

## **Action plan for the creative industries 2008-2011**

### **Background**

Increased purchasing power in large parts of the world has led to an increase in the demand for cultural products. In recent years there has thus been an increasing interest in the business potential of the cultural sector. Cultural workers are an important part of what the American professor Richard Florida has called the creative class, and professor Florida argues that in order to prosper, cities and regions are dependant on this class.

The City of Bergen's policy for the creative industries has three main focuses:

- Commercial private companies working with cultural products as their main focus
- Specific institutions working in the intersection between culture and business
- Market building by non-profit culture institutions

The action plan is based on the Strategic Planning Document for continued strengthening of policy for art and culture in Bergen 2003-2013. The Bergen City Council recommended that this strategy should form the basis of local and multisectoral plans of action, and the action plan for the creative industries is a development of Chapter 8 in the Strategic Planning Document, "The Culture Industry".

In addition the city of Bergen has a budget post specifically designed for the creative industries, established in 2005. This post has had the following guidelines:

- Stimulating activities and projects within the creative industries
- Stimulating activities and projects on a general level for larger parts of one or several business sectors
- Film/media, rhythmic music and design were the areas of priority in 2005 and 2006

### **The creative industries in Bergen**

Bergen has a rich cultural life, including higher education institutions and established culture institutions that contribute to the development of the city. In the process leading to the Strategic Economic Development Plan for Bergen 2006-2009 it was emphasized that this cultural life makes the region attractive for inhabitants and companies. On the other hand the Bergen region can benefit more from the competence and creativity in the city's higher education institutions.

There are a specter of producers and companies within most fields of the creative industries, with particular successes in film, music and design.

The film industry has grown significantly in the recent years. Bergen is now home to around 35 producers, documentary film is a particularly strong sector. Companies from Bergen produce a substantial amount of tv programs. Shortfilmmakers with a high level of originality have won several international prizes, on the negative side there is a limited commercial potential in short films. In the full-length film and TV-drama sector there has been little activity among local producers, partly due to increasing competition for support from the Norwegian Film fund. Bergen also has filmmakers in animation and in music video, and companies that work in the intersection between audiovisual production and design.

Bergen has a music industry with most of the relevant functions, but the popular music industry in the city is vulnerable and in many cases based on idealism. A large part of the recruitment to the industry comes from an active student environment that gives experience to

new artists, concert producers, agents and managers. Competence and networks are often more important than formal music or business education. Digital technology has led to lower recording costs, but on the other hand property rights are a challenge for the industry. The report "Behind the Music" from 2003 concludes that Bergen has a dynamic and innovative music industry, but that Bergen and Hordaland have surprisingly low employment rates in the music industry compared to the rest of Norway.

Bergen has an innovative and original, but also fragmented design industry. The national design organizations have little coordinating activity locally. Bergen has a national university with design education, and thus leading competence within design. Most design fields are represented in the city, and in the recent years there has been a growing interest in the growth potential in the design sector. Many local design companies serve customers in a global market.

### **Vision, objectives and strategies 2008-2011**

#### *Vision:*

- Bergen, European City of Culture, is to be among the foremost Nordic venues for innovation, courage, openness and creativity. (From Strategic Planning Document 2003-2013)

#### *Goal:*

- Within 2012 the Bergen region is to be a center for the creative industries – based on innovation and complete value chains.

#### *Strategies:*

- Strengthen the most important institutions within the creative industries, so that the different sectors develop into competitive industries with high competence.
- Strengthen the different parts of the value chain within the creative industries, so that the creative industries can become vital contributors to the economic development of the city and the region, with audiovisual production, music and design as areas of priority. The focus areas of the value chain are recruitment and talent development, marketing and distribution, competence development and network development.

### **The city of Bergen will in this action plan support 3 new institutions:**

*Incubator:* one or more incubators for the creative industries, where candidates can benefit from cluster environments. In a pilot period from 2007-2009 the City of Bergen will cooperate with the Bergen National Academy of the Arts to launch a design incubator in the former United Sardine Factory (USF).

*Network organization for design:* The City of Bergen has worked in part of a group that has had as its aim to start a new network organization for design that can coordinate the development of the design industry in the region. The new network organization for design will be invited to participate in the new regional business organization Business Region Bergen.

*Audience Development Company:* There is a potential for higher audience numbers, increased visibility and lower marketing costs for cultural life in Bergen. The City of Bergen also needs knowledge about audiences and audience needs. There is a potential to introduce the rich cultural life in Bergen to new audience segments, and to increase the efficiency of the audience development work that is done today. The City of Bergen will establish a new audience development company for these tasks, and the company should start in the second

half of 2008 as an offer to cultural institutions that wish to enhance the efficiency of their audience development work.

