | Landlocked town, a river runs through the town. Cottbus is a 'green' town with numerous parks and open spaces | Town is located on the coast, natural beauty (sandy beaches, sand dunes) |
| Main economic branches | Energy industry and media-, information and communication technology | Port-related activities, food and beverage industries and tourism |
| Share of CCI sector | 4% of overall economy: 4.1% of Brandenburg's CCI enterprises and 4.2% of all Cottbus's enterprises | 6% of Lithuanian CCI companies are located in Klaipeda |
| Main CCI sub-sectors (based on registered enterprises, organisations) | • design industry<br>• architecture<br>• art<br>• advertising market | • architecture<br>• advertising<br>• new creative activities<br>• visual arts |
| Approach to CCI | Division of creative industries into cultural industries and creative sectors. Main criteria of the definition are the 11 branches of CCI | Combination of different approaches. Distinction of cultural sector and creative sector |
| CCI policy focus | Dominance of spatial and social focus + inward and outward orientation | Dominance of economic focus + also spatial and social focus + outward orientation |
| Organisational structure of CCI development; main actors at municipal level | No special body or centre; Department of Youth, Culture and Social Affairs + municipal subsidiary company for economic affairs + Kunst.Fabrik | Several bodies: Association for Klaipeda region creative industries, Klaipeda's Economic Development Agency and Klaipeda Science Technology Park. |

| Linköping | Zielona Gora | Tartu |
|---|---|---|
| 146,416, young population (compared to other Swedish municipalities) | 117,000, rising birth rate | 98,561, rising birth rate |
| • 5th largest town in Sweden<br>• university town<br>• cultural centre of the region<br>• Swedish aviation centre<br>• old traditions, centre for administration and for military organisation<br>• regional transport hub | • university town<br>• the most important educational centre of the Lubuskie region<br>• recognisable regional centre in terms of commerce and services (health, culture, sports-recreational)<br>• regional transport centre | • 2nd largest town in Estonia<br>• university town<br>• old traditions as cultural and educational centre<br>• Southern Estonian centre for economy, culture, education and health<br>• regional transport centre |
| • well preserved spatial structure<br>• small-scale architecture | • preserved historical spatial structure<br>• need for improvement of living conditions and improving the attractiveness of town | • several redevelopments over centuries<br>• big waves of development during the Soviet occupation and in the 1990s |
| Landlocked town, a river/canal runs through the town; plain fields of agriculture land | Landlocked town, located on numerous hills and surrounded by forests | Landlocked town, a river runs through the town |
| • Importance of manufacturing and information-technology-based industries<br>• Service output constitutes 70% of GDP (Sweden) | Electronics manufacturing, engineering, furniture and steel production | Wholesale and retail sale, science-, professional and technical branches |
| • 10% of overall economy of Linköping<br>• every fifth start-up company in Linköping is in the CCI sector | 9.6% of all enterprises of Zielona Gora | 12% of all enterprises of Tartu |
| • game and software industry dominates<br>• art market<br>• performing arts<br>• advertising market<br>• design industry | • historical sites<br>• culture institutions (museums, theatres) | • arts and crafts<br>• performing arts<br>• hobby education centres |
| Experience industry approach + value chain approach on regional level | The approach to CCI is in the process of formation | British approach |
| Dominance of economic focus + outward orientation | No clear dominance | Movement from socio-cultural orientation towards economic-environmental orientation |
| Unifying regional body – *Generator* + Culture and Leisure Administration and Business Development Agency NuLink | Several institutions: Town Office of Zielona Gora that has the Department of Sports, Culture and Tourism, the Marshal's Office which includes the Department of Culture and also the Polish Agency for Enterprise Development | Tartu Centre for Creative Industries + Department of Culture and Department of Business Development |

**Source:** individual SWOTs of the five towns and additional desk research; table compiled by the authors

The five towns have similar-sized populations – approximately 100,000 inhabitants (Klaipeda is slightly bigger). In terms of general features, they are in some sense similar and in some sense different from each other. None of them is a capital city, but they all play a central role in their region – they are educational or cultural centres and/or transport and economic hubs. Some towns, especially Tartu, but also Klaipeda have significant importance for their whole country, being respectively, the second and the third largest towns in their country. Almost all towns have waterfront areas (the sea or a river), except Zielona Gora.

The towns differ from each other when it comes to the importance of the CCI sector. While Tartu is the second most-important CCI centre in Estonia and Klaipeda is also important in Lithuania, this cannot be claimed for Zielona Gora or Cottbus. The percentage share of people and companies exhibits large-scale variations across the group of towns. The approach to CCI varies in the towns. In general, the towns have not developed many tailor-made measures for supporting CCI (nevertheless, Tartu has made strong efforts in this area and Linköping has long experience in developing cultural policy measures). From a research point of view, the similarities between the towns are a positive factor, as they make the towns comparable; at the same time the differences between the towns help to classify the towns more easily.

**Table 2.** List of the sub-sectors of the CCI sector in each town.
The number indicates the number of companies in certain sub-sectors

| Cottbus | | Klaipeda | | Linköping | | Zielona Gora | | Tartu | |
|---|---|---|---|---|---|---|---|---|---|
| Performing arts | 13 | Performing and visual arts | 8 | Performing arts market | 114 | Performing arts (theatre, philharmonic orchestra, festivals) | 274 | Dance and theatre | 186 |
| Book market | 13 | Book market | 7 | Book market | 24 | Literary and press market | 367 | Publishing | 107 |
| Press market | 12 | Press market | 12 | Press market | 13 | | | | |
| Film industry | 11 | Film industry | 4 | Film industry | 18 | Motion picture, TV programme production and music production | 43 | Film, video and photography | 82 |
| | | | | | | Photographic studios | 21 | | |
| Broadcasting | 6 | Television and radio | 3 | Broadcasting industry | 1 | Radio and TV broadcasting activities | 12 | | |
| Music market | 32 | Music industry | 1 | Music industry | 20 | | | Music | 24 |
| Design industry | 50 | Design (graphic design and jewellers) | 12 | Design industry | 106 | Design and planning | 17 | Design (interior design and product design) | 62 |
| Architecture market | 53 | Architecture market | 207 | Architecture market | 23 | | | Landscape and interior architecture | 61 |
| Art market | 43 | Visual arts | 63 | Art market | 229 | Crafts, painting, sculpture | 98 | Arts and handicrafts | 336 |
| | | | | | | Historical sites and buildings | 40 | | |
| | | | | | | Library and archive activities, museums | 8 | Museums | 19 |
| Advertising market | 40 | Advertising industries | 69 | Advertising market | 112 | Advertising | 230 | Advertising | 90 |
| Games/ software | 21 | IT software creators | 28 | Game/ software industry | 410 | Computer programming | 273 | EntertainmentIT | 184 |
| Other activities | 17 | New creative activities, non-formal education, creative services and creative places | 65 | Other/new activities | 11 | | | Other/Hobby centres | 207 |

**Source:** individual SWOTs of the five towns

The major sub-sectors in terms of the number of companies
The 2nd major sub-sectors in terms of the number of companies

# 2 Comparison of the SWOT analysis of the 5 towns

There are many similarities among the CCI sectors in these five towns. Even if the strengths and also the weaknesses differ somewhat, the opportunities and especially threats towards CCI development in these towns are universal.
The following summary and comparison of the SWOTs is based on the individual SWOTs of the towns.

## Strengths

All of the five towns have strengths that stem from their **traditions** and the enduring activities of the towns. In the main, these strengths are related to cultural buildings[2] like theatres (Tartu, Cottbus, Zielona Gora, Linköping); museums (Zielona Gora, Cottbus, Tartu, Linköping, Klaipeda); subsidised collectives like orchestras (Zielona Gora, Klaipeda); or festivals with long traditions which are run on an international scale (Zielona Gora, Cottbus, Tartu, Klaipeda).

**Economically** speaking, the strongest companies are from business-oriented sub-sectors like architecture, design, publishing and advertising. In addition, publicly funded institutions (theatres, museums, libraries) are in quite a strong position. In regard to purchasing power – Linköping has the highest status. It is also an economically expanding region. All towns are regional centres in their countries and are therefore relatively **accessible**. Linköping and Cottbus can also benefit from proximity to their capital cities.

It is quite easy to start a **business** in the CCI field. Usually, the companies have small-scale operations, which enable mobility and are adaptable in changing economic situations. The majority of the companies in the CCI sectors in these towns are small private entities – this adds flexibility, dynamism and universality to the cultural ecosystem, which is especially important during years of economic downturn. The CCI sectors in Tartu and Klaipeda are in reasonable shape, as the towns are the second and third most attractive centres for CCI companies in their countries.

2 These cultural buildings and collectives often receive support at national and/or regional level in addition to receiving municipal support.

CCI enterprises are mostly **located** in the central areas of the towns. All of these towns seem to have suitable places for CCI companies. In Klaipeda as well as in Tartu, meeting places for creative people are more visible than in other towns, where they are in the process of forming though already known in CCI circles. Public arenas are in place and available in all towns.

The **people** active in the CCI sectors are adaptable and enthusiastic; their job is very often also their hobby. Formal and informal open **networks** are in place, though mainly in sub-sector frameworks. Cottbus and Linköping have strong arts associations. Tartu has an active writers' association. All the towns have some relatively active sub-sectors for meeting up and networking.

All towns have general training offers for start-ups in the creative industries. In all five towns, CCI companies are able to apply for national **grants and support schemes**. Regional support schemes prevail in Linköping, but are also relevant in Cottbus. The town level support structures seem to be the most advanced in Tartu, where there is a centre for CCI companies (Tartu Centre for Creative Industries – TCCI) that also works as an incubator (the centre mediates national support schemes for local CCI companies). In Cottbus, there is a special CCI institution called Kunst.Fabrik, which provides advocacy for the affairs of creative professionals.

