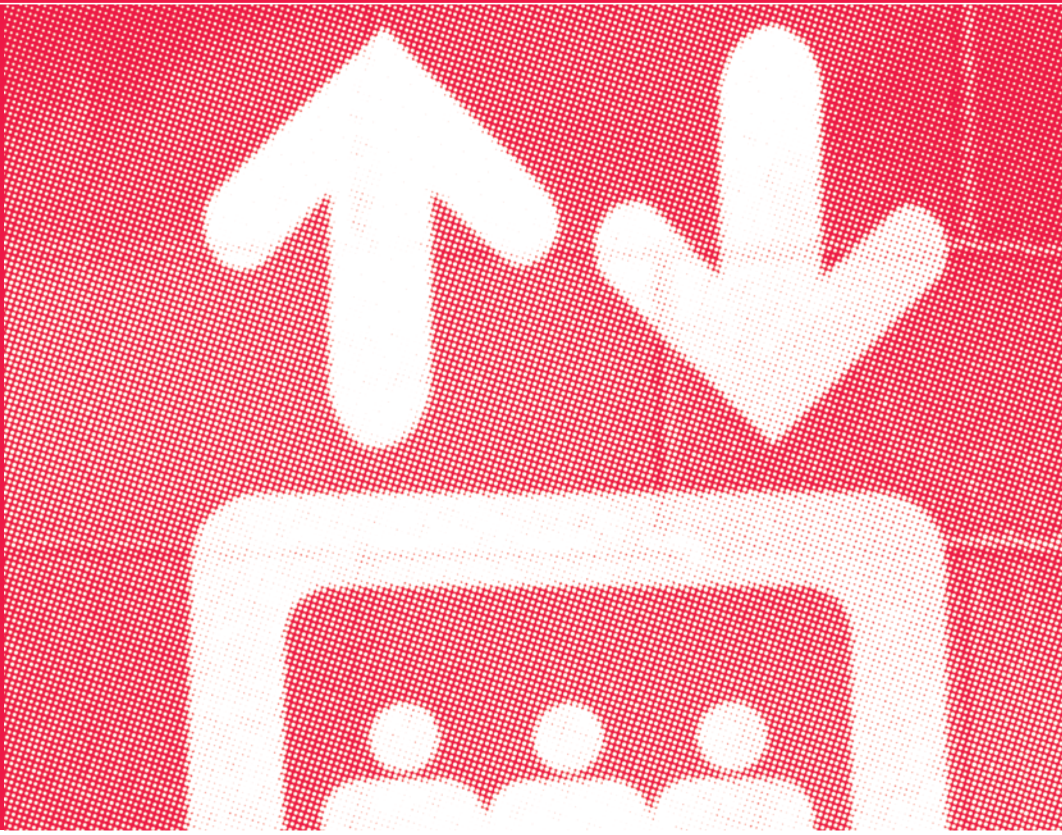
Cultural Industries in the Aachen Region – a Hotspot of Innovation in North Rhine-Westphalia and Europe

Creative Industries: empirical outlook on Europe

Activities in Aachen – The GründerZentrum Kulturwirtschaft e.V.

Innovative Support of Cultural Industries – The "New" of the Aachen Model



CREATIVE INDUSTRIES IN AACHEN

POTENTIALS OF A TOWN

GründerZentrum Kulturwirtschaft Aachen

FOREWORD

The municipality of Aachen was early engaged in the potentials of the Cultural Industries in Aachen, namely not only with respect to the variously quoted "soft location factors", but rather regarding the Cultural Industries as an autonomous economic factor and innovation driver for other branches.

First studies in the recent past have shown that there is a growth potential as to business start-ups in the Aachen area. The economic region of Aachen is in an advantageous situation compared to other locations – innovation potential from university and research institutions as well as the marginality towards neighbouring countries allowed the presumption of development prospects.

A consequence of this knowledge was the opening of a centre for founders of a new business deriving from the Cultural Industries in Aachen in June 2004, which – using a trendsetting consultancy programme – within short has established itself facing the persons engaged in the cultural sector in and around Aachen and which in the meantime is attracting supra-regional and international attention as best practice example. 381 primary contacts, 259 initial consultancies and 67 participants in the pilot project "KULTURunternehmen" within the first two years of the existence of the GründerZentrum Kulturwirtschaft e.V. allow more than a vague idea of the potentials within the Cultural Industries in Aachen. In addition the municipality of Aachen and the GründerZentrum Kulturwirtschaft e.V. together with six other European towns deriving from North- and West Europe have created a network ("ECCE") with the intention to exchange experiences on an European level and to develop common strategies for the purpose of supporting small and middle cultural and creative enterprises meeting the needs of this economic sector and being suited to strengthen its potentials. Part of these prosperities certainly can be ascribed to the right from the start good cooperation of the actors of the cultural and economic policy.

The further development of the topic "Cultural Industries in Aachen" is reflected in the creation of the First Cultural Report For Aachen[1], which contributed to the strategical orientation of the municipality of Aachen and the GründerZentrum Kulturwirtschaft e.V. with respect to this topic. In addition it confirms the potentials of the Cultural Industries in Aachen as well as the actual figures of Michael Söndermann[2] being presented herewith: Around 7.6 per cent of the total economy in Aachen rank among the Creative Industries. They are producing 4.1 per cent of the total sales volume in Aachen. The figure of the employments subject to social insurance contribution adds up to 3,400 persons and amounts to a percental unit value of the total economy of 3.3 per cent. According to internal figures of the culture industries research five of six of the comparative indicators for the economic region and the City of Aachen show higher figures for the Aachen region than for the rest of the Land of North Rhine-Westphalia. In this connection the comparison of the turnover development is particularly surprising: The comparison shows extremely dynamically growing Cultural Industries within the economic region of Aachen with a percental turnover growth of 59.4 per cent within a period of five years, the Creative Industries show a similarly strong development.