**Budget 2008-2011 (all numbers in NOK 1000) \*1**

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Existing institutions</b>					
Western Norway Film Center	900	1 100	1 400	1 700	2 000
Western Norway Film Center screenwriting*2	*3	220	500	600	700
Bergen Media City	550	600	700	800	900
Film Fund FUZZ	500	650	850	1 000	1 100
The Nordic Media Festival	500	500	550	550	600
Norwegian Panorama annual support	*4	30	30	30	30
Nordisk Panorama Festival (2010)	-	-	370	370	-
Bergen International Film Festival	*5	-	-	-	-
Cinamateket USF	250	250	300	350	400
Music Information Center - Business Development Department	1 500	1 500	-	-	-
<b>New institutions</b>					
Audience Development Company	400	500	1 000	1 100	1 200
Network Organization for Design	-	250	500	500	520
Incubator for designers	-	150	150	150	200
<b>Industry development</b>					
Recruitment and talent development	-	200	300	350	500
Marketing and Distribution	-	200	300	350	500
Competence Development	-	200	300	350	500
Network Development	-	50	150	200	250
Creative industries development	1 000	200	200	200	200
<b>Annet</b>					
Administration	446	446	446	446	446
<b>Total</b>	<b>6 046</b>	<b>7 046</b>	<b>8 046</b>	<b>9 046</b>	<b>10 046</b>
<b>Increase from budget 2007</b>	<b>0</b>	<b>1 000</b>	<b>2 000</b>	<b>3 000</b>	<b>4 000</b>

*\*1 This budget shows only a part of the City of Bergen's policy for the creative industries. A number of cultural and artistic institutions whose primary goals are non commercial are also relevant for the creative industries in Bergen.*

*\*2 During 2007 there will be an evaluation of the support for screenwriting. The support level may change, depending on the outcome of this evaluation.*

*\*3 Screenwriting development by Western Norway Film Center received NOK 200 000 in support in 2007.*

*\*4 Nordic Panorama will receive NOK 25 000 in support for 2007.*

*\*5 The Bergen International Festival received NOK 100 000 in direct support for 2007. The Festival is owned by the Bergen Cinema, which is owned by the City of Bergen. The Bergen Cinema supports the festival within its own budgets to a total of ca NOK 2 mill. Possible support to the Bergen International Film Festival will be considered in light of the City of Bergen's overall politics for the cinema.*

*\*6 The incubator for designers received NOK 140 000 in support in 2007. This project will receive support for a pilot period until 2009.*

### **Mapping and conclusions**

A mapping of the creative industries in Bergen and Hordaland made in 2007 confirmed the vulnerability of the music industry in the region. The companies are for the most part small, and they are not financially robust. Artistic creativity can be limited by this financial situation. The city of Bergen gives support to CD-recordings, tours and equipment for music artists, but the city also needs a strong music industry if talented artists are to reach their full potential.

The city of Bergen will in 2008 put NOK 5 million as venture capital in an investment fund that will invest in music business companies. Representatives from the investment fund will take an active part in the development of the businesses it invests in by seeking posts in the company boards. In this way the fund will not only give an access to capital for the music industry, but also the industry will get competence from experienced business developers.

The mapping also confirmed the important role of the network organizations in the region, Brak, Bergen Media City and Western Norway Film Centre. On this background the increase in the support for these organizations in the action plan seems plausible, as it is expected that these organizations will play a vital role for the film and music industries in the years to come. In addition the support to the new network organization for design can be very important to build a strong design industry in the region.

### **Project development**

A working group for developing the creative industries in the Bergen region was established in early 2007, when Innovation Norway's office in Bergen invited cultural institutions, Hordaland County and the City of Bergen to a small seminar where creative industries were discussed. The working group that grew out of this seminar was led by Hordaland County and with cultural institutions, Innovation Norway and the City of Bergen as participants.

The working group concluded after short time that it did not have sufficient knowledge about the dynamics of the creative industries in Bergen and Hordaland, and decided to ask a researcher to make a report about selected creative industries. Innovation Norway, Hordaland County and the City of Bergen have all had a special focus on cultural industries like the audiovisual industry, pop/rock music and design as developing industries in the region. There are two main reasons why there has been a special emphasis on these three sectors. Firstly, other cultural sectors like libraries, museums, ballet companies etc. are quite obviously not institutions with *commercial* potential or ambitions. That means these cultural sectors can

not be called *industries*. On the other hand there are a number of creative industries that are not considered by local policy makers to be *cultural* industries, but are still included in the term creative industries. This includes for example IT software development and advertising. This means that out of the local definition of cultural industries as both cultural and commercial, the audiovisual industry, pop/rock music and design industries seem to be the most relevant sectors.

The study of these sectors was made by questionnaires and interviews to local cultural workers. The study showed that both the audiovisual industries and the pop/rock music sectors can not be considered to be industries in the traditional sense, because in addition to market demand they need public funding to be able to make a living from their business. On the other hand the design industry was largely made up by businesses that could make their living without public support.

The research project was finished with a resulting report with SWOT-analyses of the three sectors studied, and with a panel discussion with participants from Innovation Norway, Hordaland County and the City of Bergen. It was agreed on that the research report showed many facts that were known from before, but also that it pointed out the crucial position of the industry organizations of the sectors. Local organizations for the audiovisual industry and the pop/rock industries play a vital role, and also the new establishing of a design organization was welcomed by the report because of lack of network opportunities for designers in the region. A specific result of this study was that the Hordaland County decided on a political level to raise its funding of important network organizations within the audiovisual industry and pop/rock music. For the City of Bergen the study showed that the policy of the city is probably on the right track, including funding of new institutions like the network organization for design and a new investment company for the local music industry. Still a cooperation with artists, cultural institutions, researchers and regional authorities will be needed when developing further improvements of the policy for the creative industries in the region.