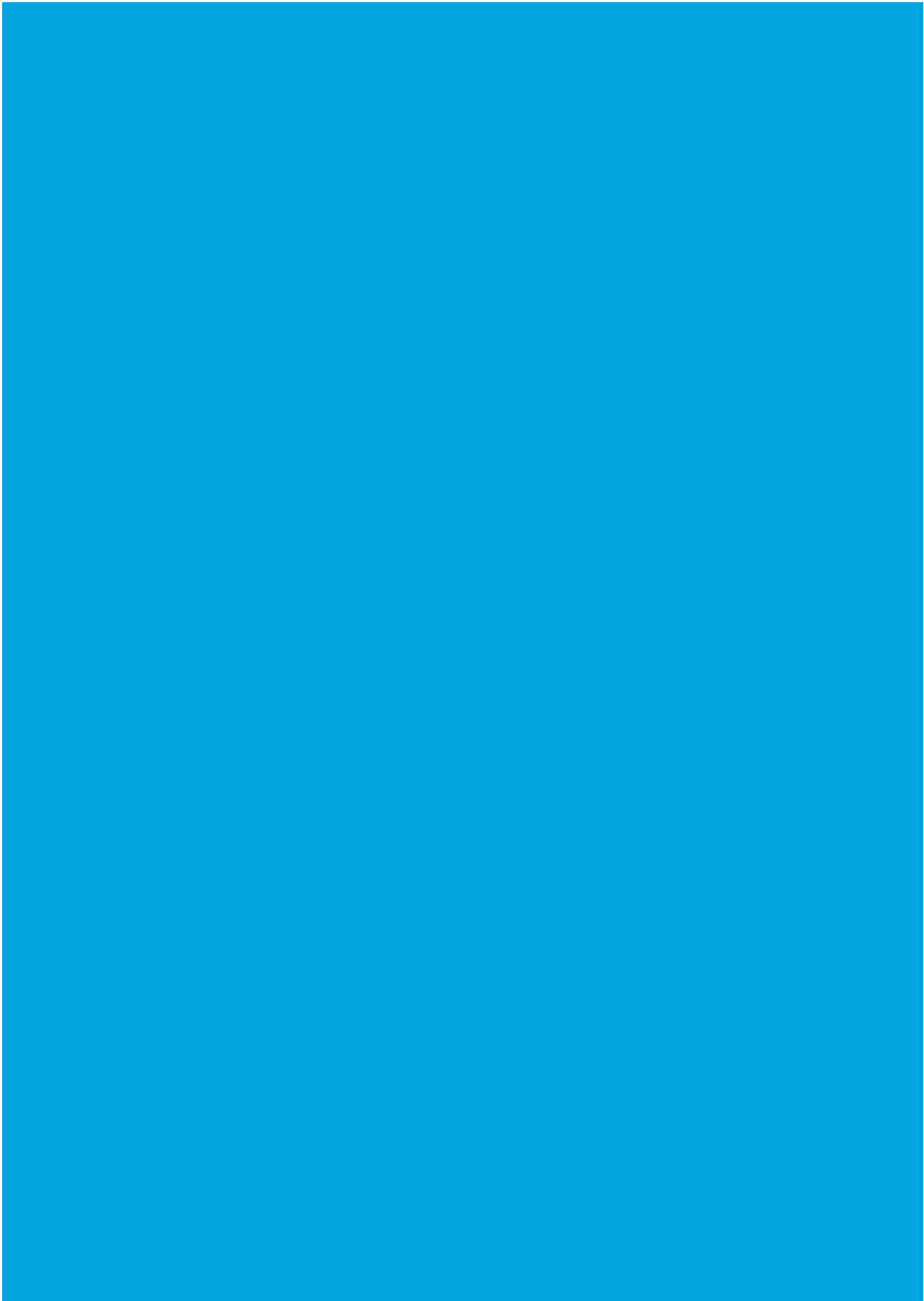


Creative Value

Culture and Economy Policy paper, 2009



Foreword

Creativity, innovation and entrepreneurship are the key factors that will determine the future of our country. The Dutch creative industries sector, a sphere of outstanding creativity, can be a major contributor to this future. It can have a positive impact on our economy, cultural climate and, in broader terms, Dutch society. But this won't just happen by itself. It will take effort to maximise the creative industries' value. And that's something that the creative industries and government need to work on together. The Cabinet is creating the right environment by encouraging an innovative business climate and a specific policy agenda that will enable the creative industries to take responsibility for their own development. This Culture and Economy Policy paper 2009 is the Cabinet's contribution towards building a robust creative industries sector.

Maria van der Hoeven
Minister of Economic Affairs

Dr. Ronald H.A. Plasterk
Minister of Education, Culture and Science

drs. Frank Heemskerk
State Secretary for Economic Affairs

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Summary

The Cabinet aims to help strengthen the creative industries ...

It is the objective of this Cabinet to achieve a prosperous, sustainable and innovative society. The creative capacity to find new and unusual solutions for existing problems is essential in this context. Using their ability to conceptualise and imagine, the creative industries can make an important contribution to the Netherlands' competitiveness and capacity for innovation. It should also be noted that the creative sectors are continually increasing in importance and in size. They are at the centre of new developments and economic dynamics. Partly for these reasons, the creative sectors have been selected as a key area by the Innovation Platform.

... Because the creative industries add value to culture, the economy and society.

Internationally speaking, the Netherlands is in the creative vanguard. The creative industries in the Netherlands had a faster than average growth rate in the years preceding the crisis. More than 261,000 people are employed in this sector. The creative industries not only have their own cultural and economic value; they also contribute to the dynamism, vitality and growth of other sectors. Therefore, in collaboration with the creative sectors, the Cabinet intends to work towards innovative and enterprising creative industries whose products and services are utilised broadly: in the economy, in the cultural sphere, and in society. The central subject of this paper is innovation and entrepreneurship – both with and within the creative industries.

Many initiatives have already been set in motion, but there are still many challenges to face...

A great deal has been set in motion in recent years and the appraisal of the Policy Programme for the Creative Industries 2005-2008 demonstrates that the creative climate has improved. Throughout the country, initiatives have started up to better connect the creative industries with other sectors. All in all, in recent years a total sum of 100 million euros has been deployed in support of the creative industries. Nonetheless, the key issues identified at the time remain pertinent. In various areas we often observed that there is insufficient dynamism in the chain from initial creation to production and marketing. The consequence is insufficient upscaling of creative ideas.

... The Cabinet has therefore resolved to implement a follow-up stimulus package: the Policy Programme for the Creative Industries 2009-2013.

The Cabinet has therefore resolved to implement a follow-up to the 2005 stimulus programme for the creative industries. The key issue is that the creative industries have no overarching strategic vision and plan that could encourage progress in the sector as a whole. This goes hand-in-hand with a lack of self-organisation within the creative industries. A recent evaluation of key areas concluded that self-organisation should improve before the end of 2009 if the creative sectors hope to maintain the status of a key area. The Cabinet wants to use its 'innovation through dialogue' approach to ensure favourable preconditions, and ones within which the creative sectors can take on responsibility for themselves. They can determine and implement their own strategic plan tailored to the specific characteristics and structure of the creative sectors and subsectors.

... Consisting of six action plans and a range of other activities ...

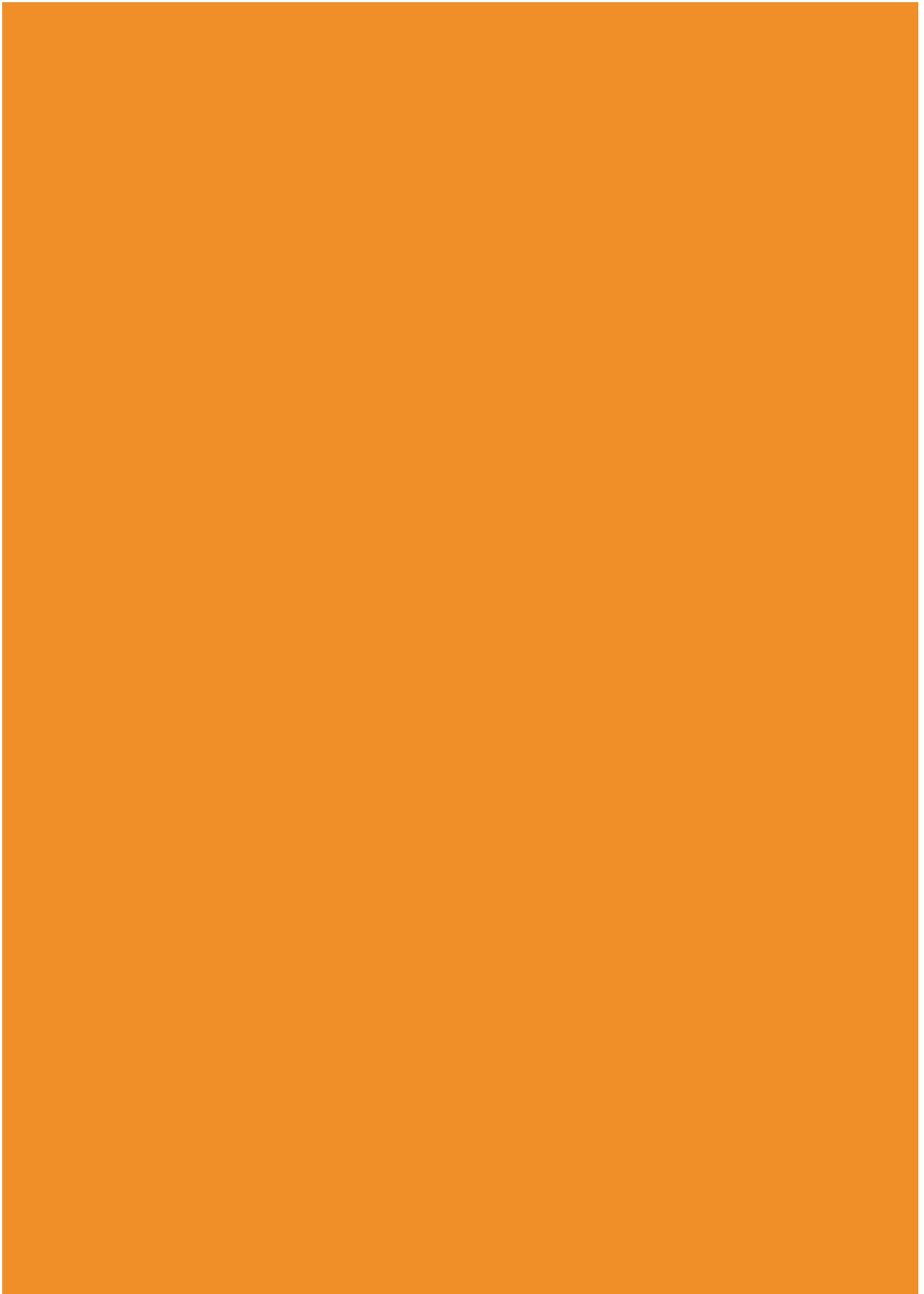
The key points that the Cabinet intends to tackle together with the creative industries have been rendered as the six action plans below.

1. Draw up strategic plan by as well as for the creative industries
2. Improve intellectual copyright expertise and exploitation
3. Promote research, education and entrepreneurship
4. Increase international orientation and improve foreign market access and position
5. Improve access to capital
6. Strengthen digital and physical infrastructures

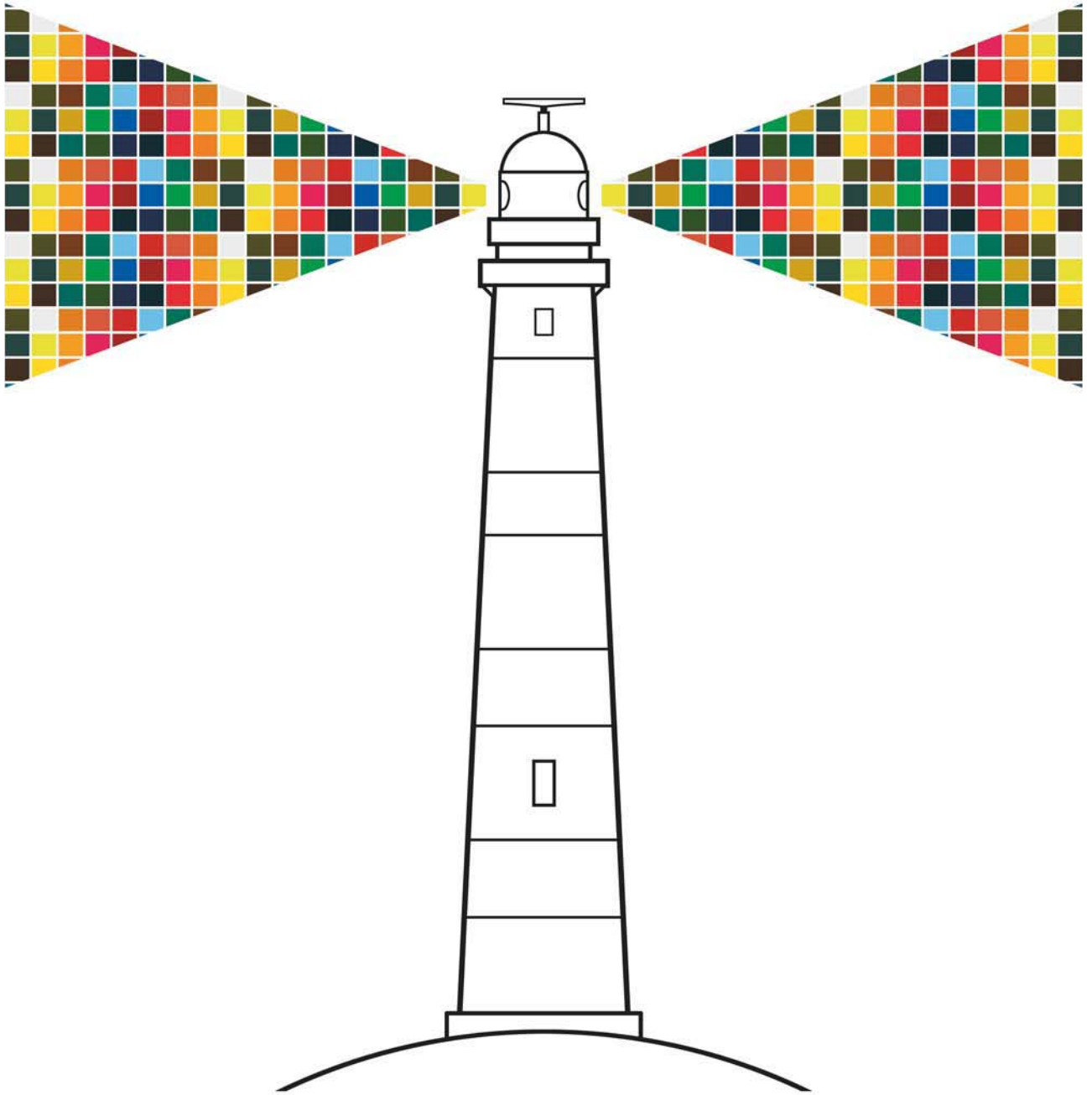
In addition to these six action plans, there are additional initiatives affecting policy concerning the creative industries.

... With obligations for both the creative industries and the government.

The Cabinet is fulfilling its obligation through the Policy Programme for the Creative Industries 2009-2013. It is up to the creative industries sector to meet its own obligations - to invest in an overarching strategic plan and to justify its status as key area for innovation. The Cabinet will contribute to high-quality plans through an Innovation Programme for the creative industries and through the Economic Structure Reinforcement Fund (Fonds Economische Structuur Versterking, FES). The cabinet members responsible will monitor the progress and outcomes of the policy programme. The Cabinet will use this data as the basis for determining whether the desired outcomes have been achieved, and whether continuation is desirable.



