a creative momentum project

Creative Sector Supports in Northern Finland: Entrepreneur Perspectives on Future Needs

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Northern Periphery and Arctic Programme
2014-2020

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To cite this publication: Murtagh, A. and Collins, P. 2018. *Creative Sector Supports in Northern Finland: Entrepreneur Perspectives on Future Needs.* Whitaker Institute, National University of Ireland, Galway.

Acknowledgements

The Whitaker Institute and Discipline of Geography at the National University of Ireland, Galway wishes to extend thanks to the organisations and businesses that gave their time generously to assist with data collection for this report. Their role has been invaluable. We also wish to thank our lead project partner the Western Development Commission, project coordinator Pauline White, our project partners South East Economic Development, Technichus Mid Sweden, Lapland University of Applied Sciences and the North East Iceland Cultural Council, our associate partners and industry advisory group on *a creative momentum project*. Funding support was provided by the Northern Periphery and Arctic Programme 2014-2020 under the European Regional Development Fund.

About *a creative momentum project*

A three year (2015-2018), transnational project co-funded by the EU Interreg Northern Periphery and Arctic Programme, *a creative momentum project* focused on the development of the creative industries sector in regions across Europe's Northern Edge. This report emerged from the 'Intelligence and Influence' aspect of *a creative momentum project.* For information more visit: https://mycreativeedge.eu/

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1. Introduction & overview

This report presents an assessment of the creative sector support needs in the Northern Finland (Lapland and North Ostrobothnia) region. The region has strengths it can build on, but also a number of challenges limiting the development of the creative sector. The key findings inform a number of recommendations made in the final section to support the future development of the creative sector in Northern Finland. We also discuss strengths of the region and outline good practice examples of innovative initiatives, projects and supports. This part of the analysis can provide insights for other peripheral regions to inform approaches to creative sector development.

The report is underpinned by the perspective of creative practitioners and entrepreneurs in the Northern Finland region. It is based on evidence from an online survey of the creative sector, as well as a series of interviews with creative professionals[1]. Data collected aimed to gain an understanding of the general attributes of the region, such as communications infrastructure, natural environment and broader business environment. It also focused on supports received and current needs, as well as challenges facing future development. The survey was carried out in 2017, primarily to inform an economic and social impact assessment of the creative sector (see Collins et al. 2018b), but also contained questions to gather information on support needs and challenges.

Our core findings highlight the multidimensional nature of the creative sector and an effective support structure can be likened to a jigsaw puzzle of interlocking parts. A range of creative enterprise support needs emerge to facilitate future development. Our evidence highlights a core challenge for the creative sector in the region is access to finance. More work is needed to understand the key priority areas of targeted support need. We suggest there is a need to examine the potential to develop greater synergies between creative sub-sectors and other industry sectors, as well as the potential for development of shared spaces, such as co-working hubs and business incubators. We find evidence for the need to increase export

[1] The greatest number of observations to any survey question was 42, but respondent numbers vary across the survey. Low response rates are not unusual in surveys of this nature requiring detailed information. They tend to be low because of this burden on respondents (Bryan et al., 2000). Seven interviews were conducted in 2017 and included creative professionals from the design, craft, film, digital media and marketing creative sub-sectors.

