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ODIMM ORGANIZATION FOR SMALL AND MEDIUM ENTERPRISES SECTOR DEVELOPMENT

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"Research on creative industries development conditions"



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INTRODUCTION

The creative and creative industries sector formed 7% of world GDP in 2011 and grew by 7-8% per year. **World trade** in creative goods and services reached \$ 624 billion and continues to grow steadily today.

In Europe, the creative industries are seen as a key element in global competition. The Old Continent is one of the leading exporters of creative products - publishing, music, film and especially new media, especially video games, and its value is estimated at 4.43% of total EU exports.

Proof of the potential of the creative industry is the composition of its building industries. They are:

- Publishing industry - book publishing, periodicals (newspapers, magazines) and printing.
- Software industry, including database and computer games.
- Music industry - works with or without text, recording industry.
- Visual arts - painting, graphics, sculpture, applied and experimental arts and galleries.
- Performing arts - dramatic, musical-dramatic and pantomime, choreographic - theater, opera, ballet, dance and circus arts, shows and other entertainment activities, as well as creative activities to create sets, costumes, etc.
- Media industry - electronic media such as radio, television, internet and others.
- Film industry - production of films and other audiovisual works and production activities.
- Photographic industry - art, advertising and information photography.
- Advertising industry.
- Architecture - including interior and landscape activities.
- Design - industrial, furniture, graphic, media, web design, etc.
- Cultural heritage - tangible cultural heritage, intangible heritage including folklore and folk arts and crafts and related traditional crafts.
- Industry of festivals and cultural events.

Characteristic of the cultural and creative industries is that they have the potential **to generate jobs, innovation and productivity, improve the quality of life locally, stimulate new ideas and thinking within the community and influence a wide range of policy priorities.**

By 2020, 8% of employees work in creative enterprises in Bulgaria, creating about 10% of gross domestic product. Created by people with professional qualifications and skills above the national average, the high quality goods and services of the creative industries stimulate consumption, contribute to the development and promotion of Bulgarian culture and science and contribute to the further establishment of national identity. As a dynamically developing economic sector, they are gradually becoming a prestigious and preferred field of professional realization for the young generation and create a sustainable competitive advantage of Bulgaria on the world market in the context of globalization, digitalization and liberalization.



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The present analysis aims to obtain up-to-date information on the problems faced by this sector in connection with the specific socio-cultural, economic and environmental conditions on the market of creative industries in Bulgaria. This is a starting point for identifying possible measures to overcome the problems and improve communication between all participants in the process.

1. Conditions for development of the creative industries in Bulgaria / Moldova

1.1 Socio-cultural conditions in which the companies from the creative industry work;

Creative industries have an enhanced social dimension. They are the engine of employment, help to improve the quality of life, accelerate regional development and are essential for the efficient functioning of other economic sectors. Creative products promote basic cultural values of society. They enhance cultural identity, promote cultural diversity and have important educational and informational functions, contributing to the dissemination of knowledge.

The gender distribution of employees in the creative industries is highly uneven. A significant proportion of creative enterprises are composed only of women or they predominate in them. The creative industries are characterized by a stable age structure and a strong presence of young people up to 35 years. The aging of employees is registered in arts and crafts. The ethnic composition of those employed in the creative industries deviates from the general ethnic structure of the population, as minority groups are represented in a smaller share than the national average.

An important technological factor for the growth of the creative industries is digitalization. It exists in three directions:

- internet access to cultural content,
- digitization of cultural heritage for the purpose of promotion and commercialization,
- digitalization of the media industry in order to consolidate related creative activities.

Digitalization is the result of new technological opportunities for creating and accessing cultural content for both producers and consumers. With digitalization, new forms of creating, producing and distributing creative content are emerging.

For example, the digitalization of cultural heritage is a prerequisite for the creation of new creative products in a digital environment, as well as a digital platform commercializing cultural heritage, such as the digital museum.

Being at the crossroads of Eastern and Western culture, Moldova has a huge creative potential and a vast source of inspiration. At the same time Moldova has a successful and blooming IT sector, a talented and creative young generation and a growing ecosystem of creative services. In the last years, the promotion of national artists intensified, mostly through social media platforms. People became more interested in supporting artists and manufacturers whose art works and creations are promoting national traditions and culture.