All of the towns provide **education** for children in the fields of fine arts and music. A high level of education in most CCI sectors is available in Klaipeda and Tartu. In Zielona Gora, Cottbus and Linköping only selected CCI fields are covered by the provision of tertiary education.

**Marketing** of events in sub-sectors is mainly done via social media. More advanced media coverage about CCI is in place in Cottbus (Localido, Hermann, Blicklicht). Klaipeda is lucky to receive promotion for their CCI sector through well-known artists who are known nation-wide. In general, the towns only promote their CCI sector to enhance the town's image and for tourism. Therefore, the large festivals and larger organisations get more attention than the CCI sector as a whole.

A comparison of the strengths of the five towns is summarised in Table 3.

**Table 3.** Comparison of the strengths of the 5 towns*

| | Cottbus | Klaipeda | Linköping | Zielona Gora | Tartu |
|---|---|---|---|---|---|
| Tradition | • loyality towards (staying in) the city<br>• traditions in theatre sector | Cultural festivals | • public arenas<br>• skilled clients<br>• good quality | | • different CCI institutions, also educational<br>• festivals |
| Economic situation | Established businesses in design, advertising, architecture and software/games | • strong sub-sectors: architecture and publishing<br>• flexible, dynamic and fast-growing sector – CCI sector provides 2.5% of the town's GDP | • strong purchasing power<br>• small-scale operations – mobility<br>• global market for game/software products<br>• many CCI entrepreneurs | • qualified and experienced staff in CCI branches<br>• high quality of CCI services | Easy to start businesses |
| Subsidies, policy, institutional and administrative structures | • general support funding program<br>• existence of Kunst.Fabrik which specifically advocates affairs of creative professionals | Increase in internationalisation in education in the fields of CCI | • there is a national program for CCI in Sweden<br>• cultural grants from the municipality to artists | Legal regulations concerning CCI | • TCCI<br>• support for activities from Tartu town and Culture Capital Foundation |
| Location | CCI in inner-town locations | Several places for get-together for creative people | • expansive region<br>• proximity to Stockholm | Good location, proximity of major communications routes | Several hotspots: TCCI, Greif, Club of Genialists, Antonius' Court |
| Infrastructure | • educational possibilities<br>• 'launching pads' for artists and creative professionals<br>• theatres for children and young audiences<br>• media coverage | Cultural education from lowest to highest level (music, fine arts) | Linköping University | Cooperation with educational institutions | • quality education<br>• places available for performing and gathering |
| Networks | Formal and informal networks | • formal and informal networks<br>• meeting places and internet platforms in sub-sector frameworks | Associations – graphic designers, artists | Online access to CCI | Active sub-sector level networks |

| | Cottbus | Klaipeda | Linköping | Zielona Gora | Tartu |
|---|---|---|---|---|---|
| Coaching/ mentoring | Some coaching programs | Growing number of CCI-associated studies in colleges and universities | Coaching and mentor program by Business Support Agency for all businesses | | TCCI for start-ups in the field of CCI |
| Marketing/ promotion | • Kunst.Fabrik and Tafelrunde promote their sub-markets<br>• media coverage of certain sectors (esp. event sphere) | Nationally known artists | • good products market themselves<br>• annual day of urban planning Linköping –'Sam-hällsbyggnads-dagen'<br>• City Art Link – annual Cultural Festival | Promotion of positive image of town | Active usage of web and social networks |

**Source:** individual SWOTs of each of the five towns compiled by the town representatives
* The structure of strengths (keywords) in the left column of the table follows the methodology developed for carrying out a SWOT analysis for each town.

# Weaknesses

Although most of these towns are regional cultural centres, they are mainly **known as** (former) industrial towns (Cottbus, Zielona Gora), or as a military town like Linköping or a port town like Klaipeda: although Klaipeda is also known as a culturally vibrant and open town. Tartu is known as an old university town with great cultural spirit. The university also plays an important role in Zielona Gora, which is a regional economic, educational and tourist centre. Most of the towns complain of a narrow understanding of art or the predominance of a small town mentality. This together with other priorities diminishes CCI in the town environment, except for theatre/concert halls and/or festivals.

The local markets are small. **Local demand** is insufficient for supporting entrepreneurship in the CCI sector. For all intents and purposes, exports are missing. As micro-sized companies exist alongside large budgetary institutions, turnover and wages are small. Therefore, there is a lack of financial resources for developing CCI institutions (either private or public).

The **specific problems** of the sector are derived from the characteristics that the work is often project-based and short-term. This causes problems with social guarantees for creative people.

**Entrepreneurship skills** are weak or missing among creative people. There is no prestige or culture associated with entrepreneurship in places like Klaipeda, Zielona Gora and Tartu where cultural sectors have been publicly funded for a long time (especially performing arts, music, literature, art). Large budgetary institutions like theatres, museums, historical sites or philharmonic orchestras are used to getting public sector support – this mentality is also adopted by young people in the sector.

In general, **marketing skills** among CCI people and CCI enterprises are poor. There is a great demand for professional managers in the field, but at the same time creative people or small companies are not able to pay for those services. Well-educated marketing people are needed to sell creative products and also to export these products.

Although all the towns do have general training for start-ups, **specific CCI coaching offers** are under-represented. There is a lack of specific mentoring programmes, marketing, management and product distribution trainings. Linköping and Cottbus also do not have tertiary level education in the arts for most CCI fields.

There is a lack of inter-sector **cooperation and networking**. Very often cooperation is limited to one project. The private and public sectors (incl. universities) as well as branches of CCI sub-sectors cooperate poorly. The CCI sector itself is weakly organised – small or micro-sized companies or freelancers abound but these companies and creative workers tend to work alone. Poor organisation often derives from the fact that creative people are over-loaded with their own work and do not have time to participate in sector development. Here we come back to the problem that creative enterprises are micro-sized and do not have enough resources.

In all towns, problems with **intellectual property rights** are up in the air in several respects: creators themselves do not know their rights, and these rights are very poorly protected or hard to protect in some fields.

As the towns that were analysed have many priorities other than CCI, they do not have any direct **CCI development policy**. The competence in this field is rather limited or non-existent in municipal administration. In most towns, there is no single contact point for CCI sector representation in the town administration. Therefore, the financial support from the town for the CCI sector is small and narrow (mainly cultural events and/or the town's theatre or education).

CCI **marketing at town level** is poor or non-existent in all of these towns. It features mainly only in the context of the promotion of tourism for large events (festivals).

A comparison of the weaknesses of the five towns is summarised in Table 4.

**Table 4.** Comparison of the weaknesses of the 5 towns*

| | Cottbus | Klaipeda | Linköping | Zielona Gora | Tartu |
|---|---|---|---|---|---|
| Tradition | • no internationally popular artists<br>• former working-class town image | Narrow under-standing of art: only visual, performing and music | • CCI is a new industry<br>• small town mentality<br>• 'flagship'-busi-nesses overshadow other competitors | • no CCI activity tradition<br>• lack of CCI leaders | Old institutions have old habits and get only state support |
| Business and manage-ment aspects | • lack of capital<br>• expertise in marketing and selling is missing<br>• lack of skilled personnel | • low entrepreneur-ship prestige in cultural sectors:<br>• lack of entrepre-neurial culture and skills | • hard to start-up<br>• deficit of interior architects | • high barriers for new CCI compa-nies entering the market<br>• low demand for new companies' products | • low knowledge of entrepreneurship and marketing<br>• need for profes-sional managers |
| Economic situation | • no investments<br>• development of sales market is lagging | • practically no export of CCI<br>• micro companies<br>• small turnovers<br>• small local market<br>• grey economy | • balanced market, not expanding<br>• fearful market | • high cost of rent in town centre<br>• high cost of promotion in the market | • small local market<br>• high competition<br>• lack of financial resources in CCI institutions |
| Location | No sector-specific focal points, except performing arts and music | | • region is dead in summer<br>• closeness to Stockholm<br>• lack of exposure for the CCI | Lack of CCI centres | |
| Subsidies, policy, insti-tutional and administrative structures | • no local CCI policy<br>• no contact point in municipality | • town has no CCI support policy<br>• difficult to get EU support<br>• legal and taxing basis inadequate to specifics of CCI<br>• town's priority is port and Free Economic Zone | No competencies for the CCI area | • weak links with the CCI sector<br>• insufficient financial support<br>• weak policy for CCI support | Town marketing is weak |

| | Cottbus | Klaipeda | Linköping | Zielona Gora | Tartu |
|---|---|---|---|---|---|
| Infrastructure | • weak facilities for galleries, music clubs, trade fairs<br>• no online ex-change platform<br>• physical meeting points are poorly developed | • no CCI incubator or info centre yet<br>• lack of business support infrastruc-ture | • higher education art supply missing<br>• limited office supply – only large offices for architects | Lack of virtual platform for CCI sector | Several sub-sectors have weak coordination |
| Networks | • stakeholders lock-in effect<br>• connections to university are weak | • networks for cooperation, clus-tering and market-ing are missing<br>• public and private sectors and sub-sectors cooperate poorly | No artists' organisation | Lack of links between public and private CCI sector and town administration | Cooperation is only project based |
| Coaching/ mentoring | Specific CCI coaching offers are under-represented | • lack of marketing, management and product distribution trainings<br>• few information about financing possibilities | There is no existing offer on customised coaching for CCI companies | Lack of mentoring programs | Training programmes are too theoretical |
| Marketing/ promotion | No marketing strategy for CCI | No strong publicity or coordination of marketing | • only entertainment marketing<br>• no local media debate | Insufficient promotion | Marketing is weak, hard to reach the wider media covering |

**Source:** individual SWOTs of each of the five towns compiled by the town representatives
* The structure of weaknesses (keywords) in the left row of the table follows the methodology developed for carrying out SWOT analysis for each town.