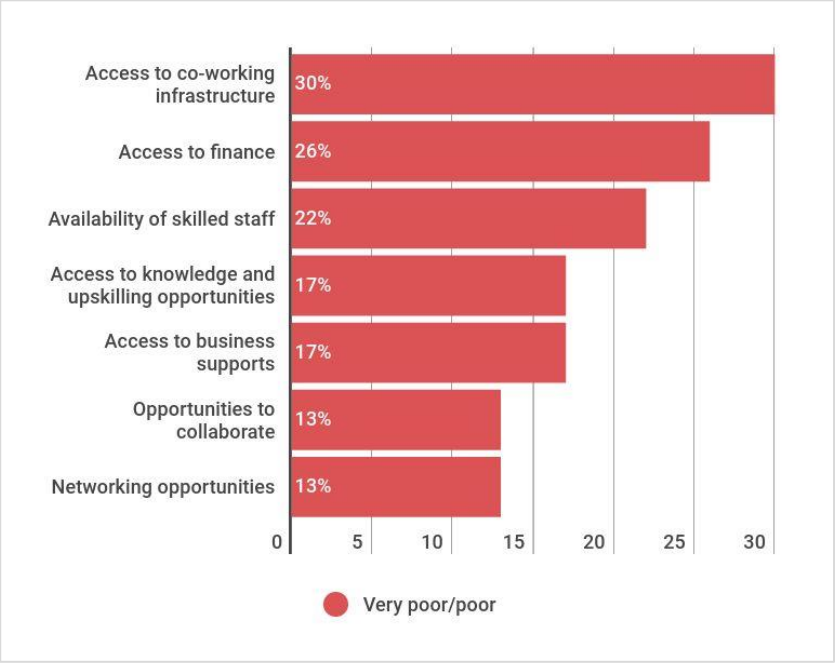
market access. Barriers to exporting need to be addressed, such as better information provision on exporting and increased supports for network building in new markets. Measures to stimulate new business models that facilitate creative businesses to work together also appear important for small scale entrepreneurs to gain critical mass. In addition, intermediaries that support and facilitate creative businesses to access existing and emerging opportunities are also important. Better retention of creative talent, as well as attracting new talent to the Northern Finland region is also important for creative sector development. We highlight that local place promotion measures could be boosted by focusing on the existing creative sector's presence in Northern Finland.

2. Creative sector support needs

2.1 Creative enterprises and the business environment

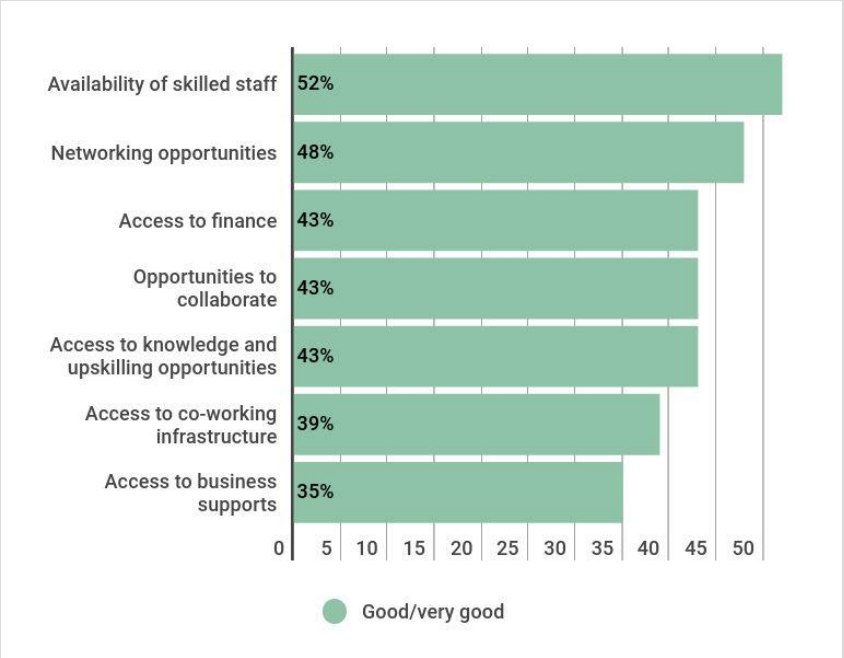
Across the seven areas assessed in relation to the business environment access to co-working infrastructure emerged as the greatest weakness in the Northern Finland region. 30% of survey respondents reported access to co-working infrastructure was either very poor or poor. The second greatest area of need according to our survey was access to finance. Just over a quarter of respondents indicated this was poor. The third area of greatest need relating to the business environment was the availability of skilled staff - just less than a quarter highlighted this was very poor or poor. However more than half said this was good to very good indicating that staff shortages may impact particular sub-sectors and needs further investigation. Other areas assessed in relation to the business environment were: general access to business supports, opportunities to collaborate, access to knowledge/up-skilling and networking opportunities (see Figure 1). Poor ratings did emerge in these areas but were of lesser concern than the top three areas already mentioned.

Figure 1: Poor ranking of aspects of business environment



In addition, good to very good ratings of the business environment were significant across the seven areas assessed (see Figure 2). This suggests particular aspects of the business environment are strong, however alongside this are some weaknesses. Interviews with creative entrepreneurs and open ended survey questions help to identify areas where specific supports appear needed. We further expand on the key areas of need and emerging issues in the remaining sections of this report.