However, taking into consideration that CCIs development in Moldova is only in its infancy, there is a lack of legislative documentation and regulations regarding the cultural and creative business environment. The Government is making efforts to better understand and evaluate the economic potential of CCIs in Moldova. However, the benefits that the creative field may bring to economy are still ignored, and the CCIs field is being classified as just „arts” in many legislative papers. At the current



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moment, there is no dedicated national strategy on the development of CCI, this being considered a future national priority.

The Culture 2020 Strategy (approved by Governmental Decision no. 271 of 09.04.2014) is one of the few documents emphasizing the importance and urgent need for the development of CCI. According to it, the “cultural industries represent the totality of artistic and creative cultural activities, which include commercial, non-profit, social initiatives provided by individuals and legal entities in the field of music, dance, theatre, circus, cinema, cultural heritage, books, fine arts, crafts, arts, media, advertising, entertainment, modelling, entrepreneurship, cultural tourism, etc.” Even though the definition is intended to point out the components forming the cultural industries, the approach is fragmentary because it ignores the “creative industry” element and lacks the holistic approach.

1.2 ECONOMIC CONDITIONS IN WHICH THE COMPANIES FROM THE CREATIVE INDUSTRIES WORK IN BULGARIA AND MOLDOVA

Creative industries are a significant sector of the Bulgarian economy. They create a larger share of the gross domestic product from economic sectors such as energy, mining, hotels and restaurants, etc. In 2008, the creative industries generated 5.54% of the gross value added in the country and provided employment to 4.92% of the employed. In absolute terms, the gross value added amounts to BGN 3.147 billion with 188 thousand employees. The average labor productivity in the creative industries is almost 30% higher than the average for the national economy. The growth of the creative industries is many times higher than that of the economy as a whole - for the period 2003-2008 the gross value added created in them has increased by over 100%, while for the economy as a whole - by about 40%. Data for 2008-2009 show that the creative industries were less affected by the economic crisis and almost did not lay off staff in the first two years of the financial crisis, and sectors such as design, software and the film industry even grew.

Creative industries are represented mainly by micro, small and medium enterprises operating in a highly competitive market environment. Larger companies are mostly found in the publishing, media and software industries.

The areas in which there is strong competition between creative and creative enterprises are:

- selection of qualified staff,
- imposition of new products,
- awarding public and private contracts.

More than half of them invest a significant part of the profit in the creation of new products and services, and this share far exceeds the share of innovative enterprises in other economic sectors.

The share of enterprises that realized revenues from intellectual property and other intangible assets is smaller than those that own them.

The import and export of intellectual property is carried out in two directions: import and export of creative products and import and export as amounts (royalties) paid for given and used licenses. With regard to both types of imports and exports, Bulgarian enterprises are a net importer of creative products and users of foreign intellectual property. In sectors such as software and others, there are encouraging steps to sell Bulgarian intellectual property abroad.

In the last decade, Moldovan Government is showing a high interest in developing the ICT sector, offering support and incentives for the companies working in this area. The government support is



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bearing its fruits so that the IT services exports reached \$164 million in 2018, a 40% increase compared to 2017 and a 40 times growth compared to 2005. With a similar support, Moldova's Creative Industry sector can achieve same heights.

Usually, the registered companies in the CCI sector tend to be micro-enterprises employing up to 7 people. The employee profile is usually young creative people with an IT or artistic background with an above average salary. Such companies provide an alternative to migration for the young generation.

The CCIs have a multiple and transversal character, that impacts economic and social development. This potential is still under-recognized in Moldova. Due to the outdated Soviet paradigm, the creative industries in Moldova are scattered and cannot be seen as a system that contributes to the country's economic development. Given that the priorities of the whole country are related to economic growth and increasing the number of jobs, it is necessary to reconsider the field from the perspective of economic and social value of culture, as well as elaborate a holistic definition, that will integrate all the CCIs elements and refers to it as a broad concept for economic development.

CCIs sector is hardly considered as an integral part of the economy partially due to weak existing evidence concerning its contribution to overall growth and quality of life. For many, culture and economy represent two distinct fields without any interaction. Culture is still considered a luxury by many, an approach remaining from former Soviet tradition. It is seen as a sector with low productivity and high need for resources.

