

panorama

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Spring 2009

Creativity and innovation

Driving competitiveness in the Regions

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We live in the middle of a richly diverse, vibrant EU which is brimming with creative energy and innovative ideas. As a recent conference speaker has said, being “big enough to matter and small enough to care,” the regions are ideally placed to foster this natural wealth and to do everything possible to promote it.

This edition of Panorama highlights the importance of creativity and innovation to a healthy and prosperous Europe, something the Commission as a whole is recognising in its designation of 2009 as the Year of Creativity and Innovation. Throughout the Year, the Commission will promote debate on how to increase Europe's creative and innovative potential and to raise awareness of the importance of creativity and innovation as key drivers of personal, social and economic development.

The debate raises questions. How do we define the central words, creativity, innovation and culture? How do they interrelate? How can culture and creative thinking drive innovation? Art and business – are they oil and water, or can one fuel the other? How can we help people attain their potential to be creative and innovative thinkers? What is the role of education and lifelong learning in making our populations more dynamic, confident and creative? Panorama examines some of the central issues and looks at several projects that best represent how creativity and innovation can spark change.

I hope that designating 2009 as the Year of Innovation and Creativity will act as a constant reminder to us of the need to persist with our efforts to modernise and innovate.

Against the background of ever increasing competition and serious global challenges, innovative practices and creative solutions are a springboard to the growth and well-being of our regions and countries. Skills, ideas, processes: all combine to help us gain a competitive edge.

Europe should not react to the current economic crisis by cutting back on its investment in skills and innovation. We must have the confidence to rely on the quality of our ideas and our capacity to adapt, while making available public financing work harder and deliver better results.

Danuta Hübner

Commissioner for Regional Policy

“ Innovative practices and creative solutions are a springboard to the growth and well-being of our regions and countries ”

AN INNOVATIVE AND CREATIVE FUTURE FOR EUROPE

2009 – The European Year of Creativity and Innovation sets out to inspire a general rethinking of what creativity and innovation mean and how they contribute to our personal, economic and social development. The idea is a broad one, the words hard to define and, although the field is drawing ever more researchers, for now the results remain difficult to quantify. Yet there is no doubt that if the EU wishes to stay competitive and foster the values shared by its Member States, these issues require exploration.

Defining ideas, developing policy

Innovation and the knowledge economy, the shift to a creative economy, education for creativity and innovation, public sector creativity and innovation, cultural diversity as a vehicle for creativity and innovation, the challenges of sustainable development, the potential of creative and cultural industries – all these issues will be aired as a series of debates unfolds throughout the year.

As these key debates get under way in Brussels, in the regions of the EU the Year of Creativity and Innovation will be working to:

- forge closer links between the arts, business, schools and universities;
- raise young people's awareness of entrepreneurship through cooperation with the business world; and
- develop innovative capacity in public and private organisations.

To help keep people focused on the themes, prominent personalities from around Europe have been selected as the Year's ambassadors. Many of these well-known figures from, for example, the worlds of music, scientific research and architecture, have published their ideas of what is meant by 'creativity' and 'innovation' on the website dedicated to the Year.

Keeping Europe competitive

Creative ideas and innovative solutions are proving crucial to helping Europe emerge from the shadow of the economic crisis which erupted at the end of 2008. "Stimulating Europe's competitiveness and employment, particularly in this difficult economic climate, calls for new ideas and progressive thinking," explains the Commissioner for Regional Policy, Danuta Hübner.

The EU's overarching policy is the Lisbon Strategy for growth and jobs, and the Year sets out to sharpen the emphasis on imagination, culture, creation and innovation to further the goals laid out in the Strategy.

But there is a danger that as public and private organisations tighten their belts, they'll also tighten their budgets for activities whose results are hard to quantify and take time to pay off. "Europe should not react to the crisis by cutting back on its investment in skills and innovation. We must have the confidence to rely on the quality of our ideas and our human capacity to adapt. At the same time we must of course make the available public financing work harder and deliver better results," warns Commissioner Hübner.

As the EU considers its strategic orientation for the next decade and beyond, it is asking us to consider what we mean by creativity and innovation and how to foster these at all levels, politically, professionally, and personally.





“ The innovative projects under the spotlight today, provide a clear demonstration of how Cohesion Policy can make a difference and are a clear inspiration to other European regions ”

Commissioner for Regional Policy,
Danuta Hübner.

Europe's most innovative projects recognised at the RegioStars awards

From Wallonia to Réunion, the 2009 RegioStars awards held in Brussels, 16 February, welcomed the brightest and best ideas from the four corners of the EU.

Projects co-funded by the ERDF, vied for recognition as the most innovative in their field, under one of three categories: research, technological development and innovation; adaptation to or mitigation of climate change; and the audiovisual spot highlighting the contribution of Cohesion Policy.

Diple Printing Technologies from Wales were joint winners in the innovation category, along with Cenaero Research from Wallonia, Belgium. Diple was recognised for its success in researching cutting-edge, industrial printing with a reduced environmental impact. This knowledge was then transferred to the wider printing industry in Wales, one of the region's key sectors.

Cenaero Research is a centre of excellence supporting Walloon aeronautical companies in their innovation efforts by providing them focused expertise in numerical simulation and modelling methods.

The Centre for the Production of Photovoltaic Electricity in a Tropical Environment, Réunion Island, France, won the climate change category. The project rose to the challenge of adapting solar cell technology to the rigours of a tropical island with very little flat, open land. By working out solutions to the problems caused by extremely high wind speed, such as using folding panels, and lack of open space, solved by placing panels on covered landfill sites, the project helped the island move toward energy self-sufficiency.

'Do you know about ESPA?' was the public information short film which won the audiovisual category. Created by the Greek Ministry for Economy and featuring a well-known actor, the film explained how the priorities of Cohesion Policy are achieved in Greece.

"The innovative projects under the spotlight today, provide a clear demonstration of how Cohesion Policy can make a difference and are a clear inspiration to other European regions," explained the Commissioner for Regional Policy, Danuta Hübner.

FOOD FOR THOUGHT

"Creativity and innovation cannot lead to sustainable economies without respect for cultural diversity, which is itself a source of creativity and innovation."

Ján Figel, Commissioner for Education, Training, Culture and Youth – Regions for Economic Change, 2009

"A key factor for future growth is the full development of the potential for innovation and creativity of European citizens built on European culture and excellence in science."

Presidency Conclusions, European Council, 13-14 March 2008

"Creativity can be regarded as the ultimate source of innovation – that is turning creative ideas into products or services. In this sense creativity is always involved when innovation leads to economic results."

Hübner – Regions for Economic Change, 2009

The study 'The Economy of Culture' (KEA) vividly illustrated the multifaceted potential of the cultural sector: in 2004, 5.8 million people in the then EU-25 were employed in this sector (3.1% of the total employed population in the EU-25); while the sector accounted for 2.6% of EU GDP, representing turnover of €654 billion. The same study also explained that the economic function of culture is extremely relevant at regional/local level, as culture is an engine for the emergence of creative hubs and local development (i.e. festivals, cultural tourism).

Innovation and Cohesion Policy – the story so far

“The regional level is highly relevant for actions when it comes to putting innovation and creativity in place for economic development. They are big enough to matter, and small enough to care. The regions and cities are the main drivers.” Rudolf Niessler, Director at Directorate-General for Regional Policy, Regions for Economic Change, 2009.

European Innovation Policy has evolved over time. In the 1970s it focused on R&D, in the 1980s it was based on knowledge transfer. In the 1990s it was recognised that innovation is not a linear process, (research – development – exploitation), but is the product of a more complex system involving a network of players, among others, universities, researchers, public authorities and businesses.

For the 2007–13 Cohesion Policy programme, innovation is understood to be the overarching means to attaining sustainable growth. It embraces the idea of encouraging clusters of activity to maximise potential – strength in numbers.

How innovation has benefited from Cohesion Policy support

Cohesion Policy supports innovation through the co-financing provided by Structural Funds and the development of regional governance based on what is, in itself, an innovative policy of partnership, programmed strategic development and evaluation. The regulations governing the European Regional Development Fund (ERDF) address innovation comprehensively in four articles.

In 2006, the Commission called for a more integrated approach to innovation and identified new areas of action. This was followed by a call from the European Parliament for a significant proportion of funding from the Structural Funds to be invested in knowledge, innovation and training.

Nevertheless, innovative practices can be slow to evolve and bear fruit. Given that there is a degree of risk-taking involved and results are hard to quantify, time and security are needed. By enabling public authorities to implement medium and long-term programmes, integrated support can be developed for different aspects of economic and social development. Entrepreneurs and researchers or educational psychologists and local authorities, for example, can be brought together and given time to collaborate innovatively. Mid to long-term funding allows for the strategic planning needed.