Figure 2: Good ranking of aspects of business environment



2.1.1 Co-working infrastructure

The creative sector in peripheral regions tends to be composed of predominantly sole trader and small scale businesses. Interviews with creative entrepreneurs show that when one person runs the businesses, home offices are used because of their convenience and the cost of renting office space elsewhere. Working in a more visible space, such as co-working hubs, can benefit businesses, such as reducing isolation and facilitating peer to peer learning (Fuzi, 2015). The regional capital of North Ostrobothnia, Oulu appears to have a developing co-working infrastructure, such as places like Co-Work by OP Lab, Njetwork Inn, as well as multifunctional, niche creative sub-sector business accelerator spaces such as the

Oulu Games Campus (Case 1, p9). However, our evidence suggests that in smaller cities and towns in Northern Finland these kinds of spaces are perhaps lacking. Exceptions exist, such as Kulttuurikauppila artist residency in Ii that offers international artist residencies. But overall from our survey, 30% of respondents said access to co-working infrastructure was very poor or poor. Interview evidence brings to light a key reason for this perhaps is the lack of critical mass in the creative business community to enable the development of such spaces from the bottom up. Efforts by entrepreneurs to establish spaces can fail to reach fruition because of the lack of collective will to drive the project, resources and costs attached to running these spaces, as well as rental costs for occupants.

Through the development of shared spaces, such as co-working hubs and business incubators peripheral regions can support their burgeoning creative sectors to reach their full potential. The Oulu Games Campus shows how the development of these spaces can focus on niche areas that complement wider local resources, such as the existing talent base. Wider research has also found incubators support creative enterprise development, such as when they bring together existing niche clusters of creative enterprises (Chambers and Serup, 2011). To facilitate creative sector growth in the EU, supporting and providing assistance to incubators and incubation services has been recommended (Creative Growth, 2011). Co-working spaces where facilitators support relationship building among young, start-up entrepreneurs have been found to have greater positive outcomes for business development of these types. These spaces can also be effectively integrated into existing infrastructures such as arts centres or serviced offices (Fuzi, 2015). From our interviews with creative professionals in the region, building strong reliable local networks with creative professionals in other sectors helps assist the development of new innovative collaborative projects. While networking opportunities did not emerge as a major issue in the region they could still be improved as 13% said they were poor or very poor. Spaces, such as co-working hubs, where networking can happen are important to facilitating these local connections. **Our evidence suggests a need for further investigation of local enterprise needs and demand for such spaces in the Northern Finland region, particularly in smaller cities and towns.**

2.1.2 Improved market access

Sustainability is a key challenge for creative businesses in the Northern Finland region. Maintaining adequate turnover to sustain a business were issues emerging from interviews and open ended survey questions. Two key issues strongly emerged, the unpredictable nature of demand for creative products and services, as well as the small local market. We identify a need to improve exploitation of key market opportunities and export market potential to develop the creative sector.

CASE 1: OULU GAMES CAMPUS

OULU IS KNOWN AS NORTHERN FINLAND'S TECH CAPITAL. NOKIA'S RESEARCH AND DEVELOPMENT DEPARTMENT WAS LOCATED IN OULU UNTIL 2014 (CLEAVER, 2017). ITS LEGACY IN THE CITY LEFT BEHIND A SKILLED WORKFORCE, SOME OF WHICH STARTED THEIR OWN TECH, GAMES AND MEDIA COMPANIES. ADDING TO THE ALREADY STRONG LOCAL TECH SCENE IS THE OULU GAME CAMPUS. OPENED IN 2017, IT AIMS TO ACT AS A HUB FOR MEDIA AND GAMES DEVELOPMENT IN THE NORTHERN FINLAND REGION.

LOCATED IN THE HEART OF OULU, THE CAMPUS SPANS ACROSS A BLOCK OF SEVEN BUILDINGS. THE DEVELOPMENT HAS BEEN SPEARHEADED BY LOCAL COMPANY FINGERSOFT. IT WANTS TO SUPPORT A STRONG LOCAL ECOSYSTEM FOR GAME DEVELOPMENT AND FOR OULU TO BECOME THE GAME DEVELOPMENT CAPITAL OF SCANDINAVIA. THE CAMPUS AIMS TO BUILD A COMMUNITY OF GAME PUBLISHERS, BUT ALSO SERVICES TO SUPPORT GAME DEVELOPMENT, AS WELL AS EDUCATION AND INVESTMENT OPPORTUNITIES. FINGERSOFT IS LOCATED ON THE CAMPUS AND THE COMPANY HAS INVESTED MILLIONS INTO THE PROJECT. TWO LOCAL UNIVERSITIES, THE UNIVERSITY OF OULU AND UNIVERSITY OF APPLIED SCIENCES, ARE ALSO INVOLVED (PEARSON, 2017).

