



DEVELOPING
INCLUSIVE
AND SUSTAINABLE
CREATIVE ECONOMIES

POLICY RECOMMENDATIONS

Value creation modelling and earning logics in the creative economies

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Policy Recommendations: Value creation modelling and earning logics in the creative economies

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Executive Summary

This report provides policy recommendations to support inclusive and sustainable activities (paid and unpaid work and self-employment) and value creation (i.e. artistic, societal and monetary value) modelling in creative economies. The report draws from the findings reported in two research reports D 4.2 and D 4.3. Following the insight developed in our research, this report discusses various ways to support inclusive and sustainable networking and innovation as well as the roles and means for the policy stakeholders in fostering inclusive value creation, networks, innovations and activities in the creative economies.

The policy recommendations are organised in layers representing the magnitude of changes needed and thus the difficulty of policy work to contribute to these changes. First, we address the need for policies and institutional work to disrupt existing institutions and institutionalised practices within creative economies. Second, we recommend policies in order to construct new institutions and practices to develop inclusive and sustainable creative economies. Third, we make recommendations for everyday policy actions to support creative economies.

- 1) We call for policy work that addresses two key intertwined challenges - the '*unsustainable creative deal*' and '*lacking understanding of the different value creation models*'- within the creative economies. In this report, we have made recommendations on what kind of policy action – institutional work – is needed to disrupt existing unsustainable institutionalised practices. First, policies should *address the rewards and sanctions, laws and regulations* to change and call into question the existing rules of the game, norms and practices. Second, it is important to *disassociate the unsustainable creative deal from its moral foundation as appropriate* within this specific context. Third, it is necessary to *challenge core assumptions and beliefs at the individual level* about the appropriate work practices in creative economies.
- 2) We make policy recommendations for constructing new institutions and institutionalized practices by a) having a stronger advocacy for inclusive and sustainable economies, b) constructing rule systems that confer identity and define the boundaries of membership and status hierarchies within the creative economies, c) constructing identities at the individual level, d) remaking the connections between the new sets of practices and the moral foundations for those practices, e) constructing stronger networks and f) educating actors in skills and knowledge aligned with the new institutions and practices.
- 3) Finally, we offer suggestions for the incremental, everyday policy measures and support practices necessary at different levels (individual, local/regional, national, European) within the creative economies that need to be maintained for the flourishing of them and for the wellbeing of people. We suggest improvements in inclusive and sustainable funding, value creation, networking and innovation activity as well outline roles and means of policymakers toward these goals.



1. Introduction

The DISCE research project has been focusing on how to support the development of inclusive and sustainable creative economies. In WP4, the focus has been on examining inclusive and sustainable value creation, networking and innovation activity as well as inclusive and sustainable forms of paid, unpaid work and self-employment in creative economies. The research findings have been presented and discussed in two research reports; deliverables D4.2 “Between labour markets and entrepreneurship: entrepreneurial behaviour in the creative economies” and D4.3 “Value creation modelling for creative economies: networks, innovation and digitalization”. In this policy recommendations report (D4.4), the key policy issues and recommendations for policy making are developed.

In this report we address the following policy questions of WP4:

1. How to support inclusive and sustainable activities (paid and unpaid work and self-employment) in the creative economies?
2. How can inclusive and sustainable value creation (i.e. artistic, societal and monetary value) modelling in the creative economies be supported?
3. How can inclusive and sustainable networking and innovation activities be supported?
4. What are the roles and means for the policy stakeholders in fostering inclusive value creation, networks, innovations and forms of activity in the creative economies?

Our research has corroborated and provided additional in-depth understanding of the persistent tensions and dilemmas within the creative economies. The two key intertwined challenges surfaced in WP4 are the ‘unsustainable creative deal’ and ‘lacking understanding of the different value creation models’ within the creative economies. In our interpretation the durability and ‘stickiness’ of these challenges suggest that they have become institutionalized. The institutionalized practices include *“cultured-cognitive, normative and regulative elements that ... provide stability and meaning to social life ... Institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines and artifacts’ and they ‘operate at multiple levels of jurisdiction”* (Scott, 2001, p. 48). Consequently, we understand that there are no simple policy recommendations to overcome the challenges, but that changes and recommendations require changes in the institutionalized practices and thinking that demand *“purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions”* (Lawrence and Suddaby, 2006, p. 215).