The development of the settlement of new enterprises – also and especially deriving from the branches of the Cultural Industries – needs innovative concepts. The publication at hand gives a survey of the cultural economic region of Aachen and communicates a stocktaking on the previous development of Cultural Industries in Aachen as a basis for future projects.

Dr. Manfred Sicking
Alderman of the municipality of Aachen and Head of the Department of Economic Development and European Affairs

[1] Kulturwirtschaft in Aachen – erstes kulturwirtschaftliches Portrait einer Stadt in Deutschland; Aachen 2005 | [2] In comparison to the First Cultural Report for The City of Aachen the chosen classification in place is based on a European comparative model presenting a minimal classification and not complying with the expanded model of the Cultural and Media Industries.

CULTURAL INDUSTRIES IN THE AACHEN REGION

Cultural Industries in the Aachen Region – a Hotspot of Innovation in North Rhine-Westphalia and Europe

by Michael Söndermann, Cologne/Zurich

The competitiveness of regions and cities is increasingly measured against the economic importance of their Cultural and Creative industries. The Cultural and Creative Industries are promising markets for ideas and visions. Meanwhile the Creative Industries have ceased to be a mere buzzword and developed into a serious topic of discussion.

The government of the Federal State of North Rhine-Westphalia describes Cultural and Creative industries as an innovative economic field with about 33,000 self-employed persons and businesses, achieving a turnover of EUR 20,7 billion in the culture industries in the narrower sense. (Create. NRW – Looking for the best ideas in cultural and creative industries. Call for competition, August 2007).

This potential for economic growth and employment is not just concentrated in densely populated cultural and creative centres like Cologne and Düsseldorf; the Cultural Industries also play an important role in less densely populated economic areas of the country, as is exemplified by the basic economic data of the Aachen economic region.

Basic data on cultural industries/creative industries in the economic region of Aachen, 2005

	Economic region* Aachen	thereof City of Aachen
Number of enterprises		
Cultural Industries	2,116	789
Creative Industries (CI)	2,913	1,064
Share of CI in the overall economy	6.5%	7.6%
Turnover in million €		
Cultural Industries	987.9	391.0
Creative Industries (CI)	1,370.9	543.9
Share of CI in the overall economy	3.3%	4.1%
Number of employees**		
Creative Industries (CI)	10,000	3,400
Share of CI in the overall economy	3.0%	3.3%
For information: Number of employees**		
Creative Industries (CI)	**27,000**	**9,600**

Notes: *The economic region of Aachen covers the city of Aachen and the districts Aachen, Heinsberg, Düren and Euskirchen.
**Estimate, employees including self-employed and marginally employed persons. Source: Turnover Tax Statistics, Statistical office of the federal state of North Rhine-Westphalia (LDS NRW), 2007; Employment statistics, Federal Employment Agency (BA für Arbeit), 2007; calculations by M. Söndermann.

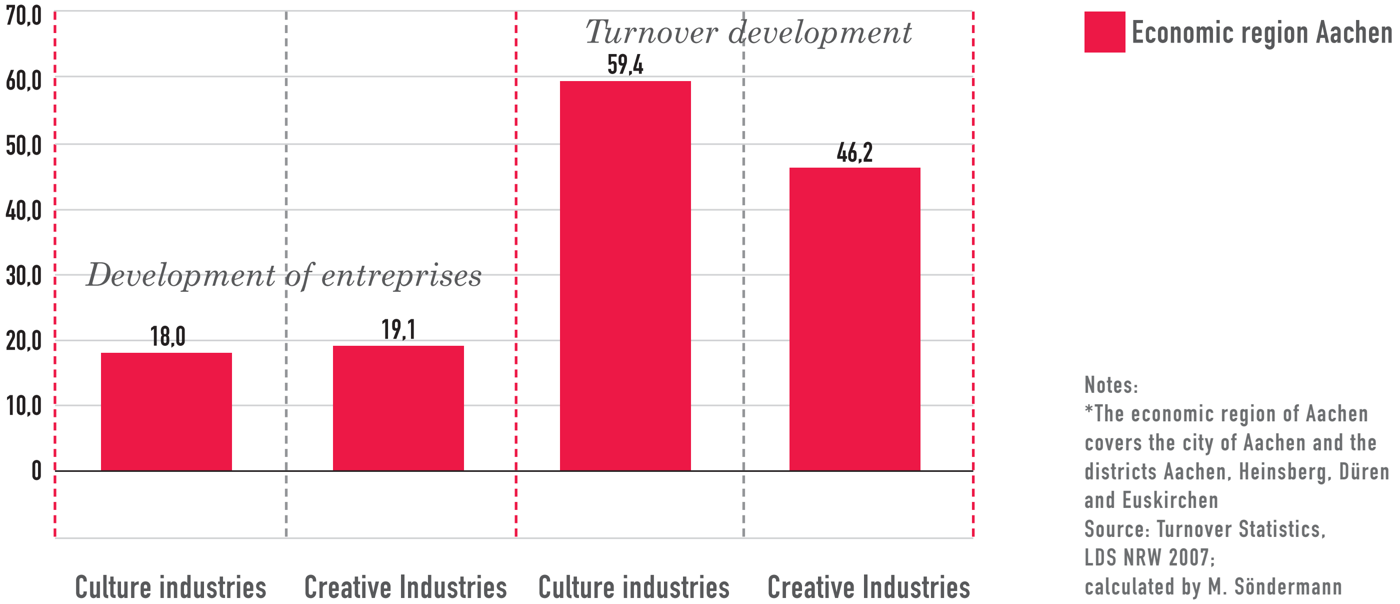
The **Cultural Industries in the economic region of Aachen** consisting of a total of 2,100 self-employed persons and taxable businesses achieved a total turnover volume of almost EUR 990 million in 2005. If the creative sectors of advertising and manufacture of software and games are included in a broader definition of "Creative Industries", the corresponding figures for the economic region of Aachen rise to 2,900 self-employed persons and taxable businesses with a total turnover volume of EUR 1.4 billion. The share of the Creative Industries in the overall economy amounts to 6.5per cent when looking at the number of enterprises and 3.3 per cent with respect to turnover value.