# Opportunities

As described already in the 'strengths' section, the **special CCI incubator** has a major impact on the CCI development in the town (Tartu). Klaipeda also invests considerable effort in new infrastructure – opening a CCI incubator. Talking about Linköping, it was mentioned that a special 'Gaming incubator' could make a great difference in this field. Zielona Gora found that setting up an institution responsible for the development and promotion of the CCI sector enlarges opportunities for sector development.

**Training and coaching** is definitely an issue for CCI sector development. Positive benefits are seen for CCI people from undertaking general entrepreneurial and management courses (in different forms), and sector-specific courses provide further benefits to make this sector stronger and more sustainable.

Zielona Gora, Cottbus, Klaipeda and Linköping have opportunities for boosting the CCI sector through **urban development**. In Cottbus, Zielona Gora and Klaipeda there are unused, old industrial buildings that need renovation and new functions. These could be used to establish new centres for CCI. Some grass-roots developments in certain town districts are also coming together in these towns, and provide great hope of becoming lively CCI centres.

Linköping, Zielona Gora and Cottbus see the opportunities in using the **regional/local identity** and context in developing their CCI sector[3]. Klaipeda is already trying to develop their CCI in the port town context. Combining CCI development with **tourism** is one of the opportunities for all these towns.

**Policies at national or federal/regional state level** are also relevant. In addition, local stakeholders can profit from these. Klaipeda, Zielona Gora also mentioned the opportunities related to **EU programmes and funding** possibilities. Stable financing from the public sector for priority actions (festival, theatre groups, etc.) also makes it possible to develop strong CCI sectors in towns.

Linköping has very good means of evaluating artistic products and services through the 1% rule for site-specific art and tax deductible art purchase. No other town has implemented these kinds of measures.

**Encouraging cooperation and networking** between a) sub-sectors within CCI, b) CCI and enterprises in other sectors, c) CCI and (higher) educational institutions, and d) CCI and public administration are also seen as great opportunities.

To develop cooperation, both inter-sector and intra-sector digital networks and information-communication platforms need to be established. The development of digital information technology provides good opportunities for that.
These platforms are also relevant for the **promotion of CCI**. The regular promotion of CCI is relevant for the development of this sector, helping to create an understanding of the sector and increase the value of CCI products and services.

A comparison of the opportunities of the five towns is summarised in Table 5.

[3] E.g. Cottbus is situated in Brandenburg, which is known as a destination for film shoots. Zielona Gora and its surrounding region is known as wine-producing region.

**Table 5.** Comparison of the opportunities of the 5 towns*

| | Cottbus | Klaipeda | Linköping | Zielona Gora | Tartu |
|---|---|---|---|---|---|
| Economic development | • marketing of freelancers via internet<br>• extent business skills and know-how for entrepreneurs<br>• unlock new markets via support in distribution | • arts and culture create workplaces (as well as technical service) and contribute to GDP<br>• all traditional industries and social spheres require CI product integration<br>• promotion of CCI affects economic and social fields, helps to recreate inner-city areas, disused industrial complexes | • combine tourism and culture<br>• private sponsoring<br>• enterprising marketers | • improving economic situation<br>• new methods of promotion and sale of CCI services | • common marketing for external markets<br>• training the people in CCI sector entrepreneurship skills<br>• create new models for small scale production of CCI products |
| Subsidies, policy, institutional and administrative structures | Decisions at federal and state level for CCI development impact local actors | EU and national support for business and education (culture, press, radio and TV support fund) | • invite inspiring lecturers<br>• 1% rule<br>• tax deductible art purchase<br>• political debate make Linköping attractive for employing and keep the expertise<br>• industry PR (regional, council) | Take advantage of EU, state and local means | • Enterprise Estonia support schemes<br>• stable financing for priority events |
| Urban condition/ soft factors | • green town<br>• rather low rental rates and potential properties available | • relatively small culture and creation product entry costs into foreign markets<br>• local creation and culture market is not full and there are multiple business possibilities as the competition is low | • identify context<br>• growing population | Intensifying the significance of regional identity to support CCI | |

| | Cottbus | Klaipeda | Linköping | Zielona Gora | Tartu |
|---|---|---|---|---|---|
| Location | Brandenburg as a well-known film shooting and production location | | Urban development | | Create different places for CCI activities in the town |
| Infrastructure | • UAS and BTU provide qualified staff<br>• good infra-structure for adults, youths and children culture (theatre, art, classical music) | New infrastructure is being created – Klaipeda creative incubator „Culture factory“ | • young arena for experimental design<br>• gaming incubator<br>• CAD-training, summer courses<br>• university | Setting up an institution for CCI promotion | • find the coordina-tors for subsectors and found the networks<br>• share the classes and other rooms among CCI actors<br>• use the possibili-ties of ICT |
| Networks | Associations, interest groups are active in many sectors | • Klaipeda culture tourism cluster is forming<br>• EU financing can be used to initiate inter-sectoral projects, develop clustering processes in CI sectors and integrate business, science establishments and the community | • meeting places/ networks<br>• need for professional network | | • establish inter- and intra-sector networks<br>• support the cooperation on every level |
| Marketing/ promotion | City marketing can take care for CCI businesses | Famous people (well-known faces) improve the image of the sector | Awareness raising of CCI | | Increasing awareness of CCI |

**Source:** individual SWOTs of each of the 5 towns compiled by the town representatives
*The structure of opportunities (keywords) in the left row of the table follows the methodology developed for carrying out SWOT analysis for each town.

# Threats

**Demand** for CCI products and services is relatively low. There are different reasons for this. One is the impact of mass production; therefore, unique products are undervalued as they are more expensive than mass-produced items. Another factor is the low purchasing power of the citizens (Zielona Gora, Klaipeda, Tartu, Cottbus) and also that they are not in the habit of consuming unique CCI products. Another aspect is the demographic situation and the ageing of the population. Young talent and potential consumers migrate to the capital cities and/or abroad (Cottbus, Klaipeda, Zielona Gora).

As the demand is relatively low, **the wages paid by CCI companies and their profits** are correspondingly **modest**. This again leads to a decline in the numbers of creative youth and other creative and active people – they **migrate** to places with better conditions and environments for CCI activities. This, in turn, leads to a lack of qualified personnel for CCI companies in several CCI sub-sectors.

One of the biggest problems is the lack of interest in CCI development by the town authorities. CCI people perceive a **lack of vision** from the town authorities for developing CCI. This is also accompanied by limited town budgets as allocations are oriented more towards urgent everyday needs rather than long-term CCI development.

Opportunities derived from the renewal of urban spaces are also under threat. As we described above, most of the towns have space available for a CCI centre or cluster development, but the **high cost** of reconstruction (e.g. unused factories) (Cottbus, Klaipeda, Zielona Gora) and the towns' unwillingness to act threatens these processes. The decrease in EU financing is making the situation even worse. Overall, the **bad economic situation** in Europe does not facilitate CCI development. In some towns an increase in rental prices (Cottbus, Zielona Gora) is also foreseen and perceived as a threat.

A comparison of the threats of the 5 towns is summarised in Table 6.

**Table 6.** Comparison of the threats of the 5 towns*

| | Cottbus | Klaipeda | Linköping | Zielona Gora | Tartu |
|---|---|---|---|---|---|
| Economic development | Low wages, low price level and lack of skilled personnel in some sectors | • no critical mass of young talented and creative personalities in the city<br>• economic stagnation directly negatively influences the sector | Stockholm-based architects take the commissions | • low incomes and loss of qualified staff<br>• increasing rental rates<br>• difficulties in finding finance | • continuous of low demand for CCI<br>• Tartu's other sectors are not interested in co-operation with CCI<br>• low export demand<br>• increasing prices |
| Socio-economic development | • ageing population<br>• out-migration | The number of creative youth is diminishing because of immigration to the capital and abroad | Expertise is leaving the town | • demographic changes<br>• out-migration<br>• society is getting poorer | People in CCI sector are too busy for development of sector and institutions |
| Subsidies, policy, institutional and administrative structures | Town budget has further cuts | • the CCI sectors are not supported by any public authority or ministry at national level<br>• insufficient evaluation of problems and topicality of CCI in Lithuanian political and economical communities | • limited budget<br>• lack of vision and political focus<br>• legal procurements are limited<br>• short-term measures | • no interest in CCI development<br>• minimal budget for culture | • decrease in EU financing<br>• low interest in strategic CCI development |
| Urban condition/ soft factors | • potential properties have high rehabilitation demands<br>• not conceived as town of students | The consumption of mass product is increasing and original creative solutions are devalued | • fragmented public image<br>• urban development | • focus on mass culture<br>• shift towards consumption oriented lifestyle | |
| Locations | • increasing rental rates inner-town<br>• poor transport to some hotspots<br>• medium number of third places (cafes, pubs, bars) | • the port's domination in the city<br>• the torpidity of Old Town | Dependence on the urban development of the city as a whole | Increasing rental rates | |

**Source:** individual SWOT analysis of each of the 5 towns compiled by the town representatives
* The structure of threats (keywords) in the left row of the table follows the methodology developed for carrying out SWOT analysis for each town.

# 3 Strengths and opportunities of the 5 towns

This chapter looks at how the towns could assist each other in developing CCI in their towns. We provide an insight into the strong aspects of the CCI in each town. And secondly, we compare towns with each other to obtain information about possible complementarities the towns could offer each other.