Thus, it is necessary to both dismantle existing and to create new institutions and practices that require both those with the resources and skills to act as (institutional) entrepreneurs who initiate and engage in changing institutionalized practices and thinking (Aldrich and Fiol, 1994), and those who support or facilitate entrepreneurs’ efforts. The institutional entrepreneurs are *“actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones”* (Maguire et al., 2004, p. 657). They need to recognize institutionalized, taken-for-granted norms, rules of the game and practices and to assume agency and willingness to challenge these norms, rules and



practices and promote changes as well as breaking of the rules (Battilana et al., 2009) as suggested in our D4.2 and D4.3 reports. Our findings suggest that there are institutional entrepreneurs in the field: those who are already aiming at changing and pushing the norms so that, for example, there will be a proper economic compensation for providing non-economic value for others (see e.g. on transformative value creation model D4.3 Section 7.1). They are interested in creating influence value for themselves to become role models and contribute to developing networks to empower people to have a stronger voice. Their work could be further supported by policy action and by inviting more individuals, actors and organisations to join and catalyse the change.

Lawrence and Suddaby (2006) outline the institutional work practices relevant for creating and disrupting institutions that are applied here as the framework for discussing policy recommendations in relation to the two intertwined challenges raised up in the WP4. We understand that institutional work is needed in developing and supporting inclusive and sustainable creative economies in Europe. Yet, we also acknowledge the need for developing more mundane and everyday policy actions for maintaining and supporting creative economies as they are.

This report is structured as follows: First, we discuss the need of institutional work to disrupt some of the existing institutions and institutionalised practices within creative economies. Second, we outline the need for policies and activities to construct new institutions and practices to develop inclusive and sustainable creative economies. Third, we make recommendations for everyday policy actions to support creative economies. Finally, we offer brief conclusions.



2. Institutionalized challenges - recommendations for disrupting extant institutions and practices

Public policy tries to improve living standards of a society relative to the resources at hand. This requires that possibilities for a better usage of resources is first identified both in the operation of the markets (market failures) and in the previous public interventions (government failures). (Krueger, 1990). Consequently, we begin by pinpointing two such failures, one of each type: i) creative economies contribute to the sustainable development of a society in a way which is not financially sustainable for the actors themselves, and ii) public policy has reinforced this by adopting a narrow interpretation of living standards and treating creative economies as a homogeneous group of actors rather than understanding and addressing the varying dynamics of creating value in and for a society. In the following we will discuss further the two intertwined, institutionalized challenges that hamper sustainable and inclusive development of the creative economies.

2.1. Disrupting ‘unsustainable creative deal’

Our WP4 research reports (D4.2 and D4.3) both inform of the unsustainable creative deal that hinders the sustainability and inclusivity of the creative economies. This is about the creative professionals and organisations producing many different kinds of value for the society and for themselves but receiving limited economic value in return. Our research finds that this unsustainable creative deal has become institutionalized in our societies and this is reinforced by the existing practices, both by the wider stakeholders and the society broadly but also by the creative professionals themselves. Therefore, the practice of expecting low income and relatedly low fees for creative freelancers has become the institutionalized norm that needs to be disrupted. This requires attitudinal changes and measures to be taken at all levels: societies, organisations, and individuals.

First, the policies could address *the rewards and sanctions, laws and regulations* to change and call into question the existing rules of the game, norms and practices (Lawrence and Suddaby, 2006). This deals with the budgeting and funding of creative economies in the European Commission, member states, regions and cities that should be embedded in the identification and appreciation of the various types of value the creative economies generate for our societies at large. The development and allocation of funding and other forms of public support for creative economies would need to be assessed based on how much the creative professionals and organisations contribute to the society through goals, which add value beyond economic value. Creative economies contribute to our physiological needs (e.g. health recovery), safety (e.g. financial security), belonging (e.g. communal experiences), esteem (e.g. self-confidence) and self-actualization (e.g.



developing skills). Public funding for creative economies should not be considered as a cost but as an investment in the general wellbeing and cultural development of the society.