The basic economic data show slightly higher percentage shares for the **City of Aachen** than for the overall economic region of Aachen. About 7.6 per cent of the overall Aachen economy belong to the Creative Industries. This part accounts for 4.1 per cent of the overall turnover of the city. The number of employees liable to social insurance deductions amounts to 3,400 persons, equal to a percentage share of 3.3 per cent in the overall economy. Five of six of the comparative indicators for the economic region and the City of Aachen show higher figures for the Aachen region than for the rest of the federal state of North Rhine-Westphalia according to internal figure of the culture industries research.

The development over the last 5 years shows the increasing importance the Cultural and Creative Industries have gained for the Aachen economic region. The business and turnover potential of the Cultural and Creative Industries in the economic region of Aachen has shown a virtually explosive trend in comparison to the rest of the federal state of North Rhine-Westphalia. The number of self-employed persons and businesses rose by 18 per cent and 19.1 per cent respectively between 2000 and 2005, whereas the corresponding figures for the rest of North Rhine-Westphalia amounted to only 10.5 per cent and 12.1 per cent.

Development of Cultural/Creative Industries in the economic region of Aachen, 2000 – 2005

Development of enterprises and turnovers, 2005 compared to 2000 in percent (2000 = 0per cent)



Notes:
*The economic region of Aachen covers the city of Aachen and the districts Aachen, Heinsberg, Düren and Euskirchen
Source: Turnover Statistics, LDS NRW 2007; calculated by M. Söndermann

The analysis of turnover developments shows an extremely dynamic growth of the Cultural Industries in the economic region of Aachen, with a growth of 59.4 per cent over a five-year-period, with the Creative Industries showing similar trends. The reason lies in the development of the publishing sector. This economic sector in the region of Aachen the turnover increased volume two and a half times, from EUR 202 million in 2000 to almost EUR 500 million in 2005.

The publishing sector has traditionally been on top of the list of cultural and Creative Industries in North Rhine-Westphalia and in Aachen with respect to its turnover volume. Other major Cultural Industries sectors in Aachen are the book market and the architecture and design sector with absolute turnover volumes of EUR 100 million to EUR 177 million. The creative sectors of advertising and manufacture of software and games, both with significant annual turnover volumes of EUR 112 million to EUR 271 million have to be added according to the new definition of the Creative Industries.

Economic data for the culture/creative industries sector in the economic region of Aachen, 2005*

Number of enterprises and turnovers, 2005, absolute figures and percentage changes, 2005 compared to 2000

Economic sector	Enterprises Total in 2005	Turnover EUR 1,000 2005	Changes in per cent 2005 compared to	2000
I. Cultural Industries				
Publishing sector, phonographic industry	101	495,200	0.0	144,7
Film industry/TV production	97	24,703	16.6	41,6
Broadcasting/TV corporations	9	3,044	12.5	34,0
Performing/visual arts, literature, music	473	55,786	14.0	24,6
Journalists, news agencies	145	13,039	45.0	108,8
Museum shops, art exhibitions etc.	20	2,630	-4.8	-60,5
Book, music and art trade	137	176,806	-4.3	39,7
Architectural offices	668	115,195	-3.8	-20,3
Design (industrial, graphic, communication)	466	101,524	105.1	47,2
Cultural Industries overall	**2,116**	**987,927**	**18.0**	**59,4**
II. plus creative sectors				
Advertising	247	111,855	-25.2	-22,1
Manucature of software and games	550	271,076	70.8	55,7
I. + II. Creative Industries	**2,913**	**1.370,859**	**19.1**	**46,2**
All economic sectors (A.-O.)	44,644	41.897,024	3.9	6,3
Share of Cultural Industries in overall economy	4,7 %	2,4 %	-	-
Share of Creative Industries in overall economy	6,5 %	3,3 %	-	-

Notes: *The economic region of Aachen covers the city of Aachen and the districts Aachen, Heinsberg, Düren and Euskirchen
Source: Turnover statistics, LDS NRW 2007; calculated by M. Söndermann

According to the North Rhine-Westphalia government, Cultural Industries in Aachen and the other regions of North Rhine-Westphalia are not simply important economic sectors; they also give innovative impulses to a multitude of other economic sectors. The strong development and innovation dynamics of the Cultural Industries create new perspectives and approaches. The development of a variety of prototypes in the cultural and creative sectors leads to the development of new original and unique products and services that often create a world of difference in competitiveness.

"It can be assumed that the sustainable cooperation among artists and businesses, economic players of one or more cultural or creative sectors and businesses, Cultural Industries and science and research leads to the development of new ideas and concepts." This is the core statement of a new programme by the North Rhine-Westphalia government for the development of the Cultural Industries in all the regions of North Rhine-Westphalia. (Create. NRW – Looking for the best ideas in cultural and creative industries. Call for competition, August 2007).

As this short economic analysis of Cultural Industries in Aachen has shown, the economic region of Aachen has excellent potentials for development to start with, especially represented by the example of the Gründer-Zentrum Kulturwirtschaft e.V. in Aachen. In addition contacts of the Cultural Industries to other European regions are emerging in the framework of the INTERREG IIIB-Project “ECCE” (Developing **E**conomic **C**lusters of **C**ultural **E**nterprises), which shall be expanded to become economically sustainable markets.