1.3 ECOSYSTEM AND INFRASTRUCTURE OF CREATIVE INDUSTRIES IN BULGARIA AND MOLDOVA

The use of the term "industries" rather than "industry" emphasizes the specificity of each. However, there are some common characteristics of the creative industries - **human creativity, intellectual property, the symbolic content of the creative product.**

Markets are dynamic, clustered. Employment in them is often temporary at potentially higher than average incomes. Another feature of the creative industries is their **global connectivity through the import and export of creative products, facilitated by digitalization as a new form of distribution.**

Most creative industries have a **strong network nature.** Most of the enterprises in them are integrated in small business networks (up to 10 partners), but there are also networks composed of dozens and even hundreds of partners. In them, in addition to the production and creation of services, creative enterprises cooperate in areas of mutual interest such as the imposition of norms and rules in business, protection from external interference and others.

The creative industries are located in several large cities in the country or in traditional regions. They are concentrated mainly in Sofia and in five large cities (Plovdiv, Varna, Burgas, Stara Zagora and Ruse). Despite the uneven distribution, in almost a third of the municipalities in the country there are clusters (regional complexes) of creative enterprises.

The creative industries are also highly integrated into international product and service networking networks. The business of the creative industries, which are exporters, is the most internationalized - the software and film industries, followed by the media and publishing industries, which are also subject to significant foreign investments.

Investments in the cultural and creative industries, where available, have the potential to generate jobs, innovation and productivity, improve the quality of life locally, stimulate new ideas and thinking within the community and influence a wide range of policy priorities. .



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Creative industries are dependent on technological capabilities for objectification, reproduction and transmission of creative content, including production and sale of recording, reproducing and communication equipment, computers, radio and television equipment, musical instruments and equipment, paper, blank media and more. Research shows that very often the "economic breakthroughs" and the occupation of relevant market niches **are the result of the interaction between artists and entrepreneurs in these technological sectors, where creative synthesis generates INNOVATIONS with significant cultural value and economic return.**

Innovation is an important driver of economic progress that benefits consumers, businesses and the economy as a whole. From an economic point of view, innovation is the development and application of ideas and technologies that improve goods and services or make their production more efficient. Growth in innovation and productivity brings huge benefits to consumers and businesses. Workers' wages increase with increasing productivity. They have more money available and can buy more goods and services. At the same time, the business is becoming more profitable, which allows for investment and hiring more employees. Innovation is at the heart of European policy. It is aimed at creating an appropriate creative environment for the development of the initiative, the scientific and technological infrastructure; organization of the patent system, support of basic and applied research, innovative projects with market realization, etc.

Innovation in the creative industries is the engine of growth and structural change in our entire economy. They help increase the overall productivity of the economy and are a stimulus for innovation in other industries as well. They even have the potential to create new centers of growth and play a leading role in markets with a macroeconomic impact. Thus, innovation in the creative industries can lead to structural and economic changes in society, changing the way of life, business and interaction between us.

Innovations in the creative industries include:

- new and significantly improved concepts and proposals for products and services, whether introduced by suppliers or manufacturing companies;
- innovations in the process of providing services and products;
- infrastructure innovation for the creative industries, customer service, business models, trade aspects (sales, marketing, supply), service productivity and hybrid forms of innovation serving several groups of users simultaneously and in different ways.

Smart specialization is an important concept for a better and more targeted innovation policy, adopted according to the cohesion policy for the period after 2013. The envisaged mandatory national / regional research and innovation strategies for smart specialization (RIS3 strategies) are integrated and field-based programs for economic transformations which:

- direct policy support and investment to key national / regional priorities, challenges and needs for knowledge-based development;
- rely on the strengths, competitive advantages and potential for excellence of each country / region;
- support technological and practice-based innovation and aim to stimulate investment in the private sector;
- provoke maximum stakeholder participation and encourage all forms of innovation and experimentation;



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- are evidence-based and include sustainable monitoring and evaluation systems.

That is why our research focuses on the problems of the creative industries in the context of innovation.

The term “cultural and creative industries” in Moldova are barely mentioned in relevant documents and national strategies, some of the concept elements being viewed under the umbrella of textile industries, light industry or arts.