Second, it is important to *disassociate the unsustainable creative deal from its moral foundation* as appropriate within a specific context (see Lawrence and Suddaby, 2006). Thus, the necessary policy work deals with, for example, new indicators that highlight the extent to which creative economies within particular locations support people's cultural capabilities - serving to raise awareness and to legitimize support, and to identify areas where further policy interventions are needed (see Cultural Development Index D5.3). This may also imply ongoing and gradual undermining of the current institutionalized moral foundation of 'free work in the creative economies' by (social) media campaigns and constant reminders questioning and exposing such practices as forms of exploitation. These campaigns could be mobilized jointly by the policymakers at the European Union, national and regional levels as well as the creative economies, their lobby organizations and networks.

Third, it is necessary to *challenge core assumptions and beliefs* at the individual level (Lawrence and Suddaby, 2006), for example, how creative professionals and organisations can *monetize and finance their activities*. Our research findings illustrate some interesting experiments, which question some of the existing core assumptions and beliefs, for example, in terms of the different forms of pricing of the creative outputs. The creative economies should be encouraged to develop new value creation models that challenge or replace the existing ones, many of which are economically and socially unsustainable. Further, we suggest that the *education* for creative individuals should prepare the students first to challenge expectations for free work and second to provide the students with necessary business and employability skills to prepare them for invoicing or asking for a fair salary for their work (see also D3.4 on creative higher education). Furthermore, education should provide room for students to engage in identity work to construct an entrepreneurial identity to support such entrepreneurial activities.

2.2. Addressing 'lacking understanding of the different value creation models'

The second key challenge we identified in our research dealt with understanding the heterogeneity of the different actors in the creative economies in terms of their value creation and outcomes, which should be more seriously taken into consideration in public policy making. The Section 7.1. in D4.3 presents the various value creation models – adaptive, free spirit, high-end, brand-building, and transformative value creation models – and their differences. As an example, there are creative professions and organisations that do not receive any or sufficient economic compensation despite many benefits they generate for the society (see further details on "free spirit value creation model"). Lack of permanent funding is recognised as an important struggle for the sustainability aims of creative professionals but also of many organisations. Therefore, *sustainable public support of different sorts* is needed (e.g. money, affordable spaces and facilities, skills for applying and managing funding, lower administrative burden, flexible use of public funding, possibilities for networking, higher demand of creative offerings). At the same time, we acknowledge that some actors in the creative economies operate in the competitive markets under normal business logic and do not need specific support (other than those offered for all businesses) in order to not



distort the competition. We suggest that our *framework for value creation models* could be used as a basis to assess when public support, in particular funding, boosts important value creation for others without hampering competition (Figure 1.).

In addition to decisions to allocate direct public support (funding or other support), the public sector is a significant purchaser of products and services produced by creative economies. This is an opportunity to consider the money spent as an investment and pay a fair price of the product or service purchased, rather than considering money used as a grant to support the service production and later controlling and monitoring the use of the grant (rather than the quality of the service produced). It is necessary to develop *rewards or introduce sanctions* for the private and public sectors *to pay for the value the creative economies generate* for them (as customers for the creative economy services). Regulatory sanctions for underpayment (for example, fines) may be difficult to impose but social sanctions, such as social disapproval in response to public or private sector seeking to solicit free services have already proven to work first in raising awareness and second in changing behaviours. There could be explicit regulation (for public sector organisations) or development of a *code of conduct* that instigates paying a fair compensation for what they buy in order to break (rather than to foster) the negative prevalent cycle of underpricing and undervaluing of the work in the creative economies.