AACHEN: TOWARDS A UNIFORM DEFINITION...

Aachen: Towards a uniform definition of "Cultural and Creative Industries" in Europe

The definition of Cultural/Creative Industries applied in the case of Aachen is based on a European comparison model, as will be shown below.

The term Cultural/ Creative Industries includes those cultural and creative businesses that are predominantly profit-oriented and deal with the creation, production, distribution or dissemination through the media of cultural/creative goods and services. These form the private (economic) sub sector of the overall cultural/ creative sector. According to the usual definition this includes the following sub sectors: music industry, literature, book and press market, arts market, film, video and broadcasting industries, design and architecture market, cultural heritage market, advertising market and manufacture of software and games. In a statistically applicable classification, these are grouped as follows:

Definition of Cultural/Creative Industries in Aachen according to European classification:

NACE-number	Group
-	**I. Cultural Industries**
221	Publishing industry
921	Film industry incl. TV production
922	Broadcasting and TV corporations
923	Performing arts, music, literature etc.
924	Journalists and news agencies
925	Museums shops, art exhibitions
524*	Book, music and art trade
742*	Architectural offices
742*	Design offices
-	**II. Creative sectors**
744*	Advertising
722	Software/Games
-	**I.+II. = Creative Industries**

Note: The German classification of economic sectors (WZ03) is base the European NACE Rev. 1 = "Nomenclature statistique des Activités économiques dans la Communauté Européenne" – Statistical systematisation of economic sectors in the European Community
*partly integrated.

EMPIRICAL OUTLOOK

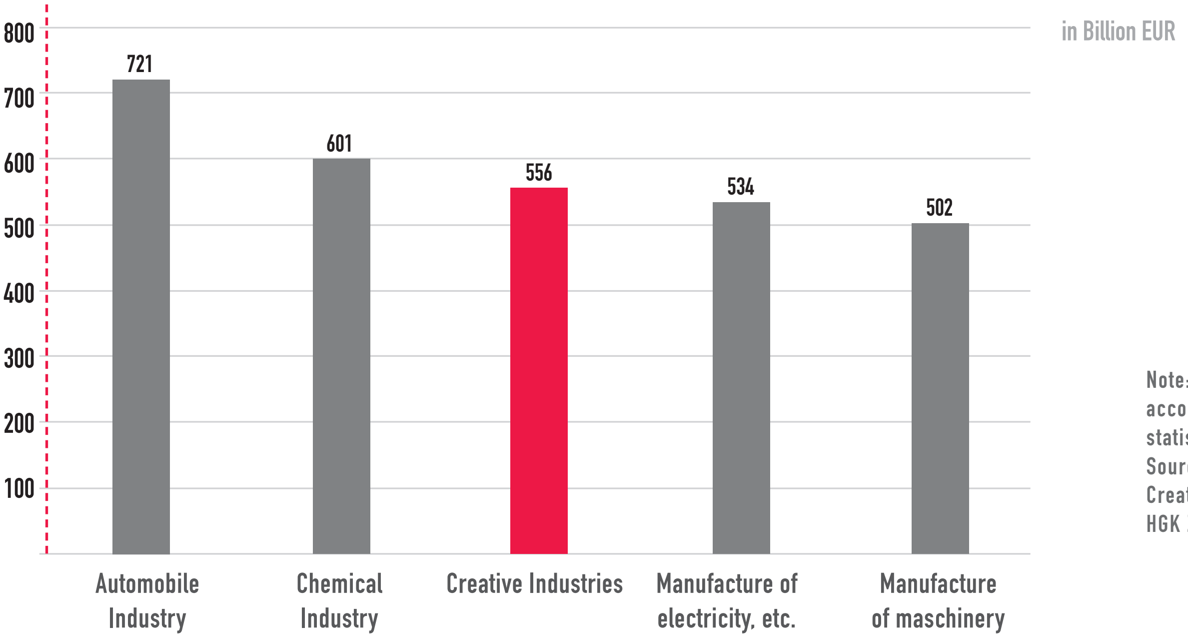
Creative Industries: empirical outlook on Europe

In 2002, the Creative Industries in Europe (EU-25) employed about 6.4 million persons and achieved a value added of about EUR 215 billion. The business structure of the Creative Industries is characterised by an extremely high number of micro enterprises as could be established by using the Structural Business Statistics (SBS) developed by EUROSTAT.

This was among the findings of the Creative Industries Research Unit at the Zurich University of Arts in cooperation with a research group of the EU Directorate General of Culture on "European Cultural Industries" including a sector comparison of the EU of 25 in 2002. The definition was also in line with that used by the Department for Culture, Media and Sport of the British government (Creative Industries Mapping Documents).

The most remarkable result: The creative industries achieve turnovers of EUR 556 billion and range between the chemical industry with EUR 601 billion and the energy sector with EUR 534 billion. The comparison becomes more significant when the number of enterprises is compared: The creative industries include almost 1,400,000 enterprises and range unchallenged before the manufacture of machinery with 162,000 enterprises or the automobile industry with almost 17,000 enterprises. According to the statistical calculations and estimations the enterprises of the creative industries in the EU countries employ up to 6.4 million persons. This estimate takes account of the fact that the creative industries include an above-average number of micro-enterprises (employing less than five persons).