Starting with 2009, the then Ministry of Education, Culture and Research has elaborated a series of normative-legislative acts, which allow the development of the cultural sector and the safeguarding of the cultural heritage. Eight laws have been approved and institutions have been created, the role of which is to ensure the conditions for the sustainable development of the cultural sector. However, there is no distinct legislative act meant to regulate and support the functioning of CCIs in Moldova as an industry with high potential.

According to Global Innovation Index 2020, Moldova ranks 59th among 131 economies featured in GII 2020. In terms of Creative Outputs (position 51): displays strengths in the sub-pillar Intangible assets (25) and in the indicators Trademarks by origin (8), Industrial designs by origin (5) and Mobile app creation (20). The weaknesses are revealed in terms of Global brand value (80) and National feature films (103). The Republic of Moldova performs better in innovation outputs than innovation inputs in 2020. According to the same index, Moldova Cultural and creative services exports in 2020 represented 0.9% from the total trade, while in 2018 this number was lower – 0.5%.

The indicators of innovation results confirm that, at certain innovation aspects related to CCI activity - trademarks, creative goods, exports of IT and related services -, the Republic of Moldova surpasses even the countries of Central and Eastern Europe. At the same time, there are many issues that need to be addressed. The 59th position within the Global Innovation Index 2020 suggests that the Moldovan economy and society have the potential to produce satisfactory innovation results even in difficult economic conditions. However, the Republic of Moldova could achieve much more success if the inputs in innovation activities were more consistent, and the policy support - more firmly oriented towards the efficient capitalization of the resources available to the country.

The current environmental conditions are slowly becoming more favorable for the work of companies from CCIs sector. On the governmental level, Arts and Creative Industries is an important Department functioning within the Ministry of Culture (MoC), focusing on policy development of contemporary professional arts, contemporary traditional art, art education, cultural industries.

In 2017 **COR - Creative Industries Association in Moldova** was set up gathering companies and NGOs in this field. This initiative resulted from a USAID study conclusion that highlighted the lack of joint action and organization among the CCIs community. Therefore, considerable efforts took place in setting up a joint organization – COR - mostly through mapping needs and meetings with diverse professionals, so that the process was led by the creative sector itself. COR gathers companies and NGO’s from the creatives industries in Moldova, aiming at supporting and representing them by ensuring their growth, education and local and international connectivity. The Association is also participating in implementation of the British Council’s programme “Creative Enterprise” for Moldova.

In 2019, the **Creative Industries Center – ARTCOR** was opened. It represents a hub that brings together creative communities and connects its members. The center is meant to become a platform for developing the creative environment of Moldova. It offers space for cultural and business events,



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workshops, and startup collaborations. Also, it hosts various cultural events and workshops that are a novelty for Moldova. There are eleven subsectors of the CCI represented at ARTCOR (Graphic design, animation, movie, music, game development, VR/AR, etc.).

ARTCOR is situated in close proximity to the Academy of Music, Theatre and Fine Arts, offering students access to its facilities and courses for free or with a considerable discount.

As a result of private and public joint ventures, mostly involving international donors and academia, there are number of emerging IT hubs in Moldova, which can contribute to filling the gaps in the infrastructures and platforms for CCIs. The majority of these hubs were initiated with a focus on IT community, while there is also presence of some CCIs enterprises, yet most hubs demonstrate further interest in increasing the participation and developing links with CCIs. Examples are:

- **Tekwill** - center for resources and learning for IT business community, integrated in TUM – Technical University Moldova, funded by USAid and implemented as a partnership between government, academia, donors and private industry, including the Moldovan Association of ICT Companies (ATIC).
- **DreamUps** - innovation campus and business accelerator on creative and digital entrepreneurship.
- **iHub36** - innovation and entrepreneurship center, providing training, mentorship, community development, access to investors and affordable co-work/study space to start-ups and IT specialists.
- **Generator Hub37** - NGO focusing on developing the IT community and its team building. It provides co-working space and intends to develop further connections to CCIs.
 - **Two business clusters** in key industries with high potential for growth - the textile and creative industries in the cities Soroca (**Sorintex** – 60 members) and Cahul (**Cahul CREATIVE Cluster** – 12 members) were launched in 2018 at the initiative of Organization for Small and Medium Enterprise Sector Development (ODIMM) through the EU Technical Assistance and Information Exchange Instrument (TAIEX).

