

Analysis and recommendations to boost growth in Cultural Industries in Slovakia

AT A GLANCE

KEA European Affairs has been selected by the European Commission – DG REFORM to assist the Ministry of Culture of the Slovak Republic by providing strategic advice on policy measures to support the development of Cultural Industries in the country post-2020.

KEY INFORMATION

N° SRSS/SC2018/097

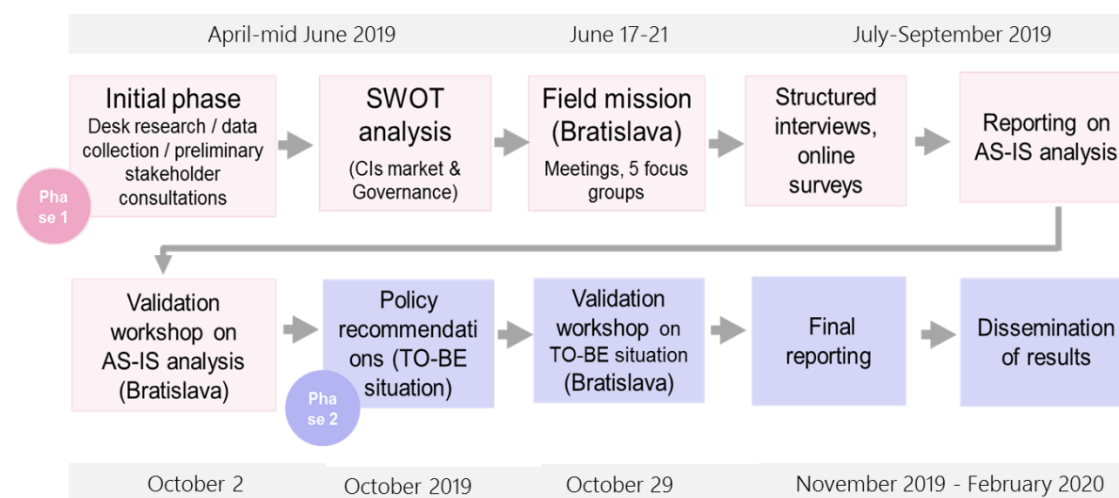
Duration: 03/2019 – 02/2020

Beneficiary: Ministry of Culture of the Slovak Republic

SPECIFIC OBJECTIVES

- Carry out data collection and analysis on economic and financial data on Cultural Industries (*books and press, TV, film and video, radio, music and video games*) for the period 2013-2017
- Perform the impact assessment and process evaluation of the formulation and implementation of the Strategy of CCIs Development and of measures relevant to Cultural Industries (CIs) included in the Action Plan for the implementation of the Strategy for the period 2016-2017
- Identify the main barriers and challenges for growth, development and innovation of Slovak CIs
- Propose a set of policy recommendations to support the Ministry of Culture to design and implement measures to support the development of Cultural Industries including access to finance and investment potential

MAIN TASKS AND TIMELINE

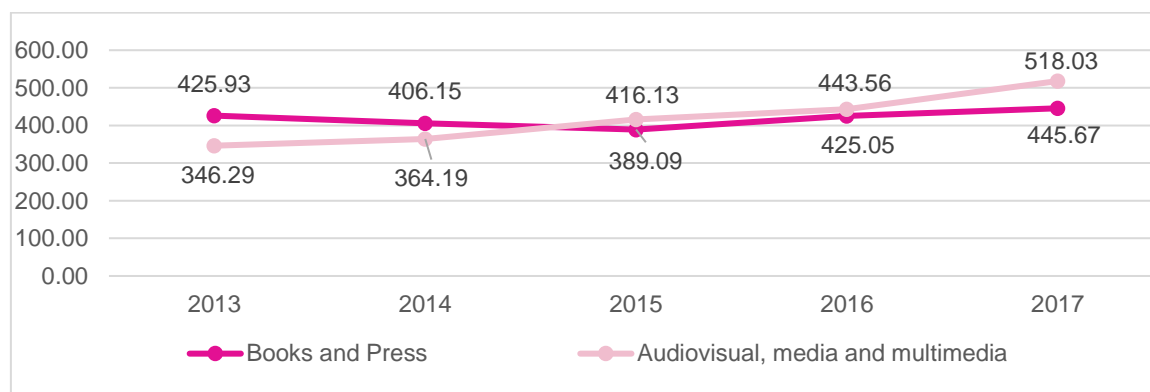


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KEY FINDINGS

- 1. A holistic approach to cultural investment:** the Strategy clearly shows the intention of the Ministry of Culture to support the development of CIs holistically by linking culture and CIs to different policy areas (entrepreneurship, market access, territorial development and attractiveness, education and skills development, internationalisation and export, innovation and ICT).
- 2. A clever use of EU Funds to support investment in CI:** the Strategy allocated a considerable amount of EU Structural Funds (more than EUR 270 million) via the Integrated Regional Operational Programme 2014-2020 Priority Axis 3 “Mobilising creative potential in the regions” to fund some measures (e.g. regional creative centres).
- 3. A fast-growing economic sector:** the data analysis shows an impressive growth of the Slovak CIs sector fuelled by local talents during the period 2013-2017, especially in the audiovisual, media and multimedia macro-area.