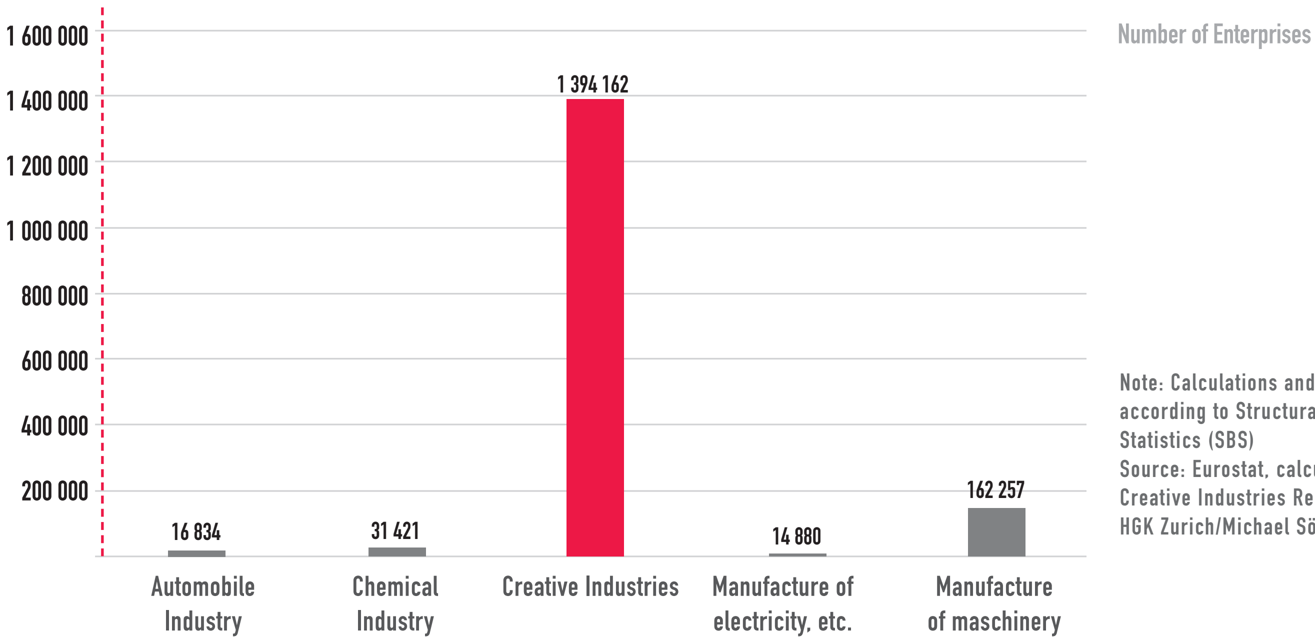
Creative Industries in the EU of 25 compared by sector, turnovers in billion EUR



Note: Calculations and estimates according to structural business statistics (SBS)
Source: Eurostat, calculations by Creative Industries Research Unit HGK Zurich/Michael Söndermann

Traditional industrial sectors like the chemical or automobile industries or manufacture of machinery have generally been perceived as very important with respect to turnovers, innovations and employment. The two graphs and the table show the high significance of the creative industries. Until recently, this has been little acknowledged and has therefore not been supported or discussed by private or public institutions.

Creative Industries in the EU of 25 compared by sector, number of enterprises – 2002



Note: Calculations and estimates according to Structural Business Statistics (SBS)
Source: Eurostat, calculations by Creative Industries Research Unit HGK Zurich/Michael Söndermann

The European model described here has increasingly been used in other studies, e.g. the "5th Cultural Industries Report North Rhine-Westphalia", published by the Ministry of Economics of the federal state of North Rhine-Westphalia, in the studies "Cultural and Creative Industries 2007", published by the parliamentary faction of "Bündnis 90/Die Grünen" and "Culture and Creative Industries in Germany", published by the German Commission for UNESCO (the two latter sources are available from http://www.kulturwirtschaft.de), in the European study "The Economy of Culture" (cultural employment) published by the EU commission and the study "Creative Industries Switzerland" published by the Zurich University of Arts (October 2007).

ACTIVITIES IN AACHEN

Activities in Aachen – The GründerZentrum Kulturwirtschaft e.V.

by Sylvia Hustedt, Aachen

Already in February 2001 the municipality of Aachen had made initial thoughts for the support and facilitation of business start-ups in the sector of the Cultural Industries. At least, the Municipal Region of Aachen[3] (StädteRegion Aachen) disposes of a highly developed and above all of a versatile cultural landscape. This cultural landscape covers amongst others the music industry, the literature and press market, publishing companies, visual and performing arts and the sectors being based on universitary locations as design, architecture, the humanities and new technologies. These initial thoughts resulted in a start-up centre for setting up business in the field of Cultural Industries in Aachen having been opened in June 2004.

The GründerZentrum Kulturwirtschaft Aachen e.V. offers consultancy services to founders deriving from the field of the Cultural Industries as well as assistance during the founders' way to independence. The consultancy institution is also involved in the activities of the GründerRegion Aachen[4] and accomplishes the already existing offer.

New and Successful Consultancy Approach in Aachen

As for most part of the entrepreneurs the classical instruments of business development generally do not take effect, the GründerZentrum Kulturwirtschaft e.V. has developed additional, new and individual instruments. The consultancy service includes the programme KULTURunternehmen! as core service which competently attends the persons engaged in the cultural sector by periodic coaching sessions and workshops. The consultancy offer includes primary consultancies, continuative consultancies and local networking of artists. Selected persons engaged in the cultural sector can take part in the programme KULTURunternehmen!, representing the core service of the GründerZentrum Kulturwirtschaft Aachen e.V. In addition initial and continuative consultancy sessions are arranged. The statistics document the increasing demand and interest in such innovative instruments and show that already within the first two years 34 founders and 33 freelancers have been accompanied over a longer period. On the whole 259 initial coaching sessions lasting one hour were effected (consultancy regarding questions before founding, while founding, questions with respect to securing one's existence and with respect to economic growth). Sponsors and employment centres calculate between 50,000 and 70,000 Euro for the consultancy of one founder.[5] The costs for the programme in Aachen could be estimated to the tune of 1.7 million to 2.4 million Euros. Actually, however these effects have been obtained with "only" marginally 150.000 Euros p.a.