Through the existing national policies to develop CCIs ecosystem, worth-mentioning are:

- In 2016, the then Ministry of Education, Culture and Research approved a decentralization strategy in culture, included in the **Culture 2020 programme**.
- Arts and culture products and services such as books, publishing, cultural publications, films, ticket prices, cultural events, art works, etc. are all **VAT exempt** which is a favorable setting for starting up and maintaining these enterprises, notably allowing innovative and experimental productions to be tried out.
- After creative services have been selected as an industry with export potential and as new target of competitiveness promotion measures by USAID (2016), joint discussions have started between the Ministry of Education, Culture and Research and the National Tourism Agency to develop a programme for creative services and businesses. These initiatives can be a good basis for the further establishment of inter-ministerial policy and programmes regarding CCIs development.
- **Digital Moldova 2020 Strategy**, approved by Government Decision no. 857 of 31.10.2013 provides favorable conditions for the development and expanded use of ICT potential.



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"Culture 2015", a Convention on Support and Development of Culture in Moldova, was developed and agreed by the 'creative unions', cultural institutions and representatives of the political parties. "Culture 2015" has as its objectives development of legislation, especially related to creation of a Cultural Fund and to the status of artists and of the "creative unions", training provision, restoration, modernization and internet access for houses of culture and libraries, touring and mobility issues and a programme for the digitization of cultural heritage.

2. IDENTIFICATION OF THE PROBLEMS THAT THIS SECTOR FACES IN BULGARIA / MOLDOVA AND POSSIBLE MEASURES TO OVERCOME THE PROBLEMS

The analysis of a telephone survey of various enterprises in the sector of creative industries in Vratsa district identifies the following problems:

1. Many SMEs in the creative industries sector do not have procedures in place to use all available knowledge and creativity in the enterprise, and they lack the experience to innovate.

Innovative thinking in many companies in the creative industries is still determined mainly by an expert, specialist, engineer or employee with a technological mindset, but innovation in them can become a natural part of innovation processes and the key to success for all enterprises. Innovations in the creative industries can be achieved, for example, through a new marketing concept or better after-sales service, but can also be new business models aimed not at selling products but at a service contract for the period of their use (leasing).

Support tools:

1.1. Provision of innovation aid by BSOs through:

- **clinics for design innovation** - help companies to develop attractive products and services tailored to the user;
- **vouchers for innovation in connection with the market supply** - access to information on innovation in the field of services;
- **support for innovation management** - individual training, consultations and trainings;
- **Incubation centers for services** - incubation of existing or start-up companies to create conditions for innovation in the creative industries sector.

In a networked economy, where brand value is an important factor in commercial success, design services are increasingly helping companies to develop attractive and consumer-oriented products and services. Businesses that invest in design are usually more innovative, more profitable and grow faster than others. There is a link between the use of design and competitiveness.

2. Another big problem for the creative industries is the lack of financial resources.

In order to fully deploy and utilize certain innovations in the field of creative industries, dynamic entrepreneurs and SMEs need better access to finance for their widespread implementation. Firms trying to raise funds to innovate in services often face a number of difficulties. In public and private funding, there is often a preference for innovation related to high-value intellectual property technology products, rather than innovation with less material dimensions aimed at customers. A set of related challenges needs to be overcome: **investors do not have information about companies and do not realize the potential of innovation in services. At the same time, many companies in the creative industries sector, especially SMEs, do not have information on potential sources and mechanisms of financing and the best ways to obtain funds.** Finally, innovation in services as a whole is not yet sufficiently



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represented in regional and national innovation systems, so that the necessary public and political preconditions are not in place to ensure adequate levels of funding.

Support tools:

2.1. Provision of assistance by BSOs to facilitate access to finance by:

- **building networks with public and private investors** and introducing publicly supported investment instruments for established and new industries, for which innovation in the creative industries is a driving force;
- **assisting companies to improve their readiness to attract investment** (ie assistance in preparing appropriate business plans);
- **introduction of publicly supported investment instruments** for established and new industries for which the driving force is innovation in the field of services, incl. microfinance and grants, revolving grant fund (with the possibility of multiple use of the agreed limit within the term) for innovation.