1



1

Vision and objectives

Vision and objectives

This Cabinet seeks to ensure the Netherlands' prosperity, sustainability and innovativeness. To this end, the Cabinet intends to further strengthen the Netherlands' competitiveness and capacity for innovation. Creativity, the capacity to find new and/or unusual solutions for existing problems,¹ is essential in this context. The Cabinet is therefore looking to the creative industries, creativity being their core activity. In the opinion of the Cabinet, the creative sectors can make an important contribution to the aforementioned objective, thanks to their competencies in conceptual thinking and imaginative skills. Internationally, these sectors are increasingly seen as the motors of future economic growth. As well as having their own cultural and economic value, the creative sectors contribute to dynamism, vitality and growth in other sectors. Therefore, in collaboration with the creative sectors, the Cabinet intends to work on an innovative and enterprising creative industries sector whose products and services are broadly utilised, economically, culturally and socially. The central subject of this paper is, after all, innovation and entrepreneurship with and within the creative industries.

Culture and Economy

This policy paper sees the Cabinet continuing to build on from the 2005 policy programme for the creative industries, the Policy Programme for the Creative Industries 2005-2008.² This made the Netherlands only the second country in the European Union, after United Kingdom, to adopt a coherent policy programme for the creative industries. This was an interim programme, experimental in nature, and it was intended as a stimulus programme. Its primary objective was a connection of culture and economy and an increase in the economic value of culture and creativity. In the meantime, the creative sectors have continued to develop. They are becoming ever larger and more important and they are at the centre of economic dynamism and new developments. Partly for this reason, they have been designated a 'key area for innovation' by the Innovation Platform. Against this background, the Cabinet has decided to implement a follow-up stimulus package. Through this, the Cabinet seeks to emphasise the distinction between the creative industries and the more general concern of creativity – the creative industries do not have a monopoly on creativity, and creativity is important for all sectors. This policy paper, however, is concerned with the creative industries themselves and their direct and indirect effects on the economy, culture and society.

¹ Wikipedia: <http://nl.wikipedia.org/wiki/Creativiteit>.

² Our Creative Potential culture and economy policy paper (Ons creatieve vermogen, brief cultuur en economie), parliamentary policy paper, Parliamentary Papers (Kamerstukken) II 2004-2005, 27 406, no. 57.

Definition

For reasons of consistency, the Cabinet is maintaining the same definition of the creative industries as used in the previous policy paper Culture and Economy (Cultuur en Economie).³ The creative industries are a wide-ranging aggregation of sectors in which creativity occupies centre stage. However, production and distribution are crucial links in the value chain. This paper is therefore concerned with not only the initial creation, but also with the production and distribution – and upscaling by these means. The term ‘creative industries’ may, erroneously, trigger images of large-scale uniformity. The Cabinet is well aware of the fact that there is no such thing as ‘the’ creative industry (although the term is used in the singular in Dutch), and that the sector, which can be divided into a variety of creative subsectors, consists of a wide range of often small-scale players.

Creative industries: services, media and entertainment and the arts

Creative business services provision

- Fashion design, graphic design, architecture, urban planning, landscape architecture, design and industrial design
- Creative IT: games, new media
- Advertising

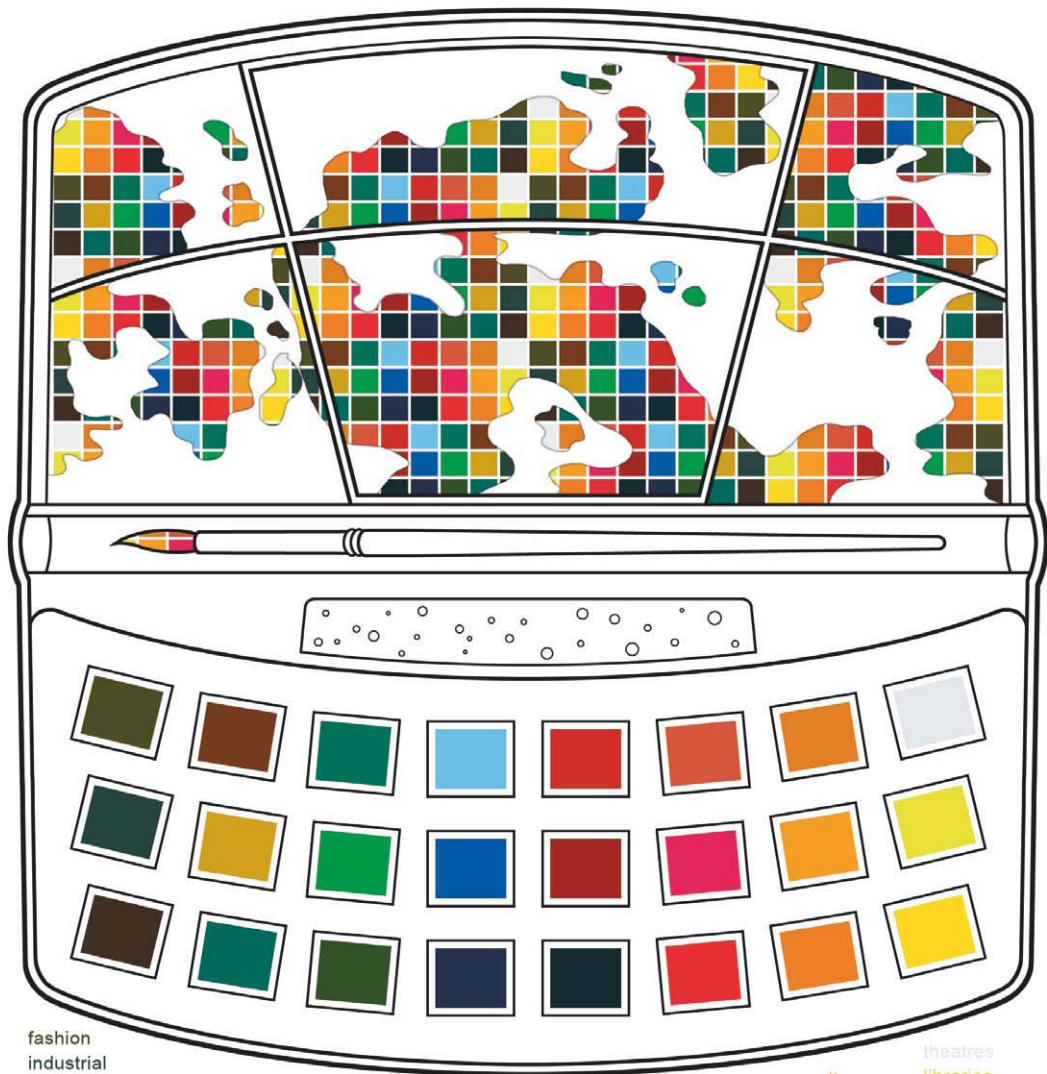
Media and entertainment (reproducible content)

- Writing (novels, poetry, non-fiction and journalism), book publishing and printing, newspapers, public libraries, bookshops, newsagents
- Film production, including associated activities (scenario writing, scriptwriting and other pre-production activities), film distribution, cinemas, video retailers
- Radio and television programme production, broadcasters’ organisations

The arts (unique content)

- Performing arts (music, dance, theatre), theatres and concert halls, publishers of CDs and DVDs, CD and DVD retailers
- Visual arts, including photography, museums, exhibitions, art auctions, art libraries, galleries, the art market
- Centres for recreation, organisation of cultural events and festivals, venues for events

³ Our Creative Potential culture and economy policy paper (Ons creatieve vermogen, brief cultuur en economie), parliamentary policy paper, Parliamentary Papers (Kamerstukken) II 2004-2005, 27 406, no. 57.



fashion
industrial
bookstores

performing arts
photography
festivals

publishers
landscape
galleries

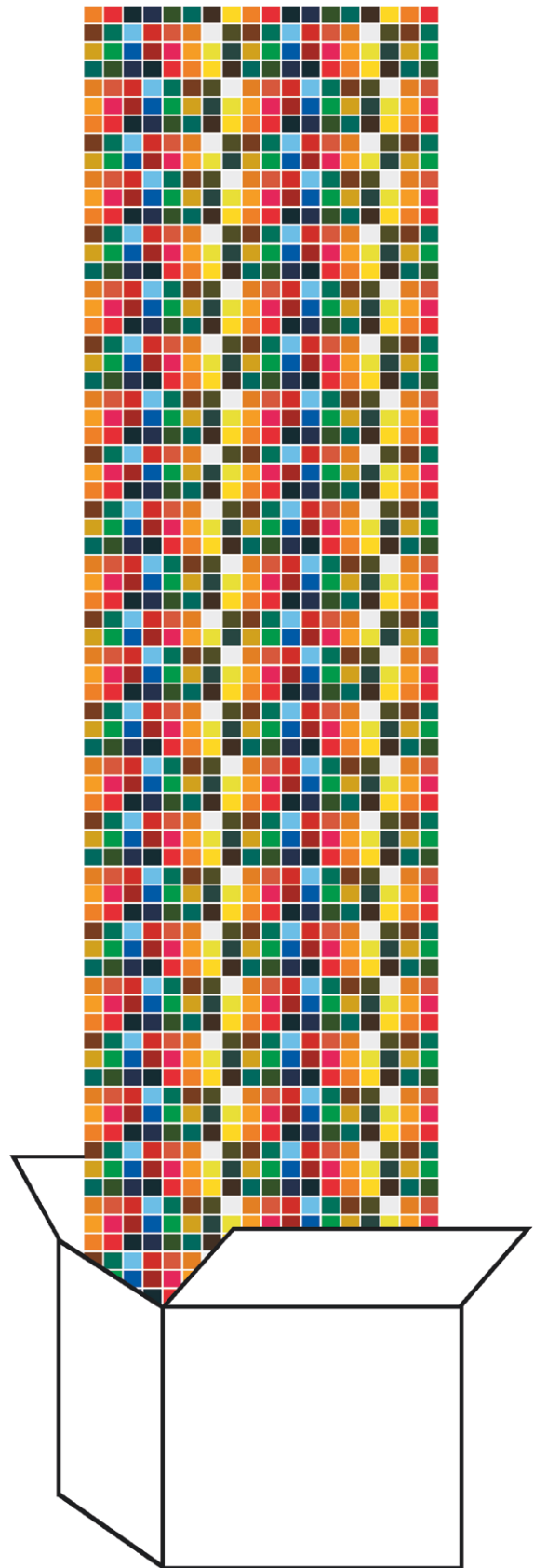
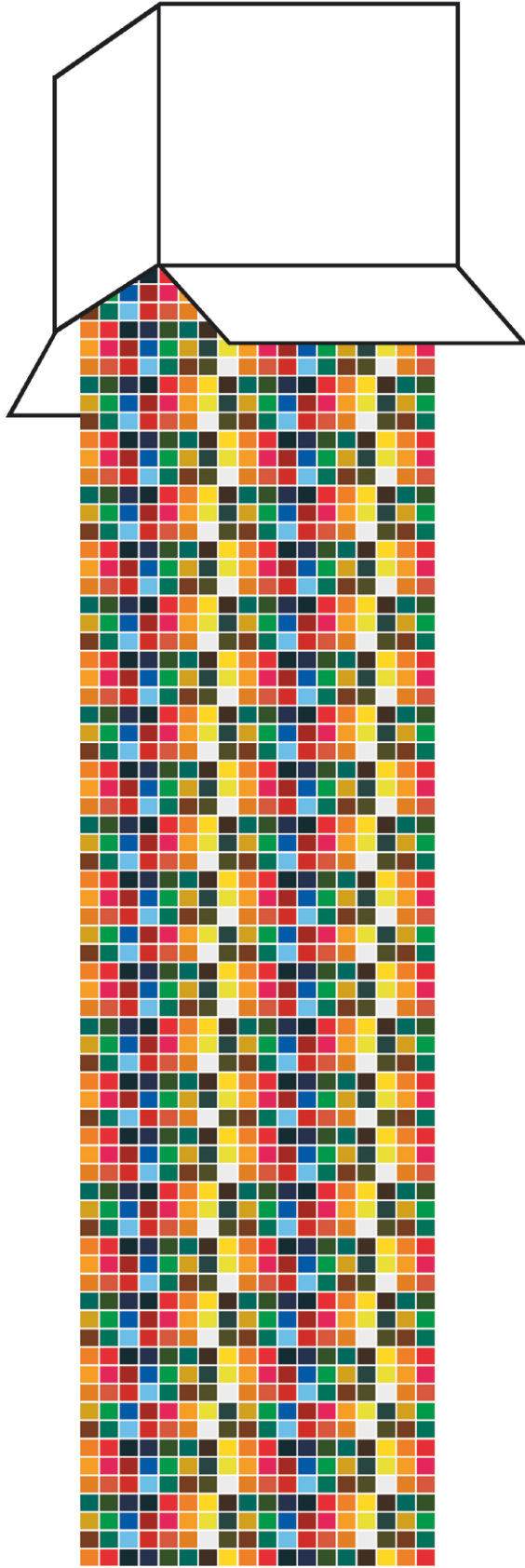
architecture
games
film

poetry
advertising
design

writing
television
museums

cd's
magazines
radio

theatres
libraries
newspapers



Policy Programme for the Creative Industries 2009-2013

In this policy paper, the Cabinet sets out the most significant opportunities and obstacles for the creative industries and defines its own role and the role of the creative industries themselves. This is the foundation for the Cabinet's presentation of the follow-up to the experimental stimulus programme for the creative industries, the Policy Programme for the Creative Industries 2009-2013.⁴

Working with the creative industries

The Cabinet wants to encourage the creative industries to take on responsibility for exploiting opportunities and tackling obstacles. The first step was made by a consortium of businesses and knowledge institutions from the creative industries, which submitted an application to the FES entitled Creative Clusters Programme (Programma Creatieve Clusters). This application was not approved. The assessment committee recommended that the creative industries submit a new application for assessment before the end of 2009.⁵ This recommendation was approved by the Cabinet.⁶ The second step was for the Cabinet, in consultation with the Innovation Platform (through the agency SenterNovem), to enter into discussions with the creative sectors about an innovation programme for the creative industries. It is, therefore, up to the creative industries themselves to take action. The Cabinet is supporting the creative industries in various ways, including through this policy paper.