Evaluation

The programme KULTURunternehmen! has been evaluated by a written interview of the participants in June 2006. In the following the most essential results are listed (as at 30th June 2006):

- 67 persons engaged in the cultural sector took part in the programme KULTURunternehmen!
- 65 per cent of the participants had been out-of-work before participating in the programme.

[3] The Municipal Region of Aachen (GründerRegion Aachen) covers the area of the district Aachen with its affiliated nine communities and the city of Aachen. | [4] The GründerRegion Aachen is a network of over 40 consultancy institutions within the economic area of Aachen. | [5] Söndermann, Michael: Kulturwirtschaft. Das unentdeckte Kapital der Kommunen. Sankt Augustin 2006

▸ Questionnaires containing 32 questions have been filled in within the framework of the evaluation. This corresponds to the quantity of participants having participated in at least two dates of the programme (on average five dates).[6]

▸ The questions were related to the estimation of the own entrepreneurial competence before and after the consultancy, to expectations regarding turnover and gains, to the meaning of the individual parts of the programme, to the perception of other consultancy offers, etc.

▸ Nearly three quarters (70 per cent) of the participants have completed university studies (diploma, Master's degree, Master or Bachelor). One quarter had achieved the German Secondary Modern School Certificate or the Advanced Technical College Certificate. The resting 5 per cent had degrees of private schools and degrees abroad at their command.

▸ 60 per cent of the successful participants of the programme founded a business or were planning to do so within the next half year.

▸ Nearly 40 per cent already were self employed and were interested in professionalizing strategies for the stabilisation and further growth of their business.

▸ 70 per cent of the inquired persons indicated that they were feeling badly provided or rather badly provided for the starting-up of a business at the beginning of the programme. In addition 75 per cent indicated to have no or nearly no managerial knowledge at the beginning of the programme. During the interviews 70 per cent indicated that they in the meantime had achieved a rather good managerial knowledge and 80 per cent felt themselves being sufficiently prepared to manage the business everyday life.

▸ 65 per cent of the participants estimate a rather strong or strong individual development. No person engaged in the cultural sector indicates to have made no development at all. 95 per cent indicate a better self-estimation of the own capacities, which they have achieved by means of the consultancy and the exchange with other persons engaged in the cultural sector. 65 per cent of the participants indicate to have achieved a better market knowledge and a better estimation of the success of their own enterprise.

▸ While investigating the market situation 60 per cent discovered who are their customers. 75 per cent today know better, who their customers are and which prices they can realise. 65 per cent of the persons engaged in the cultural sector describe the exchange with the customers and the customer perspective as necessary for business life.

▸ The cultural entrepreneurs want to grow: 83 per cent of the interviewees intend to double their turnover within the next year. All of them thereby leave the level of smallest companies and achieve annual turnovers between 15,000 and 40,000 EUR. Last year six persons engaged in the cultural sector were planning up to 10 orders, four other indicated 10 to 50 orders and two cultural entrepreneurs deriving from the music branch were planning 50 to 100 engagements. Within the following year five participants want to achieve up to 10 orders, other five participants are planning 10 to 50 orders. The two persons engaged in the music branch want to achieve up to 100 or 150 engagements.

▸ 75 per cent of the interviewees could indicate the gains of the first entrepreneurial year. 55 per cent named an amount of up to 10.000 EUR, 6.5 per cent of the participants indicated gains between 10,000 EUR and 20,000 EUR. 13.5 per cent of the persons engaged in the cultural sector earned between 20,000 and 40.000 EUR. With respect to the rest of the interviewees the gains did not exceed 10,000 EUR.

▸ Most of the persons engaged in the cultural sector start with a very small seed capital. 70 per cent start with less than 5,000 EUR, 15 per cent were planning to start or had already started without any seeding capital. Only 15 per cent had a seeding capital between 5,000 and 15,000 EUR at their disposal. 88 per cent got together this small financial starting strength by themselves, only 12 per cent raised a credit or mixed savings with credit.

▸ 45 per cent of the interviewees had located other con-

[6] The feedback amounted to 50 per Cent

sultancy services in the forefront of their participation in the programme of the GründerZentrum Kulturwirtschaft e.V. Only a very small part of them in this framework had been addressed as an artist and had been supported by the concretion of the individual business concept. Only 28 per cent had been advised according to their individual situation.

- All persons engaged in the cultural sector want to expand and regard their chances of success more positive than at the beginning of the programme (80 per cent think to have good or rather good prospects of success at the end of the programme).

In addition the evaluation of the programme KULTURunternehmen! is documenting that the recurring themes, problems and questions of the high percentage of freelancers and "lone fighters" as a rule is covering several columns during the process of setting up business and during the process of ensuring the continuance of business:

- strong orientation towards production and associated marketing difficulties (e.g.: "How can I reach new clients and/ or other customer segments? Could third parties bring me to market or finance me?")

- seldom existing, too diversified or not market-oriented structure of supply (e.g.: the structure of supply contains music lessons, band appearances, disposal of CDs and organisation of public performances without a client perspective and without economic prioritisation of the different markets

- employee mentality in spite of entrepreneurship

- strong prejudices against business management and economics (e.g. the attitude: "marketing entails a change of creativity and threatens its freedom")

- cross-subsidisation of the actual business (e.g.: driving taxi in order to enable the actual artistic activity)

As the classic instruments of business development as a rule do not take effects as far as artists are concerned and as the artists do not feel addressed by the existing consultancy programmes and/ or the consultancy programmes are not the right ones, public consultancy programmes for the business start-up and the ensuring of the continuance of business are perceived only partially. Mostly artists are sorted out as so-called "atrophying existences" in the forefront.