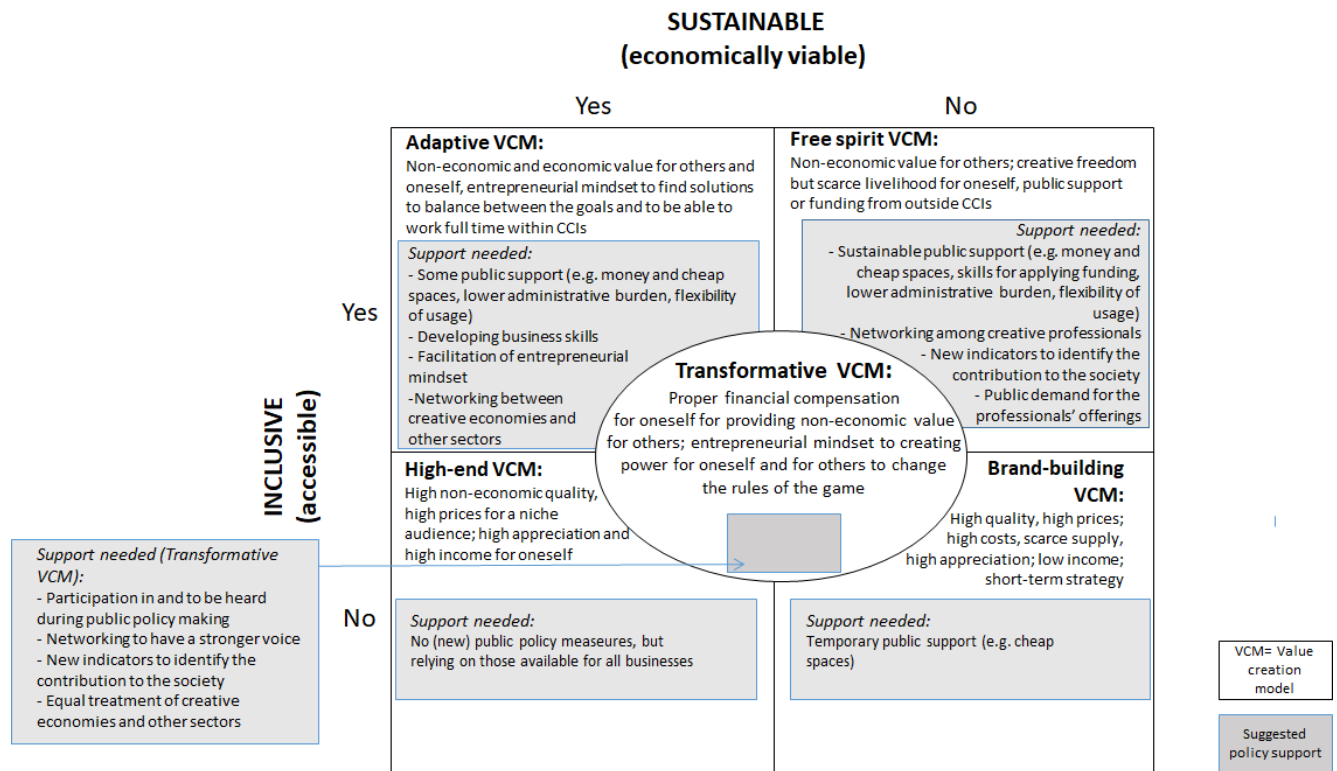


Figure 1 Framework for value creation models and suggested support in creative economies



Further regulations could, for example, develop *incentives for member states, regions and cities to commit using a certain amount of investments into arts and creativity* (an example is the percentage movement, where at least 1% of the building costs are endowed to the arts). Other similar models could be developed in other areas of public consumption, for example, a minimum percentage of public school budgets that should be reserved for cultural visits and creative offerings. The European Commission as well as national and regional policymakers have aimed at promoting innovation through specific regulations for innovation procurement as a tool to deliver solutions to economic and societal challenges¹. Similarly, it would be interesting to consider if, for example, the procurement legislation and practices could include statutes that could support the creative economies. For example, a research project such as DISCE would include interesting elements for creative performances (such as packaging and delivering some of its findings in the form of, not only reports, but e.g. theatre plays or musical performances) to engage the research participants and wider audiences with its findings. Including such creative contents as purchased services from creative professionals as a part of the original research contract would provide a variety of job and earning opportunities for the creative economies. It is difficult to impose such elements to be included in research contracts but some incentives for widening the outreach of the projects with creative elements would be worthy of investigating.

Finally, an important element in disrupting institutions and practices is *undermining core assumptions and beliefs about how the creative economy operates* (Lawrence & Suddaby, 2006). At the macro level, it is necessary to recognize creative economies equally as important as other industries when it comes to funding opportunities and regional development initiatives and projects. Hence, this would involve understanding creative economies as an important platform for innovations, which have significant spill-over effects to other sectors. For example, Müller et al. (2009) demonstrate that creative economies contribute to industrial innovation via multiple avenues: by offering creative inputs (ideas for new products or services), by being important users of new technology and innovations and by offering their own innovative activities driving innovation. Further, Innocenti and Lazzaretti (2019) show that it is the interactions between the creative economy and other sectors that is crucial for ensuring the development of new ideas and for the innovation process in the wider economy.