Targeting the regional level, Cohesion Policy programmes are a particularly effective vehicle for fostering innovation, since regions provide the proximity essential to stimulating interaction between producers, users and mediators of knowledge.

Culture’s contribution to cohesion – a vector for creativity and innovation in Europe

While innovation is often welcomed as a means to progress to a more cohesive and sustainable society, it does require change which can make people apprehensive. As a tool for social and territorial cohesion, culture helps to establish a balance between tradition and innovation, allowing for intercultural and intergenerational dialogue, and enhancing integration in multicultural societies. As a catalyst for economic development, culture can contribute to urban development and regeneration and to local growth and employment.

Almost 30% of R&D expenditure in the EU-27 is currently concentrated in 12 regions, of which six are in Germany, two in France, and one in Belgium, Denmark, Italy and Sweden, respectively.

The top 15 regions which spend at least 3.5% of their GDP on R&D are in Germany (6), Sweden (4), Finland (3), France (1) and the UK (1).

More than €86 billion or 25% of the total Structural Funds are allocated to the innovation agenda, which covers research and innovation, ITC exploitation, entrepreneurship measures and innovation in the workplace.

An additional €6 billion has been allocated to cultural infrastructure, services and the preservation of cultural heritage.

The regional and local strategies supported by Cohesion Policy have successfully integrated culture in the promotion of innovation and creativity in areas such as:

- cultural heritage;
- development of sustainable tourism;
- socio-economic development involving partnerships between the creative sector, industry, research and other sectors; and
- revitalisation of local economies by enhancing cultural infrastructure and services.

An Alpine sentinel

As you walk through the towering scenery of the Franco-Italian Alps, it's not always just the work of nature that takes your breath away – occasionally it's the work of man. Great fortified buildings rise above crags and cliffs, exploiting the natural advantages of the topography – dramatic reminders of turbulent times gone by.

Paying for the upkeep of these buildings is a serious challenge. Cultural tourism, however, can be part of the solution.

A project funded under INTERREG IIIA, 2000–06, celebrated these imposing buildings, bringing together a network of people from the public and private sector in both countries. It provided training and seminars for them and promoted cross-border networking to keep managers updated on the latest thinking in site preservation and cultural tourism. As well as helping sites fully benefit from tourism, the project also supported research into the architecture, history and anthropology that gave rise to these monuments.

A number of examples on the ground form a mosaic of regional strategies in which culture has been used as a tool for local and regional development and social cohesion.

An independent study, to be launched by the Commission over the coming months, will help give a more concrete illustration of culture's contribution to the economic development of European regions and cities through European Cohesion Policy.

Certainly all further exploration of the positive links between culture, creativity, innovation and the wider economy is welcome. Although it is clear the cultural and creative sectors can foster innovation in other sectors of the economy, three questions arise:

- How can culture contribute to the development of creative skills within a lifelong learning framework?
- How can culture contribute to the development of creative solutions at the workplace, including through social innovation?
- How can culture contribute to the creation of new services and products?

Regions 2020 – The role of creativity and innovation in addressing the challenges ahead

“The capacity to develop new ideas and turn them into innovative products and services is essential for regional development.” Katarina Mathernova, Deputy Director General for Regional Policy.

In view of the turbulence facing global financial markets and the unpredictability of the changing dynamics facing the EU as it moves into a new decade, an analysis of the challenges facing Europe has been carried out.

Regions 2020 identifies four key challenges which can only be met by creative and innovative thinking:

• Globalisation

Scientific and technological progress is being driven by globalisation, making innovation and knowledge more significant than ever. The opening up of new markets creates new opportunities but also tests Europe's capacity to adjust to structural change and deal with the social consequences that follow. The transformation to an economy based on knowledge and services is as fundamental as the preceding change from agriculture to industry.

• Demographic change

The age and employment structure of our society is set to change. Economic efficiency and age equality are becoming ever more pressing issues, and innovative solutions are needed. The ways in which we have dealt with the problems arising in previous phases of the EU's development need to change in response to the changing nature of the problems themselves. Migratory problems will also require an innovative approach as the pressure on the world's poorest regions increases due to climate change and scarcity of natural resources.

• Climate change

The impact of climate change is central to the European agenda. Mitigation by tackling greenhouse gases and adaptation to inevitable changes ahead are in urgent need of all the creative and innovative solutions possible.

• Secure, sustainable, competitive energy sources

Limited supply coupled with increased demand and the environmental imperative to cut carbon emissions calls for innovative solutions.

Creatively and innovatively, we need to combine the policy fields of environment, energy, social affairs, economic development, education, innovation and culture, to address the challenges that lie ahead.

DIRK AHNER

Director General, European Commission Directorate-General for Regional Policy

A speaker at a recent conference put forward the idea that the EU can no longer compete in a globalised world on the basis of productivity alone. Innovation and creativity need now to be the watchwords. Would you agree?

Yes, I do agree with this view. If we want to continue to compete in an ever-globalised world, we shall need to move towards a greater knowledge-based economy. Unfortunately, today it seems that Europe's innovation gap is still widening compared to some of its main competitors. Part of the problem would appear to be that the EU too often fails to transform technological development into commercial products and processes. This requires action on a number of fronts: more investment in research and technology, promoting innovation through new or improved products, processes and services which can withstand international competition and providing more support for the creative and innovative parts of the economy. Moreover, there is a lot of evidence that cooperation and proximity matter when it comes to enhancing creativity and innovation. This is why regional development policies can and should play a crucial role as motors of progress.

What could be done to foster creativity and innovation in your field at European, national and regional level?

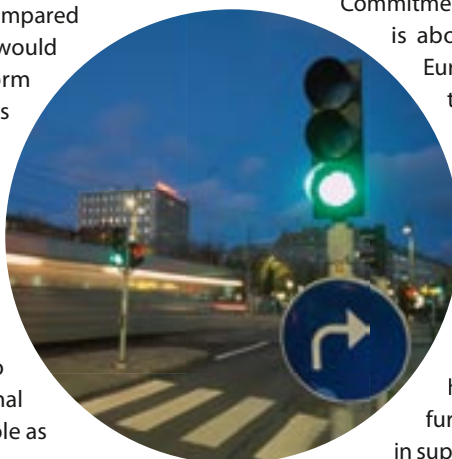
Creativity and innovation are at the centre our efforts to promote faster growth and more jobs. Within the area of European Cohesion Policy, innovation has been recognised as a policy priority as never before and is a major focus of the 2007–13 Cohesion Policy programmes. For the 2007–13 period, investment in innovation will triple, compared to the previous programming period (2000–06). **Cohesion Policy will contribute to R&D and innovation with around €86 billion – a quarter of total Cohesion Policy resources.** A lot of this money is spent to foster networks, cooperation and clusters. As innovation is key to achieving and maintaining a competitive advantage in the global economy, this massive Cohesion Policy investment has the capacity to stimulate, accelerate and support the economic and social transformation of Europe's regions, and of the EU as a whole. An important element in this context is that regions work together, also across borders. Functional areas like industrial districts or clusters should not be hampered in their developments through borders between regions and countries. This is also what European integration is about. Territorial cooperation in the form of cross-border cooperation between micro-regions situated on a frontier, or transnational

cooperation within a macro-region like the Baltic Sea area, can help stimulate creativity and innovation through multiple contacts, exchange and common development projects.

What other opportunities are available for regions wishing to cooperate more closely in fostering creativity and innovation?

Commitment to creativity and innovation is about more than just finance. European Cohesion Policy seeks to promote cooperation, supporting a vast network across Europe's regions to exchange experience and best practices and to develop new opportunities. New initiatives include the Regions for Economic Change networks, which have been designed to spur further exchange of experience in support of innovation. One of the major themes of Regions for Economic

Change has indeed been improving knowledge and innovation for growth. Important for us in the context of the initiative is that the lessons drawn, and the ideas developed, in the networks find their way into the regional development programmes and are translated into concrete action.



“ Regional development policies can and should play a crucial role as motors of progress ”



KARL-HEINZ BRANDENBURG

Professor and inventor of MP3

One of the ambassadors for the Year of Creativity and Innovation, Professor Karl-Heinz Brandenburg is a researcher in information and communication technology, Head of Research Area 'Electronic Media Techniques', and Director of Fraunhofer Institut for Digital Media Technology (IDMT). Professor Brandenburg's work enabled the development of MPEG Layer-3 (MP3), MPEG-2 Advanced Audio Coding (AAC) and many other modern audio-coding methods.

A speaker at a recent conference put forward the idea that the EU can no longer compete in a globalised world on the basis of productivity alone. Innovation and creativity need now to be the watchwords. Would you agree?

This statement has already been true for a long time. In the globalised economy, Europe is not the region that possesses the natural resources, nor is it any longer the workshop of the world. Only the latest technologies and innovative ideas will allow Europe to compete in the global economy. These new ideas are the wealth of our era – whether for products or services.