3. Still poorly developed "intangible" infrastructure as part of providing a favorable environment for innovation in the creative industries.

"Intangible" infrastructure is an extremely important element for the development and further use of a wide range of services related to mobile communications and mobility, as well as for modern tourism services in rural areas that rely on mobile applications. In order for small and medium-sized enterprises in the creative industries to take full advantage of the potential of innovation in general and the development of new industries in particular, it is essential to provide strategic support for the development of smart energy networks, computing parks. in the cloud, large wifi zones, intelligent transport systems or business incubators and the like.

Support tools:

3.1. Provision of assistance by BSOs to facilitate access to finance by:

- **design centers** - provide support and raise awareness of the contribution of design to commercial success and overall social progress. With regard to innovation in the creative industries, design-based approaches are playing an increasingly important role in evaluating and rethinking the modern services offered. Design centers can work with business leaders to consciously integrate design into their strategies and promote design as an innovative sector after responsible factors at local and regional level;
- **living laboratories**, in order to strengthen cooperation between enterprises, participants in research and innovation activities and end-users;
- **support for clusters in new industries**, for which innovation in the field of services is a driving force - regular informing of various small and innovative companies, researchers and institutions in the public sector about the existing economic and social potential of specific new industries. Providing and directing specific services to support certain groups of companies and related actors in the creative industries sector;
- **Innovation assistants** - support innovation with their expertise and skills by changing the projects of companies.

In the Republic of Moldova the Creative Industries as a consolidated and functional part of the economy is at its beginning, facing many problems.



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- **Insufficient funding opportunities and difficulties in accessing financial resources** – Because of their specific nature, the CCI is confronting with a complicated access to financial resources. Besides many companies within CCI are facing other barriers that limits their funding opportunities: small size and a limited source of revenue, weak managerial and fundraising skills, etc.

Companies within the CCI sector are mostly not eligible to apply for loans or other types of funding programmes because they lack guarantees. The state funding process in the culture area is not transparent and misses an independent body that would select projects, distribute funds and later monitor their development and progress. Since the CCI is a new concept for Moldova, and its operational and business models are not familiar to private investors, banks or business angels, this sector will be overlooked by most of them.

- **Low level of domestic consumption of creative goods and services** – cultural and recreational products represent only 0.5% of the consumption expenditures of households in Moldova. In general, in countries where the majority of population has a low income, culture is not a priority, is considered luxury and does not represent a fundamental element for people's education and well-being. Thus, cultural products and services' consumption is low. In this societies, the potential of culture and creativity is not fully acknowledged and mostly unexplored.
- **Fragmented CCI professional community** – despite the recent emergence of hubs and clusters in the CCI field, the professional community is not still consolidated, lacking leadership, coordination and cooperation. Due to the outdated Soviet paradigm, the creative industries in Moldova are scattered and cannot be seen as a system that contributes to the country's economic development.
- **Lack of a specific legal and policy framework to favor development of CCI** – except some cultural policy vision that briefly mentions CCI, Moldova is still missing a dedicated national inter-ministerial comprehensive policy framework that will be able to connect culture and economy, research and innovation as well as regional development and education; a policy that will manage to involve and encourage the cooperation between the sector stakeholders and civil society. Moreover, the existing cultural strategy is also missing an articulated roadmap with specific activities and tasks.
 - The development of a national strategy dedicated to the development of CCI, is considered a future national priority. According to the Government's Action Plan for 2020-2023, CCI development is seen as fundamental task in the activity of the Ministry of Culture of Moldova.
 - The absence of a comprehensive legal and policy framework specifically designed for the CCI field is the result of the lack of communication and low participation and engagement in policy development. There is an insufficient collaboration between the CCI community, the business and academia, as well as within the CCI community itself.
- **Underdeveloped public cultural infrastructure, and insufficient support of the creative community** – Since culture and CCI development was not the country's priority in the last decades, most of the cultural venues across the country have outdated technical equipment and/or decaying facilities. Rural regions do not have, or have a limited access to operational CCI venues, preventing the interaction with creation process, culture and



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the creative community in general, thus depriving this sector of an increase in the number of a new generation artists. Furthermore, lack of public recognition of the activities within the CCIs hinders the establishment of lasting, mutually-beneficial relations with the artistic and creative community.