¹ https://ec.europa.eu/growth/single-market/public-procurement/strategic-procurement/innovation-procurement_en



3. Creating new institutions: recommendations for supporting and developing inclusive and sustainable creative economies in the long run

Above we have suggested practices that could call into question and help to dissolve some of the problematic institutionalized challenges. Next, we align with Lawrence and Suddaby (2006) to identify practices that help to foster the development of inclusive and sustainable creative economies by creating new institutions; practices, routines and thought patterns for the field as well as maintaining the unique and appreciated elements of creative economies as they are.

Stronger advocacy for inclusive and sustainable creative economies requires mobilization of political and regular support to acquire required legitimacy. Advocacy is needed to increase the overall appreciation of the creative economies and their importance for the human well-being and flourishing (not only as a cost for the public consumption or measuring their contribution to the GDP or similar measures). Second, advocacy is about articulating awareness of the marginalized position of many in the creative economies. The marginality can refer to the lacking access to the creative economies, insufficient recognition of the value of creative work and/or difficulties in sustaining a decent living. Third, advocacy deals with the inclusion of actors and organisations of all sizes and types into the policymaking through bottom-up, collaborative governance. Collaborative policymaking and co-creation of policies should be one of the key goals for the existing advocates for the creative economies and sectors at the EU, national and regional levels that can work together as a powerful lobby.

An important task for the advocacy is the elaboration of chains of cause and effect: what societies and individuals value in our societies (why we need creative economies), what values the creative economies produce and what would happen without these values. Therefore, a concerted effort is needed with policy makers and practitioners and their support organisations involved in identifying the benefits of creative economies and communicating their support. This deals also with the development of new vocabulary, naming of new concepts and practices so that they can become part of the cognitive map of the creative economies. A powerful tool is associating new practices with existing sets of practices, in order to ease adoption of new kinds of thinking by associating the new with the old way. For example, WP5 and the Cultural Development Index identifies creative work as a form of care work. By cultivating understanding that creative work is not only about (dispensable) leisure and recreational domains, but also with the indispensable care, opens up opportunities for advocacy.

Constructing of rule systems that *confer identity and define the boundaries of membership and status hierarchies* within creative economies would be a way to increase their role as a powerful lobby. Here, the diversity of the field and the heterogeneity of creative professionals working simultaneously or sequentially in different occupations present challenges. Further, the goals of inclusivity and sustainability may conflict.



The more inclusive creative economies are, the more difficult it is to set rules for membership by defining the boundaries, for example, and exemplifying the actors who are legitimate subjects for policy support. Furthermore, our findings suggest that individual actors seem to call for more inclusivity rather than more defined boundaries. For example, the current practices are seen to propose important barriers for the renewal and sustainability of creative economies when safeguarding the interests of the established bodies as opposed to new comers or informal, emerging networks. Thus, the policies could be two-fold: By defining and articulating clearly set policies targeting for example “artists” whereby the condition for being eligible for such support would be limited to members for an artists’ union or the like, for example. By opening up calls for grant proposals or other support schemes that are open to all interested persons and the support is decided based on the proposal rather than the recipient (a formal organization vs individual vs an informal loose network).

The inclusive and sustainable creative economies call for construction of identities at the individual level. Based on our findings the sustainable creative economy is hindered by the inability of the individuals to construct an entrepreneurial identity or a hybrid identity (creative-entrepreneur). Our findings invite practitioners in the field to acknowledge that underpricing and undervaluing the creative outputs and work is a significant issue. Creative professionals should not perceive themselves merely as victims of unjust external conditions but realize that they collectively reinforce the harmful spiral with unhealthy sectoral practices. Stopping this requires that more and more professionals feel empowered enough to start going upstream. The creatives can learn economically sustainable practices from those peers who have been able to create sustainable earnings by actively developing the elements of their value creation models. Hence, we suggest that this calls for introducing identity work in education for the students as well as within the creative communities widely to enable considering entrepreneurship as part of who they are as creative professionals. We suggest a need for conscious identity work and development, whereby acknowledging the similarities between entrepreneurship and arts/creative fields linked to the idea of ‘identity expansion’ (Nielsen et al., 2018) allowing the harmonious relationship between the creative and entrepreneurial identity. The community aspect is important highlighting the role of collective action in accomplishing the construction of identities as a form of normative institutional work.