## Cottbus

Cottbus has strong potential to develop ‘new’ CCI sub-sectors related to ICT, media and advertising. These sectors could lead CCI sector development.

According to the SWOT analysis, the art, design, architecture and advertising markets are especially well positioned in terms of numbers. The anchor companies in CCI sectors like **design, architecture, advertising and software/games** can generate further growth in their respective sub-markets, but they also have the highest competitive pressure in their sub-sectors.

**ICT and media sectors** are relatively well covered with several support institutions like MediaBoard Berlin-Brandenburg, Sector Transfer Unit ICT and Media (BIKuM) and Media.net berlinbrandenburg. They also have a platform, Media.connect, for cross-sector networking of stakeholders in the media industry. Advertising companies use the network platform Marketingclub Lausitz. This kind of good support and cooperative network is probably worth adopting for other sub-sectors.

A strong ICT sector presence makes Cottbus similar to Linköping. Actually, all the towns provide quality **IT education;** therefore, this sector is definitely an opportunity sector for CCI development. Naturally, it does presume better cooperation between the universities and CCI sectors.

Performing arts, broadcasting and press markets are relatively stable sub-sectors. Although quality education for the music industry is available, the music, book and film industries seem to be fluctuating the most. Nevertheless, the film industry is in a relatively strong position due to the film festival and available key infrastructure. It is a sub-sector with potential. Contributions to the film sector are similar to that in Zielona Gora and Tartu.

Cottbus has some good initiatives for helping CCI development in the town. **Specific coaching offers** that address cultural and creative industries are provided by **KUNST.FABRIK**, providing information about how to maintain and improve entrepreneurial potential and supporting the preparation and implementation of start-up schemes in the creative industries. This is a measure that other towns could consider implementing too.

Cottbus has good cultural and social infrastructure for adults, youth and children. Quality **education** is available in all CCI sectors at different education levels (university and UAS (FH)). This makes Cottbus comparable to Tartu, Zielona Gora and Klaipeda.

**Properties** are available for use by creative professionals, and rental rates for commercial and office use are low. Infrastructure (old factory buildings) that needs renewal, is available and makes Cottbus similar to Klaipeda and Zielona Gora.

Of the five towns, Cottbus needs the most investment for the promotion of competencies. However, it is also important to improve spatial conditions in general (irrespective of the establishment of a new creative centre) and to enhance consultancy and coaching possibilities.

# Klaipeda

## The town of Klaipeda is a great cultural vacation destination. Some promotion of developments in CCI fields related to ICT and entrepreneurship will result in the needed promotion to bring tourists from inside and outside Lithuania to this culturally vibrant town.

The strongest sub-sectors in Klaipeda are those with long-term business traditions like **architecture and publishing** on the one hand and the traditional direct budget assignation-based culture like the **performing arts, visual arts and (classical) music** on the other hand. The strong presence of traditional cultural sub-sectors makes Klaipeda very similar to Tartu, Zielona Gora and Linköping. The ambition to develop IT in relation to CCI and the gaming sector also makes Klaipeda similar to all the other towns in the study.

Klaipeda's strength is the availability of many **creative venues** (art galleries, concert halls, music theatres, libraries, museums and various cultural spaces for all kinds of cultural activities) and events. Some 30 different festivals are held in the town annually (e.g. the Sea Festival, the Klaipeda Castle Jazz Festival, Street Musician Day). Klaipeda is the third largest town in Lithuania with respect to concentration of CCI enterprises. Compared to the other towns under analysis, it seems that Klaipeda is the most culturally vibrant town – it does not have the dead summers Linköping, Cottbus and some extent Tartu have, when the student population is absent, but it is also the only town which could entice people with sandy beaches. Klaipeda has started to use the port town image in the interests of CCI development.

Like Linköping, the town does not have any film production tradition. Also, product and fashion design activities have never developed into separate CCI sub-sectors. The latter makes Klaipeda similar to Zielona Gora, whose design sector is also weakly developed.

To widen an understanding of CCI and to boost enterpreneurship in this sector in coming years, an incubator – **the** '**Cultural Factory**' – is being established in Klaipeda's old tobacco factory. The incubator is planning to rent premises for different sub-sectors of the cultural and creative industries.

Klaipeda feels a great need for creative business information and consultancy centres. Specific CCI cluster initiatives should also be designed and supported in order to encourage cooperation and provide an increase in the value-added operations of businesses.

# Linköping

Linköping's CCI can be characterised by the dominance of creative sectors (games, design, and advertising) and strong visual arts. Linking the development of CCI more strongly to urban development helps to increase the presence of the creative sector 'next door' to Stockholm.

Quality education in the field of ICT from Linköping University has resulted in the fact that the most represented CCI sub-sector is the **games/software industry**. Although a minority of these 410 companies are working in CCI areas today (e.g. some work in aviation), they could be very good cooperative partners for CCI companies. The idea of founding a gaming institute or gaming incubator in Linköping is being mooted. Compared to the other four towns, Linköping has probably the strongest games/software sub-sector, followed by Zielona Gora and Tartu. Nevertheless, all towns have good opportunities for sub-sector development because of quality education in this field.

Other quite well-positioned sub-sectors in Linköping are the **design and advertising** market (like Cottbus) on the one hand and **visual and performing arts** on the other hand. The design sub-sector seems to be stronger in old western towns, because of the good tradition of using professional design. The visual arts are represented by 229 companies, despite there being no art college (higher education in the arts) in the town. These statistics clearly distinguish Linköping from the other four towns. It is probably due to the good **public support system**: grants for artists, the 1% rule for art from the construction budget of new buildings and annual public purchases of art works by the municipality. These mechanisms would be good for others to follow (although this is not always possible at the town level).

Linköping has one **festival and network** for cultural affairs called **City Art Link**. The objective of this organisation is to connect different actors like CCI entrepreneurs, freelancers, museums, churches, libraries, galleries, cafes and so on, in a joint festival. It is the festival that emphasises and makes CCI visible to the wider public.

The least developed sub-sectors are probably film and broadcasting (similar to Klaipeda), book markets and music (like Cottbus).

In Linköping an open discussion about CCI development in the town is lacking and media coverage is also weak. CCI needs to become more visible in the town.

# Zielona Gora

Zielona Gora is the centre of traditional culture with potential to combine local CCI development with tourism development. Better cooperation with the software sector (and local technology park) would give new life to CCI development in the town.

The CCI of Zielona Gora can be characterised as similar to those of Klaipeda with the dominance of 'traditional sectors': **historical sites, cultural institutions like museums, cultural education institutions and theatre, performing arts and classical music**. Zielona Gora also tries to combine their CCI development strongly with tourism development. This makes it also more similar to Klaipeda. But in contrast to Klaipeda, **broadcasting** is in relatively good shape in Zielona Gora as is the **film industry,** which organises three different film festivals in the region. This probably provides better cooperation possibilities with Cottbus.

Due to the quality of ICT education here as in other towns, there are many companies registered in the computer **games/software sub-sector**, but it is not known how well they are positioned in the CCI field.

Zielona Gora like other towns also has good **educational possibilities in the fields of CCI**, especially for children and youth.

Similarly to Cottbus and Klaipeda, Zielona Gora has **available buildings** that can be used for CCI development. The ex-factory buildings in Lisia Street could be a good location for CCI industries because of their closeness to the town centre.

According to the SWOT analysis, the architecture and design sub-sectors seem rather weakly represented, which makes the town similar to Tartu.

Zielona Gora has a great need for spreading entrepreneurial skills among the CCI sector. The establishment of a single contact point ('one stop shop') for CCI related information and promotion would boost the sector's development substantially.

# Tartu

## Tartu is known as a university town with long cultural traditions and great festivals, where new software and audio-visual companies are leading the transformation of the CCI sector towards internationalisation and growth.

The cultural spirit of Tartu is mainly formed by **performing arts, publishing activities, arts, festivals and handicrafts.** There are also many museums and possibilities for extracurricular activities. From the business side, potential (also export potential) CCI sectors are **games/software companies** (there are several international companies driving growth as in Linköping) and the **audio-visual sector**. The latter has grown fast in the last couple of years and a 3D-4D video production competence centre has been formed in Tartu. This competence distinguishes Tartu from the other four towns.

Tartu is the second largest town in Estonia according to the concentration of CCI activity. The growth of the CCI sector has gained additional impetus from the establishment of the **Tartu Centre for Creative Industries** in May 2009. The Centre operates as the coordinator of creative industries in Tartu and south Estonia by providing creative industries related information and training, legal and economic consulting for creative entrepreneurs, as well as business incubation (and pre-incubation) services. As Tartu is the only town in this study lucky enough to already have a CCI centre, all towns could learn from it in terms of how to run this kind of organisation and what are the pros and cons.

The municipal authorities have invested in **creative environments** (Antonius' Court, Tartu Centre for Creative Industries, Ahhaa Science Centre, Barge Yard (Lodjakoda)) and support creative initiatives like the Club of Genialists (Genialistide Klubi), Tartu New Theatre (Uus Teater), etc. This kind of cultural vitality is similar to Klaipeda.

The least developed sub-sectors seem to be design and architecture as in Zielona Gora. In these sectors we can talk mainly about unique design products, interior design or landscape architecture.

Although the shift towards more economically oriented CCI development in Tartu has already happened, there is a great need for cultural managers and raising entrepreneurial knowledge among creative people.