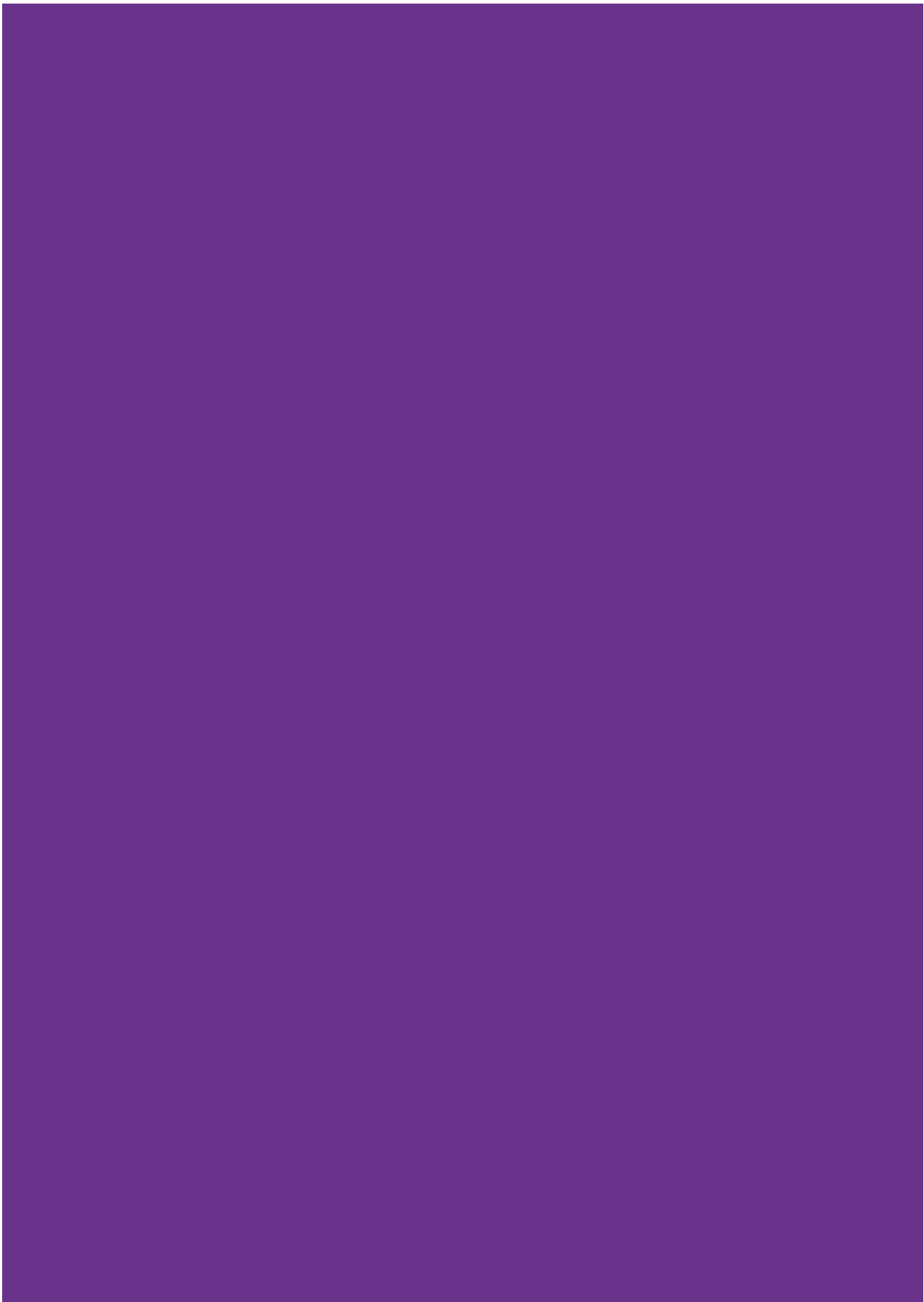
This policy paper

This policy paper is divided into four chapters. This chapter (1) described what the Cabinet seeks to achieve through this policy paper. The following chapter (2) examines the interests and development of the creative industries in the Dutch context. Chapter 3 defines the role the Cabinet envisages for the government with respect to strengthening the creative industries. Chapter 4 explains and sets out the policy programme.

⁴ This policy paper also fulfils a pledge to the second house made when presenting the evaluation of the Creative Industry Programme (Programma voor de Creatieve Industrie) in March 2009 in response to the motion put forward by Van der Ham and associates, 31700-VIII, no. 21, regarding the non-termination of initiatives directed at the creative industry.

⁵ All FES proposals relating to Knowledge, Innovation and Education are assessed by the High Level Advisory Committee (Commissie van Wijzen) and the Netherlands Bureau for Economic Policy Analysis (CPB).

⁶ Parliamentary policy paper in response to motion on FES 500 put forward by Blanksma-Van den Heuvel and Besslink.



2



2

The creative industries' importance and potential benefits for the Netherlands

This chapter looks at the importance of the creative industries, their direct and indirect effects, the trends affecting their development, their structure, and the most important factors affecting their further development.

Importance

The creative industries deliver a real contribution to Dutch society and the economy. Increased globalisation and the relocation of labour-intensive production has meant that many businesses in the Netherlands can no longer differentiate themselves on the basis of price alone. They must distinguish their product through other means, such as technology, quality, service, supply chain management, proximity, speed, design or symbolic value. In recent years, factors such as design and branding have become increasingly important in the battle for customers' favour. The creative industries play an important role here.

Additionally, creative products are increasingly involved in the construction of regional and national 'identities' in a highly internationalised environment, in the areas of city marketing and national branding. It follows that a richer cultural environment may increase the attractiveness of places for both businesses and private individuals. Additionally, continued growth of the world economy is triggering an increased demand for creative products and services. This explains the above-average growth of the Dutch creative industries in recent years. Internationally speaking, the Dutch creative industries are in the vanguard, although they are not the leader in any field.¹ The Dutch creative sectors do however have leadership potential. They have their own signature, characterised by conceptual thought, the combination of aesthetics and functionality, and the provision of integrated solutions. This is where they can gain a clear competitive advantage.

¹ Policy paper on Design, Creativity and Innovation: A Scoreboard Approach, Innometrix, 2009; Explorative Study of the Creative Industry (Verkenning Creatieve industrie), SenterNovem, 2009.

Economic value

Economic value results from the creative sectors' own activities in regional, national and global markets, and other factors can help them compete sustainably in these markets. The primary way in which this happens is through design and the creation of brands and advertising for products and services. Furthermore, the creative industries' conceptualisation and imagination skills drive innovation. Examples include futuristic prototypes and beta versions which go on to be further developed and marketed. In this way, the creative industries contribute value to value chains, in both production and service sectors. The ultimate economic value is dependent on the business model (the way in which the chain is organised), the apportioning of power in the chain and the creative component in the chain.² Finally, the creative industries contribute to an attractive environment for businesses and their employees. The qualities that make a city or country attractive for these groups are, after all, often closely connected with that location's creative and cultural climate.

Cultural and social values

Cultural and social value arises primarily from the creative sectors' provision of cultural content – in the languages of art, image, narrative, sound and form – which shapes our individual and collective identities. The creative industries contribute to the quality of our society and to our international reputation. The Netherlands has a strong reputation when it comes to design, architecture, advertising and TV production, and it also has a number of influential publishers. Dutch fashion and computer games have also gained a significant reputation in recent years. Furthermore, the creative industries can play an important role in finding the innovative solutions required for problems affecting society at large, such as climate change and the depletion of raw materials.

Direct effects

The creative industries deliver a direct contribution to our economy: they have a direct effect in increasing prosperity and providing substantial employment. The added value of the creative industries is estimated to be 16.9 billion euros.³ This amounts to more than 3 per cent of GDP. Annual exports amount to an estimated 7 billion dollars, or 1.7 per cent of all Dutch exports.⁴ In 2008, the creative industries employed approximately 261,000 people, more than 3 per cent of the total workforce. Furthermore, from 2004 to 2007 the creative sectors saw employment growth of 6 per cent, far exceeding average employment growth of 3 per cent.⁵ This trend is not unique to the Netherlands. A recent United Nations policy paper demonstrates that there has been global growth in these sectors.⁶ Further growth is expected, especially in the production of content for the IT sector. It should, however, be noted that the economic crisis has had an impact on the creative industries. The consequences of the crisis are clearly noticeable, but vary across the different subsectors of the creative industries.

² Explorative Study of the Creative Industry (Verkenning Creatieve industrie), SenterNovem, 2009.

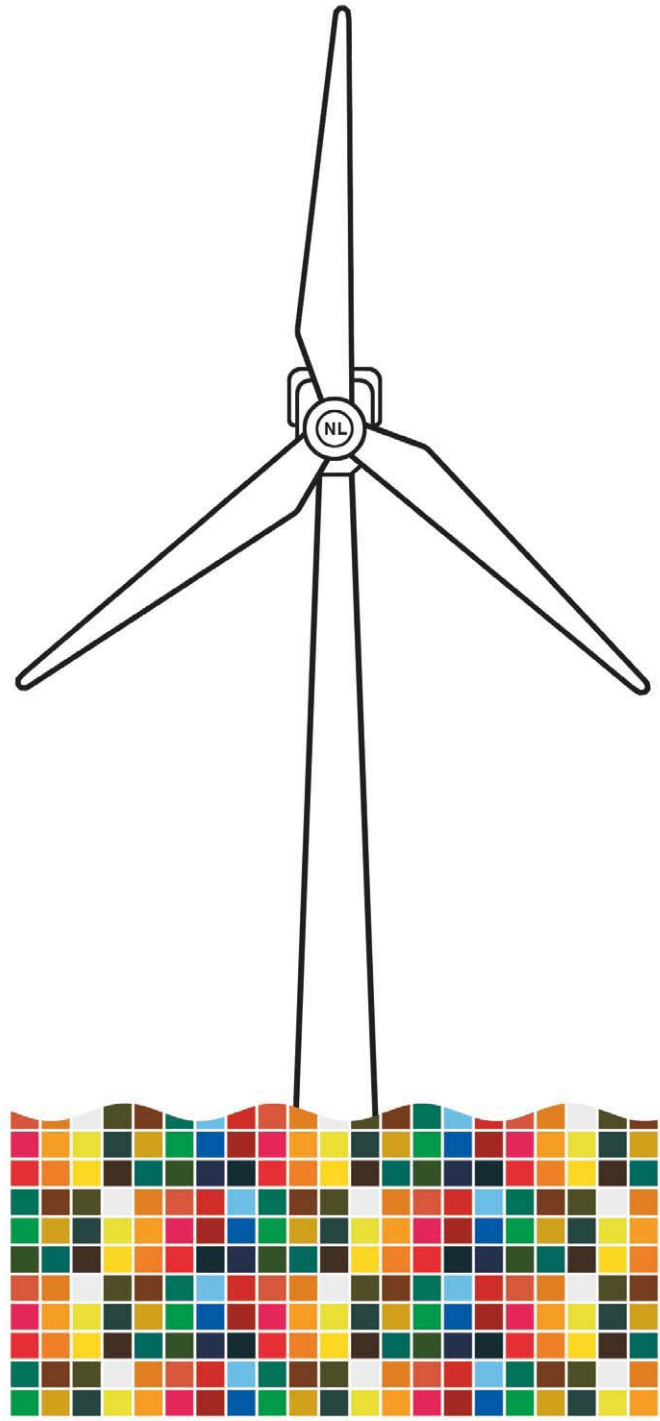
³ Source: Berenschot, 2008, commissioned by the Innovation Platform. Photograph of key areas 2008.

⁴ Analysis of 2008 LISA figures carried out by Roland Berger is part of the Creative Clusters Programme's FES application, based on the most recent figures and the broad definition contained in the Parliamentary policy paper *Our Creative Potential (Ons creatieve vermogen, 2005)*.

⁵ J.Poort and G. Marlet: employment in creative sectors continues to climb faster than the economy. SEO Economic Research (Economisch Onderzoek)/Atlas for Municipalities (Atlas voor Gemeenten), 2008, based on LISA data.

⁶ Creative Economy Policy paper 2008, UNCTAD.





Indirect effects

Besides its direct effects, the creative industries have indirect effects on society. Two studies on behalf of the European commission underlined the role of the creative industries and of culture on innovation and economic, cultural and social development.⁷ The clustering of creative enterprises can make districts, cities, regions and countries more attractive to businesses and talented people seeking locations to establish themselves. Culture and the arts and cultural heritage also positively affect the general business environment and attract entrepreneurship. Other indirect effects arise from the contribution made by creative enterprises to the innovation in other sectors. Improved design can make products cheaper to produce and to transport, better geared to fast moving markets or target groups such as the elderly, the handicapped or children. It can make them more sustainable, and often more attractive. It is estimated that approximately three quarters of companies not belonging to the creative industries could profit from products and services provided by the creative industries.⁸ Indirect effects also come from creative research and experimentation in the arts and in media labs. This leads to new initiatives and the development of models and concepts that may eventually find a commercial application. New forms and concepts then lead to opportunities for export. In this way, the economy profits from the new ideas, methods and processes developed in the creative industries. Moreover, the creative industries can, as mentioned above, contribute to solutions for social issues such as sustainability, mobility, healthcare, education, social cohesion and urban planning. And finally there is the 'spending effect,' primarily brought about by foreign visitors and tourists attracted by the local culture on offer, including museums and festivals. In 2006, for example, 21 per cent of the increase in foreign tourist numbers was due to it being Rembrandt 400 year. Even though productivity and the creative sectors' indirect effects are difficult to measure,⁹ it is clear that the indirect effects of the creative industries are considerable.

⁷ The Economy of Culture in Europe, KEA 2006; Design Creativity and Innovation, Innometrics 2009.

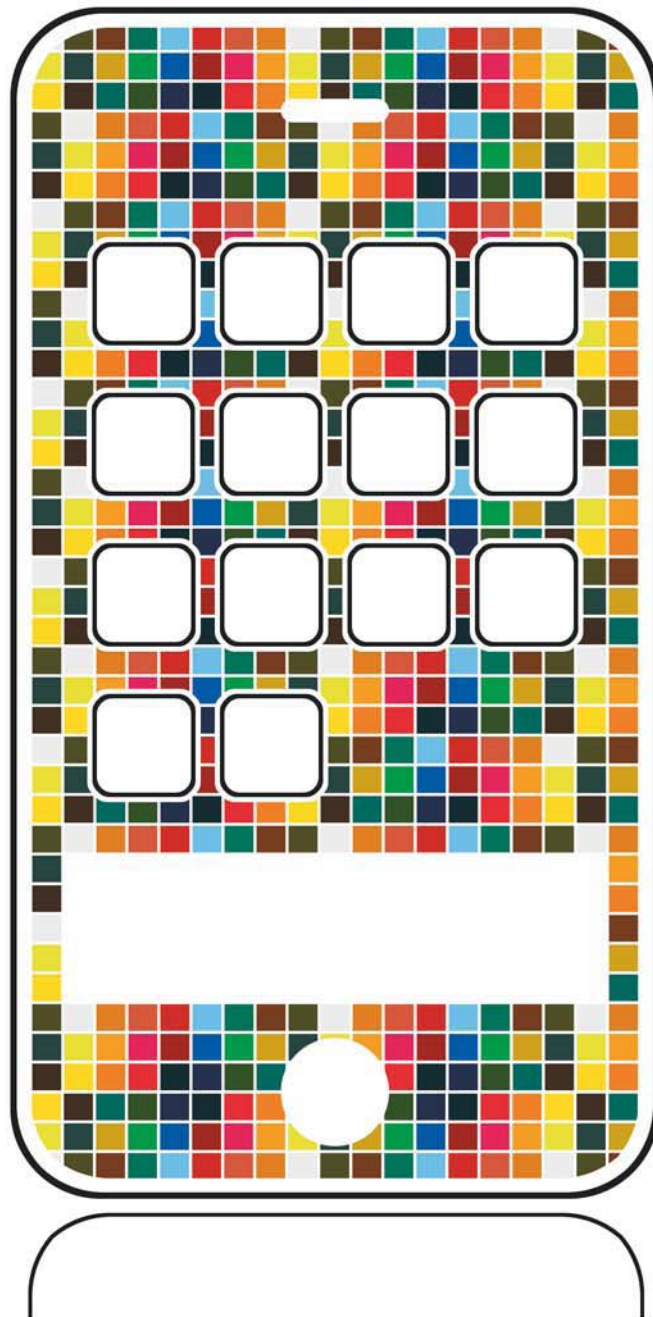
⁸ Explorative Study of the Creative Industry (Verkenning Creatieve industrie), SenterNovem, 2009.

⁹ For this reason, Statistics Netherlands (CBS) has studied methods to determine them more accurately in the future, study of the creative industry, CBS Heerlen.

Trends

There are four key trends exerting a powerful influence on the development of the creative industries. They are: digitisation, individualisation, globalisation, and sustainability. These trends are also mutually interwoven, bringing an increased demand for the creative industries. The most important consequences of these trends are listed below.