Changing normative associations is needed for the re-making the connections between the new sets of practices and the moral foundations for those practices. Previously we suggested the need to de-institutionalise the moral foundation of free work within the creative economies. Creating new institutionalized practices and norms for inclusive and sustainable creative economies calls for legitimizing fair pay and decent living as part of the creative economies. In our interpretation this shift could be facilitated by reconstructing entrepreneurship and entrepreneurial behavior as legitimate action also within the creative economies. The strong dichotomy that emphasizes the need to choose between the business or creativity goals should be questioned and a new moral foundation whereby the two can coexist harmoniously should be established. Again, we understand that both education and creative networks have an important role to play in enabling this shift.



Constructing stronger networks from the loose coalitions of somewhat diverse actors will influence the new institutions supported by pre-existing institutional activities and networks. A systemic approach is needed to develop network cooperation towards an ecosystem. Our findings suggest that public sector has a role to play in co-ordinating such networks, yet they should be cautious of the planning-oriented approach. Rather, the aim for policymaking should be oriented towards supporting bottom-up approaches and providing opportunities for innovation and facilitating the networks, for example, by providing free or affordable places for networking, facilitating events and meetings for the creative economies. Further, the accessibility to networks should be made easy at every level in order to maximize actors' potential and use of resources. The stronger networks would have stronger advocacy in surfacing and legitimizing the sectoral challenges, and developing jointly more sustainable new practices or recommendations for the creative economies.

Educating actors in skills and knowledge is necessary to support the inclusive and sustainable creative economies. Public policy can boost this process by developing the educational system into such a direction that professionals working in creative economies learn also business and entrepreneurial skills along with substantive skills to have a balanced set of skills for creating these various types of value and for achieving their multiple goals. Based on our findings it is important to develop concrete business skills such as preparing the actors for pricing, approaching the customers and negotiating with them. The business skills are a clear asset for creative professionals to secure one's income. However, we suggest that the business skills alone are not enough but educating and developing business skills alongside with one's creative entrepreneurial identity have an important role in securing the financial sustainability and survival of creative professional work.



4. Enhancing everyday policy measures - recommendations for supporting and developing inclusive and sustainable creative economies in the medium run

Previously in this report we have discussed policy issues and developed suggestions for policy action that contribute to either disrupting existing or creating new institutionalized practices for the development of inclusive and sustainable creative economies. Our findings however highlight further suggestions for the more incremental, everyday policy measures and support practices necessary within the creative economies that need to be maintained for the flourishing of them and for the wellbeing of people.

4.1. Supporting inclusive and sustainable paid and unpaid work and self-employment in the creative economies

The findings highlight the preference of creative individuals in engaging in portfolio work in order to enable creative work (either by securing multiple income streams or allocating specific time for creativity). However, this provides both monetary and other challenges. Earlier we discussed the institutionalised challenge and solutions of underpayment. Another systemic problem may be the different domains and how they are understood and/or rewarded or penalized, for example, in taxation. How do the structures support (or not support) the multiple revenue streams from different sources or are able to interpret the many labour market positions a person may have?

The portfolio work also produces some well-being challenges, such as stress of dealing with the many tasks. We have previously highlighted the importance of providing business skills and offering platforms for identity work in education, but also other skills such as project management skills would seem to be important for education.

4.2. Supporting inclusive and sustainable value creation in the creative economies

Previously we have suggested that the core assumptions and taken for granted beliefs, for example, regarding the value creation models should be challenged. At the same time, it would be necessary to support active value creation modelling in creative economies. This involves asking and answering core questions (Foss & Saebi, 2018; Ostervalder, 2004):

- Value created: What value (benefits) does the creative individual/organization provide? What does it offer/sell (products/services)? To whom it creates value?
- Value captured: How does the creative individual/organization earn money? (revenue model)



- Architecture: How and through what configurations is the value created and captured? (design mechanism / value network)

