

Federal Ministry of Economics and Technology

Berlin, 19 October 2007

Federal Government Culture and Creative Industry Initiative

I. Objective

The initiative aims to develop positive prospects for the culture and creative industry by strengthening its competitiveness and by making better use of and developing its employment potential.

From the point of view of technology policy, it should be noted that the new digital technologies are the main driving forces for innovation and growth, and that this also applies to some areas of the culture and creative industry. Once again, digitisation is creating the basis for new developments, solutions and products.

From the point of view of economic and cultural policy, it is vital to improve the business environment for those involved in the culture and creative industry.

In a first phase, a coherent policy is to be developed for the culture/creative industry. In a second phase, effective, visible and sustainable solutions and recommendations for policy action are to be drawn up.

First of all, the structures and the potential of the culture and creative industry must be analysed. Here, the aim should be a greater use by the culture industry of public information (Economics Ministry Assistance Database), a strengthening of the expertise, and an optimised networking of the culture and creative industry.

To this end, it is necessary to examine the extent to which existing support and instruments can be adapted.

The Culture and Creative Industry Initiative is co-ordinated with the Federal Government's Commissioner for Culture and the Media and, following consultations with the relevant ministries (e.g. Labour and Social Affairs, Finance, Education and Research, Justice, Foreign Office) is to be presented to the Federal Cabinet.

It is an open strategy in which contributions from all interested stakeholders are welcome. Here, an important foundation has been laid by the decisions by the Bundestag and the Bundestag Study Commission on Culture in Germany. The results produced in the course of the Initiative are to be presented in the form of a report in spring 2009. The entire process of the Initiative is to

be steered and co-ordinated by the “Culture Industry” Working Group based in the Economics Ministry.

II. Background

The economic significance of the culture and creative industry has been moving more and more clearly into the focus of national and international policy-making in recent times. The study by the consultants KEA (Kern European Affairs) undertaken on behalf of the European Commission has provided a further stimulus. The EU council of ministers of culture (and incidentally also the European Council of March 2007) confirm that the sector is of growing importance, particularly for the development of economic growth and the creation of jobs in Europe, and thus also for the attaining of the Lisbon objectives. The desire for enhanced support for the culture and creative industry from economic policy-making was also expressed by the plenary session of the Bundestag (debate on 26 April 2007) and the Study Commission on Culture in Germany. The Länder have also made several calls (conference of economics ministers in October 2006 and June 2007) for greater federal involvement in terms of economic policies to strengthen the culture and creative industry. Not least, representatives of the sector itself welcome greater political backing for their industry and stress their desire for greater monitoring of their sector.

III. Subjects/main challenges/fields for strategic action

- The Federation and the Länder wish to clarify the concept of the culture and creative industry. The definition of the culture industry varies both nationally and internationally. There are diverse attempts to define it, involving differing understandings of culture and creativity.
- The German culture and creative sector is dominated by micro-enterprises. This extremely small-scale corporate structure, with an average of five employees, necessitates a more detailed economic analysis, review and possibly an adjustment of the current support instruments, if the potential is to be utilised in the coming years. Access for smaller players to financial measures and to other public information must be significantly improved. The focus here is on assistance in fields like new start-ups (start-up allowances, micro-loans), investment (tax assistance like special tax write-offs), SME

programmes (KfW business loans), guarantees, innovation (grants, loans), trade fairs, external economic and labour-market-policy assistance.

- Another task is to analyse the interdependencies of publicly funded cultural life and the profit-oriented culture and creative industry and if necessary to feed this into recommendations for action.
- Political backing for the culture and creative industry also means advice and help for freelancers making their way towards self-employment, assistance with the drawing up of a business concept and guidance on fees. This also includes questions of insurance – the Artists' Social Fund.
- Strategies must be developed for better networking, e.g. in building up contacts with clients, gallery owners, editors, publishers, media or business partners in other (EU) countries.
- In the age of digitisation (internet), intellectual property rights and further reforms of copyright law represent a permanent challenge to artists, journalists and the sectors which disseminate culture, and are therefore particularly included in the thinking about the culture and creative industry.
- The significance of the culture and creative industry for the tourism sector should also be assessed in the course of the Initiative, and recommendations for action should be made.