- **It is becoming increasingly important for sectors to work together.** The ability of organisations to collaborate strategically is becoming increasingly relevant. In order to achieve structural innovation, increasing numbers of crossovers are taking place between, on the one hand, creative sectors, and on the other, sectors such as healthcare, education, mobility, security, leisure, manufacturing, services and consumer goods. The creative industries can play an important role in these sectors through their ability to conceive innovative and unusual solutions to a variety of problems.
- **The development of new international business models.** The increasing openness of markets means that businesses and institutions are tending to organise their processes and value chains in 'global business designs', and continually adapt their competencies to them. They often relocate labour-intensive production to low-wage countries. This means it is becoming vitally important to offer added (creative) value. This is resulting in a more central role for the creative industries in the development of products and services.
- **The experiential value of products and services is increasing.** Increasing individualisation and the demand for authenticity mean that consumers want to differentiate themselves: they want something special and unique. Increasingly, the consumption of products and services is evolving around symbolic value and the expression of individual identity. The creative industries capitalise on this trend.
- **The development of more and more network companies.** A combination of digitalisation and globalisation has led to a scaling down of many creative enterprises. The internet allows for a simple and, at least where technology is concerned, an almost cost-free distribution of ideas, products and services, which in turn facilitates the unlocking of international niche markets. These companies work together in multidisciplinary network enterprises and adapt quickly to changing local and international circumstances.
- **Co-creation is on the rise.** Modern communication technologies allow the global exchange of ideas and knowledge. Sometimes, large groups turn out to be more creative and innovative than a handful of professionals. This phenomenon is known as 'the wisdom of the crowd'. It is for this reason that user-generated innovation is gaining increasing attention. The lines drawn between companies, consumers and suppliers are becoming blurred. Often, they create the end product together, with the businesses concerned only having partial control. Examples include search engines and social networking sites on the internet, which make other people's content accessible. The upshot of this is that the creative industries are taking greater account of the increasingly vocal end-users.
- **Wireless internet is widely available.** Ongoing developments in broadband and wireless technology are leading to the merging of media such as TV, internet, radio, print and mobile telephony. This amalgamation provides many opportunities for the development and distribution of new cross-media products and services. This in turn creates a new type of user for the creative industries, one with new desires and new time-bound and location-bound media and consumption behaviours.
- **Businesses are looking for sustainable products, production methods and materials.** To be able to adopt sustainability on a larger scale while production factors are becoming scarcer, it is important to change the way consumption and production takes place. This requires designers and clients who prioritise sustainability. It all starts with the design and the choice of materials. One good example of such an entrepreneurship is the Dutch fashion label that is introducing 'climate neutral' suits onto the market that are manufactured entirely according to the principles of socially responsible entrepreneurship.



Structure

Given the trends mentioned above, the creative industries are operating in a dynamic and demanding environment. These dynamics require continual adaptation of competences, perfectly suiting the structure of the creative industries. It is a collection of often small, mutually interconnected sectors, usually consisting of a large group of small one-person businesses (OPBs) and small and medium enterprises (SMEs), but relatively few larger ones. Due to the limited size of their creative culture, creative enterprises and sectors can generally adapt more quickly than traditional sectors. This is expressed in the way they are organised: they are often multidisciplinary, project-oriented and variable in makeup. One consequence of this structure and culture is that few creative companies develop further. Sometimes they do not even seek further development, often collaborating with major players from other business and social sectors. When successful, they split themselves, creating new SME businesses. Because of this, growth in the creative industries is generated primarily, just as in other sectors, by the growing numbers of new businesses. Most of these are new OPBs. The creative industries are not, however, made up solely of minor players and OPBs. Major players do exist in the sector, such as the creative departments of retail enterprises and industrial concerns.

Key points for the creative industries

The following table of key points for the creative industries draws on discussions and meetings with those active in the sector, previous research, and information on the structure and importance of the creative industries, as well as the most important trends and their consequences for creativity.¹⁰

It is important that the creative industries show improvement in the following key areas:

- Strategic orientation, coordination and collaboration – in order to better take advantage of existing opportunities;
- awareness of the potential and value of intellectual property rights– in order to better exploit them;
- entrepreneurship, education and research–in order to satisfy future demand for creative products and services;
- potential for growth and internationalisation, given the limited size of the Dutch market;
- access to capital for development and upscaling of creative products and services;
- physical and digital infrastructure development – in order to improve competitiveness and to develop new distribution channels.

The following chapter examines the role that the government can play in achieving these aims.

¹⁰ Analysis by the EZ and OCW, based on discussions with the creative industry, Bottlenecks in Creative Production policy paper (Knelpunten in creatieve productie), TNO, 2005; Development Strategy for Entrepreneurship in the Creative Industry Sector for 2015, Finland, 2007.

Strengths

- Flexibility, adaptability; multidisciplinary nature
- Motivation, expertise; ability to think up new and unconventional solutions
- Combination of design and technology
- Good creative training courses
- Major players are strong exporters
- Good international reputation

Weaknesses

- Lack of strategic orientation; fragmentation; lack of coordination
- Lack of expertise on exploitation of intellectual copyright
- Limited entrepreneurial skills; creative courses pay insufficient attention to entrepreneurship
- Limited production skills; little upscaling of ideas and integrated chain management
- Limited potential for growth and internationalisation; low productivity

Opportunities

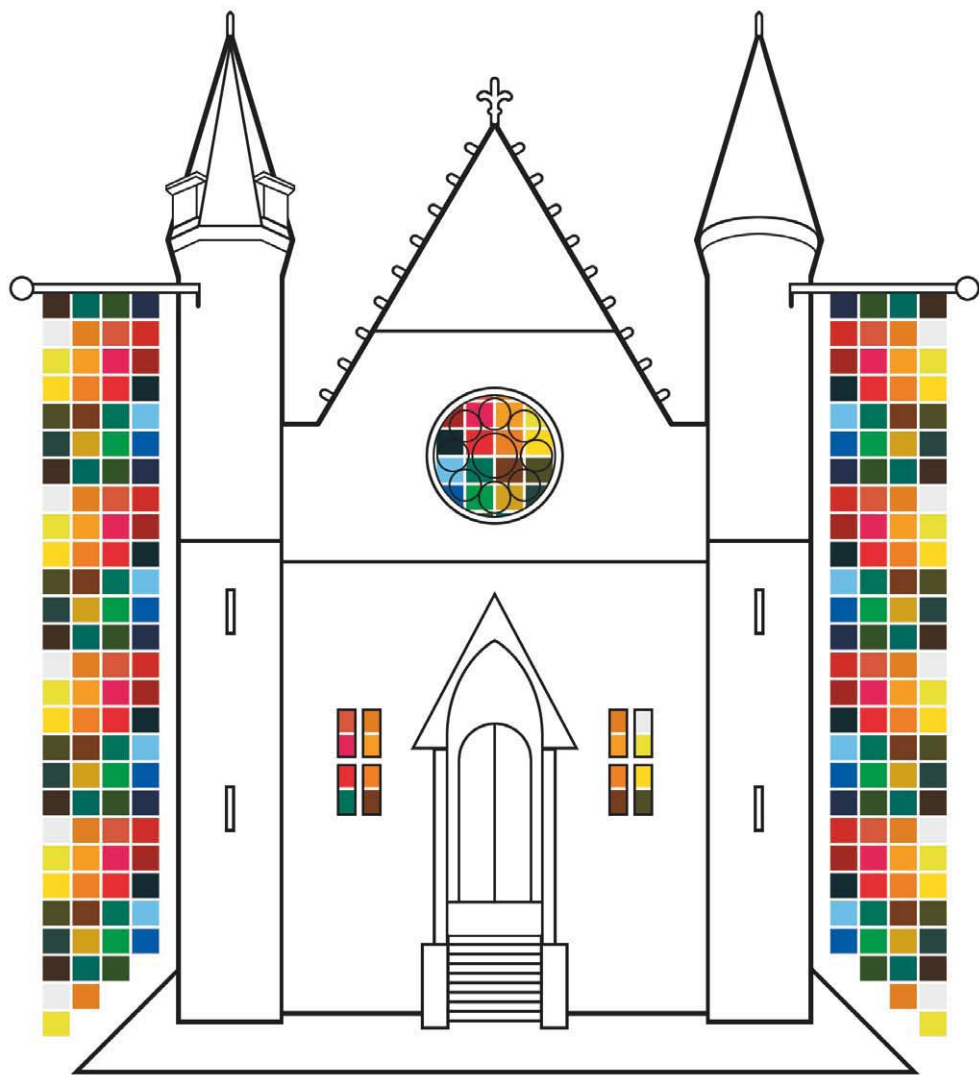
- Increased demand for creative industries' products and services and for applied creative research
- Demand for solutions on sustainability and other social issues
- Crossovers between sectors, multidisciplinary collaboration, new networks, collaboration between developers and producers
- New business models
- Increased internationalisation
- New markets and distribution channels, especially the internet and developments in multimedia

Threats

- Small internal market
- Limited access to capital
- Business potential of the creative industries not generally understood
- Increased competition
- Obsolescence of infrastructure due to pace of technological developments



3



3.

The role of the government

This chapter explores the role of government (in collaboration with the creative industries) in creating and exploiting opportunities, and tackling obstacles.

The present role of government for culture and industry

The Cabinet is already partially fulfilling its obligations to culture and the economy through its policy plans for culture and for industry, as set out in the policy programme Working Together; Living Together (Samen werken, samen leven), in the framework memorandum on cultural policy Art of Life (Kunst Van Leven); the government paper Industry, A World of Solutions (Industrie, een wereld van oplossingen); and the government paper on international cultural policy Boundless Arts (Grenzeloze Kunst). Cultural policy focuses primarily on the quality, diversity, content, independence and accessibility of cultural supply, as well as the investigative and developmental functions of the creative industries. Industry policy focuses on sustainable economic growth, productivity, entrepreneurship, innovation, export and employment. The Policy Programme for the Creative Industries 2009-2013 establishes a connection between these two policy areas and builds on the basic assumption that cultural policy on industrial policy can be complementary and promote mutual growth.

The role of government for the creative industries

Creativity and innovation arise from competition and a properly functioning economy – they are the results of a free market. In this way, companies and institutions keep each other on their toes and fulfil their potential. The government plays its part in promoting competition and ensuring properly functioning markets, but the development of products and services is primarily the task of businesses and organisations themselves. The government may choose to intervene when free-market operations aren't conducive to social prosperity. Any government intervention must make an effective and efficient contribution to social prosperity. The key is always to balance the roles of market and government. The creative industries, like others, operate at this interface of market and government. In the case of the creative industries, complex interactions between creativity, business and technology don't always just happen in the marketplace. The reasons for this include compartmentalisation within disciplines, lack of knowledge and limited market transparency. Moreover, the creative industries' structure – with many minor players and few major players – gives rise to problems of coordination. This means that, despite the potential of the creative sector, economic and social opportunities are not being exploited, or are being under-exploited. It is of crucial importance that these opportunities are exploited in order to maintain and improve the competitiveness and attractiveness of the business environment in the Netherlands in general. In its role, the government is primarily focused on optimising the formation of clusters and creating favourable prior conditions for collaborative or 'open' innovation. This can be achieved by promoting collaboration (through, among other things, existing generic instruments, including those for collaboration), or by protecting intellectual

property rights. Such factors reduce the risk for businesses when investing, thereby also reducing the risk of an insufficient supply of products and services from the creative industries. There is also a role for government where creativity overlaps with other typically governmental domains, such as culture, education, non-competitive research, international promotion, foreign policy and urban development

Initial impulse for the creative industries

The previous Cabinet resolved to provide the creative industries with an initial impulse through the Policy Programme for the Creative Industries 2005-2008. Its chief aim was to improve the exploitation of opportunities by the creative industries and to promote development of the cultural sector's economic dimension. The Cabinet made 15 million euros available for these purposes. The programme led to initiatives throughout the country, many of which are now continuing on a self-supporting basis. Additionally, in recent years many initiatives have been set up beyond the scope of the programme. These have involved considerably more resources than those designated by the impulse programme, and the creative industries are presently receiving financial support amounting to approximately 100 million euros. Provincial and local government have also allocated resources to the creative industries – a large proportion of these projects focused on network initiatives between the creative sector and other sectors, research, education, digitisation of heritage and internationalisation projects. The project's work, just like the sectors themselves, was extremely varied in nature, helping the sectors take a first step towards new networks and cluster formations.

Initiatives for and within the creative industries

Many new initiatives have been implemented in recent years. The Creative Challenge Call led to 39 small projects and several larger ones, including Design Initiatief, IIP Create, Patching Zone, Design & Effectiviteit and the Creative Learning Lab. The programme sent out a signal to the sector, so that even outside the programme many new initiatives were set up for and with the creative industries, with a contribution of 13.5 million euros being contributed to creative projects through the Peaks in the Delta regional policy. Throughout all social sectors and IT projects, 18 projects in which the creative industries were deeply involved (including 15 gaming projects) were financed to the tune of 13.6 million euros. The creative industries have also received the support of resources amounting to more than 100 million euros through other means, such as the Advancement of Research and Development Act (WBSO), the Economic Structure Reinforcement Fund (FES), Innovation Performance Contracts (IPC), Innovation-Oriented Research Programmes (IOP), innovation vouchers, Centres of Entrepreneurship, the EVD, Syntens and the chambers of commerce. Projects funded include Images for the Future (Beelden voor de Toekomst); MultimadiaN; Game Research for Training & Education; the IOP Integrated Product Creation and Realisation; Peaks in the Delta's North Wing (Pieken in de Delta Noordvleugel), in which the creative industries sector was the focus; South East Netherlands (Zuidoost Nederland), where the creative industries acted as enabler for the high-tech industry; Eindhoven's Design Incubator; several certified creative centres of entrepreneurship; and support for several collective promotional activities and internationalisation programmes.

Evaluations

In its evaluation of the initial impulse programme for the creative sector, Research for Policy (Research voor Beleid) argues that the programme came at a good moment and also presents some of its most obvious benefits:¹

- The programme contributed to awareness among a large number of parties of the importance of creativity to the economy. Businesses, organisations and governments are more aware of that importance with respect to innovation and regional development and of the role the creative industries can play in these areas.
- The programme brought about a large number of new projects. Interest in creativity has increased among the programme's target groups. In these respects, the impulse was successful.
- The programme signalled that the government was aware of the potential and wanted to tackle the obstacles.

Research for Policy also found that several of the obstacles identified still exist, since there were few noticeable ongoing effects for the creative industries. However, Research for Policy also noted that this could not have been expected given the limited duration of the programme, its limited resources and the varied character of the measures. Research for Policy therefore recommends a continuation of the Programme for the Creative Industries, with a number of amendments to its form and content. The Scheepbouwer committee's appraisal of the Innovation Platform's 'key area' approach identifies the creative industries' lack of self-organisation as an important obstacle. ² The creative sectors have, then, been 'shown a yellow card', and must improve their self-organisation before the end of 2009 if they wish to maintain key area status.