There are studies showing that, even today, many companies generate a large percentage of their sales with products that were only developed in the last five years. In some fields, there is already a split between businesses that only develop and sell ideas, those manufacturing them, and the companies that market those products, often under their own brand names. In this international division of labour, it is important to contribute as much as possible to both ideas and innovations.

What could be done to foster creativity and innovation in your field at European, national and regional level?

We must think globally and promote creativity and innovation. This happens at many levels: the school system is part of the picture, as are continuing

education institutions and universities. If we lag behind in this field, it will not be possible for us to be more creative and innovative than others. Creativity and innovation are also a question of mentality: those who only want to know about and advance their own specialist subjects will fail. What is important for creativity is to 'think outside the box', going beyond compartmentalised thinking.

Science has long been global. Scientific publications are accessible throughout the world, and scientists are used to cooperating worldwide. We must encourage this way of working and set aside national egos – that is what will best serve our own interests, at a regional, national and European level. Research and development and the creative industries must be promoted beyond our regions and recognised by society to a greater extent than today. The 'Year of Creativity and Innovation' is helping to increase awareness of these necessities, but we also need the right priorities for education and research.

How would you see the relationship between creativity, culture and the challenges presented by living in a modern society?

Even in engineering, it is important to think 'outside the box'. Engineering science is all about developing technologies to help people and also make our lives easier and more worth living. If I simply trod the same path all the time, things would then become dull and it would no longer really be possible to resolve the problems we face today. The point is that 'it cannot be done' is an unacceptable answer as long as the basic laws of physics remain inviolate. Engineers must always be prepared to unearth unexpected answers to well-known problems – this is what we refer to as 'invention'. Incidentally, at the same time many engineers are also creatively active in the arts, many of my colleagues at the Fraunhofer institute also perform as musicians.

“Only the latest technologies and innovative ideas will allow Europe to compete in the global economy”



ODILE QUINTIN

Director General, European Commission Directorate-General for Education and Culture



A speaker at a recent conference put forward the idea that the EU can no longer compete in a globalised world on the basis of productivity alone. Innovation and creativity need now to be the watchwords. Would you agree?

Innovation and creativity are key for our future living standards. Europe must become more inventive, innovate more and react better to market trends. This has been acknowledged at the highest political level. A broad-based innovation strategy for the European Union was put forth a couple of years ago and significant steps have been taken in this direction.

The capacity for innovation depends on a multitude of factors. Creativity is one of them, yet not fully exploited. The nexus 'creativity-innovation' calls for smart investments which can bring new, sustainable solutions and benefits for our economies and societies. This is the key message of the European Year for Creativity and Innovation. It becomes more meaningful against the backdrop of the current financial downturn.

What could be done to foster creativity and innovation in your field at European, national and regional level?

To develop environments conducive to creativity and innovation, we need to step up action at all levels of governance. Public and private stakeholders must be involved in this process.

Creativity is more than the cultural/creative sector and innovation is more than R&D. We must encourage partnerships between diverse sectors such as culture, education, research, technology, industry, and public services. We need to strengthen the skills for an innovation-friendly society.

Community instruments support clustering of businesses as vehicles for creativity and innovation, along with mobility and knowledge transfer. Same support is required at national, regional and local level.

Concrete evidence is necessary for building a sustainable and effective strategy for creativity and innovation.

When launching the new phase of the Lisbon Strategy for growth and jobs 2008–10, the EU's political leaders acknowledged that 'a key factor for future growth is the full development of the potential for innovation and creativity of European citizens built on European culture and excellence in science'. How do you see this relating to culture as a driver for creativity and innovation?

Culture relates not only to the arts, but also science, education, industry and the wider economy. Cultural and creative industries contribute to stimulating research, product development and service innovation, marketing and communication, 'branding of cities' or community-building. Using networks and partnerships, where cross-cutting skills are needed, they present a new model for growth in a globalised world. Examples across European cities and regions show how culture can be used within an integrated approach to sustainable development in economic and societal terms.

The challenge is how to exploit positive spillover effects produced by culture. We need well-targeted strategies at all levels of governance maximising the links between culture, creativity, innovation and socio-economic development. Making space for culture in our policies is making space for creativity and innovation.

“**The challenge is how to exploit positive spillover effects produced by culture**”



JAMIE OLIVER

Chef



Jamie Oliver is an internationally renowned chef and the founder of Fifteen Restaurant, a registered charity that offers apprenticeships to young people who need a second chance to establish their place in the world. Oliver, who received regional funding for Fifteen in Cornwall, is also a key mover behind the UK's healthy eating in schools campaign.

A speaker at a recent conference put forward the idea that the EU can no longer compete in a globalised world on the basis of productivity alone. Innovation and creativity need now to be the watchwords. Would you agree?

I'm not a politician so I'm not promising to be an expert in this area. All I do know is that whichever business you're in, you need to keep adapting, improving and – yes – innovating. But there's no point in innovation if your product isn't up to scratch. When we start a new business we always ask ourselves how we can over-deliver. How can we make certain that the public will come to us again and again because of the quality and the affordability of what we offer and the very real creativity that goes into it.

That's real creativity and if you match that with class-leading productivity you'll be on to a winner – any successful restaurant kitchen is like that ... all the Fifteens are like that including the one in Cornwall which has already been recognised and supported by the EU for its innovation ... that kitchen serves over 80 000 a year, so a quarter of a million so far since opening in May 2006 ... creative, innovative, productive ... successful.

Over 200 top-class meals a day is impressive productivity but people don't come for that ... they expect that ... what they want is what they personally get on their plate and that comes from the creativity in the kitchen.

“ Whichever business you're in, you need to keep adapting, improving and – yes – innovating ”

What's more, Fifteen is a living example of innovation in action in the sense that it takes young people in need of a chance in life – often a second chance – and turns them into chefs with a skill and the opportunity of a good career. This in turn has a wider impact in both the local community near to Fifteens as well as the hospitality industry in general.

What could be done to foster creativity and innovation in your field at European, national and regional level?

I think often you find that some companies or organisations aren't set up to inspire innovation – they're happy to plod along with the status quo and then when times get tough, those companies are the ones to suffer. In a lot of cases, I think companies, as well as governments of course in some cases, need to either inspire existing staff to be creative or bring in staff who can be creative and shake things up a bit. Be bold and don't be afraid to experiment with new ideas.

European money can help that happen ... 'enable' it I think is the jargon ... all that dosh and all that talent ... a whole continent of brilliant people to work with! Recognises it, embrace it, nurture it, fund it ... and don't tear your hair out if some fail ... it happens.

How would you see the relationship between, creativity, culture and the challenges presented by living in a modern society?

I think that modern society actually presents opportunities as opposed to challenges when it comes to creativity. Some of the British business people that I admire – Paul Smith, Richard Branson, for example, thrive in a society where creativity is valued and I think we should encourage more creative individuals to bring forward ideas.

The public is very savvy these days to creativity in everyday life – they want good design, they demand smart thinking, look at what they eat and drink these days compared with just 20 years ago ... they won't put up with yesterday. They're in tune with modern culture.

EUROPEAN CAPITAL OF CULTURE: LIVERPOOL 2008

The World in One City

The Capital of Culture programme started back in 1985, in Athens. Since then, all EU Member States have been allocated a year where they can put forward their own choice of city. 2008 saw Liverpool nominated, with an impressive programme under the title 'The World in One City'.

EU investment of €1.5 million contributed to infrastructure projects in the city. This in turn provided a focal point for attracting other commercial investment, with the promise of much bigger economic spin-offs in the longer term.

Liverpool has benefited significantly from the €1.405 billion the European Regional Development Fund (ERDF) put into Merseyside, from 1994 to 2006. From a city in economic decline to one which is now a vibrant centre of business and cultural activity, the funding helped Liverpool to be a successful runner for the title European Capital of Culture.

Many of the cultural partners that staged events in 2008 are staying in touch through local networks. Further afield, other networks are being created between the European Capitals of Culture.

Opening Event

40 000 visitors celebrated the start of this unique year in Liverpool. Former Beatle Ringo Starr topped the bill of an electrifying evening involving by 800 performers.

Performing Arts

Inspirational music events ran right through the year, involving every classical and modern style. Sir Paul McCartney returned to his roots, performing a long-awaited gig at Anfield Stadium, joined by other leading Liverpool bands.

Visual Arts

Groundbreaking art exploded in every possible venue across the city, partly in conjunction with the Liverpool Biennial arts festival. New exhibitions drew unprecedented levels of visitors to galleries and museums. A Klimt exhibition at Tate Liverpool was a focal point for many, but vibrant street art also proved popular.

Transition

By the end of the year, Liverpool had celebrated its past, hosted an amazing array of cultural events and was geared up with new ways of seeing the future. In 2009, both Vilnius and Linz will be European Capitals of Culture.