OULU GAME LAB IS GAME EDUCATION AND ENTREPRENEURSHIP PROGRAM OPERATED BY THE OULU UNIVERSITY OF APPLIED SCIENCES SINCE 2012. IT WAS ONE OF THE FIRST RESIDENTS AT THE GAME CAMPUS OULU (NAUMOV, 2017). THE PROGRAMME AIMS TO BUILD ON EXISTING LOCAL TALENT AND ITS SUCCESSES INCLUDE CONTRIBUTING TO THE EMERGENCE OF NEW START-UPS AND PRODUCT CONCEPTS. AT GAME LAB, AS PART OF ITS EDUCATION PROGRAMME, MULTIDISCIPLINARY GAME DEVELOPMENT TEAMS ARE CREATED AIMING TO INCLUDE AN IDEAL MIX OF TALENT SUCH SCRIPT WRITERS, SOUND DESIGNERS, BUSINESS ANALYSTS, GRAPHIC ARTISTS AND PROJECT MANAGERS (OULU GAME LAB, 2018).

Interview evidence suggests expanding beyond local and regional markets into national and international markets is important for creative enterprise development. Those who effectively operate in local and regional markets appear to provide services that complement the wider local economy (e.g. heavy industries, business marketing services). Companies interviewed also note seasonality in demand for their products and services. Our survey found that 24% were not working in the creative sector as a full-time occupation and half of these engaged in other paid employment. Alongside this, 38% of survey respondents said they did not currently export.

Assisting international market access could support greater economic sustainability of the creative sector in Northern Finland. The need for greater international trade and export support measures is also highlighted in the EU policy context (e.g. OMC-EWG-CCI, 2012; 2014). Supporting international cultural exchange and trade is identified as an important enabler of creative sector development (European Commission, 2010). Open ended survey questions reveal that for some companies exporting is not part of their business goals, however for others a range of barriers to moving into export markets were cited. These were a lack of time, knowledge and customers in export markets. Export support schemes on the regional and national level were identified (see Case 2 (opposite) and Case 3 p.11). This assessment highlights their importance and potential need for expansion. Our analysis points to the **importance of addressing barriers to increase export market access. Better information provision on exporting and development of export skills could help to address the knowledge issue.** While 38% did not export, 62% did and supporting knowledge transfer from existing creative businesses in the region successful in national and international markets could also be part of this strategy**. Increased supports for network building in new markets** through support for **attendance at trade fairs and industry events or touring exhibitions** would provide a vehicle for creative professionals to build networks so they can tap into new revenue streams. For start-ups, the cost of attendance at these type of events can be prohibitive. The Trade Fair and Creative Hotspot support models

CASE 2: NATIONAL SUPPORT FOR CULTURAL EXPORTS

THE REPORT 'STAYING POWER TO FINNISH CULTURAL EXPORTS' FOUND POTENTIAL FOR CULTURAL PRODUCE TO DEVELOP ITS EXPORT POTENTIAL, BUT IDENTIFIED KEY WEAKNESSES TO REALISING THIS AROUND MARKETING AND PROMOTION. THE REPORT MADE A NUMBER OF RECOMMENDATIONS TO SUPPORT CULTURAL EXPORT DEVELOPMENT, INCLUDING COOPERATION BETWEEN MINISTRIES AROUND CULTURAL EXPORTS (KOIVUNEN, 2005).