Obstacles and future stimulus

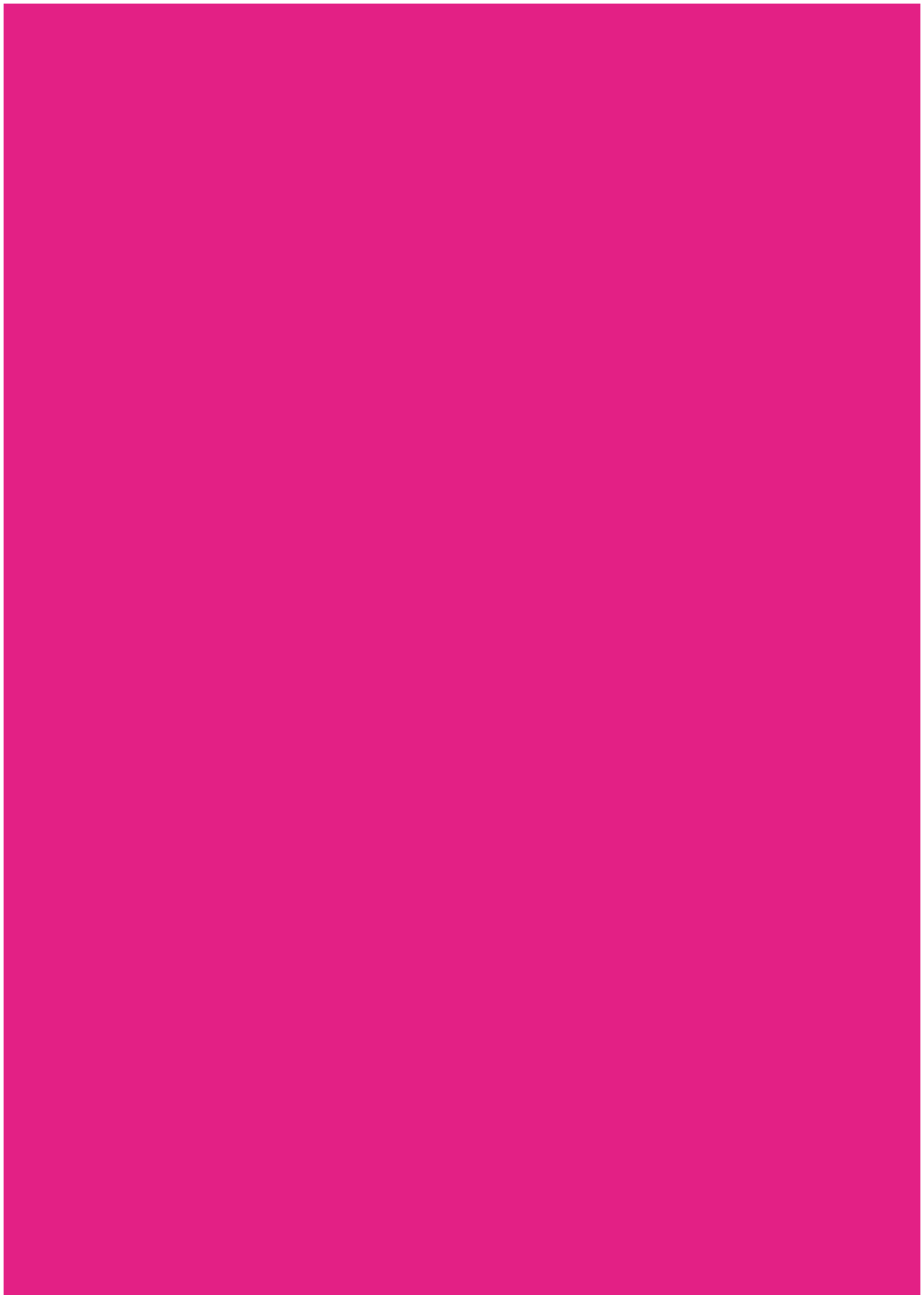
It emerges from the preceding, from research and from discussions with the creative industries, that the potential and added value of the connection between culture and the economy are being under-exploited, by both the creative sectors themselves and other sectors of society. The Cabinet considers it primarily the responsibility of the creative industries themselves to undertake actions to create and exploit opportunities, but is willing to assist the creative industries in their endeavours. For this reason, the Cabinet wishes to take the following lines of action:

1. Set up a strategic plan for and by the creative industries;
2. Improve knowledge about and exploitation of intellectual property rights;
3. Stimulate research, education and entrepreneurship;
4. Expand international orientation and improve access to, and positioning in, foreign markets;
5. Improve access to capital;
6. Strengthen the digital and physical infrastructure.

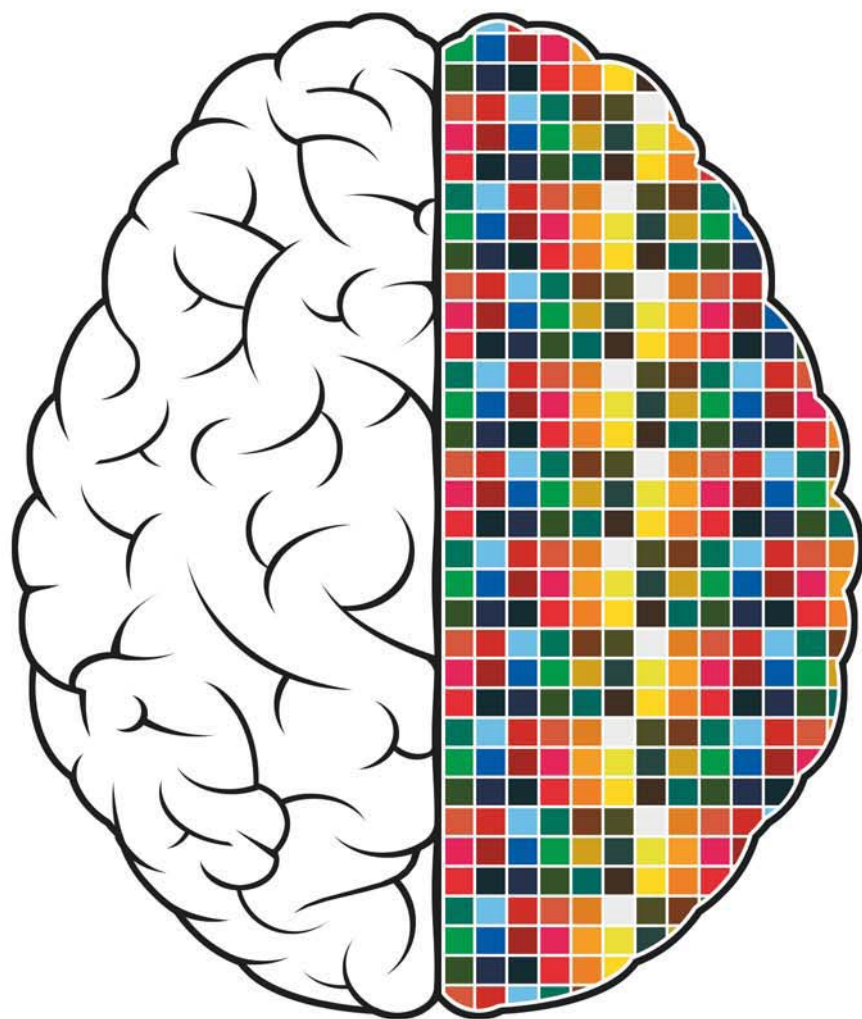
There are an additional number of other initiatives that are relevant to the creative industries.

¹ A Bridge between Culture and the Economy (Een brug tussen cultuur en economie) policy paper, Parliamentary policy paper 2008-2009, 27 406, no. 141.

² Progress Policy paper on Key Areas and Interim Appraisal of the 'Key Area' Approach (Voortgang Sleutelgebieden en tussentijdse evaluatie Sleutelgebieden-aanpak), January 2009.



4



4.

Policy Programme for the Creative Industries 2009-2013

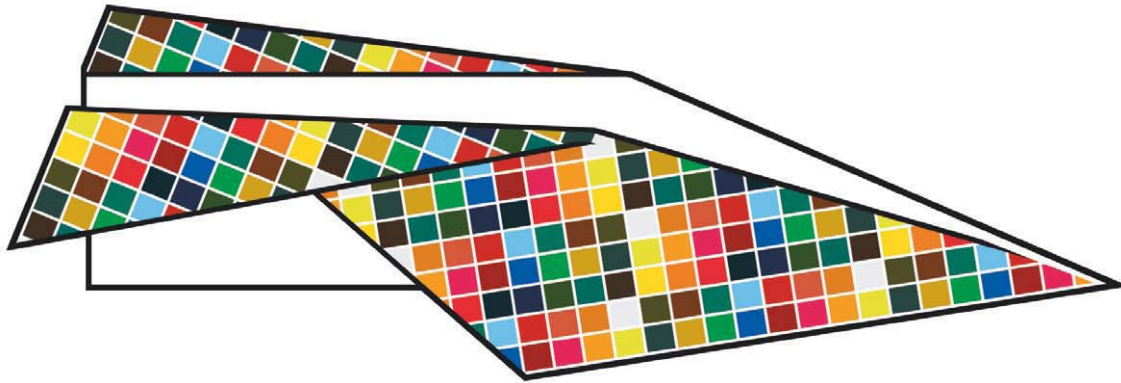
This chapter contains the Policy Programme for the Creative industries 2009-2013. It contains the Cabinet's concrete plans in continuation of the Policy Programme for the Creative Industries 2005-2008, supplementary to current initiatives. The six action lines touched upon in the previous chapter are further expanded upon and are supported by policy measures. Additionally, several related policy initiatives are highlighted that do not fall under the six action lines. Wherever measures are intended for a specific creative sector or subsector, this is mentioned explicitly.

Six action plans

The six action plans set out in the Policy Programme for the Creative Industries 2009-2013 are listed below:

- Draw up a strategic plan for, and by, the creative industries
- Improve intellectual copyright expertise and exploitation
- Foster research, education and entrepreneurship
- Increase international orientation and improve foreign market access and position
- Improve access to capital
- Strengthen digital and physical infrastructure

The Cabinet intends to carry out these action plans in close collaboration with the creative industries.



Action plan 1: Draw up a strategic plan for, and by, the creative industries

The lack of self-organisation in the creative industries forms an obstacle to further growth and development of the creative industries. It should be noted that it is not self-organisation at subsector level that is being described here: at this level, self-organisation is generally satisfactory.¹ At cross-sectoral level however, there is much work still to be done – improved coordination of self-organisation, collaboration and strategic orientation (without adversely affecting the independence and strengths of individual businesses, sectors and institutions) has the effect of improving directional focus at both collective and individual level. Creative sectors have several issues and obstacles in common – although they sometimes view these from different perspectives. All sectors will benefit from finding good solutions to these problems. It is for this reason that the Cabinet is supporting the creative industries sector (along with other key Innovation Platform areas) in constructing its own vision of development and strategic plan to create and exploit new opportunities. This support is expected to result in a substantive plan for which the creative industries sector will take responsibility for itself and that it will implement itself. By so doing, the Cabinet is acknowledging the creative industries' potential and is providing the creative industries with the means to predefine their own future development and then carry it through.

The value of design

Design and innovation play important roles in product development, marketing and branding. They contribute to distinctive products and services. The Value of Design Factfinder study, carried out by the Design Council in the United Kingdom, shows that businesses that make strategic investments in design perform better overall.

¹ Explorative Study of the Creative Industry (Verkenning Creatieve industrie), SenterNovem, 2009, <http://appz.ez.nl/publicaties/pdfs/og0118.pdf>.

What we are doing

- **Innovation Programme for the Creative Industries:** At the invitation of the Ministry of Economic Affairs (EZ), the Ministry of Education, Culture and Science (OCW) and the Innovation Platform for the creative industries, representatives of the creative industries are working on a tailored Innovation Programme for the creative industries, with SenterNovem acting in a facilitating role. Using the 'innovation through dialogue' approach, the creative industries focused on the development of an industry-specific vision and strategic plan for the programme. Within the context of this dialogue, SenterNovem has carried out an enquiry into the creative industries. The enquiry sorts information from various sources into an orderly framework and identifies those subjects that arose in the dialogue between SenterNovem, businesses and knowledge institutes that deserve attention. This is a fully integrated approach involving maximum harmonization with the other action lines contained in this policy paper:
 - a. Media production and content production
 - b. Design, fashion and architecture
 - c. Gaming, animation and graphic design
 - d. Creative research.

The initiative should be taken primarily by businesses and sectors that display a shared preparedness to invest and that want to and are able to take responsibility for implementation. The creative industries sector itself determines the content of the Innovation Programme. The aim is to have a detailed proposal for an innovation programme prepared for assessment at the end of 2009, containing clear goals, progress markers and intended outcomes.² SenterNovem is experimenting with co-creation and crowd-sourcing in its assistance for the creative industries towards a shared innovation programme.³ Using the Internet, creative enterprises and entrepreneurs, knowledge institutes and the sectors concerned can indicate what form of innovation measures they need and are willing to take in order to operate successfully.

- **Creative Clusters Programme (FES application):** The proposal submitted by the creative industries to the Economic Structure Reinforcement Fund (FES) during the application period was insufficiently detailed. In view of the urgency from a social and economic perspective, the assessing bodies advised the Cabinet to devise new proposals for the creative industries. The Cabinet is therefore calling upon the creative industries to have new application ready in December 2009. This new FES application will then be put before the assessing bodies again. These bodies will assess the new application on criteria of scientific excellence, social and/or economic value creation, organisation and financing. It is a strict condition that the plans are of high-quality.

The FES application and the path leading up to an innovation programme for the creative industries should supplement one another and, wherever possible, reinforce one another. Following receipt of the final plans and the recommendations of those commissions set up for the purpose, the Cabinet will come to a decision on the granting of any resources.⁴ It is expected that the Cabinet will come to its decision on this matter in the spring of 2010.

² A strategic advice committee that advises the Cabinet on new innovation programmes, assesses the quality of the programme, its contribution to the economy and to society, its coherence, (international) cooperation and the role of government.

³ Within the framework of the EZ innovation 2.0 project.

⁴ An additional factor is the consortium's proposal for the innovation service programme in the creative and financial sector, regarding which the minister communicated by letter in June 2009 that she, on certain conditions, would approve the initiation of a pilot programme.

Action plan 2: Improve intellectual copyright expertise and exploitation

The creative industries continue to under-exploit intellectual copyright. Many creative entrepreneurs are unacquainted with the opportunities available for the protection of their creative achievements and with the various business models that exist in this area. Improvement to the exploitation of intellectual property rights will require a review of the home copy system and improved monitoring of collective rights organisations. Additionally, work has been done on increasing accessibility to the intellectual property rights system (including through reduced costs for brand and patent registration) and on combating imitations and pirating more effectively by contributing to relevant European and global initiatives, such as the European plan for combating copying and pirating.

What we are doing

- **Improve awareness about the exploitation of intellectual property rights:** In consultation with interested parties, the Cabinet is mapping the bottlenecks in the information flow on intellectual property rights. The Cabinet will refer to the outcomes of these consultations in its decision on the desirability of a facility for creative enterprises that will provide information on the improved exploitation of intellectual property rights. The British organisation Own-It could serve as model.
- **Enable customisation:** Creative Commons licenses offer rights holders the possibility of providing users with custom licenses. Under specified conditions, the user is then permitted to distribute works, share them with others and/or adapt them. These custom licenses provide rights holders with a structure for protecting their work and at the same time pass on explicit rights to users with respect to how the work may be used by them.

In the years 2010 to 2013, an annual budget of 0.7 million euros will be made available for the aforementioned activities in the area of intellectual property.

Intellectual property rights

Intellectual property rights should form an integral part of businesses' activities. Intellectual property rights offer protection for creative businesses' investments in the development of new products and services for the consumer. Intellectual property rights cover patents, brands, authorship, design drawings or models and trade names.

Action plan 3: Foster research, education and enterprise

Good research, education and entrepreneurship will be necessary to convert the creative industries' ideas and concepts into potentially successful products and services and to upscale them. Successful entrepreneurship in the creative sector thrives best in an environment with the ideal balance between knowledge, creativity, talent, entrepreneurship and cooperation. The Cabinet has three lines of approach for stimulating these factors: research programming, entrepreneurship in education, and entrepreneurship in the creative sectors.

What we are doing

Research

- **NWO research programme:** The Dutch Organisation for Scientific Research (NWO) fosters cooperation between the scientific world and the creative industries.⁵ To this end, the NWO has set up the interdisciplinary research programme Research & Innovation in Smart Creative Contexts. The aim of this programme is improved cooperation between researchers, artists, heritage stewards and employers. In order to provide substantive support to the creative industries, it will be necessary to transcend boundaries, share knowledge and combine forces. Through this programme, the NWO seeks to contribute to the development of knowledge throughout the creative industries and the boosting of culture and creativity in the Netherlands. The total budget for the programme is 15.2 million euros.

NWO research programme

The NWO research programme Research and Innovation in Smart Creative Contexts has six lines of research: transformations in quality perception; creative ecosystems; the arts, science and innovation; interactive virtual worlds; cultural heritage; and services and design for healthcare.