Culture Liverpool is at the heart of promoting the long-term future of Liverpool as one of Europe's best cultural destinations.

The new Liverpool

A range of business programmes and initiatives continue to bring small businesses together across the North West of England, building on the positive profile the region has gained.

An opinion poll found that 79% of people thought that Liverpool was 'a city on the rise'.

The wider benefits

Every school child in Liverpool was involved, with 67 000 children taking part in activities and performances.

Immediate benefits for all

Investment has brought beautiful new facilities to Liverpool. The Echo Arena and BT Convention Centre brought in €216 million in 2008 and already have bookings through to 2014. A vast new retail development, Liverpool One, linking the city centre with the Albert Dock, generated €2.16 billion during the year.

A four-year build-up to 2008 brought in €11.89 million of investment in community and public art. The Creative Communities Programme set themes for each year between 2004 and 2007 to build the city's vision for what 2008 could achieve.

During the year, 15 million people attended a cultural event; most of these were directly related to the Capital of Culture. 70% of people in Liverpool visited a museum or gallery.

3.5 million visitors came to the city, spending €864 million while they were there and booking 1 million hotel beds. Hotel occupancy hit record levels, as high as 81% in one month.

Many of them visited the Tourist Information Centre, The 08 Place, which itself won an award for its brilliant service. Visits to Tourist Information Centres generally were up 150%. The Welcome Programme took on over 5 000 local people to work with the tourism sector and improve customer service.

12 000 articles were written about Liverpool worldwide, boosting its profile and making it more attractive to visitors.

All parts of the community were caught up in the atmosphere and took part. Commissioned works and events were used to engage with the locals, even daring to start dialogues on tricky subjects like crime and social exclusion.

The Volunteer Programme inspired 1 000 people to help staff events and spread the word about what you could see, do and create. Taxi drivers boned up on Klimt at the Tate and some even went on to take modern art courses. People challenged themselves to see new types of art across the range of media.

EMPLOY THE WHOLE PERSON –

ART AS PATH TO A CREATIVE WORKSPACE

Panorama visits Sweden where one project is building creative alliances between artists and the workplace. TILLT places artists in organisations to help employees develop creative solutions to today's challenges.

As you walk down the corridors of a hospital just outside Göteborg, Sweden, all seems as you would expect. The floors reflect the strip lighting overhead, people in white coats walk past in a preoccupied manner. But had you been in these same corridors a few months ago, you would have joined the patients and staff as they looked on, entranced by dancer/choreographer Mattias Olaison's performances around the wards.

"By seeing ourselves through his eyes we got to see some things that validated us and some things we had lost sight of," said Marianne Olsson, Project Director at Angereds Närsjukhus hospital. "He caught what we were about and made us see it more clearly". This project, the result of two months' research by the artist around the hospital, is an example of TILLT in action.

TILLT, a Swedish company based in Göteborg, runs a variety of programmes which place artists in people's workspace. The programmes, long-, medium- or short-term, all have one thing in common; they harness a way of thinking specific to a given artist and unleash that in a workplace, providing a catalyst for change. Artist, employer's needs, goals, problems, length of programme – all elements are matched assiduously, leading to an experience which is as unique as the people involved in it.

And change comes about. Change in mutual recognition, communication and approach to the unknown. Change also to levels of productivity – research carried out by the Institute of Management Innovation and Technology (IMIT) in Göteborg shows it goes up, while levels of sick leave go down.

Back at the hospital, Olsson is in no doubt, "There is far less resistance to uncertainty than before," she says of her staff. Uneasy and guarded when Mattias first arrived, they didn't know what to expect and many found that perturbing. "We are in the middle of constructing the hospital, so the unspoken question was: 'Why are you doing this to us?'" Olsson laughs. But when it was done, people were very positive – something managers are now able to use when approaching new ideas. "We can remind them how they can be surprised by daring to

do something that feels alien or seeing something from another angle. So that is an important tool for me as a manager. My co-workers are more open, more receptive."

These changes have been observed by all the managers interviewed. "You cannot imagine what a joy it is to be managing people who are motivated and not afraid to show initiative," says Berit Hallersbo, head of human resources at the Vara

About AIRIS

AIRIS – a year long programme run by TILLT, in which the artist spends the first two months doing research, working alongside employees, observing the workspace, asking questions and, later, devising tasks designed to achieve the organisation's objectives.

Artist and organisation are paired by Roger Sarjanen, project manager at TILLT, who sees himself as an early warning system available at any time, to both artist and client, should they feel alarm bells ringing.

As time passes, he and the artist both take steps back, ensuring that the concepts and motivation come from the employees. So when TILLT walks away at the end of the year, following a final meeting with the organisation to wind the programme up, they leave lasting change behind them.



Commune public authority. After having acquired 19 annual artists-in-residence AIRIS programmes, the Commune is well placed to judge. Half their 1 300 strong staff have been involved in a TILLT project, and they intend to run 21 more. "We want to stimulate ways that will contribute to how our staff develop their working methods," adds Hallersbo, clear that by bringing in the TILLT artists she has done just that.

How did it all start?

Early 20th century Swedish society embraced the notion that art and the need for culture were fundamental to the lives of its citizens. From a desire to recognise everybody's right to explore art and culture came the notion of integrating art into daily working life. By 1970 the impulse had taken the form of a national chain of organisations selling theatre, exhibition and opera house tickets to private and public sector employees, at a discount.



When Pia Areblad became involved at the Göteborg branch, it was 2001: the internet was established and the world felt closer – ticket selling didn't feel like the solution. "We had a remit from the culture and art sector, the Business and Cultural Affairs Committee and the Regional Affairs Committee – both at the regional level – to examine ways in which art and culture can develop working life and vice versa" explains Areblad, CEO of TILLT.

Although they were commissioned to work throughout the region, there was no extra money to cover the 48 communes, besides Göteborg. "That was a challenge and I like challenges because you have to think in a different kind of way and you have to shift your mind."

The shift worked – she started with only one other colleague offering cut price tickets to events and relied totally on grant funding. Now TILLT – even the name is new – is 10 people strong and 65% of their income is self-funding. They have just been awarded two EU grants and have the Confederation of Swedish Enterprises, the Trade Unions and the cultural sector on their board.

Replicating TILLT elsewhere – how to get the concept off the ground

Areblad started by bringing together the cultural organisations in the target area, asking them how professional cultural activities could reach out to working life in their commune. She then invited them to become member organisations of TILLT. The next step was to find clients – first stop: local authorities and getting the director of the commune on board. "The decision to work with art and culture as a way of developing working life within a commune needs to come from the director," explains Areblad.

Once she had the agreement of the head of the commune, she then approached the civil servants responsible for business development and human resources inside the commune – public authorities are big employers in Sweden, the city of Göteborg alone employs 50 000. A creative plan was then drafted explaining how the local authority would work with art within its organisation.

That having been established, it was a logical step for the business development department to think about involving the private sector by approaching businesses located in the commune. "If they understand how artistic competence can really develop the sector, they will communicate that," says Areblad.

"All you need are artists of professional quality, public authorities and a private sector, and you can follow this model anywhere", she adds. You do also need the person with the vision and the will to bring them all together.

Art and creativity drive innovation and growth

Bertil Törsäter is the CEO for Regional Development, West Götaland. He is certain that organisations exploring new ways of thinking now will be in a stronger position to exploit the opportunities that will arise with the eventual economic upturn. "A creative mind is open to change, and change is what we are living," he says. Proportionally, West Götaland is one of the world's highest investors in research and development, to which Törsäter believes creativity is intrinsically linked.

AstraZeneca, a multinational pharmaceutical company employing 60 000 people globally, has 2 000 employees – mostly researchers – working at their Göteborg site. Site manager Peter Nyström is sure Törsäter is right. "Culture, health, innovation and competitiveness, there's something there." There is a growing realisation at the company that it is the interface between chaos and order which, as Nyström puts it, creates the magic.

Like all businesses, AstraZeneca's success as a company depends on its ability to think up new ideas; something Nyström believes is triggered by blending different perspectives. The creative perspective they were seeking was generated by participation in two AIRIS programmes. Mikael Werner, a manager at the site explains, "It takes courage to involve your company in a TILLT project because there is no knowing what you will end up with." What they did end up with was an organisation more prepared for change, "We see changes every month and there is no doubt that, post-project, people were more open to that, less stressed by it."

Keeping people stimulated is the main challenge identified by Nyström, "The stuff we do is not far off Nobel Prize level – and it is difficult to exceed your own expectations when you are operating at 80% of your capacity. You need to be at 120%. Ways of thinking we can use as a result of the AIRIS project have helped us in that respect."