Revenue trends by macro-areas. Source: Register of Financial Statements, 2013-2017, in million EUR

MAIN CHALLENGES

The research identified two main challenges that need to be addressed by the future Strategy and Action Plan with a view to ensure the development of a competitive CIs sector:

- 1. Capacity of the Ministry of Culture to formulate and implement the Strategy and Action Plan:** the ambitious agenda requires a sufficiently resourced Ministry in a position to:
 - Consult and engage with stakeholders (artists, entrepreneurs, trade associations; other Ministries and national public bodies; local authorities)
 - Use of financial resources (transparency, management of EU Structural Funds)
 - Monitor impact of policy measures and market development
 - Raise awareness on the economic and social importance of CIs.
- 2. A better apprehension of the digital shift, creative skills and international market development**
 - Apprehend the entire value chain of CIs: future policy instruments need to better take into considerations marketing, distribution and audience management/development to apprehend new consumption patterns and business models
 - Take into account CIs specificities and its innovation potential, tackling the lack of tailored financial instruments and low interest of financial intermediaries in this promising sector. Also, the potential of clustering and cross collaboration with other industry sectors looking to innovate requires promotion with CIs
 - Put emphasis on creative learning, artistic education and cultural entrepreneurship to ensure availability of technical and creative skills as well as to build the next generation of citizens curious for local and culturally diverse content.



POLICY RECOMMENDATIONS

Policy Objective 1: Address the capacity of the Ministry of Culture to develop and implement Cultural Industries policies

1. Organise a functional review of the Ministry of Culture

- 1.1 Review organisation and reporting lines
- 1.2 Reinforce financial and performance management
- 1.3 Improve capacity to engage, collaborate and coordinate work with interested stakeholders (CIs, Ministries, public bodies, local authorities)

2. Raise awareness on the importance of CIs at national and local level

- 2.1 Organize a high-level annual event (forum) on Cultural and Creative Industries

3. Improve data collection, analysis and dissemination of cultural statistics

- 3.1 Propose to standardisation bodies, including EUROSTAT, to amend NACE classification codes and the current data collection schemes
- 3.2 Update the definition of the Satellite Account of Cultural and Creative Industry according to the latest revised EUROSTAT Cultural Industries definition
- 3.3 Analyse cultural employment data in cooperation with Social Insurance services
- 3.4 Consider performing a representative research of 5 000+ respondents from CIs
- 3.5 Set up training schemes and capacity building sessions targeting national statistical office/public officers with a view to improving data collection and data analysis skills
- 3.6 Improve accessibility and dissemination of cultural statistics
- 3.7 Develop a robust framework for monitoring and evaluating policy outcomes (KPIs)

Policy Objective 2: Support the growth of CIs

1. Reinforce arts education and life-long learning for CIs

- 1.1 Reinforce arts, culture and creativity in formal education at schools and universities including a partnership with the Ministry of Education, Science, Research and Sport
- 1.2 Leverage the opportunity of future regional creative centres and creative hubs to develop links with universities with a view to deliver targeted training for CIs professionals

2. Review support mechanisms and regulations to support the growth of the CI

- 2.1 Support market access and raise investment in local production by updating regulations
- 2.2 Review subsidy and grant mechanisms with a view to address digital opportunities and strengthen the entire value chain (grants managed by cultural agencies, grants managed by other public agencies to stimulate cross-collaboration and innovation)

3. Improve measures to support internationalisation and export

- 3.1 Better coordinate the strategy to support internationalisation
- 3.2 Adapt public funding to support internationalisation in more affective way
- 3.3 Pool resources with neighbouring countries (notably Viségrad countries) to invest in ambitious projects that support distribution and marketing of local co-production

Policy Objective 3: Increase investment in the creative economy

1. Introduce new tax incentives

- 1.1 Introduce tax incentives for other CIs sub-sectors (e.g. music, video games, books and press) to support not only production but also distribution of cultural content
- 1.2 Introduce fiscal incentives to encourage sponsorships and/or private donations in the cultural and creative sectors

2. Develop tailored financial instruments to encourage lending and equity investment

- 2.1 Introduce a guarantee scheme to encourage financial intermediaries to lend to CIs (complemented by capacity building and awareness raising programs)
- 2.2 Set up a public investment fund to provide loans and match-making fund to CIs entrepreneurs