Entrepreneurship and creativity in education

- **Centres of Entrepreneurship:** In 2008, a call for proposals led to the financing of centres of entrepreneurship at the Utrecht School of the Arts and the ArtEZ Academy in Arnhem. These centres train students to become professional entrepreneurs and also help teachers to become more entrepreneurial. This scheme will be part of the broader Valorisation Programme, which will focus on the humanities and the arts in education.
- **SKE-crea:** The Knowledge Exploitation Grants Scheme (SKE) for the creative sectors got off to a start in 2007. This scheme gave entrepreneurial knowledge institutes a one-off impulse to detail an integrated approach to the exploitation of knowledge and to create sustainable provisions for new creative entrepreneurs. A total of three projects in the fields of ICT/new media, fashion and design were granted a total sum of 2.3 million euros. The scheme is to be included in the broader Valorisation Programme.
- **Valorisation programme:** The Valorisation Programme focuses on making the knowledge of knowledge institutes available to society and entrepreneurs. The aim of the programme is to strengthen connections between activities intended to establish and support the valorisation infrastructure, so that they form a coherent whole. Examples include supporting young entrepreneurs through proof-of-concept and pre-seed funding, development of entrepreneurial competencies and the facilitation of screening and scouting activities. This programme is concerned with a valorisation in all areas, including multidisciplinary research and the arts. In the autumn of 2009, as stated above, both the SKE scheme and the Centres of Entrepreneurship scheme will be absorbed into the new Valorisation Programme.

⁵ The creative industry is one of the thirteen subjects in the NWO's strategy paper for 2007-2010.

- **HBO Master courses:** In a number of priority areas, institutions of higher education will be eligible to apply for temporary financing of Higher Vocational Education (HBO) Master courses. One of these priority areas is the creative industries sector. The Cabinet is making 10 million euros available annually for the entire grants scheme as of 2010.

Entrepreneurship in the creative sectors

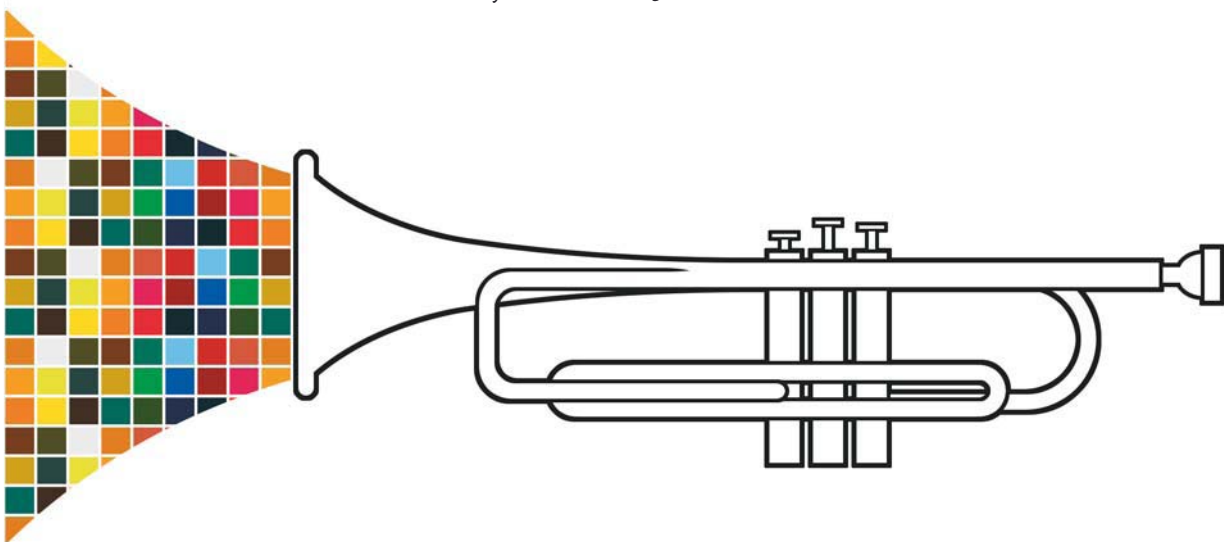
- **Climate for one-person businesses:** There are many one-person businesses (OPB) in the creative industries. The Cabinet is seeking to ensure that the entrepreneurial climate improves for OPBs in general and OPBs in the creative industries in particular. The large number of regulations that stood in the way of OPBs has now been dealt with. The annual Working Relationship Declaration (VAR), for example, is extended automatically in certain cases, and it is possible to pay VAT quarterly rather than monthly. In 2011, the Cabinet will carry out an investigation into regulations that continue to impede creative entrepreneurs. Further opportunities have also been created for those receiving benefits to start up businesses, and there are more provisions for insuring oneself against inability to work. Before 2010, this Cabinet wants to lower the barriers for OPBs in the new Procurement Act, such that they can compete with other suppliers where appropriate. Furthermore, Kunstenaars&CO (Artists & co) provides support in the building of profitable business practices. This organisation will be assessed in 2009, at the same time as the Work and Income for Artists Act (WWIK).
- **Advice and information from Syntens and the Chambers of Commerce:** Syntens advises innovative small and medium enterprises (SMEs) in the creative industries. The chambers of commerce provide information to new entrepreneurs and stimulate the regional economy. In this context, various regional chambers of commerce have identified the creative industries as a particular area for attention.
- **Cultural profit:** The recommendation in 2008 by the independent Cultural Profit Committee had strategic significance for the subsidised cultural sector. The profit principle has been transformed into a motor for cultural entrepreneurship in the sector. Social accessibility and self-generated income have grown in importance. Applications for subsidies will be assessed not only on their artistic quality but also on the degree of entrepreneurship. This will also apply to cultural funding.
- **Funded institutions and self-generated income:** From 2013, state-subsidised institutions will be subject to norms on self-generated income. In order to encourage cultural institutions to develop their entrepreneurship, a 'matching scheme' will be in force.⁶ This scheme will create a framework within which cultural institutions can be allotted additional funds if they succeed in earning more self-generated income. An annual sum of 10 million euros is being made available for the years 2010 to 2013.
- **Scheme and knowledge programme for innovation in cultural expressions:** Additionally, an innovation scheme was set up following the Cultural Profit (Cultuurprofijt) policy paper, with the intention of helping create a mentality in the cultural sector that is focused on renewal in cooperation with partners outside the sector. Cultural institutions are eligible for support for innovative projects. The aim of the Cultural Expressions (Cultuuruitingen) innovation scheme is to increase societal support and audience recognition for art and culture. In 2009, a sum of three million euros was made available. The Minister introduced a funding ceiling for the years 2010 to 2012 inclusive. In order to make the innovation scheme more robust, there will be a knowledge-oriented programme aimed at increasing awareness of innovation in the cultural sector and disseminating the results of projects that are part of the scheme.

⁶ <http://www.minocw.nl/financieringcultuurinstellingen/1224/Matchingsregeling.html>.

Design incubator

Eindhoven's Design Incubator helps new designers become entrepreneurs. The programme offers those starting up businesses a loan of up to 25,000 euros. The programme also connects them with the right business partners and provides them with a coach and other forms of support, including help with patent applications, legal and financial situations and generating publicity.

- **Cultural game fund:** In order to promote affiliations between animation filmmakers and the gaming industry, in 2010 a separate project subsidy of 0.5 million euros will be granted to the Dutch Cultural Broadcasting Fund or Media Fund (Stimuleringsfonds Nederlandse Culturele Mediaproducties/Mediafonds), for the setting up of a game fund. This game fund is an initiative of the Media Fund and the Netherlands Foundation for Visual Arts, Design and Architecture (BKVB). It is specifically aimed at the development, coproduction and exploitation of games combining cultural content and artistic design.
- **Cultural leadership:** Successful leadership in the cultural sector demands a combination of qualities in both artistic and business matters. Over the coming years, it is expected that many positions will become available that require people who are able to connect creativity and business and look beyond sectoral and national boundaries. In order to increase the societal and economic added value it is desirable to also develop further the leadership qualities of upcoming talent in the cultural sector. With this in mind, support will be provided for a programme dedicated to cultural leadership. This programme will focus on 'high potentials', talented people who have it in them to strengthen the cultural sector through proven leadership. It will have a strong international dimension, operating together with, and learning from, existing leadership programmes, such as those in the United Kingdom.⁷ An annual budget of 0.7 million euros will be available for the cultural leadership programme for the years 2010 to 2013.



⁷ Cultural Leadership by The Arts Council, Cultural Leadership International by the British Council and the Clore Duffield Foundation's Cultural Leadership Programme.

Action plan 4: Increase international orientation and improve foreign market access and position

Despite the international success of Dutch design and a number of individual successes, in general the creative industries focus too little on foreign markets and international business design – although differences do exist between regions and subsectors with regard to their international market orientation. Proper international orientation and positioning of the Dutch creative industries is of vital importance. The markets in which they operate are international, meaning that they need to measure up in an international context. It does not only require the transcending of boundaries; it requires the opening up of one's own barriers to foreign talent. All these issues lead to a demand for new networks between creative sectors and other factors already working internationally. These networks are not yet being exploited fully. The Cabinet supports the activities of potentially successful sectors in attractive European and global markets. The creative industries do not constitute a priority area for foreign investment, but the presence of a strong creative industries sector can be an extra point for consideration for international businesses thinking of establishing themselves in the Netherlands. The creative industries also play a role in promoting the Holland brand and the positioning of Dutch business abroad. The joint promotion of the Holland brand and the Dutch creative industries could be advanced further abroad.

What we are doing

- **Individual and collective support:** The Agency for International Business and Cooperation (EVD) supports individual SMEs entering foreign markets. The EVD achieves this through market research and the preparazstart funding scheme. Enterprises can also make use of the services of foreign office postal networks and business support offices. In the case of promotional activities and long-term strategic internationalisation programmes, such as Dutch Games Go Global and Open Minds, joint cluster plans can be submitted as part of the Collective Promotional Activities scheme (CPA) and zg@ there. Additionally the EZ is supporting a feasibility study into the plans for the international Dutch Media Hub.
- **Dutch DFA Programme:** The Dutch Design and Fashion & Architecture (DutchDFA) programme (2009-2012) sustainably promotes the international position of Dutch design, fashion and architecture. This programme, which was developed by sector organisations and institutes, focuses primarily on China, India and Germany. The Cabinet has already made available a budget of 12 million euros for the programme.

Dutch Design Fashion & Architecture in China

Through its participation in Shanghai International Creative Industries Week 2009, DutchDFA aims to bring Dutch businesses from the creative sector in contact with potential clients in China. DutchDFA also initiates networks and knowledge networks that enable the Netherlands to contribute to the tackling of issues arising from China's explosive economic development and urbanisation.

- **Creative knowledge workers:** Employers in the creative industries frequently hire foreign staff at short notice and for short periods. These employees often earn too little to be exempted, in accordance with the knowledge migrant scheme, from the requirement to apply for a temporary work permit. In order to tackle these issues for employers in a rapid-growth sector with specific characteristics, the Social Affairs and Employment (SWZ) and EZ ministries together with the creative industries (employers and unions) are going to examine the possibility of putting the wage limit for the creative industries on a par with that for the performing arts. The judiciary and EZ will together look into how the Top 150 list of selected universities and knowledge institutes can be expanded with a number of courses relevant to the creative industries – even while the experimental phase of the Admission Scheme for Highly Educated Persons (Regeling Hoogopgeleiden).
- **Coordination within Europe:** A growing number of countries pursue policies specifically relating to the creative industries.⁸ The United Kingdom, Finland and the Netherlands are at the vanguard of this trend. During its most recent term as chair of the European Union, the Netherlands put the creative industries on the long-term European policy agenda. The European commission followed this course in a subsequent statement highlighting the significance of the creative industries for Europe. And in accordance with the Lisbon Strategy, heads of government also emphasised the potential of the creative industries and the contribution they can make to European competitiveness. There are also other developments in which the Netherlands is playing a defining role that demonstrate that this issue is receiving a good deal of attention:
 - 2009 was declared the year of Creativity and Innovation;
 - The commission has initiated a public consultation on ‘Design as a driver of user-centred innovation’;
 - The member states have set up a creative industries expert group that will put forward recommendations for future European cooperation – the Netherlands heads this group together with Portugal;
 - In the spring of 2010, the European commission is publishing a European Green Book on the creative industries;
 - The Cabinet is pursuing the intensification of exchange of knowledge and experience within the European Union. In 2010 the Netherlands will continue to chair the European expert group on the creative industries.
- **Holland Branding:** An annual budget of 2.5 million euros is available for strengthening image of the Netherlands. The creative industries play an important role in Holland Branding activities. The Paint the World Orange contest, for example, was an open call/competition aimed at generating new concepts and projects for the (economic) branding of the Netherlands as a global hub for knowledge-intensive and internationally collaborating businesses and talents. The idea for the competition came from the Innovation Platform (IP), which has identified Holland Branding as one of the key elements in its working programme. This innovative form of call for tenders (a competition) allows for the broad exploitation of creativity in Dutch society and develops the involvement of the creative industries in economic policy.

⁸ Including Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, New Zealand, Norway, Spain, Sweden, the Netherlands, the United Kingdom, Portugal, Singapore and South Korea. The National Policies for Creative Industries study, EURICUR 2007. Furthermore, major nations such as the United States, China and India have set up initiatives aimed at the creative industry.

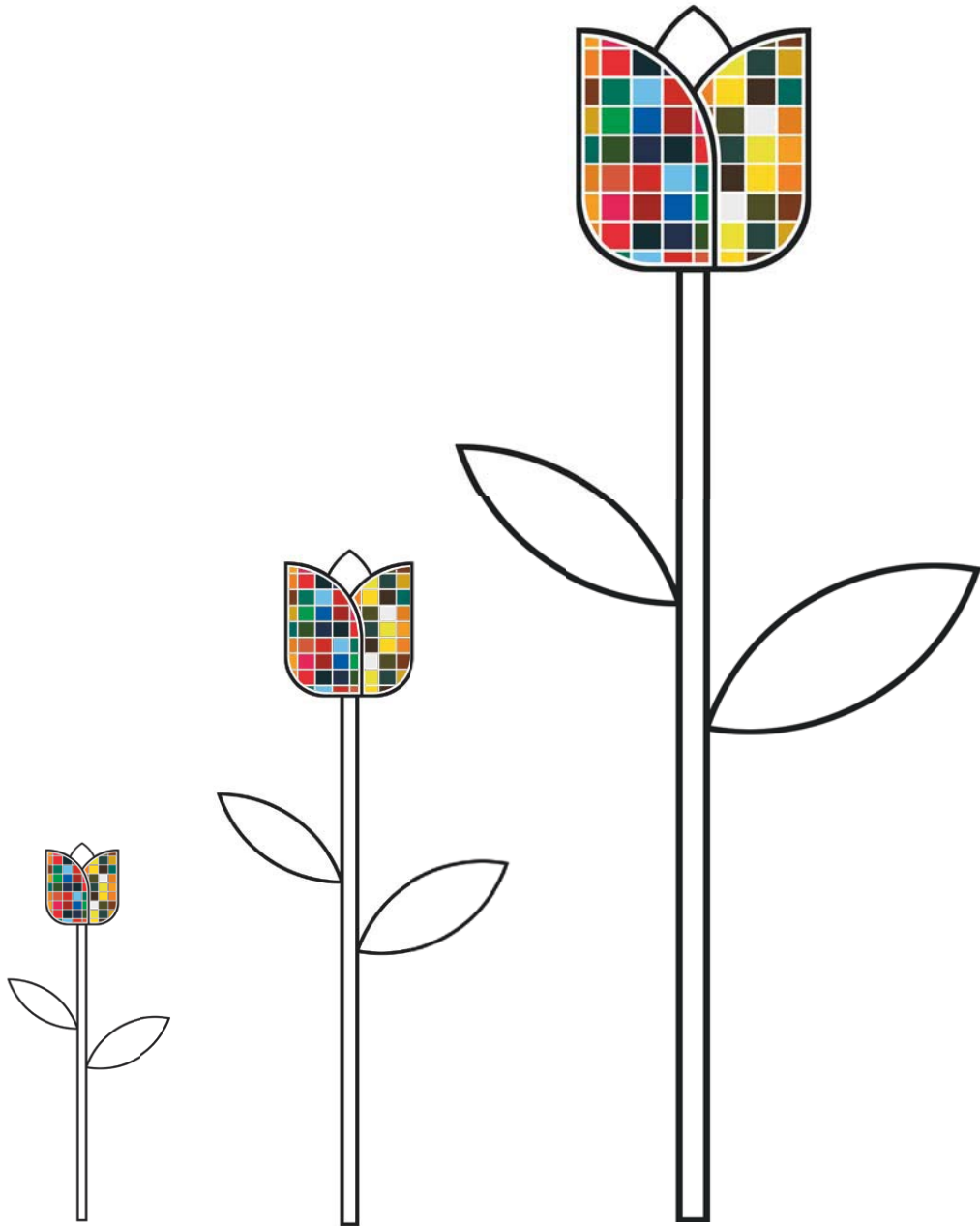
Action plan 5: Improve access to capital

Creative enterprises sometimes find it difficult to obtain capital. It is often difficult for financiers and clients to assess the potential of the creative entrepreneurship. They often lack insight into the value of an idea or creative concepts. Additionally, they sometimes lack faith in the predicted outcomes and quality of management, partly due to poorly formulated business plans; the creative industries are often overly focused on the creative aspect of its activities. Furthermore, there is often no collateral, which leads to clients and potential suppliers of capital considering it too risky to invest or lend money. Investors are more interested in quantitative goals, economies of scale and stable projections. At the same time, creative sectors make little use of existing governmental instruments for improved access to capital – instruments such as the Security Scheme for SME (BBMKB) and the Enterprise Financing Guarantee (GO). In consultation with the sector, an investigation will be set into motion into the underlying explanations for the limited use by the creative industries of existing financial instruments.