Törsäter maintains that support for art and culture at regional level has another key benefit, it makes the region attractive to foreign companies, "We really have to create a place in which people want to work," he says. Volvo, AstraZeneca and other multinationals have sites in Göteborg, employing staff that are used to choosing between the big metropolitan areas, "We

have to make it clear why they should come here,” explains Törsäter. Creating new systems and arenas to encourage cooperation between the business and creative sectors is a solution. “TILLT is one example of a new way to merge two strengths and get something stronger because of the synergy.”

Who picks up the bill?

Cultural organisations pay a small fee to become members and get promoted. Public authorities contribute, as does the private sector, to take part in a TILLT-run programme, be that a year-long AIRIS project, a tailor-made ‘Creative Kick’ or having members of their staff trained and supported by TILLT to perform the role of ‘Cultural Ambassador’ in the organisation. “This way we don’t have to go to the politicians and ask for vast amounts of money. The cost is spread out: everyone contributes, everyone benefits,” explains Areblad.

Culture and business – more than a sponsorship deal

In West Götaland, business involvement with culture goes beyond sponsorship and is no longer simply about logos on an opera programme. “If we use an artist in an AIRIS project, we can see that reflected in the figures, the benefits are quantifiable,” says the Development Director for the Swedish Trade Federation, Hans Löwlund.

He feels artists are the most open-minded, creative, flexible people, but they are not interested in being hired. “They want to be free,” he explains, “So even if an HR manager wanted to find this exceptional personality, they wouldn’t be able to.” Löwlund feels the only way to get a person with these qualities into a company is to bring them in for three, six or twelve months under a project like AIRIS. “Suddenly you can see the company becoming more open-minded, more innovative, more self-confident.”

The artist as a guide to new solutions

Klas Ålander, Corporate Communications Manager, and Eva Degerman, Global Human Resources Director, work for FlexLink. Both agree with Löwlund. Their company is involved in production logistics and 2007 was a tricky year for them. A decision to change a supplier had backfired badly at the start of the year and as the months passed, there were some redundancies. “Co-workers fought hard to keep up with demand, it was problematic and stressful. I’m convinced having the artist here helped, since it was about opening up perspectives,” says Ålander.

Although they bounced back from the internal difficulties, the global financial climate remains a challenge. Ålander is convinced that now is the time for thinking innovatively, “Companies need to think in new ways. Art and culture are ways to safeguard the innovation in an organisation.”

Managing an AIRIS Project takes commitment from the top, explains Degerman, “It is important this isn’t seen as an HR issue, this is a company project. You have to be very specific about what you want to achieve with it and formulate a project management group, not too big.” Organising the project and getting other managers on board is just part of the challenge. There are the employees to encourage.

There was a lot of initial anxiety. The staff didn’t want to do it at all, “But once it got rolling they were 200% engaged and it was so fantastic,” says Degerman. They were asked to produce some art work and an exhibition was held. “Pieces kept coming in even after the event had ended. Once they had got going, people just didn’t want to stop,” Ålander recalled.

This enthusiasm is something PAROC, a company producing rock wool insulation, also saw in their employees during, and after, TILLT’s involvement. Head of Human Resources, Lars Lindström, has invited TILLT to run two AIRIS projects so far – a third is in the pipeline. “It is never the right time, and people will argue that just because a project has worked well elsewhere, their work-space is different. People will look for excuses. But you have to jump in. It demands courage,” he says.

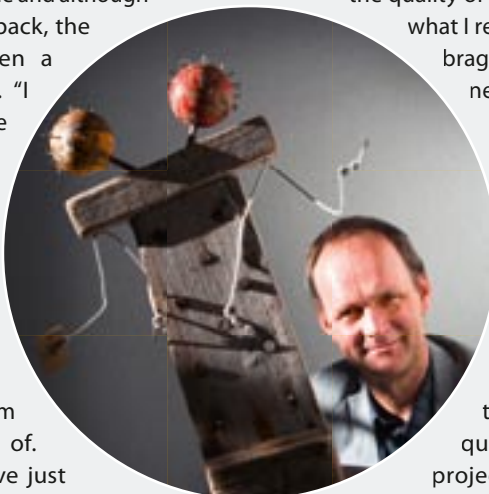


How an AIRIS project works in practice

“From the managers’ perspective, people are not going to love it from the start but you need to be confident and have the courage of your convictions so that you can steer it. You have to contain the anxiety of the staff while this thing is going on. But it is also a lot of fun. The patients loved it, sitting in a waiting room and some dancers come prancing in – it brought lots of laughter and fun into a time usually taken up by anxiety for all of us.” Marianne Olsson, Project Director at Angereds Hospital.

PAROC was suffering from stasis: heavy industry had been on the site for a generation, five shifts meant only 20% of the staff were ever under the roof at one time and although the two factories were back to back, the dividing wall could have been a mountain. They were in a rut. "I wanted people to feel working here was something to be proud of."

And there are grounds for pride: the rock wool insulation the factory produces is highly energy-efficient. The product has clear environmental benefits, insulating more efficiently than alternatives – something Lindström wanted his staff to be proud of. "Instead of thinking, 'Well I have just ended up here and I'm paying the mortgage', I wanted them to think, 'I got the opportunity to work at PAROC and I'm doing something for the environment,'" he says. So he brought in TILLT.



The actor/director selected with care and precision by TILLT's project manager, Roger Sarjanen, duly arrived and spent the usual two months listening and watching.

The result: same staff, different people

Then came the tasks. After some hints on how to 'look' through a lens, the employees were set to photograph each other in the way they felt best showed what they did. Taking the photos and then later displaying them, brought the employees together. Conversation was made easy through the sharing of a task, the photos themselves gave them a new dimension on their colleagues and the quality of the images was a source of pride.

Silly competitions involved rib crushing – this between men, many in their 50s, who have worked side by side for 20, 30 years or more, without shaking hands. A spitting contest went down well too! Laughter, collaboration, mutual recognition.

One worker, a forklift driver, took on the task of collecting sounds around the factory, which he called 'The Song of the Machines'. He was on Swedish TV in March, talking about his involvement in the project, and said he now sees culture as the definition of being human. Lindström explains, "His task made him look at his working environment in a totally different way, and what he produced, as a result of that change of vision, he regards, correctly, with great pride."

The media exposure can't hurt? And in his answer Lindström reveals another vital ingredient in the success of an AIRIS project, the quality of the management: "The publicity is great, but what I really like is that it gives the guys something to brag about over a barbeque with friends, family or neighbours. They get to say, 'Hey, we were in the paper last week'. I love it when they have something to show off about."

Factory Manager Michael Gustavsson explains that in the year following the project there was a 20% increase in production, a dramatic rise they haven't seen before. Sick leave is falling too. Polling the employees before the project was a thankless task, only 5% responded to a questionnaire on quality of life at work. Post project, 95% responded. It seems the PAROC employees are engaging themselves. "They meet now, after work, share time together," says Lindström. Thanks to his vision, they get to brag a bit too.

Where is now?

TILLT's next step is to get a European dimension into their work – to share their knowledge and learn from others working towards a similar goal.

Two EU grants have just come through, which will be fundamental in sharing TILLT's best practice. They will receive €1.5 million a year, for the next three years – €780 000 annually from the EU's INTERREG IVA fund and the remainder from participating regions in Scandinavia. This money will be used to continue the Creative Interaction in Working Life project, involving four regions: southern Norway; eastern Norway; northern Denmark and western Sweden. Building on TILLT's experience, the focus will be on creating new methods, conducting research to identify the impact of the work done so far and ensuring the quality of the work is consistently high. The overall aim is to keep the essence of art as a developing force in Europe.

TILLT has also been awarded a grant of €150 000 to work as a partner in the development of the first EU Green Paper on culture, sharing their knowledge on the promotion of creativity and innovation in society by integrating art and culture in our daily lives.

"I'm certain we have to meet the challenge of developing creativity and innovation in Europe in order to become the most dynamic, knowledge-based economy in the world. It is about new horizons all the time and art is a means to keep growing. It's a journey, with all that this means," Areblad says.



ACTING TOGETHER TO PROMOTE CREATIVITY AND INNOVATION

People and businesses thrive on finding new ways of working and living. In Europe, our cutting-edge thinking produces innovative science, better business solutions and an infinite variety of cultural expression. Whether selling a manufactured product or finding new ways of appreciating art, we excel at finding new dimensions.

The Lisbon Strategy for growth and jobs, all about combining economic growth with wider benefits for society and the environment, is a great framework for championing business ideas that do just that. In business, smart solutions are all about products which perform better and deliver wider benefits.

In cultural life, new ways of presenting and interpreting works of art, music, theatre or cinema mean that audiences are always inspired and challenged. Old pieces are given new life and novel forms of art are constantly appearing.

Within the European Commission, creative and innovative products and solutions are already given top priority for funding. The Year of Creativity and Innovation is a focal point for identifying common priorities among diverse interests. It provides the impetus for discussion on a range of subjects, from medical research to fine art and opera, astronomy and space to lifelong learning and IT games in education. Here are some highlights from around the Commission directorates.