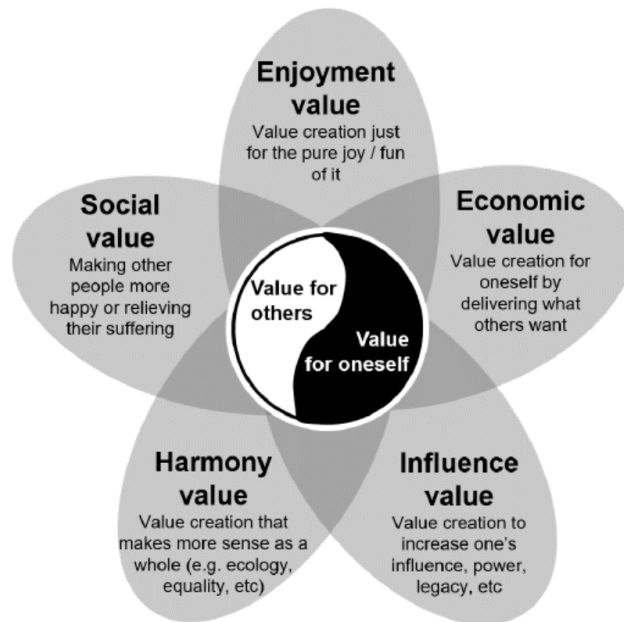


Figure 2 A framework of analyzing entrepreneurial value creation (Lackéus, 2018)

Our findings inform that the creative professionals and organisations aim at creating different kinds of value for themselves and others (Stenholm et al., 2021). (Figure 2). It is important to recognize different types of values and provide needed support in capturing and monetizing them (Figure 1). Creative professionals with a secondary profit motive (or lack thereof) need support for developing the skills necessary to develop financial self-sufficiency.

4.3. Supporting inclusive and sustainable networking and innovation activity in the creative economies

Networks were identified as important entities as sources of resources: policies can further boost technological skills and training to help actors to operationalize resources and to overcome barriers to interact and perform activities in networks. Network development is important for innovations to emerge. Facilitating networking, mentorship and interaction between diverse actors of different levels of experience and skill, and from different personal and professional backgrounds, could help to develop mindsets, communities, and social capital which are conducive to change and to innovation. This means reducing inertia and improving risk-tolerance. Knowledge sharing events bringing together diverse individuals (without restrictions) could serve such a purpose. New arrivals to creative economies from other industries need support for developing their creative skills, learning how to use creative tools, and receiving mentorship. Better offering of these kinds of support whether virtually or in a physical space would help creatives to develop their innovative potential.



The kind of support provided through policy in relation to creative spaces should be re-evaluated. *“One doesn’t manage creativity. One manages for creativity”* (Amabile & Khaire 2008, 102). Policy makers should reflect on whether public policy measures currently in place are aimed towards managing creativity and innovation rather than managing for creativity and innovation. Managing for innovation requires providing necessary physical spaces and access to means while ensuring as much freedom (i.e. no unnecessary restrictions or rules) as possible to allow for spontaneous and organic interactions to occur.

Our findings highlight how creativity in creative economies could also be mobilized for the sustainable and inclusive development of networks, cities and regions that also seek solutions to promote sustainability. Local creative and cultural communities are not homogeneous, nor do they have easily definable boundaries, yet they tend to build their collective identities on the informal and formal characteristics, atmospheres, and branding of the city, for instance. Therefore, promoting and supporting the viability, livelihood, and business opportunities for the local creative and cultural entrepreneurs can contribute positively to the satisfaction of the local community itself. In addition, it can also promote the image of the city as an attractive place to live and work to other creative and cultural sector workers and entrepreneurs, whose activities, in turn, could stimulate visitor and tourist flows. Where there are strong social or ethnic differences in the locality, the municipality could stimulate the involvement of the creative and cultural sector in the creation of new initiatives that would help bridge gaps between opposing community groups and allow for greater participation and a sense of belonging to the identity of the locality. This would encourage greater participation in the city's cultural and creative activities and help build a more cohesive and sustainable society.