The Federal Government is already involved in diverse activities and measures in a range of sub-sectors of the culture and creative industry, and these must be built into the Initiative. Ongoing activities in this field include:

- Multimedia Start-Up Competition
- SME Start-Up Competition
- Design Prize
- Business Film Prize
- Support at trade fairs (Midem)
- Musical Instrument Prize
- Music Initiative
- German Film Promotion Fund

IV. Institutions, players and experts involved:

- At federal level, in addition to the Economics Ministry and the Culture Commissioner, also: Foreign Office (external cultural policy), Ministry of Labour and Social Affairs (Artists' Social Fund), Ministry of Justice (copyright) and Ministry of Education and Research (education, research). The Federal Statistical Office should be included regarding issues of data collection and evaluation.
- In-depth involvement of the Länder, which have the lead responsibility for cultural policy, is necessary. In particular, the Working Group on Culture Statistics and the Cultural Industry Working Group of the conference of economics ministers are important discussion partners. The culture industry reports produced by some of the Länder make an important contribution. At regional level, municipalities which are especially active in the field of the culture and creative industry, and chambers of industry and commerce, should be involved in the Federal Government Initiative.
- At EU level, not only the EU Commission, but also individual member states like the UK and France should be consulted, as they have launched similar initiatives.
- Academics from the relevant university disciplines (e.g. cultural management) and other experts should be included to provide professional expertise.
- In view of their overarching expertise, the Federation of German Industries and the Association of German Chambers of Industry and Commerce should be heard.
- The most important contacts are the eleven sub-sectors of the culture and creative industry, generally defined as:
 - the publishing trade (book, press, recordings and music publishers)
 - the film industry (film, TV film, video production, rental, sale, film theatres)
 - the broadcasting industry
 - music, visual and performing arts (freelance artists, private theatres, small-scale art scene, theatre / concert management, stage technology companies)
 - journalists / news agencies
 - museum shops, art exhibitions (commercial non-subsidised museum activities and art exhibitions)
 - cultural goods retail sector (music shops, bookshops, galleries, art trade)
 - architects offices (interior, garden, design, building and civil engineering architects)

- design sector (industrial design, product design including fashion and textiles, communication design, advertising, but excluding photographic sector)
- advertising (advertising agents excluding design)
- software / games (software and games development and advice, excluding hardware and computer services)

V. Procedure/additional elements

- In an opening event at senior expert level chaired by Dagmar Wöhr, Parliamentary State Secretary in the Economics Ministry, the Federal Government's Culture and Creative Industry Initiative is soon to be launched with a first overarching dialogue between the sectors. Selected representatives of the various sub-sectors will be given an opportunity to make brief statements on the main challenges and interests in their field.
- In a first operative phase, urgent economic policy issues are to be discussed in sectoral meetings held from November 2007 to April 2008 (cf. I) and the individual needs of the relevant sub-sectors are to be pinpointed.
- The culture industry working group of the Economics Ministry should convene as a permanent support body in the run-up to each sectoral meeting.
- On the basis of the outcomes of the sectoral meetings, in a second phase from June 2008 to March 2009, thematic (cf. III) workshops, discussion rounds, roundtables, specialist fora, expert discussions and bilateral consultations should be held involving representatives of the culture and creative industry and other players from Germany and abroad (cf. IV). The Federal Government will submit proposals on this. Further input should be provided by a research study to be commissioned by the Economics Ministry on structures and the potential of the culture and creative industry, taking into account the synergies between the public and private-sector cultural industries. Also, the common characteristics of what are otherwise highly heterogeneous sub-sectors should be pinpointed.
- In a further overarching sectoral conference in April 2009, the results and recommendations for strategic action for an effective and sustainable policy on the culture industry as ascertained for this period of government should be summarised and documented.