# 4 Comparison of the 5 towns with the CCI development potential of other European cities

In this section we explore the five towns and their regions in an international context by comparing them with the CCI development potential of other European cities. This makes it possible to:

- Place the five towns in the wider context of the developments of creative industry policies in Europe;
- Describe potential wider cooperation opportunities in Europe in addition to the cooperation potential between the five towns;
- Propose possible courses of action for each town based on their position in the model

## Creative industries policy models

We make use of the model of creative industries (CI) policies developed within the framework of the research project 'Creative Metropoles'[4] (CM). This study mapped and explored CI policies in eleven 'old' and 'new' European cities: Amsterdam, Barcelona, Berlin, Birmingham, Helsinki, Oslo, Riga, Stockholm, Tallinn, Vilnius and Warsaw. This research project can be considered one of the most comprehensive attempts to model creative industries policies and to develop a model that can be applied when analysing the CI policies of other cities. Although there have been several studies concentrating on international comparisons of CI policies (*e.g.* Foord 2008[5]; Evans 2009[6]; Kovacs *et al.* 2007[7]), this study went further by fundamentally examining the choices behind the policies and providing an explanation for practices in combination with strategies, governance and intervention mechanisms used by the cities for developing CI. By selecting a clearly qualitative approach, the study sought

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4 The study was carried out by an international research team including eight members from three different cities: Robert Marijnissen, Institute for Metropolitan and International Development Studies (AMIDSt), University of Amsterdam; Dieter Haselbach, Infora Consulting Group Culturplan; Silja Lassur, Külliki Tafel-Viia and Erik Terk from Tallinn University, Estonian Institute for Futures Studies; Tarmo Pikner from Tallinn University, Estonian Institute of Humanities, Aili Vahtrapuu from Tallinn University, Institute for Fine Arts, and Indrek Ibrus from Tallinn University, Estonian Institute of Humanities.

5 Foord, J. (2008) 'Strategies for creative industries: and international review,' Creative Industries Journal, 1, 2, pp. 91–113.

6 Evans, G. (2009) 'Creative Cities, Creative Spaces and Urban Policy,' Urban Studies, 46, 5–6, pp. 1003–1040.

7 Kovacs, Z., Murie, A., Musterd, S., Gritsai, O. and Pethe, H. (2007) Comparing paths of creative knowledge regions. Amsterdam: University of Amsterdam.

answers to the following questions: what alternatives do the cities consider when making strategic policy choices; what are the main differences and the main similarities in CI policy practices; which factors constitute 'the face of the CI policy' of the city. This produced a typology of CI policies. Although, in the main, the model analysed European capital cities, the content of the model is applicable for any city or town because they all have to make similar choices or follow similar pre-conditions in developing their CCI policy. The differences between smaller and larger cities become obvious in the scope of the policies and not so much in the content of the policies.

The study identified three key parameters that play a dominant role in conceptualising the central pillars of CI policy and form the basis for distinguishing between cities. The parameters are as follows:

- **General focus of CI policy:** culture-, space- or business-oriented;
- **CI policy approach:** cluster-, sector-based, developing CI as a whole;
- **Governance of CI policy:** cooperation types in CI policy development between different administration levels: city, region and state.

When combining the parameters with each other, a typology consisting of three CI policy models was identified: 'city with a new face', 'culturally creative city' and 'CI entrepreneurial city'. See also Figure 2.

- **'City with a new face'** is a model where CI policy is space oriented, the approach to CI policy is cluster-based and state, regional and city levels are all involved in the development of CI policy. A city that follows this model pursues a policy that changes the whole positioning of the city to a greater or lesser extent. This presumes a capacity to take major decisions and make financial allocations which the city alone would not usually be able to cope with. Therefore, the role of the state and/or regional authorities in this model is more important and CI policies are more influenced by decisions made at the state and/or regional level.
- **'Cultural creative city'** is a model where CI policy is culture oriented, CI as a whole are the focus of CI policy and the main levels involved in CI policy governance are the city and regional levels. Success in becoming a 'culturally creative city' depends largely on historical factors and other advantages like a cosmopolitan atmosphere, a diverse cultural life, an inspiring urban environment, and the presence of an image of international contemporary culture. This model is more feasible for larger cities. The CI support policy in this model focuses on supporting cultural/creative initiatives in a wider sense.
- **'CI entrepreneurial city'** is a model where CI policy is business oriented, the policy approach concentrates on a sector and the main actor in developing CI policy is the municipality – the city. Support mechanisms for the 'CI entrepreneurial city' model are directed towards the establishment of economically sustainable CI enterprises. Some of these enterprises (*e.g.* film or fashion industries), may grow from SME status and become financially and economically relevant for the city. This presumes that the city ensures the provision of a suitable business environment. Linking creators with other enterprises is also one of the focuses of the CI support policy within this model.

All the eleven cities under study were ranked on scales combining the characteristic features of model-cities. As the cities are at different stages of development in their CI policies, they were divided into two groups: (1) first tier cities or cities with more established CI policies such as Birmingham, Amsterdam, Berlin, Barcelona, Helsinki, Oslo, Stockholm; and (2) second tier cities or newcomers such as Tallinn, Riga, Vilnius and Warsaw. Concerning the 'newcomers' we may outline the directions they might be taking according to the evidence of their initial policy initiatives. See Figure 1.

As a result it was concluded that three cities – Amsterdam, Birmingham and Berlin represent the clearest choice within three possible alternatives. The other cities are combinations of these alternatives. See the description of the cities in Box 1.

In the following section we make use of the policy models to position the five UCP towns (see also Figure 2).

# Positioning the 5 towns according to the CM policy model

Cottbus can be placed on the **'city with a new face'** and **'CI entrepreneurial city'** scale. Due to the decrease and ageing of the population, the spatial transformation towards concentration and improvement of the quality of dwelling has been important in Cottbus over the last twenty years. There are also several examples where CCI has been used in raising the attractiveness of the city. One of the focuses of CCI policy is also oriented to raising the quality of CCI infrastructure. This explains the similarities with 'city with a new face' model (however the direct linkage between the development of CCI and urban transformation is still rather weak). The features of the 'city with a new face' model are also visible in the context of the governance parameters of CCI policy. The spatial transformation has been financed from the federal level, bringing the state level influence to the municipal level – this is usually the case because the capacity to take major decisions and make financial allocations to urban development projects is a situation that the town alone usually cannot cope with.

Cottbus has no direct historical claim to being a cultural centre of the region, nor has it clear aspirations to become an important CI centre today – this pushes Cottbus away from the 'culturally creative city' model. At the same time, one may notice certain economic orientations in the regional and supra-regional support structure: measures targeted at business support in CI and the importance of business support structures in developing CI. The importance of CI businesses is also highlighted among the main strengths of the CI sector. This makes Cottbus close to the 'CI entrepreneurial city' model.

Klaipeda can be located on the **'cultural creative city'** and **'city with a new face'** scale. Being known as a culturally developing, vibrant and open town with many creative places and events indicates that Klaipeda has strong preconditions for becoming a 'cultural creative city'. This is also supported by Klaipeda's approach focusing on the CCI sector as a whole. The combination of different approaches to CI and the development of CI in innovation and export strategies reflects the clustering aspirations of Klaipeda. Given the need for much 'rebuilding' during different decades and examples where CCI is used for raising the quality of the area, Klaipeda is like a 'city with a new face'. The importance of the state in developing CI (e.g. inclusion of CI in state level strategy documents) is also a characteristic of the 'city with a new face' model – meaning that the decisions made on the state level have an important influence on the development of CI at the town level.

Linköping can be placed on the **'cultural creative city'** and **'CI entrepreneurial city'** scale. The important service economy here, coupled with the concept of the 'experience economy' especially in developing CI, suggests direct similarities with Stockholm. Supporting economic growth and striving for developing entrepreneurship and innovation refer to the dominance of business orientation in developing CCI. This makes Linköping similar to the 'CI entrepreneurial city' model. On the other hand, being known as a long-established seat of learning and culture and having a strong art sector, Linköping has historical preconditions that support its moving towards a 'cultural creative city' model. A further point in support of the 'cultural creative city' model is that important support structures for CI can be found at the regional level and the development of CI takes place in cooperation between municipal and regional levels.

Zielona Gora can be placed on the '**cultural creative city'** and '**city with a new face'** scale; however, with certain reservations because Zielona Gora has elements which refer to different policy models, but no clear dominance of any of the models can be recognised. However, we may recognise certain characteristics of a 'cultural creative city' model. Although Zielona Gora has not historically been known as a cultural centre in Poland, it is today an important centre for tourism and also certain cultural and recreational services. Recognising the importance of tourism and linking it to the development of CI makes Zielona Gora similar to the 'cultural creative city' model. At the same time, we may notice the dominance of the traditional cultural sector: historical sites, culture institutions, etc., and the weak position of business-oriented CI sub-sectors. As aspirations for the development of CI are also still evolving, the question remains as to whether Zielona Gora will strengthen its position as a culturally creative town in the future. Regarding the governance of CI policy, regional level support seems to play a rather important role and the development of CI takes place in cooperation between town and regional levels. This makes Zielona Gora similar to the 'cultural creative city' and 'city with a new face' models. However, the absence of large-scale urban transformation (although there are disused factory buildings in the town) makes it questionable to describe Zielona Gora within the framework of a 'city with a new face' model.

Entrepreneurship skills and culture in the creative sectors are still rather weak. Also, one cannot recognise business support measures targeting the CCI sector. This entirely pushes Zielona Gora away from the 'CI entrepreneurship city' model. However, the strengthening of CI businesses has been identified as an opportunity by Zielona Gora.

# BOX 1

**Birmingham** is closest to the model of **'city with a new face'**. In Birmingham space is the driving factor behind CI policy due to the need for the restructuring of the city's economy (developing public/urban space has a central importance in supporting creative industries). Birmingham is also an example of the cluster-based approach in developing CI. It is a model where state and regional level CI policies have a strong influence on policy development at the city level.