Shaping new approaches to research

DG Research is used to operating at the cutting edge of science and technology. Today's projects are all about fully integrated research which meets market and social needs on many different levels. The key priorities of these projects are to underpin EU prosperity and competitiveness, promote the role of science in modern society and link national research with projects being run at European level.

This year, **Research Connection '09** was the big event, bringing scientists and researchers together with entrepreneurs and industrialists. Held in May in Prague, as part of the Czech presidency of the EU, it showcased many groundbreaking research projects that are already receiving EU funding. Participants were inspired by existing work, but crucially, also found guidance on how to attract European research funding for their own projects and meet up with interested investors and collaborators who could become partners.

The **European Institute for Innovation and Technology (EIT)** is a new body created by the Commission which sets out to boost collaboration between universities, research centres and businesses. The EIT will focus on knowledge transfer and demonstrate that research really does lead to innovative,

marketable products. Their first priorities will be in the fields of climate change, renewable energy and communication technology.

The Year of Creativity and Innovation – a business tool

The European flair for innovation makes the EU home to companies providing the most technologically advanced, high-quality products, while promoting environmental sustainability and social benefits. To help even more businesses evolve and grow, DG Enterprise and Industry is using several new ways to push this agenda.

The first European **SME Week** took place in May, providing new businesses with support and challenging existing SMEs to broaden their horizons ever further. Often the starting point for most of the big ideas we see around us, SMEs are particularly fertile ground for innovative and creative concepts. The week included a unique interactive exhibition, the **SME Experience**, where a series of hands-on exhibits invited visitors to 'see, smell, touch and listen' to get an idea of what it's like to be an entrepreneur.

Culture as a driver for creativity and innovation

In its role as coordinator of the Year, DG Education and Culture is using the rich diversity of innovation found in cultural projects to prompt new approaches to business and European integration. With culture at the heart of the Year, there are opportunities for everyone across Europe to participate, as economic, social and ethnic differences are put aside.

As individuals, our ability to create and innovate builds a sense of satisfaction within us, allowing us to express ourselves better. Music, art, theatre, film and literature provide an outlet for our creative expression in so many different forms. A great personal and social benefit derives from this experience.





At the same time, culture can also bring economic rewards and be the driving force for the regeneration of otherwise deprived areas. There is sound business logic in promoting cultural programmes and supporting the development of local economies through culture. Not only does it breed creativity and innovation among those who participate, but also encourages mobility and productive exchanges among businesses.

Putting culture at the heart of the economy and society

Demonstrating the links between culture, creativity and innovation is fundamental to the **European Agenda for Culture**, the first-ever political framework for integrating culture in European affairs. **The European Culture Forum**, taking place in September 2009 in Brussels, will be an opportunity to take stock of achievements so far and stimulate next steps. At the same time, other political priorities such as encouraging new skills and job opportunities, lifelong learning, innovation in industry and harnessing the strengths of culture in a global market, are also being promoted. It is all about using creative and innovative ideas to build economic strength, as well as ensuring individual and social well-being.

Building cultural experience into every sector

The Year is an opportunity for many different sectors to share common advantages and build on synergies and positive spillover effects, as is seen clearly in the programme of events at national and EU level. Art events such as the interactive **Orbis Pictus exhibition** have been interspersed with scientific innovation in astronomy and space, while concerts share the limelight with new developments in eco-innovation. On another level, **Imagine 09**, a new design competition for schools in Ireland, invited pupils to design an object for the classroom of the future and describe their vision for how it could enhance their learning.

The real challenge is how to make this vision a reality by introducing other creative skills enhanced through culture into the business sector, and encouraging new partnerships between the fields of culture, education, research and technology, businesses, public services and our society as a whole.

New evidence on the rewards of culture and creativity

The recent study **Economy of Culture in Europe** was the first to measure the direct economic impact of the cultural and creative industries and the indirect gains for EU regions and businesses. A new study on the impact of culture on creativity explores the still largely underestimated links between culture, creativity, innovation and the wider economy.

In economic terms, the cultural sector is leading the way in contributing to employment and growth. But crucially, it is also feeding creative abilities into other parts of the economy, especially those related to ICT, boosting their performance and taking jobs into more interesting domains.

Companies are now becoming better equipped to develop innovative types of employment and more sustainable types of production. This growth is being seen across the EU regions. The inclusive nature of cultural innovation is a powerful force in bringing communities together and giving them a concrete vision for how EU integration can bring economic prosperity.





European Year of Creativity and Innovation 2009

The official website of the European Year of Creativity and Innovation

<http://create2009.europa.eu/>

Decision N° 1350/2008/EC of the European Parliament and of the Council of 16 December 2008 concerning the European Year of Creativity and Innovation (2009), *Official Journal of the European Union*, L 348, 24.12.2008, p. 115.

<http://eur-lex.europa.eu/en/index.htm>

European Commission

Directorate-General for Education and Culture of the European Commission

http://ec.europa.eu/dgs/education_culture/index_en.html

Directorate-General for Enterprise and Industry of the European Commission

http://ec.europa.eu/enterprise/index_en.htm

Other useful links

eTwinning – the community for schools in Europe

<http://www.etwinning.net/en>

Euro Creator – a digital media network for schools

<http://www.eurocreator.com/>

European Business & Innovation Centre Network

<http://www.ebn.be/>

European Entrepreneurship Video Award 2009

http://ec.europa.eu/enterprise/policies/entrepreneurship/video-award/index_en.htm

European Institute of Innovation and Technology

<http://ec.europa.eu/eit/>

Programme and presentations from the Regions for Economic Change Conference (16–17 February 2009) 'Networking for Results'

http://ec.europa.eu/regional_policy/conferences/networking/programme_en.cfm?nmenu=4

Promoting innovation in lifelong learning

<http://www.elearningeuropa.info/>

Recommendation N° 2006/962/EC of the European Parliament and of the Council of 18 December 2006 on key competences for lifelong learning, *Official Journal of the European Union*, L 394, 30.12.2006, p. 10.

<http://eur-lex.europa.eu/en/index.htm>

Spring Day for Europe 2009 – Ideas move Europe

<http://www.springday2009.net/>

Links to projects mentioned in this issue

The Economic Clusters of Cultural Enterprises – financial advice, information and training for small businesses, entrepreneurs and individuals in the cultural and creative sector

<http://www.connectedcreatives.eu/default.aspx>

Jamie Oliver's Fifteen restaurants, registered charities offering young people vocational apprenticeships as chefs

<http://www.jamieoliver.com/fifteen>

Liverpool – European Capital of Culture

<http://www.liverpool08.com/>

Swansea University Centre for NanoHealth

<http://www.swan.ac.uk/nanohealth/>

The Musikpark – Mannheim

<http://www.musikpark-mannheim.de/web09/>

TILLT

<http://www.tillt.se/eng/airis.asp?m1=engAiris&m2=The%20concept>

Link to key website for the next issue

EU Strategy for the Baltic Sea Region

http://ec.europa.eu/regional_policy/cooperation/baltic/index_en.htm

THE FUTURE OF EUROPEAN COHESION POLICY

Policies in the making – Panorama takes a regular look at what is going on at the nerve centre of Regional Policy, the Directorate-General's headquarters in Brussels.

Future of European Cohesion Policy – Independent expert report

To further the debate on the future of European Cohesion Policy after 2013, the Commission invited Dr Fabrizio Barca, a prominent economist at the Italian Ministry of Economy and Finance, to prepare an independent report to look into how effective Regional Policy actually is and to make recommendations on the way forward. The subject is a significant one – broader issues such as the EU's budget and the future priorities of the Union are implicated.

The debate on the future of Cohesion Policy kicked off in 2007 when the Fourth Report on Economic and Social Cohesion was published. This was followed by the Commission's Regions 2020 paper which came out in November 2008. The paper analysed, for the first time, the likely, long-term impact of the four main challenges facing us today: globalisation, demographic trends, climate change, energy use and supply.

Over the course of more than a year, Dr Barca has organised discussions and seminars with academics and policymakers from all over Europe, the United States of America and New Zealand. The report is the result of these discussions. Reflecting on the achievements and governance behind European

Cohesion Policy, the Barca Report discusses the economic rationale and motivation for a development policy which focuses on the importance of place: policies that take into account the characteristics of the location in which they are to be implemented and an understanding that where a policy is implemented is integral to how it will be implemented.

Along with considering the importance of place-based policies, the Barca Report also looks at the successes and failures of Cohesion Policy so far and provides recommendations on key issues of governance.

It offers some suggestions on how the principle of shared management, in essence the relationship between the Member States and the Commission, should be streamlined and strengthened. The report also recommends that impact evaluation should form the backbone of Cohesion Policy and that a formal Council Committee for Cohesion Policy be created to debate annual strategic reports by each Member State.