The experiences show that an essential precondition of success for an effective and lasting support of artists consists of measures which are adapted to the special consultancy need of artists and consequently clearly differ from classic marketing projects and the publicly supported consultancy approaches.

International Attention

These activities and prosperities during the consultancy of persons engaged in the cultural sector entailed a supra-regional attention to the GründerZentrum Kulturwirtschaft Aachen e.V. being reflected by the fact that the GründerZentrum Kulturwirtschaft Aachen e.V. is present on many international conferences[7] as best-practice-example.

Further on the GründerZentrum Kulturwirtschaft e.V. – because of its expert knowledge – has been authorised by the Enquete-Commission of the German Federal Diet with the work on the expertise "Kultur in Deutschland" with the topic "Existenzgründung und Existenzsicherung von selbständig und freiberuflich arbeitenden Künstlerinnen und Künstlern" (Business Start-Up and Securing of Existence by Self-Dependent and Freelance Artists).

The GründerZentrum Kulturwirtschaft Aachen e.V. in the meantime cooperates with an international body of experts. Forming a consortium together with six other partners from France, the Netherlands and Great Britain the GründerZentrum Kulturwirtschaft e.V. works within the framework of the INTERREG IIIB Projekt ECCE (Developing **E**conomic **C**lusters of **C**ultural **E**nterprises) in order to support individual enterprises and Micro-enterprises deriving from the field of Creative Industries within a cross-border project.

[7] April 2007: Eurocities Conference for the Creative Industries in Nantes; May 2007: European Annual Conference for the Cultural and Creative Industries in Berlin; June 2007: Conference of the Federal State of Brandenburg for the Cultural Industries in Potsdam; August 2007: Workshop of the Federal State of Hesse for the Cultural Industries in Gießen

What is ECCE?[8]

In 2006, seven European cities in North West Europe created a network to share best practice, to help initiate policies to develop cultural and creative SMEs on their territory and to promote the needs and potential of this sector.[9] This initiative, known as the ECCE Project (Developing Economic Clusters of Cultural Enterprises), won the approval of the European Union that is co-financing the project via regional development funds until mid-2008.

The ECCE cities fully recognise cultural and creative SMEs as a source of niche markets, innovation, employment and attractiveness and seek to promote these assets. In addition to the practical measures for local companies, the ECCE initiative seeks to promote the interests, potential, needs and specificities of this sector in terms of consultancy, training and access to finance and capital both at political level and amongst bankers and investors.

Led by Nantes Métropole, the ECCE partner cities of Angers, Rennes Métropole, Utrecht, Eindhoven, Aachen and the Creative Industries Development Agency (CIDA) based in Huddersfield, UK are putting in place local resource centres to help provide business consultancy, financial advice, training and mentoring for small businesses, entrepreneurs and individuals in the cultural and creative sector. The sectors concerned are very varied but all have their origin “in individual creativity, skill and talent and have a potential for wealth and job creation through the generation and exploitation of intellectual property…". They range from traditional “Cultural Industries” such as publishing and the music industry to design, advertising, architecture and communication.

Future Prospects

The knowledge of the fact that “classic” art markets and the related cultural markets can incorporate only a restricted number of actors in the framework of secure fee-based occupations and employments subject to social insurance, have a central relevance for the work in Aachen. The promotion of entrepreneurial persons engaged in the cultural sector consequently has to support the players by innovations in order to enable them to develop new markets for themselves. Thereby the already existing effect of the cultural industries as driving forces for other branches at the same time is strengthened.

The persons engaged in the cultural sector dispose of good preconditions for entrepreneurial action on the permanently changing markets. In case of corresponding qualification and by the development of new markets in and beyond the Cultural Industries there are all in all good cultural, economic and social possibilities for development. Especially the group of persons engaged in the cultural sector by all means has the ability to and also is prepared to realise the permanently demanded personal responsibility of professional action in a manifold and creative manner. However, this requires an adequate framework of institutional support in order to stand one’s ground on old, new and changing markets.[10]

At this point one has to start and to advance the existing consultancy concept of the GründerZentrum Kulturwirtschaft e.V. in accordance with the needs of the actors of the Cultural Industries.

[8] see also: www.connectedcreatives.eu | [9] Part of the ECCE project: Handbook "Read This First – Growth and Development of Creative SMEs", coordinated by the Utrecht School of Arts
[10] 10cp. Betzelt, S.; Flexible Wissensarbeit: Alleindienstleisterinnnen zwischen Privileg und Prekarität. Zes-Arbeitspapier Nr. 3/2006 des Zentrums für Sozialpolitik der Universität Bremen

AN ASSESSMENT

Innovative Support of Cultural Industries – The "New" of the Aachen Model

by Christoph Backes, Bremen

Cultural Industries take up a growing space within the recent public debate. Innumerable symposia and reports on Cultural Industries on a regional and trans-regional level point out the economic and cultural importance of the Cultural Industries and thereby refer to the model of the GründerZentrum Kulturwirtschaft Aachen e.V. Thus the work of the GründerZentrum Kulturwirtschaft Aachen e.V. enjoyed a trans-regional and positive resonance as a best-practice example in the framework of the
4th Annual Cultural Industries Congress "Cultural and Creative Industries in Europe – Coherent Policy within a Globalised World" (Kultur- und Kreativwirtschaft in Europa – Kohärente Politik in einer globalisierten Welt) being aimed at the EU-council presidency. At the latest by the authoring of the expertise "Setting-up and Securing of Existence for Artists Working Independently and on a Freelance-Basis" (Existenzgründung und Existenzsicherung für selbständig und freiberuflich arbeitende Künstlerinnen und Künstler) on behalf of the Enquete Commission "Culture in Germany" (Kultur in Deutschland) of the Federal Diet the Aachen Model apparently has become an exemplary model within the Cultural Industries. One has to ask the question: "Why the promotion of the Cultural Industries in Aachen is model-like?"