**Berlin** is most similar to the model of **'CI entrepreneurial city'**. The following factors support this. In Berlin CI are approached as an economic sector. Berlin is autonomous in its activities and covers both regional and city levels – meaning that what the city does matches the region. Business can be considered as the key driver behind CI policy (hence CI are defined as covering cultural and creative companies – which are mostly profit oriented and deal with the creation, production and (medial) distribution of cultural/creative goods and services).

**Amsterdam** has strongest connections with the model of '**cultural creative city'**. This can be explained as follows. Amsterdam has a broad-scope approach where CI is supported as a whole (and in connection with other sectors). In Amsterdam both the local and regional levels play important roles, and development of CI policy relies on the cooperation between the city and the regional level. CI policy can be characterised as culture-driven/culture-focused (cultural diversity and cultural identities are central keywords).

**Stockholm** is a combination of a '**cultura creative city'** and a '**CI entrepreneurial city'**. Stockholm represents a city that has been based on a service economy for some time and the amount of industrial employment has already been marginal for several decades. Therefore, large-scale urban regeneration is not the issue here. The spectrum of creative industries is quite wide and orientations vary, yet we can recognise (unlike in Amsterdam) a leaning towards cluster policies. Stockholm follows the concept of experience industries, which focuses on the consumer, and therefore, the approach may be considered to be more business centred. That makes Stockholm similar to Berlin. Most important support structures for CI can be found at the local and regional levels, making the city mainly responsible for policy cooperation with regional stakeholders.

**Barcelona** and **Helsinki** can be located on the '**cultural creative city'** and '**city with a new face'** scale. Similar to Birmingham, the development and revitalisation of urban/public space plays (together with the Olympic Games) an important role in supporting CI in Barcelona. Helsinki has also outlined some spatial expectations of creative industries such as making urban spaces more interesting and creative, and several initiatives in redesigning urban spaces are characteristic of the city's CI policy. Barcelona has good historical preconditions for being/becoming a widely-scoped cultural creative and international cultural tourism centre which makes it similar to Amsterdam. Helsinki has recognised the opportunity to employ creative industries to make the city more attractive and creative. Both cities have linked CI with developments in other fields: Helsinki with the development of ICT and innovation, and Barcelona with the development of tourism and ICT. In terms of governance structure, Barcelona develops CI policy in cooperation with stakeholders at the regional level and in Helsinki the state has quite an important influence in developing CI.

**Oslo** can be positioned between the models of '**city with a new face'** and '**CI entrepreneurial city'.** The initiative to redesign its waterfront urban space and the adoption of a cluster approach towards CI development makes Oslo similar to Birmingham. Also, national level policies in Oslo have a considerable influence on developing CI (probably partly due to capital city status). Oslo does not have the Amsterdam-like international 'cultural nest' status, but the city has stated that its CI policy can be characterised by its focus on creative business support, which makes it similar to Berlin.

Speaking about 'newcomers', the developments of **Tallinn's** CI policy enable it to be placed on the '**city with a new face'** and '**CI entrepreneurial city'** scale. The development of CI has to some extent been related to the redesignation of urban space. Opening the city to the sea has just started and using creative industries to regenerate old industrial sites is topical. However, the scale of the changes is not so large or so coordinated citywide so that Tallinn fits easily into the 'city with a new face' model as in the case of Birmingham. Other policy directions related to CI seem to indicate a greater intention to support creative enterprises rather than to raise the general level of creativity across the whole spectrum. This, therefore, makes Tallinn more similar to Berlin.

**Riga** and **Vilnius** are positioned on the '**cultural creative city'** and '**city with a new face'** scales. Riga's history as an industrial city now presents it with very real regeneration issues. Also, Vilnius has several on-going projects related to the renovation, regeneration and revitalisation of urban space and old industrial sites. Compared to Tallinn, Riga has much better preconditions for becoming an Amsterdam-style culturally creative city in the future. It has a true metropolitan atmosphere and a cosmopolitan historical background which is still reflected in its diverse urban and multicultural environment. Vilnius' orientation seems also to be directed more towards linking creative industries development to other economic sectors and towards more indirect impacts on city development, than direct economic value creation by the creative enterprises, which is somewhat the opposite of Tallinn's strategy.

**Warsaw**'s advantages stem from its long cultural traditions and being the capital of a large state, both of which provide sound reasons for cultural development. In fact, its model could appear to be closer to the development of a 'traditional'' culture than to an up-to-date creative industries concept. It is possible to discern the first initiatives in cultural/creative industries and spaces. At the same time, there is probably a lot of room for projects revitalising urban space. According to the present view of CI policies, it is hard to say which direction Warsaw's policy is going to move – towards a 'cultural creative city' or a 'CI entrepreneurial city'.

**Source:** Marijnissen, R., Haselbach, D., Lassur, S., Tafel-Viia, K., Terk, E., Pikner, T., Vahtrapuu, A., Ibrus, I. (2010) Creative Metropoles: Situation Analysis in 11 cities. Creative Metropoles; 'How to support Creative Industries? Good practices from European Cities' (2011), portfolio of best practices.

Tartu can be placed between the '**cultural creative city** and 'the **CI entrepreneurial city' models**. Tartu is historically known as an Estonian cultural and learning centre which makes Tartu similar to Linköping. Tartu is also known as the second most-important CCI centre in Estonia (after the capital, Tallinn). These features provide good preconditions for becoming a culturally creative town. However, Tartu is not very multi-cultural (79% of citizens are Estonians) and its cosmopolitan atmosphere needs to be strengthened in order to follow 'cultural creative city' characteristics. Nevertheless, we may notice the rising importance of the business dimension (apart from the importance of the 'traditional' cultural sector) in developing CI. However, this is recognisable from selected priority sectors (audio-visual, advertising, IT, design) that all belong to the 'business-oriented' part of CI. The business dimension can also be noticed from the measures and supporting structures of CI – strengthening business support for CI has received increased attention and the establishment of a CI incubator in Tartu is a clear embodiment of these kinds of aspirations. We may also claim that policy development takes place mainly at the town level, despite the use of supporting schemes and financing from different sources. Together, this makes Tartu close to the 'CI entrepreneurial city' model.

Positioning Tartu on the 'cultural creative city' and 'CI entrepreneurial city' scale can also be deduced from the fact that there are no traces of heavy industry in the town so the spatial transformation (the whole repositioning of the town) has not been typical for Tartu. This explains why 'the city with a new face' model cannot be applied when positioning Tartu's CI policy.

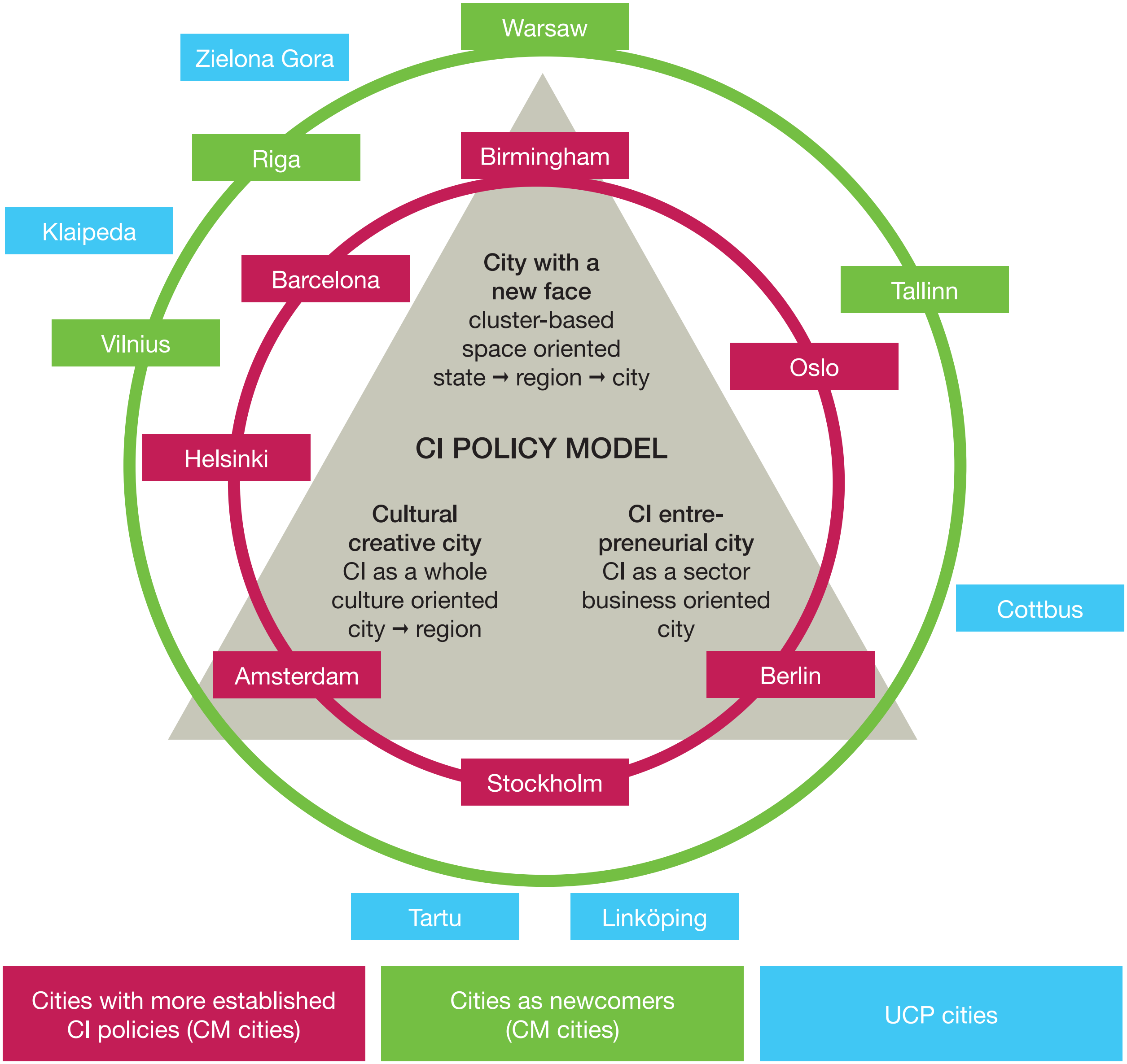


**Figure 2.** Position of the 11 'Creative Metropoles' cities and 5 UCP towns on the CI policy models

A comparison of the five towns with CI policy models enables us to make the following five **conclusions.**

First, in contrast to the study 'Creative Metropoles', this analysis did not bring out significant differences between the towns of different developmental stage. In other words, in the case of these five towns the 'old' Western-European towns have no direct advantage in developing the CCI sector or more developed CCI policies compared to the former post-socialist towns.