What we are doing

- **Micro-finance:** The ministries EZ and SZW are collaborating on a micro-financing scheme. This new scheme offers a solution for small businesses that find it difficult to obtain capital – because the amounts concerned are often small, because they can offer only very limited guarantees and/or because banks are unable to accurately assess the risks associated with their business plans. This issue fits neatly in the pattern of problems experienced by OPBs and small enterprises in the creative sectors. The new micro-financing scheme provides small loans (maximum 35,000 euros) and matching counselling for entrepreneurs.⁹
- **Business Angels:** Many enterprises have had success because they received the support of money and expertise from informal investors, or ‘business angels’ as they are known, in a period when other financiers had little faith in their plans. The Business Angel programme provides informative meetings to bring together entrepreneurs, including creative-sector entrepreneurs.
- **SEED scheme:** The SEED scheme is a financing scheme for early-stage risk capital. The government is going to adapt the preconditions for the scheme such that new entrepreneurs outside the technology sector also become eligible, allowing seed funds focusing on the creative industries to also take advantage of it. This satisfied an explicit request by the sector, it is in line with the anticipated expansion of the valorisation armamentarium to include new entrepreneurs outside the technology sector.
- **Patronage scheme:** The patronage scheme (Mecenaat regeling) encourages altruistic donations to the arts and culture. The programme is implemented by Kunst & Zaken (Art & Business) and increases awareness of cultural patronage and preparedness to donate. The programme includes a variety of workshops and master classes on subjects such as associations of friends, cases for support, tax relief and management of business relations. Additionally, supervision will be provided for a number of concrete patronage-development projects.
- **Cultural investment:** The Culture Projects scheme came into effect in 2006 with the founding of the first cultural fund certified by the Netherlands Authority for the Financial Markets (AFM). The scheme seeks to encourage private individuals to invest through cultural funds in cultural projects that are important for Dutch performing arts or Dutch museums. Private individuals investing in these cultural funds will receive fiscal relief not exceeding 2.5% of 54,223 euros. Since 2006, 47 applications for a ‘culture declaration’ have been submitted, with a combined value of around 406 million euros. Of these, 42 projects were accepted and granted a total of 382 million euros. At the start of 2009, the scheme was once again approved for a period of five years by the European commission.

⁹ Initially, this is a two-year pilot.



Action plan 6: Strengthen digital and physical infrastructure

The digital and physical preconditions for developing and upscaling new concepts are not present everywhere. Keeping up with technological developments requires continual investment by those in the market and there is a frequent lack of affordable accommodation of acceptable quality for creative entrepreneurs. Both the virtual and the material infrastructure must be updated to be geared to the challenges of the 21st century. Competing foreign regions are not standing still and are investing in optimised infrastructures to attract entrepreneurship and talent.

What we are doing

- **Broadband:** The government is ensuring efficient markets for electronic communication with the appropriate mix of competition and innovation. In the autumn of 2009, a guide will be published for local and other authorities who wish to advance the rolling out of Next Generation access networks. Demand-management and promotion of broadband-dependent services are being organised in accordance with the principle of 'national coordination; regional participation'. Research is being done into the matter of whether regional centres can be set up that could function as easily accessible information points and knowledge centres for local authorities, businesses and organisations with interests or plans relating to broadband. The government is issuing frequencies for broadband mobile Internet and other digital services, including the auction of 2.6GHZ frequencies in March 2010.
- **Restructuring of industrial zones:** In the coming years, central government, the provinces, local authorities and entrepreneurship will be investing in additional restructuring of industrial zones. Central government has made 400 million euros available for this purpose until 2013 inclusive. In some cases, this will involve industrial heritage that will be redeployed for the creative sector. Additionally, the innovation scheme Beautiful Holland (Mooi Nederland) fosters innovative projects and improves the spatial qualities of working landscapes.

New services

Through the FES project Images for the Future, public and private parties can develop new services and activities using a large volume of digital material in the Dutch TV and radio archive. The electronic infrastructure and the digitised audiovisual material have been made available for the further development of public and commercial services.

New purposes for old buildings

The Verkadefabriek (Verkade biscuit factory building) in Den Bosch was built to bake Parisian waffles, Viennese shortbread and mocha biscuits. In October 1993, concentration of production led to its closing. The building stood largely empty until 2001, when a location-specific performance took place there. The Verkadefabriek had already been mooted as a possible location for a new arts centre. In 2002, the Den Bosch local authority initiated the conversion of the building into a complex for theatre, film, the catering industry and production. The Verkadefabriek is now a lively venue with several auditoriums, a café and restaurant, film theatres and rehearsal spaces.

- **Adaptive re-use of cultural heritage:** New uses often need to be found for built heritage and other valuable buildings whose function has been lost. Through the use, temporary or otherwise, of these objects (religious heritage, for example) the creative sector can find space for itself and at the same time contribute to the opening up and preservation of cultural heritage. OCW is making moves to foster the re-allocation and redevelopment of cultural heritage as an aspect of architectural policy and the modernisation of built heritage conservation.
- **The arts and culture in deprived areas:** Arts and culture projects in deprived areas contribute to a more positive image of the district and increase awareness among inhabitants of the value and potential of creativity. Housing corporations are also making increasing efforts when it comes to culture in local communities. Examples include the temporary use of vacant spaces by artists and artists working together with local inhabitants to temporarily decorate buildings scheduled for demolition. Furthermore, the presence of relatively cheap space in deprived areas, compared with other areas of cities, offers opportunities for (young) creative entrepreneurs. And it is in these neighbourhoods in particular that there are many young people who could use their own area as a springboard to applying their talents more effectively. The Communities (Wijken) programme directorate, part of the Ministry for Residence, Neighbourhoods and Integration (WWI) fosters the deployment of arts and culture projects in deprived areas at local level and contributes to knowledge exchange on this subject, from and among local authorities. Furthermore, WWI works together with social partners from the arts and culture field on work tailored to the local area. WWI will continue these activities as part of the existing Community Policy (Wijknaapak).

Arts and culture in deprived areas

There are several areas in the Netherlands suffering deprivation, where inhabitants have a hard time improving their lot. Arts and culture projects can offer partial solutions to these problems. Creative projects in deprived areas include:

- The Beehive in Amsterdam's Slotervaart district, where creative businesses pay subsidised rents in exchange for contributions to the local community;
- Hotel Transvaal in The Hague's Transvaal district, a building that has been equipped as a hotel, where artists have organised a variety of activities in the local area;
- The Kunstketel in Maastricht, where a welfare organisation uses art to bring the local community closer together;
- Kijk mijn Wijk (Meet My Street), which invites young people to work together with media artists to put their local area into the picture.

Other projects include Pimp My Block in the Korreweg district of Groningen, Pact op Zuid in Rotterdam and Pal West in Amsterdam. Community films, community theatre and outstanding local buildings also have a part in making the local community aware of the history and identity of the district.

Other initiatives

In addition to the activities falling under the six action plans detailed above, other policy initiatives affect the creative industries. These relate to digital culture and media, the World Congress on Information Technology 2010, the government as customer, the promotion of regional focus points, coordination between cities, tourism and tackling social issues. These policy initiatives are not components of the policy programme for the creative industries but are relevant to them.

What we are doing

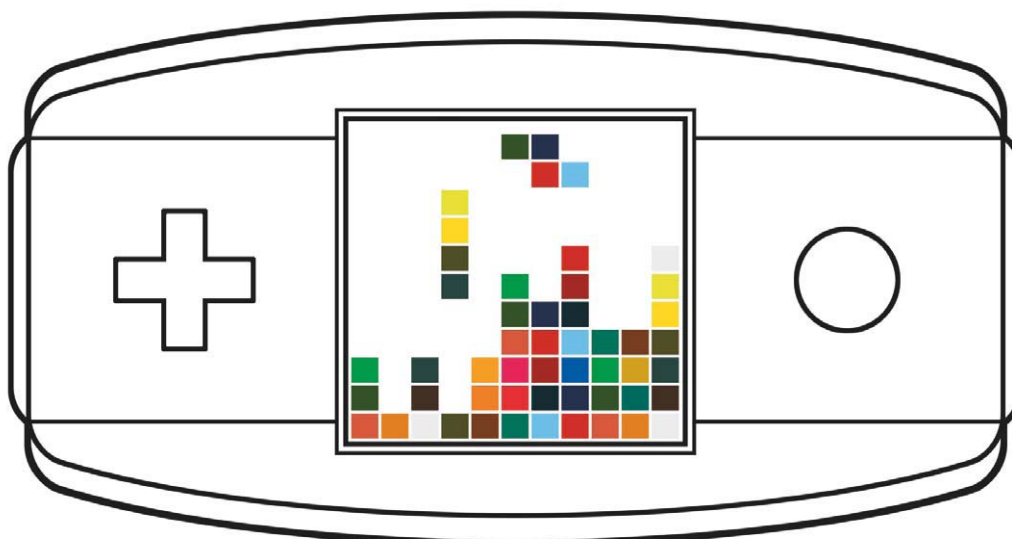
- **Digital culture and media:** Before 1 October 2009, the Cabinet will consult the Council for Culture (Raad voor Cultuur) on digital culture and media. This will help form the basis for the cabinet's reassessment of current plans for e-culture.
- **Creative industries at the World Congress on Information Technology 2010:** The World Congress on Information Technology 2010 (WCIT 2010) runs from 25 to 27 May 2010 in Amsterdam. This event draws together 2500 leaders of entrepreneurship, government and the scientific world from all over the world, to discuss and experience the ways in which IT could contribute to innovation and solutions for social issues. One of the subjects under consideration for inclusion is 'Creative Industries'. WCIT 2010 is organised by the Dutch IT companies belonging to ICT-Office, in collaboration with EZ and the City of Amsterdam.
- **The government as client:** As a client, the government will promote creativity by increasing awareness within the network of government procurement staff about the products and services the creative industries can provide. Before the end of 2010, the Cabinet will adopt the 'Proportionality principle' for the new Procurement Act. This means that the procurement process will not make any requirements of market parties that are disproportionate to the size of the commission involved. This will enable government bodies to give smaller suppliers a fair chance in the selection process and when granting commissions. The 'innovation-focussed purchasing' package is explicitly dedicated to creating opportunities for innovation and creative solutions in commissions processes.
- **Regional issues:** The regional policy White Paper, Peaks in the Delta (Pieken in de Delta), includes policy on the creative industries. The Peaks in the North Wing 2006-2010 (Pieken in de Noordvleugel 2006-2010) programme focuses on matters of strategic value to growth in the North Wing that also have an international aspect. These include the creative industries. In the Southeast Netherlands, the creative industries are not considered as a separate focus point, but rather as an enabler of the high-tech systems industry.

- **Knowledge transfer and coordination between the cities, provinces and central government:** Central government, the provinces and local authorities have complementary roles. Several provinces are directing their attention to the creative industries with a view to further spatial, cultural and economic development of the province concerned. Many large and medium-sized local authorities and cities have also developed local policy for the creative industries in recent years. In these local authority areas and cities, components of the creative sector are well-represented mainstays of the local economy. Issues and initiatives of particular interest to local authorities include housing, knowledge exchange and network formation, support (creative or otherwise) for new creative entrepreneurs, diversity, projection of a distinct international image, and improvement to the dovetailing of interests originating in educational and the workplace – an example is the City of Amsterdam’s plan to set up a top international Institute for creative leadership and entrepreneurship. The granting of licences by local authorities for public events is also a crucial issue for the creative industries. Local authorities have now indicated their desire for improved mutual harmonisation between cities, provinces and central government on the matter of policy initiatives. At the behest of the EZ and the G4 and G27 cities, knowledge, insights and experiences are presently exchanged between cities on matters relating to the urban economy within the public knowledge institute for cities, the Netherlands Institute for City Innovation Studies (NICIS). At the request of the Association of Netherlands Municipalities and in collaboration with the NICIS central government is initiating the four-year knowledge Creative Economy (Creatieve Economie) programme. This programme focuses on knowledge exchange and network formation between municipalities. It also contributes to the harmonisation of central government policy with policy originating from the provinces and large and medium-sized cities.

Creative public events

A number of large creative public events take place in the Netherlands. There are often supported by regional or central government.

- Eindhoven: Dutch Design Week, a week of design exhibitions and seminars
- Amsterdam: PICNIC Cross Media Week, annual interactive media event
- Arnhem Fashion Biënnale, biennial cultural fashion event
- Groningen: Noorderslag, seminar and pop music festival for the pop music sector
- Maastricht: TEFAF, leading international art fair
- Rotterdam Film Festival, international showcase for contemporary film, the art of film and talented filmmakers
- Amsterdam International Fashion Week, twice yearly fashion world event
- Rotterdam: International Architecture Biennale Rotterdam, biennial architecture and urban planning
- Utrecht: Festival of Games, games industry showcase
- Amsterdam: IDFA, International documentary film festival



- **The creative industries' contribution to solving social issues:** The creative industries can contribute to solving social issues. In 2008, a number of Social Innovation Plans (SIPs) were set up to tackle issues relating to energy, health, security, water, education and sustainable agriculture and fishery chains. The connection between exploitation of economic strengths and tackling economic challenges is key to each of the SIPs. The cabinet is therefore calling upon the creative sectors to also apply their knowledge, creativity and expertise in these areas. They can also do this through the Social Sectors & IT (Maatschappelijke Sectoren & ICT) action programme, which focuses on the further dissemination of innovative IT applications in education, security and healthcare. Here, parties can submit their own proposals for upscaling, for which they provide half of the financing and then implement the proposals. Experience demonstrates that the creative sector often plays an important role in this context. Proposals can receive 50% financing, up to a maximum of 1.2 million euros. A sum of 16.7 million euros is available for the final competition phase in 2009. Central government also promotes creativity through numerous sustainability initiatives, such as the Ministry of Housing, Spatial Planning and the Environment's (VROM) support for the movement towards sustainable design and the 'cradle to cradle' method, with its associated 'waste = food' principle. The Ministry of Health, Welfare and Sport (VWS) coordinates the Design for All project. The VWS state secretary runs this process together with the EZ state secretary. This project, Praktijkspoor (Practice Track), takes into account differences between users and ensures the appropriateness of products and services for as wide a range of users as possible – such as young people and the elderly or those with and without physical limitations. Bearing in mind the ageing population and the expected increase in the proportion of the population with physical limitations, at the end of 2009 a national centre will be opened for anyone seeking information about accessible goods and services.
- **Tourism:** There is also collaboration with the creative industries on aspects of tourism policy. During the Holland Art Cities event in 2009 and 2010, four major Dutch cities will be the focus for arts and culture. Ten museums in Amsterdam, Rotterdam, The Hague and Utrecht are joining forces for this event. It is the cabinet's intention to organise a large event with international allure in the Netherlands every two years that has the potential to attract 200,000 extra foreign tourists to the Netherlands.