The report is fully independent and does not necessarily reflect the views of the Commission. Its conclusions will be taken on board when the future of the Policy, post-2013, is considered.

Dr Barca and Commissioner Danuta Hübner presented the key findings of his report to the public on 27 April in Brussels. A series of discussions with Member States and stakeholders will take place in the coming months at various events organised by the Czech and Swedish presidencies of the European Union.



The Barca Report: a quick look

The report finds a need for comprehensive reform of Cohesion Policy. A more place-based approach is needed, along with a clearer distinction between economic and social objectives and an awareness of existing problems in the use of indicators and impact evaluation.

Using Cohesion Policy as a source of funding to create a level playing field is not the way ahead, the report stresses. So what does the Union do to ensure all territories and all European citizens have the chances to make the most of the opportunities offered by the Union itself and to cope with the connected risks and threats?

Three requirements, the report suggests, need to be met to further that aim:

- well-defined objectives, based on a verifiable economic rationale, which are open to evaluation;
- explicit and powerful political justification based on the present condition of Europe and responding to the expectations of those living there; and
- a system of governance which can learn from itself, actively encourages democratic participation and can credibly undertake to perform adequately.

For the full report, see http://ec.europa.eu/regional_policy/policy/future/barca_en.htm.

INTRODUCING THE INSIDE PROJECT FEATURE

In each edition, Panorama finds out how two projects are unfolding from the perspective of the people managing them. We look into the highs and lows of managing an ERDF funded project: identifying the problems and sharing solutions.

PROJECT 1

INSIDE THE MUSIKPARK MANNHEIM

Facts and figures

Just over €5 million is to be invested in Musikpark, and the related Popakademie projects, under Objective II. The funding started in 2004 and runs over 15 years.

A strange thing about the creative industry: the sector generates a lot of income, turning over more than €654 billion in 2003 – 2.6% of the EU's GDP for that year. But when it comes to investing in a group of teens in torn jeans, banks aren't that keen. After 20 years in the music industry, Christian Sommer is in a position to know.

His expertise and extensive network of contacts have made him the driving force behind the Musikpark, Mannheim – a project that gives start up SMEs in the music sector their first step on the ladder.

Meet Project Director, Christian Sommer



Music really took over Sommer's life in the late 80s when he walked the boards as a singer/guitar player but it wasn't until 1990 that he went into the profession full time. In 1992 he swapped his role, going backstage and becoming the manager of a group called Master Boy who enjoyed more than their 15 minutes of fame. "They went gold and platinum all over the world. It was a really steep learning curve", recalls Sommer.

The sharp lessons, the stress and, above all, the contacts he made, were invaluable, but by 1997 he'd had enough. His next move took him into the heart of a multinational record company where he spent a year learning the ropes from the production and marketing side. By 2000 he was working out of Munich as the Director of Marketing, Artist and Repertoire.

But he is Mannheim born and bred and when the city needed a manager for their cutting edge project to cluster music services together and incubate start ups, he leapt at it.

Helping artists break into the industry

Around 40 businesses, employing 140 people, take up the Musikpark's 4 300 m². With all that space, there is also room for a choreography and performance room, a workshop, several sound studios, a TV studio and smart meeting room in which to negotiate that all important, first commission.

"One of our main roles is to bring in the clients who will book our companies", says Sommer. Where corporate doors remain firmly closed in the face of an unknown band or dancer, they open more freely for the Musikpark. "We act as a bridge to help one side understand the other".

When it comes to finance, projects that foster start-up SMEs tend to focus on creating business plans. "This model doesn't adapt itself to the creative industries," explains Sommer. They don't get loans from the banks and they handle very little 'external' money. What start-ups in the music industry need are gigs – the opportunity to work, a chance to show what they can do and so generate more bookings. So this is where Musikpark steps in.

A comprehensive service

For those planning corporate entertainment, Musikpark is a one stop shop, providing dancers, musicians, audiovisual crews, not to mention sound technicians and lighting engineers. They host events too and a gallery of 150 m² offers young music photographers the opportunity to exhibit their work.

And it is the diversity of the services operating under one roof that helps the artists too. They feed off each other, generating ideas, finding solutions – each discipline working to make the next more innovative. "It's tough to produce good, creative work in a vacuum," Sommer maintains. The creative core of the industry: artists and producers; and the creative professionals: marketing, sales, layout, events, legal and financial work, websites and internet portals, promotion – all have their place under the park's roof.

Finally, in the position of mentor is Sommer, who keeps a respectful eye on how his start-ups evolve. "The young entrepreneurs work proactively and independently. We are just helping them to help themselves," he says.



PROJECT 2

INSIDE THE CENTRE FOR NANOHEALTH (CNH) AT SWANSEA UNIVERSITY

Facts and figures

Just over €21 million is to be invested in the Centre for NanoHealth under the Convergence Objective. The funding started in 2009 and runs over five years.

Inside the Centre for NanoHealth (CNH) at Swansea University

As healthcare systems face the strain of expensive treatments and juggle the ethics of subsidising costly palliative care, the development of tools to help with early diagnosis becomes ever more urgent.

By bringing together the worlds of academia, the private sector and the National Health Service, the CNH works to apply nanotechnology to the detection of disease and identification of appropriate treatment.

Meet Dr Tim Claypole, member of the CNH Executive Committee



The leap from research on pollutant formation in fumes to printing bio-materials seems a large one, and yet a touch of serendipity in 1990 provided Claypole's career with a new focus.

After completing his first degree in mechanical engineering, in the mid 1970s, Claypole worked as project engineer on the construction of a new steel works in Cardiff. From the world of steel production, it wasn't long before he went back to university to do his PhD on pollutant formation in flames.

Combustion and dust separation kept him occupied from the mid 1980s to 1990 when he moved into full-time academia. With a Youngblood lectureship from the Engineering and Physical Sciences Research Council, Claypole took up a research post at Swansea University, looking into gas turbine bearings. Laser measurement for flows in nuclear reactors also became one of his areas of research.

Making the connection

Although he had been working on flows, bearings and the statistical design of experiments, it wasn't until a printer approached him with the problem of ink flow, that Claypole suddenly realised all the know-how he had acquired from his research could be put to use in the printing industry. This was back in 1990 and, since then, the concept has snowballed. So much so that the company set up to explore the synergy, Diple, was one of the 2009 RegioStars winners.

Where once it was ink, now it is 'printable fluids' that keep him occupied. And the properties of the fluids: conductive, pH-sensitive, magnetic, bio-fluid and so on, mean that what can be done with the printed material is boundless.

Who is involved?

Four prestigious UK Research Council Fellowships in Nanomedicine had been awarded jointly to Swansea University's Institute of Life Sciences (ILS) and the Multidisciplinary Nanotechnology Centre (MNC). Such successful collaboration made it logical to combine them and form the Centre for NanoHealth. At the end of 2008 the centre became operational.

Both the institute and the multidisciplinary centre have a lot to bring to the table: Blue C, one of the world's fastest supercomputers dedicated to medical research, 25 specialist research teams at the ILS, over 100 at the MNC and the backing of the National Health Service and IBM. "We have real opportunity here," says Claypole.

Prevention better than cure

Nano-devices and nano-biosensors will be used to detect and measure biomarkers present in fluid or tissue samples at a level of sensitivity far beyond current detection methods; in the parts per billion range. Such refined detection will allow earlier diagnosis and more rapid treatment of conditions such as cancer, diabetes, obesity and others.

Claypole will be leading the centre's printing section, which includes a pilot-scale, 'ink'-making plant. It is here that bio-inks will be developed – nanoparticles and wires, enzymes, biomarkers and DNA. "I like to think we can have a long-term impact on the way in which disease is treated and monitored," he explains.

FIFTH REGIONS FOR ECONOMIC CHANGE CONFERENCE – NETWORKING FOR RESULTS

Headlined as Networking for Results, the Regions for Economic Change conference, Brussels 16–17 February, was anything but an excuse to share anecdotal evidence over a sandwich and passively listen to experts exploring their fields. The conference was challenging and wide-ranging: workshops covered subjects as diverse as migration and satellite information.

Pooling know-how to maximise results

As a means to help people involved in URBACT II and INTERREG IVC funded projects get together and share best practice under the label 'Regions for Economic Change', the Commission arranges a major conference every year. This, the fifth, centred around three themes: innovation and creativity, climate change and sustainable development. The bottom line was summed up neatly by Job Cohen, Mayor of Amsterdam, "Find a solution to a shared problem and spread that solution throughout Europe."

Nine workshops on subjects including water management, universal broadband access, the impact of climate change, industry's effect on urban economies and risk management through satellite services, attracted 603 people from all over the EU.

Towards an innovation-driven economy

Panorama went to the workshop on creativity and innovation as drivers for urban and regional development, where speakers discussed bridging the gaps between culture and business, how to be a successful Capital of Culture and the fundamental equation 'creativity+entrepreneurship=innovation'.