Second, the position of the town on the policy models gives the town an understanding of its CCI policy orientations. This helps the town make more reasoned choices in developing CCI. At least it gives the town an understanding of its position and which actions could be carried out in order to retain its position or change it.

Third, understanding the similarity of a town to other cities in the study provides the town with an understanding of possible examples of best practices to follow or of where to go for study visits. Accordingly, in the case of the five towns under study, then:

- Cottbus could use knowledge from Berlin and Birmingham in developing CCI (e.g. cooperation with higher education institutions, cluster building);
- Klaipeda could use knowledge from Barcelona in particular, but also Amsterdam and Birmingham (e.g. in developing clusters, business support);
- Linköping could use knowledge from Berlin and Amsterdam in addition to the practices of Stockholm (e.g. of development of spaces for CCI, developing clusters);
- Zielona Gora could use knowledge from Barcelona, but also Birmingham (e.g. of developing spaces for CCI, enhancing demand for CCI, business support);
- Tartu could use knowledge from Amsterdam, but also Berlin (e.g. of developing interdisciplinary cooperation, cluster building, business enhancement).

Fourth, understanding similarities to other cities provides the town with knowledge about possible partners to cooperate with in developing CCI policies: to develop joint programmes or other joint action fields, exchanging knowledge about different measures, etc.

Fifth, in addition to the 'Creative Metropoles' cities, relating towns to the model should give a good starting point for what kinds of policies to seek for benchmarking: whether the town needs more business policies or cluster policies, or to strengthen the policies towards the development of the city space or to make use of the wide cultural focus when developing CCI.

# 5 Recommendations for future (joint) actions

All five towns are interested in developing the creative industries in their towns. Creative industries, as a highly interdisciplinary sector, needs good understanding of its position in the town for its development: its role in the town's economy and socio-cultural life now and in the future, who the people in creative industries are and their relations with others. In compiling individual SWOT analyses, the towns have obtained answers to these questions. This analysis – comparison of the towns in terms of their strengths, weaknesses and future needs – brought out several common fields, which should be developed in every town. Based on the study, we would like to highlight the following four main action areas to concentrate on (see also Figure 3).

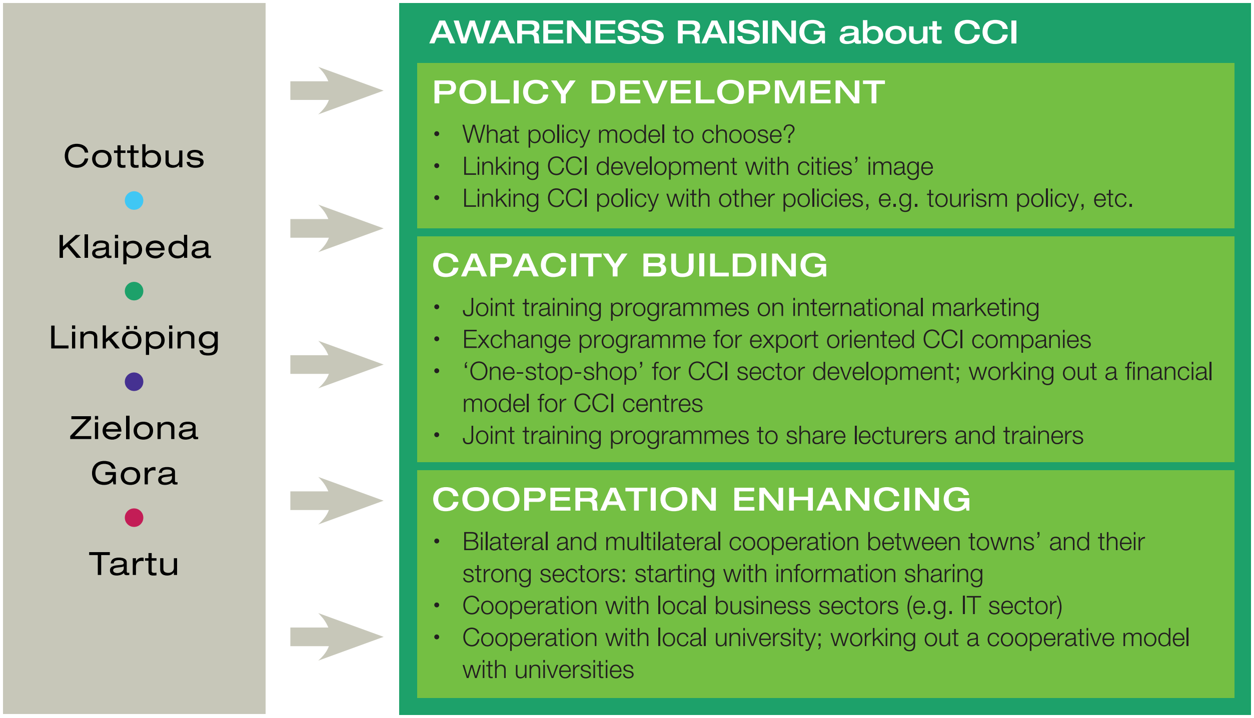


**Figure 3.** Overview of the plans of action for the five towns

First of all, all the towns need further **creative industries policy development**. Placing the towns on the 'Creative Metropoles' model provides a good starting point for discussion of what directions the towns want to develop their CCI policy; and subsequently what kind of policies to seek for benchmarking – do the towns need more business policies or cluster policies, or more development of the city space. All the towns under investigation are the cultural centres of their regions, and therefore, the traditional cultural sectors are quite well established, especially in the performing arts. But these towns also have stronger images in their country that are not related to CCI. Cottbus is an old industrial town with the strong presence of the energy sector, Klaipeda is a port town, Linköping is an aviation centre, Zielona Gora is the northernmost wine producer, Tartu is a university town. So, all these towns have self-images they have to consider in developing their CCI sector. On the other hand, these towns are too small to rely on the demand for CCI from their own citizens. Therefore, they all need to develop tourism and export activities, but they should combine a concern for self-image and tourism when developing their CCI sectors.

Second, it is necessary to **raise the capacity** of the people and businesses involved in developing the sector. Business capacity is quite weak among the creative sector and people need all kinds of training starting from general business skills to export marketing and specific sub-sector knowledge. Information about training and coaching can be usefully combined in a single institution – a 'one-stop-shop' for CCI seems to be necessary for the development of this sector in the towns. This can be seen from the case of the Tartu Centre for Creative Industries, which is the single known contact point where creators can get answers and help, and at the same time other sectors can get information about CCI institutions and actors.

Third, the development of **collaboration** between the CCI sector and different stakeholders is necessary. The comparison of the SWOT analyses from the towns shows that cooperation is weak at every level: within the sector, with other sectors, with the city administration, internationally, etc. Therefore, it is relevant to boost cooperation at every level. As seen in Figure 4 there are several stronger sub-sectors in common in these five towns. This provides good opportunities for fostering international cooperation between the sub-sectors of the five towns: e.g. common network for sharing information, organising joint marketing, etc.

Together, the towns could try to work out an exchange programme for export oriented CCI companies (e.g. for incubants). This could involve arranging matchmaking events to get interested companies to meet, share, learn and cooperate and organising joint training programmes to share lecturers and trainers in international marketing and/or specific sub-sector competencies.

All towns have strong universities, but weak links between CCI and the universities. Cooperation with (higher) educational institutions should be established and continuously strengthened in every town to give better opportunities to the CCI actors and more market aware training for graduates. All towns have good IT education and relatively strong games/software companies. Cooperation between IT companies and tertiary education curricula is useful for CCI development. Firstly, it provides opportunities for new creative ideas and new types of creative companies. Secondly, it helps boost more traditional sectors with new promotional, marketing and selling possibilities. Thirdly, all five towns could try to work out cooperative model(s) with universities and other (higher) education institutions.