Aside from the already described structural preconditions and groundworks in Aachen I would like to describe some "soft" preconditions for success having contributed to the fact that the "hard" positive success-indicating numbers have been enabled in essential parts.

Promotion of Cultural Industries requires Faith and Courage

Gerard Mortier, one of the important cultural managers in Europe and director of the Paris Opera once said that the most important innovations develop on the edge of the large cities within the province. He constituted the thesis that the politics of the province should protect from the provincials and should develop the institutional framing for liberties and new potentialities.

The specialities of the Aachen concept are reflected in the fact that entrepreneurial questions as marketing and financing are understood as equivalent "artistic" structural objectives as well as "economic" structural objectives. An allocation of what belongs in the field of competence of a cultural economic development or in the field of competence of an economic culture promotion, has never existed. The frequently demanded interdisciplinary thematic politics from the start find their way in Aachen within the exemplary cooperation and the pragmatism of the executives from the Economic and Cultural Department as well as of the public and private sponsors. The often formulated claim for a clear interface definition, what belongs in the field of competence of culture and what belongs in the field of competence of economics, probably is as necessary as a marriage-contract, however, not being sufficient.

Apart from the successful cooperation and coordination especially the "soft" success factors allow 'the new' beyond the interfaces already defined. At this one has to mention especially curiosity, openness and the willing to learn as well as the common intention of the actors to be successful. These actors have united within the society of the GründerZentrum Kulturwirtschaft e.V. and involve in substance the actors who characterise Aachen culturally and economically.

Support Should Get to the Point where it Achieves Successful Effects

It is eye-catching that the phenomenon 'Cultural Industries' has marvellously developed without political attendance and support within the last years. The empirical studies show that especially the number of smallest, Micro-enterprises or individual enterprises is growing disproportionately.[11]

The cultural and creative sector is a growing sector, which is developing faster than the rest of the economy. The same applies to the employment. Thus this sector offers different, often highly qualified working possibilities and also with respect to the creation of working places this sector shows a stronger growth as the rest of economy. In addition the development and the innovation of many other branches, particularly the development of the information and communication technology are being forwarded by this sector.

These statements provoke the following questions:
Why promotion is so important?
Why we do not stop at this point?

The demonstrated research results and facts do not entail the political changes and amended supporting strategies focussing on the so-called Micro-enterprises being required over and over again. In 2006 Michael Söndermann estimates the taxable enterprises in Germany, which can be assigned to the Creative Industries, at 218,000. Among those are more than 150,000 individual entrepreneurs and micro-enterprises which rate as the most important value drivers of the added value.[12] The group of the independent cultural professions is growing four times faster than the group of the self-employed persons of the overall working population. As the most important motivating force of the growth dynamics they reach a growth rate of all in all over 60 per cent which is growing every year by 5.4 per cent.[13]

Although it in the meantime is broadly known that new atypical occupation forms are being developed, the results of the congress discussions are still totally uncoupled from the economic reality of the Micro-enterprises within the Cultural Industries. Probably the actors within the Cultural Industries do not know that they are discussed as a profile branch and as a new social phenomenon, not to mention that they once have been asked what a pubic support to their mind should be able to perform. At least it is a fact that supporting instruments, which have been developed for founders / enterprises of other branches, do not reach cultural entrepreneurs to a sufficient extent, because they do not take into account the particularities of this clientele sufficiently. At the same time one can observe a tendency which consists of passing off old and ineffectual political and supporting strategies as innovative and new – without respecting the opinion of the central drivers of the Cultural Industries. As the actual protagonists of the cultural industries do not have called attention to themselves as a lobby there seems to be no innovation pressure. For persons striving for innovation the door is wide open. The term 'creativity' is on the verge of becoming a boomerang if not inducing serious innovation. Already in 1997 the Berlin Management sociologist Baecker has described this phenomenon: "The party is praised as being creative who not only has new ideas

[11] cp. Söndermann, M.: Kulturwirtschaft – das unentdeckte Kapital. Sankt Augustin 2006 | [12] cp. also the summary of the study „The Economy of Culture in Europe". Oktober 2006
[13] cp. Söndermann, M.: Kulturwirtschaft – das unentdeckte Kapital. Sankt Augustin 2006

but also maintains the old. The creative person mainly shines when being conform. Presumably changes and amendments are least, where the approval of creativity is the loudest.[14]

All the same the Aachen Model shows that a support meeting the demands makes sense and is in the position to achieve economic effects, especially with respect to the individual entrepreneurs deriving from the Cultural Industries. In this connection the core of the Aachen Model comprises the development of a conception being oriented towards and elaborated in contact with the actors who are being advised. The consequent orientation towards offering a smaller pool of knowledge, rather than to react individually to the requirements and questions of the actors while also taking into account the special situation and to enable a development of knowledge and experience repeatedly and anew (similar to an artistic process) probably is the reason for the high acceptance and the success rate of the GründerZentrum Kulturwirtschaft e.V. in Aachen. The capacity to identify the demands of the actors and to classify them, marks the GründerZentrum Kulturwirtschaft e.V. itself as an innovation motor.

[14] Baecker, D.: Was ist Kreativität, in: die tageszeitung (taz). Ökolumne (1997)

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