Given the importance of promoting sustainability in the society in the current time, it is important to offer micro-level examples and offer initiatives to create awareness of how the sustainability goals are linked and part of the creative economies. The creative economies are embedded and local by nature and needed in sustainable strategies. Hence, there is a need for new ways of facilitating awareness and communication within creative economies of the potential related to sustainability and innovation activities more broadly. Communication channels within creative economies and between creative economy operatives and external actors tend to be ad hoc and inefficient. Formal platforms for creatives to share their activities, motivations, ambitions, and values within the creative economy could improve awareness among these actors – thereby facilitating also potential innovative encounters. Better channels for creative individuals and organisations to promote their activities and outputs both domestically and internationally would also improve awareness and create more opportunities for innovation.

Our findings suggest that recognizing digital opportunities for innovations and integrating them into business models is in process. Some may reject the idea of exploiting the digital opportunities, while others may be more eagerly deploying them. Similarly, digitalization can divide between those with and without access to digital creative offerings and related skills and other facilities. If only some can produce, access or enjoy innovative creative offerings, how beneficial it is for creative economies and the society at large?



Therefore, it is important for policies to aim at preventing such gaps and divides in digitalisation to emerge and develop.

4.4. Role and means for the policy stakeholders in fostering inclusive and sustainable value creation, networks, innovations and forms of activity in the creative economies

Many organisations and networks are active in the creative economies. Each of them has their specific agendas in the complex puzzle of fostering inclusive and sustainable creative economies. Research shows that solving deep-seated problems – such as those identified in our reports (D4.2 and D4.3) and exemplified in this policy recommendation report – cannot be easily solved by quick fixes or solutions, but they require novelty in policymaking. This means taking a bottom-up perspective and collaborative approaches into policy making (Torfing & Ansell, 2017). Accordingly, it is necessary to engage in co-creation of new ideas and solutions together with the public, private and third sector organisations/networks as well as the practitioners themselves in the creative economies.

However, we identify certain responsibilities for the actors and policy stakeholders in the creative economies to summarise the above discussion.

- The main responsibility is at the local, ecological level where the bottom-up creative activities take place. Therefore, the policy measures suggested in this report to address the institutional change needed are relevant for those working at the local level in municipalities, public and private organisations, associations and networks to support regional development, economic viability and sustainability as well as human flourishing.
- At the national level policy makers have an important role to play and need to encourage and find incentives for the institutional change to take place. This can be done through regulations, norms and incentives, such as taxation. Social security system should also be better geared towards recognizing the blurring boundaries between waged work and entrepreneurship, a feature characterising much of the work in the creative economies, and treating them in a flexible manner to make it possible to conduct portfolio work in a sustainable manner.
- Similarly, intra-national bodies, such as European Commission, need to encourage and incentivize the needed institutional change. Most measures are in the hands of national, regional and local actors, but the Commission can support such measures by highlighting the importance of such change and providing a fertile ground for it through supportive communications and campaigns, for example, but recognizing the heterogeneity of activities at the local level.
- The creative professionals, entrepreneurs, freelancers and workers have a crucial role to play in ‘doing the institutional change’ in their daily creative activities when creating value to themselves and to the society. It implies for example being open for developing one’s business and entrepreneurial skills and identity more conducive for securing financial sustainability of creative



activities, as well as becoming aware and challenging the unsustainable practices. Obviously, this is difficult alone but can be fostered by the collective action.

- And finally the citizens as customers, beneficiaries and receivers of cultural offerings need to bear their responsibility in building a more inclusive and sustainable creative economies. This implies, for example, disrupting the idea of free cultural offering and stop reinforcing the unsustainable creative deal. In short, as citizens we should be ready to pay fairly for the services and be ready to commit public funds to the creative economies.



5. Conclusions

Our research has contributed to understanding of the persistent tensions and dilemmas within the creative economies. The two key intertwined challenges surfaced in our research are the ‘unsustainable creative deal’ and ‘lacking understanding of the different value creation models’ within the creative economies. In our interpretation they have become institutionalised and as such they are continuously reinforced by systems, routines and artifacts across multiple levels in our societies. As such, in this report we have provided recommendations what kind of policy action – institutional work – is needed to disrupt existing vicious institutionalised practices on the one hand and to construct new institutional practices conducive of inclusive and sustainable creative economies on the other hand. The responsibility of suggested measures is in the hands of the creative professionals themselves as well as the numerous and variety of stakeholders at different levels (local, regional, national, European) of the creative economies.



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