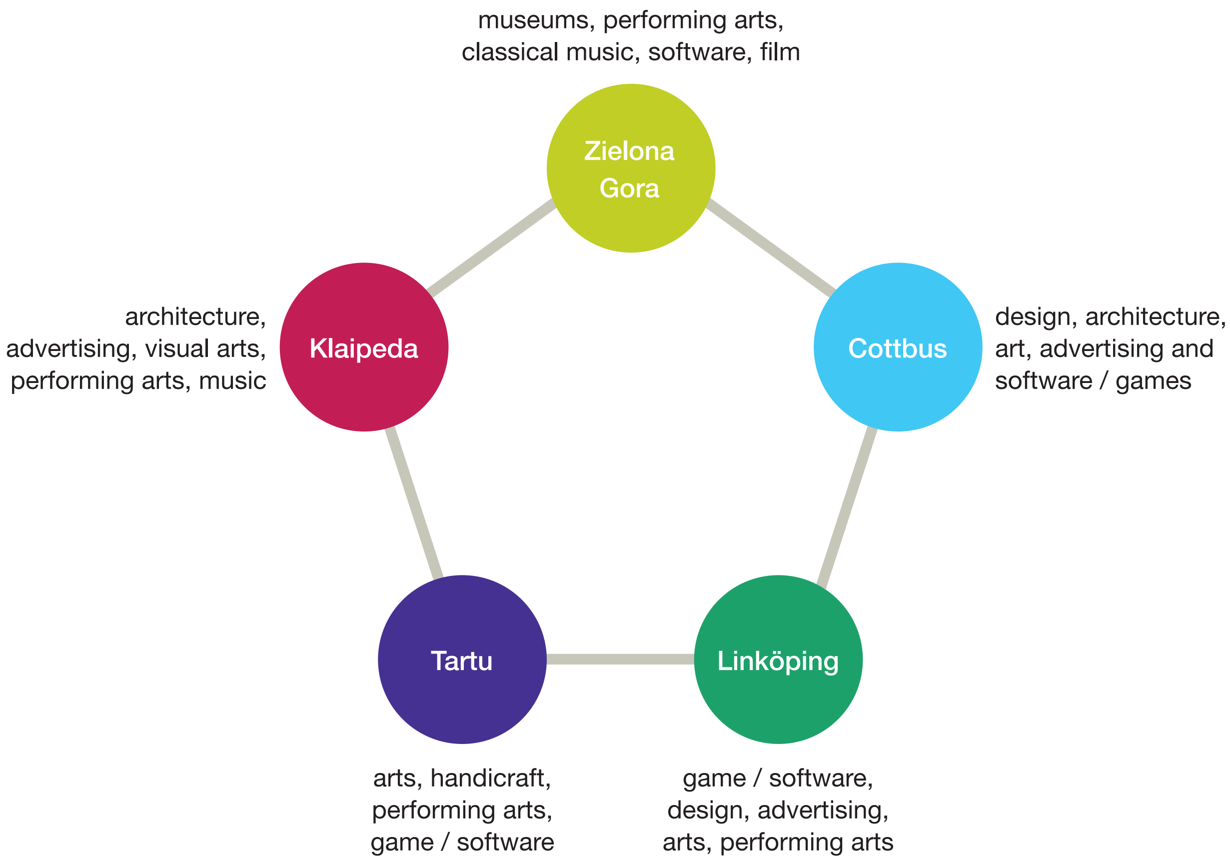


**Figure 4.** Possible sub-sectors for international cooperation

And fourthly, all of these above-mentioned three action fields – POLICY DEVELOPMENT, CAPACITY BUILDING and COOPERATION ENHANCING – need a good **awareness of all stakeholders** involved. Therefore, the towns should make serious efforts to raise awareness of the creative cultural industries in their towns. The project Urban Creative Poles provides a good opportunity for these towns to raise awareness among the towns' policy makers, administrative and creative sectors through involving them in the project's events, seminars and research.

These recommended action fields are very much in line with the project's activities. Figure 5 explains how these recommended actions can be combined with the project's planned activities. The actions are divided into what towns should do on their own and what they could try to do together.

Both the individual and joint actions described in Figure 5 are complex activities presuming a number of different actions. Based on the findings of the SWOT analyses of the cities, we provide recommendations in the form of initial supportive steps the cities can make use of when starting to develop individual and joint actions.

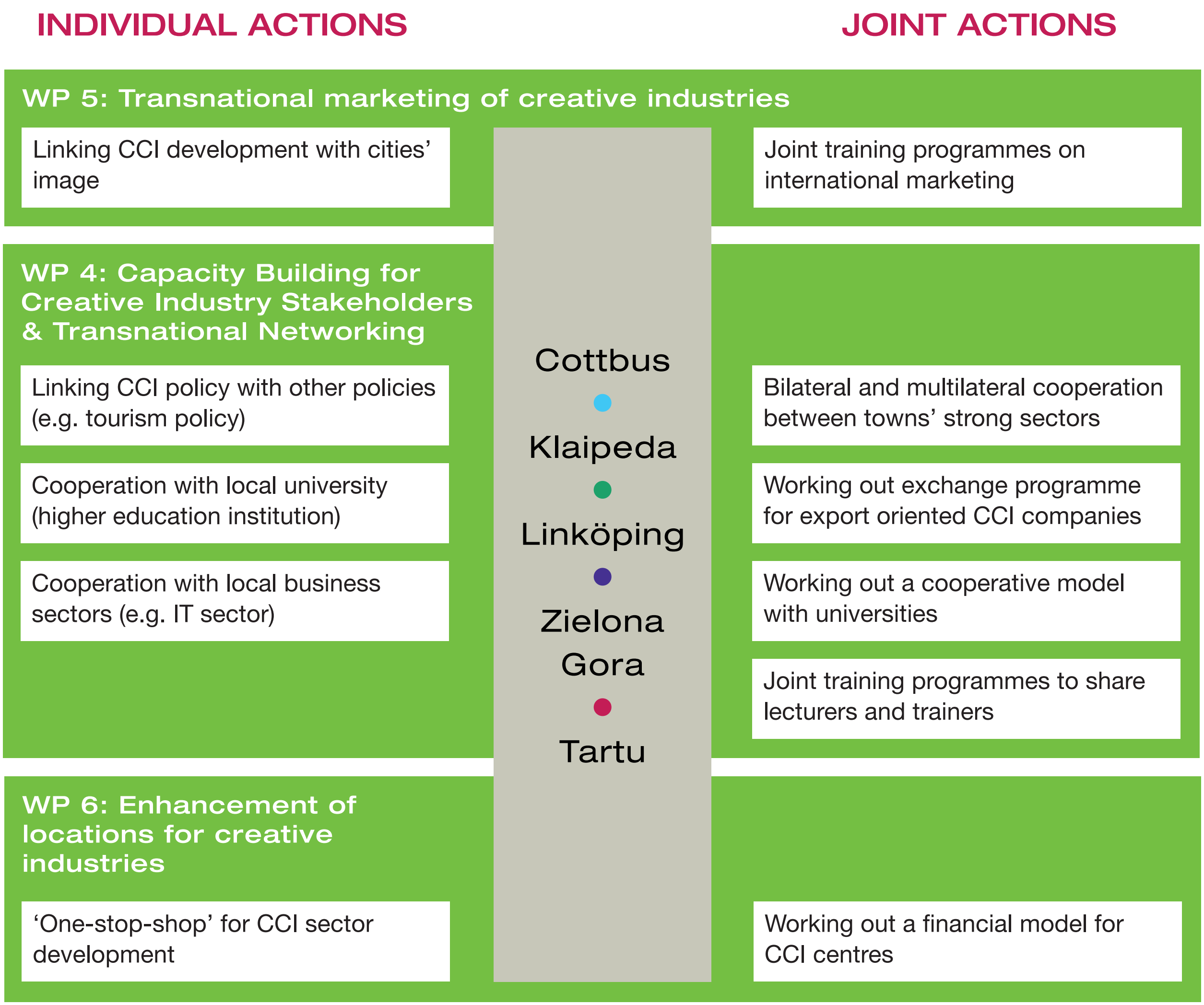


**Figure 5.** Linkages between recommended actions and project's WPs

The first steps to follow[8] in developing coaching and mentoring activities within the framework of WP 4 can be as follows:

- attach importance to capacity building in the areas of marketing and export;
- share good lecturers and trainers among the towns.

The first steps in increasing the visibility of creative industries and henceforth their market potential within the framework of WP 5 could be as follows:

- use local ‘star’ events to introduce creative industries in the towns;
- ask different stakeholders to participate in ‘awareness’ seminars: university representatives, officials from city administration, business organisations, etc. to pave the way for future cooperation;
- explore the development plans of the town as a whole and find out how the development of CCI can coincide with other development strategies and support the image of the town.

The first supportive steps in developing the space for creative industries within the framework of WP 5 could be as follows:

- involve as many creative sector ‘leaders’ as possible in discussions about what needs and conditions are relevant for the creative sector when developing space for CCI;
- involve stakeholders from other related sectors in the town in discussions about the development of space in order to create possible synergy and mutual benefit between CCI and other sectors;
- explore the spatial development plans of the town as a whole and link the spatial development of the CCI sector with the general spatial development strategy of the town.

[8] These steps are offered as supportive to the ones that have already been described in different workpackages of the project.

TALLINN UNIVERSITY ESTONIAN INSTITUTE FOR FUTURES STUDIES (EIFS) is an autonomous research institute of Tallinn University and a legal successor of the academic non-profit organisation Estonian Institute for Futures Studies, which was founded in 1992. The main areas of activity of the EIFS are the development of methodology of futures studies and foresight, strategic analysis and strategic planning. Main fields of research include innovation, creative industries, logistics and transport, regional and urban development and Estonian-Finnish integration. The EIFS has developed one of the main research centres of creative industries in Estonia.

URBAN CREATIVE POLES is an INTERREG IV B project from the Baltic Sea Region Programme 2007–2013 which aims at the development and promotion of cultural and creative industries in the five partner cities Tartu (EE), Linköping (SE), Zielona Góra (PL), Klaipeda (LT) and Cottbus (D), to spur transnational clusters of creative industries, to create jobs and to stipulate additional income as means to strengthen the local economies. The objective is to create and apply good practices in the public sector to promote creative industries as growing economic sector and basis for innovations in the strife for the knowledge-based economy. For more information please visit www.creativepoles.eu

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