Opening the workshop, Chairman Rudolph Niessler, Director for Policy Coordination, DG Regional Policy, explained that the intention behind the Year of Creativity and Innovation is to make creativity a real issue that has an impact on how we live and conduct our economy. The workshop set out to provide a better working knowledge of the role that culture, creative industry and creativity can play in that context.

Speaking on behalf of the Flanders District of Creativity network, Pascal Cools summed up the organisation's goals as making

entrepreneurial Flanders more creative and creative Flanders more entrepreneurial.

"An economy's main strength lies in its ability to be creative, not in its efficiency anymore," he said, adding, "Regions are at the best level to tackle innovation. We are big enough to matter and small enough to care."

The Flanders District of Creativity network is active in an international web of regions working towards the goal of greater innovation, from Oklahoma to Osaka. Cools described the complexity of plugging into an international web of partners with members in six different time zones, "When is the right time to hold a teleconference if everyone is in a different zone?" Other difficulties he mentioned were differing cultural contexts and members' access to finance which also changes depending on where they are. "We are different sizes, face different challenges and share our different solutions, but this way, we don't have to reinvent the wheel." People do wonder why they are involved in such a large network, "I am sometimes asked if I'm mad to be giving our tools to other regions," says Cools, "But we get things back in return. You need to be open."

Running through the presentations was the understanding that networks are about more than just talking – they need to embrace concrete projects with ambitious goals, turning theories into realities. As Neil Peterson, coordinator of Liverpool's European Capital of Culture 2008, admitted, he and his team could not have imagined the year would have been as successful as it turned out, "We set out the ambitions early on and went for them," he explained.

Big ambition, bite-sized chunks – practical things you can do to achieve your goals.

Neil Peterson – Liverpool,
European Capital of Culture,
2008





Having a clear goal can inspire different organisations to work together. Five years ago cultural institutions in Liverpool were competing against each other to get funding. "As a great by-product of our year as Capital of Culture, the approach is more collective. We are working together to keep culture at the top of the agenda," explains Peterson.

2008 provided Liverpool with a way to use culture to engage with the city's residents. Art projects brought together people from different backgrounds and areas of the city, encouraging debate on how migration and immigration have benefited Liverpool over the years, and on the damage caused by violence and homophobia.

Economic benefits flow, but, Peterson warns, "You need to know what success looks like." This echoed a previous comment made by Cools that the economic benefit of culture and creativity on a community takes time to filter through and can be hard to measure – they are long-term investments in a region's capacity to be innovative.

Culture as a vector for creativity and innovation

The regional level is highly relevant for activities which place creativity as a driver for economic development. Linking the unique relationship of place and culture boosts that creativity. When it comes to cooperation between the artistic and business sectors, Areblad and Niss are clear: each sector has its own

legitimacy. It's not a question of turning artists into business people or vice versa. There is a common ground in which we can make the most use of the results of a synergy between the two. "Let's really test out experimentation and share out good practice, without fear and envy, in a situation where there is a lot to be gained for all the partners involved," said Niss.

Clustering for growth

Economic Clusters of Cultural Enterprises (ECCE) is a network, co-financed by the European Regional Development Fund (ERDF) and offering advice and training for entrepreneurs in the cultural and creative sector.

These services are available via local resource centres operating in cities of the ECCE network: Nantes, Rennes and Angers in France, Aachen in Germany, Eindhoven and Utrecht in the Netherlands and in Huddersfield, UK.

Growth in the culture sector and creative industries is not a question of large companies evolving into huge companies but, instead, how smaller businesses can benefit notably from clusters, networks and internet promotion. The network's biggest challenge was to develop a user-generated, online, transnational community of people involved in creativity and culture.

The platform is free to use and visitors can upload their personal or business profiles, identify fields of interest and start a weblog. It can also be used to match people in the same location or with common interests. Curious? Take a look: www.connectedcreatives.eu

Regions for Economic Change – defining good practice, refining policy

The diversity of Europe's regions has resulted in the development of different solutions to deal with the variety of challenges faced – one is never quite the same as any other. The range of expertise is as diverse as the solutions it generates.

Since areas of knowledge can complement each other, the Regions for Economic Change initiative was launched. It follows a move within Cohesion Policy to focus more on the key objectives of the Lisbon Strategy for growth and jobs, particularly human resource development, increased investments in innovation and the knowledge economy, business support and critical EU infrastructure development.

Its aim is to reinforce good practice exchanges, making networking a tool for sharing ideas that work. This is done mainly through two pan-European networking programmes INTERREG IVC and URBACT II.



NEXT ISSUE

The first EU Strategy for the Baltic Sea Region will be the focus of the next edition of Panorama. The strategy sets out to make the region environmentally sustainable and to boost prosperity. Improving transport links and increasing maritime safety and security are also key priorities. Involving a wide range of actors: Member States, regions, cities, the private sector, interest groups and the public, the strategy will be one of the main priorities of the Swedish EU Presidency during the second half of 2009. Panorama will take a look at the issues affecting the region and talk to experts involved in forming the policy.

LAST ISSUE

The way ahead for Territorial Cohesion was the theme of Panorama's last issue. The European Commission received more than 380 responses to its Green Paper on Territorial Cohesion. Contributing to the reflections on the policy's future, EU Member States, regional authorities, regional and local associations, cities, economic and social partners, civil society organisations, academic and research institutions as well as citizens generally welcomed the Green Paper. Many shared the view that Territorial Cohesion complements and reinforces economic and social cohesion. A summary of the contributions to the debate will be published by the European Commission. A factual presentation of the contributions will be part of the 6th progress report on economic and social cohesion. As a next step, the European Commission will examine the way in which Territorial Cohesion can be integrated into the EU's Cohesion Policy after 2013.

DATES	EVENT	PLACE
10 June 2009	Adoption of the EU Baltic Sea region strategy by the European Commission http://ec.europa.eu/regional_policy/cooperation/baltic/index_en.htm	Brussels (BE)
11–12 June 2009	The Baltic Sea Strategy – Regions and Cohesion Policy in action http://ec.europa.eu/regional_policy/cooperation/baltic/visby_11062009_en.htm	Visby (SE)
15–16 June 2009	Third meeting of the INFORM Community network of Regional Policy communication officers http://ec.europa.eu/regional_policy/country/commu/index_en.cfm	Brussels (BE)
17 June 2009	JESSICA network platform http://ec.europa.eu/regional_policy/funds/2007/jjj/jessica_network_en.htm	Brussels (BE)
18–20 June 2009	Innovation Days 2009 http://www.innovationdays.eu/	Lisbon (PT)
22–23 June 2009	Regions and Cities implementing Sustainable Energy Strategies – The added-value of Satellite Information and Services http://www.eurisy.org/	Den Haag (NL)
17 July 2009	Deadline for RegioStars 2010 applications http://ec.europa.eu/regional_policy/cooperation/interregional/ecochange/regiostars_en.cfm?nmenu=4#2010	
Deadline: 15 August 2009	European Economic and Social Committee Design ZeroNine – European Award for a Sustainable Present www.design-competition.eesc.europa.eu Students and design professionals are invited to enter this competition and submit their ideas by 15 August 2009	
5–6 October 2009	From the European Charter for Small Enterprises to the Small Business Act http://ec.europa.eu/enterprise/enterprise_policy/charter/index_en.htm	Stockholm (SE)
5–8 October 2009	Open Days – European Week of Regions and Cities: Global Challenges, European responses http://ec.europa.eu/regional_policy/conferences/od2009/	Brussels (BE)
14–16 October 2009	Creativity and Innovation Conference 2009 http://www.creativityandinnovation.nl/	Maastricht (NL)

Find out about key Regional Policy events at http://ec.europa.eu/regional_policy/conferences/agenda/index_en.cfm

MAKE YOUR VOICE HEARD

This edition of
Panorama is the first with our
new graphic design and editorial concept.

While Panorama continues to highlight a specific topic in each edition, we have added new sections to explore regional policy from the different perspectives of all those involved. 'The Inside Project' article features projects Panorama hopes to follow over a longer period of time to show the ups and downs of managing and realising ERDF co-financed projects, for example, while 'Common ground' explores what other organisations are doing in the same field.

From the next edition onwards you will have the opportunity to put forward your questions on practical project issues, policy or the theme explored in the issue. We hope to publish the questions, answers and comments of most interest to our readers. The next edition of Panorama will focus on the first **EU Strategy for the Baltic Sea Region**. The aim of the strategy will be to coordinate the efforts of various actors in the region (Member States, regions, financing institutions, the EU, pan-Baltic organisations, non-governmental bodies, etc.) so that by working together they can promote a more balanced development of the region.

**Get in touch to ask questions or express your views
on this or any other regional policy issue at
regio-panorama@ec.europa.eu**

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