Social innovation

There is a growing awareness that computer games can do more than only entertain. With the support of the EZ, the Future of Technology Foundation (STT) is starting up the Serious Gaming future development survey. Activities include the use of serious gaming in special education and crisis management. The creative sectors contribute to social innovation, such as with applications in the health sector (remote healthcare, user-friendly design for the elderly and the handicapped), education (digital educational material), and energy (attractive and functional applications). See below for examples.

- The Amsterdam Medical Centre is working together with the Maxima Medical Centre and other partners on a game in which medical staff can practice dealing with difficult situations arising in childbirth.
- The Utrecht Medical Centre is developing a serious game for young doctors. Using this game, doctors can rehearse incidents that only rarely occur in practice.
- The game Re-Mission helps cancer patients keep to their treatment guidelines.
- De Belevenis (The Adventure/Experience) is a new, fully-equipped entertainment venue designed specifically for children and adults with serious multiple handicaps and for Alz-heimer's sufferers.
- The education sector deploys serious gaming applications to facilitate career choices, to make learning more enjoyable and to ameliorate language delay.

Implementation and communication

Various parties implement the plans. These parties include the creative sectors, and knowledge institutes and government bodies. Within central government, the plans are carried out by various ministries. The website www.cultuureconomie.nl links to the correct information source for each plan.

Communication about the path towards an innovation programme for the creative industries is in the hands of the creative industries sector itself, with support from SenterNovem. Parties seeking to participate can apply and join in discussions online at www.senternovem.nl (search term: creatieve industrie: site is in Dutch only).

Appendices

Implementation of the Policy Programme for the Creative Industries 2009-2013 and other initiatives

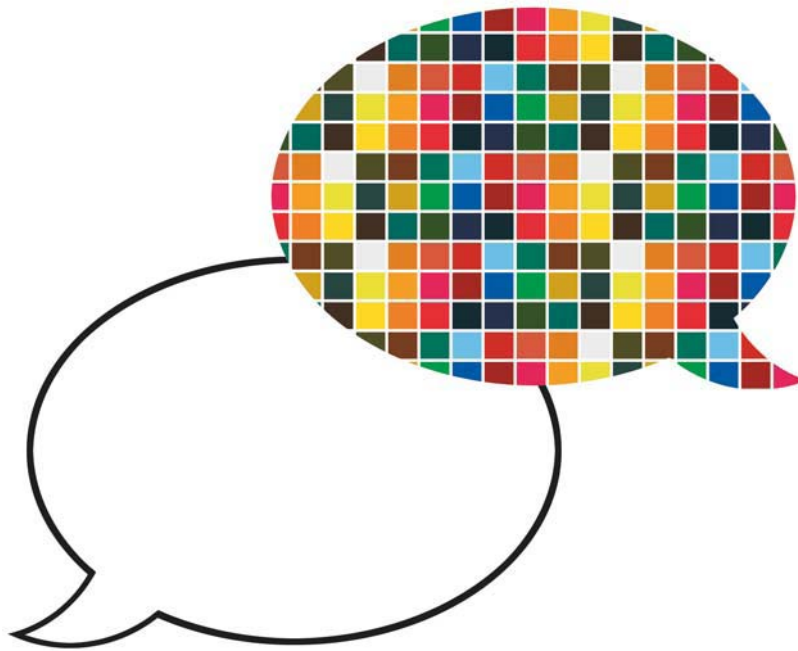
Action lines	Implementation
I. Draw up a strategic plan for, and by, the creative industries	
Creative industries innovation programme	Creative industries i.c.w. SenterNovem
Creative industries FES application	Creative industries through OCW
II. Improve intellectual copyright expertise and exploitation	
Knowledge about and exploitation of intellectual property rights	EZ, OCW
Facilitate tailored solutions	OCW, EZ
III. Promote research, education and entrepreneurship	
Research	
NWO research programme	NWO
Creativity and entrepreneurship in education, including higher education	
Centres of Entrepreneurship	EZ, OCW
SKE-crea scheme	EZ
Valorisation Programme	EZ
HBO Masters courses	OCW
Entrepreneurship in the creative sector	
Climate for OPBs	EZ
Provision of consultation and information by Chamber of Commerce and Syntens	Syntens, Chamber of Commerce
Cultural profit	OCW
Self-generated income of funded institutions	OCW
Innovation in Cultural Expressions (<i>Innovatie Cultuuruitingen</i>) scheme and knowledge programme	OCW
Cultural games fund	OCW, funds
Cultural leadership	OCW

IV. Increase international orientation and improve foreign market access and position	
Individual and collective support	EVD
Dutch DFA programme	Creative industries, EZ, OCW, BZ
Creative knowledge workers	SZW, EZ, JUS
Coordination within Europe	EC
Holland Branding	EVD
V. Improve access to capital	
Micro-finance	EZ, SZW
Business Angels	EZ
SEED scheme	EZ
Patronage scheme	OCW
Cultural investment	OCW
VI. Strengthen digital and physical infrastructure	
Broadband	EZ
Restructuring industrial zones	EZ, VROM
Reallocation of cultural heritage	OCW
Arts and culture in deprived areas	WWI

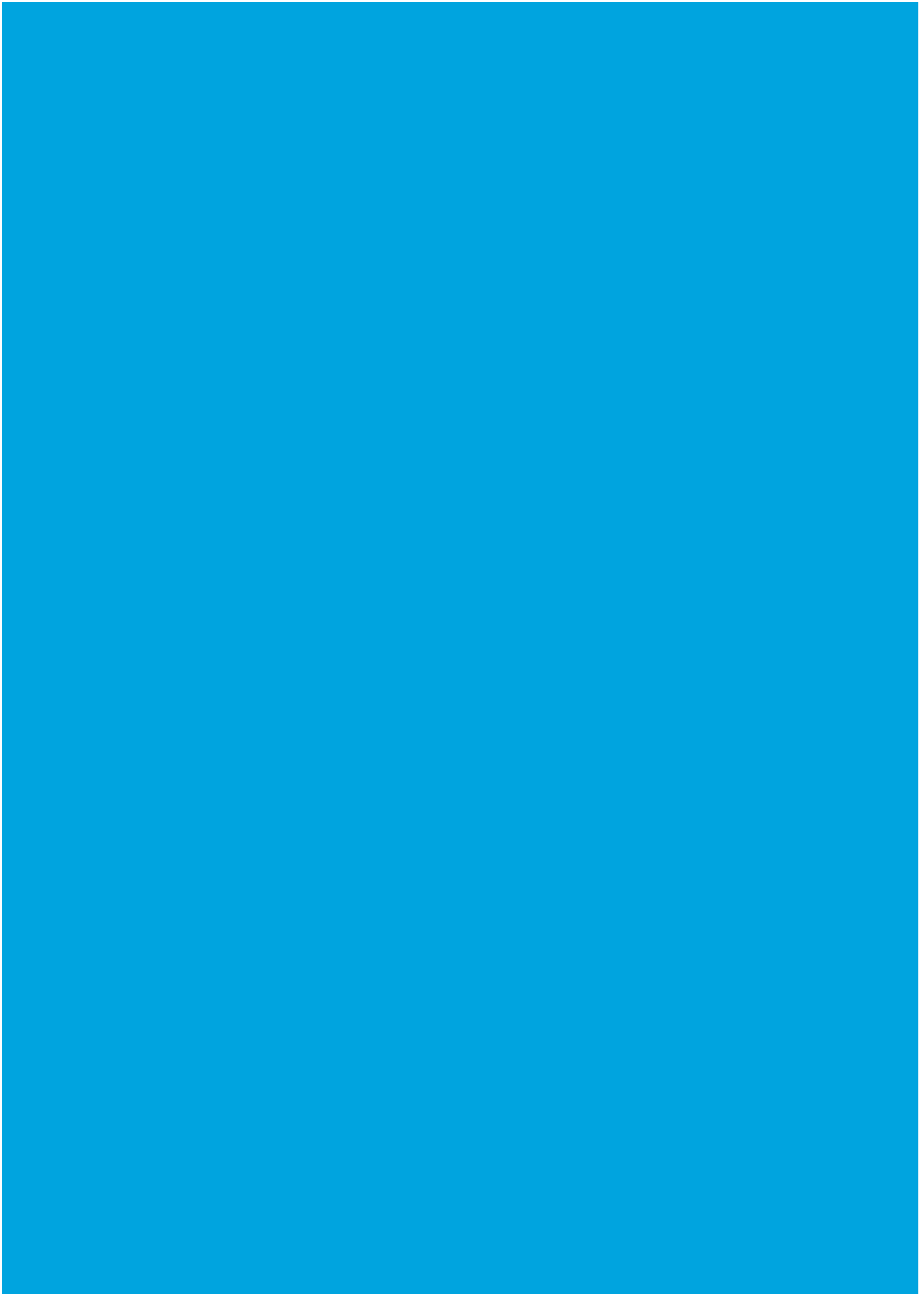
Other initiatives	
Digital culture and media	OCW
Creative industries at the WCIT 2010	EZ
The government as client	EZ, PIANO Public Procurement Expertise Centre
Regional focus points	EZ
Knowledge transfer and coordination between cities, provinces and central government	EZ, NICIS
Creative industries' contribution to tackling social issues	EZ, OCW, other ministries
Tourism	EZ

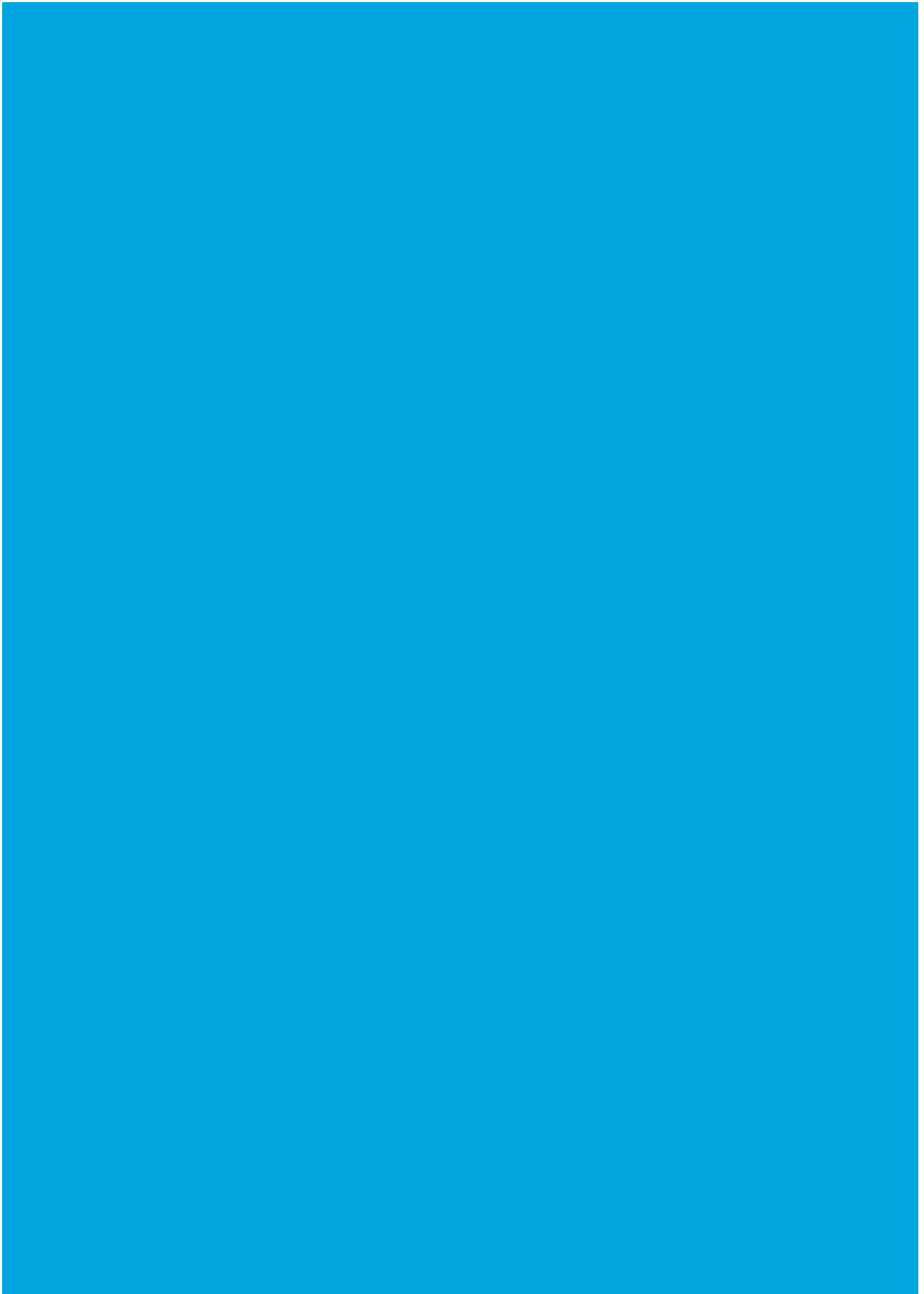
The process

A number of sessions have taken place involving representatives of the creative industries, and their outcomes were referred to during the formulation of this policy paper. The sessions were initiated within the framework of: the 2008 industry policy paper; the Innovation Platform; the Community of Talents innovation lecture and the Innovation 2.0 event that it gave rise to; a creative industries roundtable session on regional policy; the FES application by the Creative Clusters Programme; examination of the creative industries; and SenterNovem's consultations with creative entrepreneurs. Representatives of a broad range of creative businesses, active in a wide variety of creative sectors and subsectors and value chain components, participated in the sessions. We wish to thank them all for their valuable contributions.



Industry Policy paper boardroom session	Presentation to the Innovation Platform
<ul style="list-style-type: none"> • AD NieuwsMedia • Fabrique • Joh. Enschedé • JVH gaming • Koninklijke Swets & Zeitlinger Holding • Mojo Concerts • Premsula • Roto Smeets • Sanoma Publishers • Thieme GrafiMedia Group • PCM Holding 	<ul style="list-style-type: none"> • Marcel Wanders Studio • Massive Music Studios in Amsterdam • Fuworks • Media Republic • Marcel van der Vlugt Photography • Design Academy • UN-Studio • G-Star • Concrete Amsterdam • Pindakaas Bureau • HYVES
Creative industries roundtable session on regional policy	Dialogue with the creative industries through SenterNovem
<ul style="list-style-type: none"> • Nederland Kennisland • Moshi Moshi • Media Catalyst • Creative Industry Sofa • Pastoe Fabriek • Amsterdam Topstad • Dutch Fashion Foundation • UN Studio • Amsterdamse Innovatie Motor • Media Republic • TFI • Premsula Foundation 	<ul style="list-style-type: none"> • Philips Design • Creative Industry Sofa • Dutch DFA • Designlink • Modint • TU-Delft Industrial Design • Netherlands Architecture Institute • Royal Institute of Dutch Architects • Premsula • Design Academy • IIP Create • Amsterdam Top City • Amsterdam Fashion Institute • Association of Dutch Designers • Design Connection Brainport • Utrecht School of the Arts • Logica CMG
Creative industries table at 'Community of Talents' Innovation 2.0 event	
<ul style="list-style-type: none"> • Utrecht School of the Arts • InHolland • Industrial Marketing Centre • Marcom • Sulis • Citymix.org • Media Plaza • De Baak/ NextNovelty • Tijd voor Talent 	





Colophon

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