➤ **Possible measures for overcoming the problems and improving the communication between all participants in the process.**

- Develop policies specifically designed to meet the needs of the CCIs.
- Launch policy discussions and public consultations at national, regional and local level at the early stage of policy development process, and further discussions during implementation, monitoring and evaluation period.
- Create national funding programmes to establish networks, clusters and creative hubs that could help develop a beneficial culture of engagement and participation.
- Build new platforms and alliances to open new channels among the stakeholders and diversify them. Databases, online platforms, clusters, and other joint structures are essential to showcase and promote mutual acknowledgement, collaborations and connections.
- Develop a better political representation and a voice to promote the CCIs sector's interests.
- Improve creative entrepreneurial skills through alternative educational and training programmes both for professionals in the CCIs sector and for students to be engaged in the area.
- Popularize culture, increase the audience and the consumption of cultural services by making the cultural goods and services more accessible to the general public and by increasing the number of distribution channels.
- Encourage internationalisation and cooperation of the companies in the CCIs sector by integrating the sector into economic and trade diplomacy. Like for most of the countries with a small market size, for the Moldovan CCIs, internationalisation is a necessary step to increase audiences and boost activities.
- Establish CCIs research and monitoring body on a governmental level.
- Make the CCIs sector more attractive for private sponsors by creating incentives or other benefits for private investors.

3. IMPROVING COMMUNICATION BETWEEN ALL PARTICIPANTS IN THE PROCESS

In a digitally connected and complex society, innovation in general and innovation in the creative industries in particular is the result of continuous experimentation, collaboration and knowledge acquisition. To be always up to date with this ever-changing picture, including new products, services, technologies and needs of consumers, businesses and participants in research and innovation processes need up-to-date information. The lack of reliable data and information is a major obstacle to increasing the innovation capacity of companies in the creative industries. Awareness-raising measures for innovation in the creative industries meet this need.

Conferences, trade fairs, exhibitions and policy exchange platforms are awareness-raising and communication measures that can enable different stakeholders to learn about the importance of innovation and to communicate with each other in order to achieve a common understanding on upcoming issues. At best, they help to create a stakeholder community that is actively pursuing



innovation in the creative industries sector, and mandate the authorities to put this issue in their policy agendas.

4. CONCLUSION

There is no one-size-fits-all model and no “best practice” to support the creative industries and innovation sector, each region needs to find its own way to build competitive advantage based on local strengths and assets, such as combines them with examples from global networks and trends. Sometimes "better strategies" can be found precisely in the regions where the most effort is needed to provide a perspective for citizens. Innovation often comes only when participants face challenges and a solution to a specific problem is needed. In many regions, it is already a practice something that other regions consider impossible.

The challenge is to replicate these successful results and positive attempts as broadly as possible, by fitting into effective regional policies that take into account local and regional specificities.

In addition to sharing experiences and mutual learning, which must be diligently promoted, it is equally important to take **joint action for cross-border and transnational cooperation** at regional and transregional level.

Many infrastructure investments, for example for conference centers, airports, etc., have been realized and continue to be developed without accompanying support measures and programs for the creative industries, aimed at increasing the entrepreneurial dynamics around such sites. **If the potential of innovation is strategically taken into account in the development of these measures and their implementation is combined with appropriate support measures, the impact can be much greater.**

For example, infrastructure investments in museums are often combined with accompanying cultural events. However, they should be combined with measures that will provide better opportunities for entrepreneurs in these creative sectors, for example through shared workspaces or innovation voucher schemes to stimulate new opportunities, spill over to other areas and collaborate with other actors. .

Change requires active participants to implement it. They may not always be the same and do change depending on the specific challenges, goals and limiting factors. In this sense, **the future belongs to cluster organizations**, representing groups of specialized enterprises and other participants in the innovation process in a particular area.

Making good use of innovation in the creative industries sector for structural change and industrial modernization in the regions is not an easy task, as leadership skills, vision and setting new clear priorities are needed. However, the efforts needed to succeed are justified, given the potential benefits for the competitiveness of the regions. However, awareness of this potential remains a challenge and needs to be deepened so that high-level political decision-makers engage in these tasks and lead the process of transforming regional economies.