THE FINNISH CULTURAL EXPORT SUPPORT PROGRAMME IS A CROSS-DEPARTMENTAL INITIATIVE AIMING TO IMPROVE EXPORTS OF CULTURAL PRODUCE WITH EXPORT POTENTIAL THROUGH ADDRESSING ACCESS BARRIERS SUCH AS MARKETING, BRANDING AND NETWORKING. IN PARTICULAR, IT AIMS TO GIVE SUPPORT THROUGH INTERMEDIARIES HELPING ADDRESS THE CHALLENGES OF SMALL COMPANIES GAINING ACCESS TO INTERNATIONAL MARKETS. SUPPORT PROVIDED THROUGH THE PROGRAMME ASSISTS COMPANIES CARRY OUT MARKETING AND BRANDING, AS WELL AS TARGETED PROJECTS CONNECTING WITH PARTICULAR MARKETS SUCH AS ASIA. APPLICATIONS FOR SUPPORT ARE EVALUATED BY AN EXPERT PANEL AND DEMAND FOR SUPPORT UNDER THE PROGRAMME OUTSTRIPS AVAILABLE RESOURCES (ALSO SEE OMC-EWG-CCI., 2014, P. 29-30).

developed by *a creative momentum project* provide examples of how such supports can be implemented (see Western Development Commission, 2018a; 2018b).

CASE 3: DESIGN COOPERATION, SMALL BUSINESSES IN ROVANIEMI, FINLAND AND SAPPORO, JAPAN

AT THE REGIONAL LEVEL, PROJECTS HAVE SUPPORTED SMALL BUSINESS DEVELOPMENT INTO EXPORT MARKETS. A PROJECT LED BY THE CITY OF ROVANIEMI MUOTOILUYHTEISTYÖN KANSAINVÄLISTYMISSELVITYS (INTERNATIONALIZATION OF DESIGN CO-OPERATION) AIMS TO SUPPORT THE INTERNATIONALISATION CAPABILITIES OF RURAL MICRO AND SMALL ENTERPRISES. IT IS NOT ONLY FOCUSED ON CREATIVE SECTOR BUSINESSES BUT A RANGE OF INDUSTRIES FROM SMALL CLOTHING MANUFACTURERS TO LOG HOUSE AND WELFARE COMPANIES. THE PROJECT WAS PILOTED IN 2015-2016 AND THE MAIN PROJECT RUNS FROM 2017-2019 (CITY OF ROVANIEMI, 2018).

CAPITALISING ON THE JAPANESE INTEREST IN FINNISH EVERYDAY LIFE AND DESIGN (ESPECIALLY IN LAPLAND), THE PROJECT DEVELOPS CONNECTIONS BETWEEN LOCAL FINNISH ENTERPRISES AND JAPANESE PARTNERS. FOR SOME FINNISH BUSINESSES THE PROJECT HELPS THEM FIND COUNTERPARTS AND PARTNERS FROM JAPAN. FOR EXAMPLE, AN IMPORTANT PARTNER IN THIS RESPECT IS A JAPANESE BUILDING COMPANY COMPLETING ABOUT 300 HOMES EACH YEAR INTERESTED IN FINNISH INTERIOR DESIGN. FOR OTHER SMALL BUSINESSES THE PROJECT HELPS THEM TEST THE JAPANESE MARKET, AS WELL AS DEVELOP KNOWLEDGE AND CAPABILITIES TO ALIGN THEIR PRODUCTS TO JAPANESE MARKET DEMANDS. SMALL BUSINESSES HAVE THE OPPORTUNITY TO TEST THEIR PRODUCTS IN JAPANESE DEPARTMENT STORES, SMALL SHOPS AND MARKETS. THESE INCLUDE FOR EXAMPLE DEPARTMENT STORE EVENTS, SUCH AS THE TAKASHIMAYA DEPARTMENT STORE IN NAGOYA "IT IS A SCANDIC" EVENT OR THE CITY OF SAPPORO CHRISTMAS MARKETS IN DECEMBER EVERY YEAR.

THE PROJECT BUILDS ON AN EXISTING RELATIONSHIP BETWEEN THE CITY OF ROVANIEMI AND THE REGION OF SAPPORO IN JAPAN (MINISTRY OF EMPLOYMENT AND THE ECONOMY, 2014). IT AIMS TO ESTABLISH AND BUILD LONG-TERM RELATIONSHIPS WITH JAPANESE COMPANIES. ALSO IN THE CONTEXT OF BUILDING A STRONG, LONG-LASTING COOPERATION, THE PROJECT WORKS TO FACILITATE SMALL FINNISH BUSINESSES UNDERSTAND AND WORK IN TANDEM WITH JAPANESE CORPORATE CULTURE.

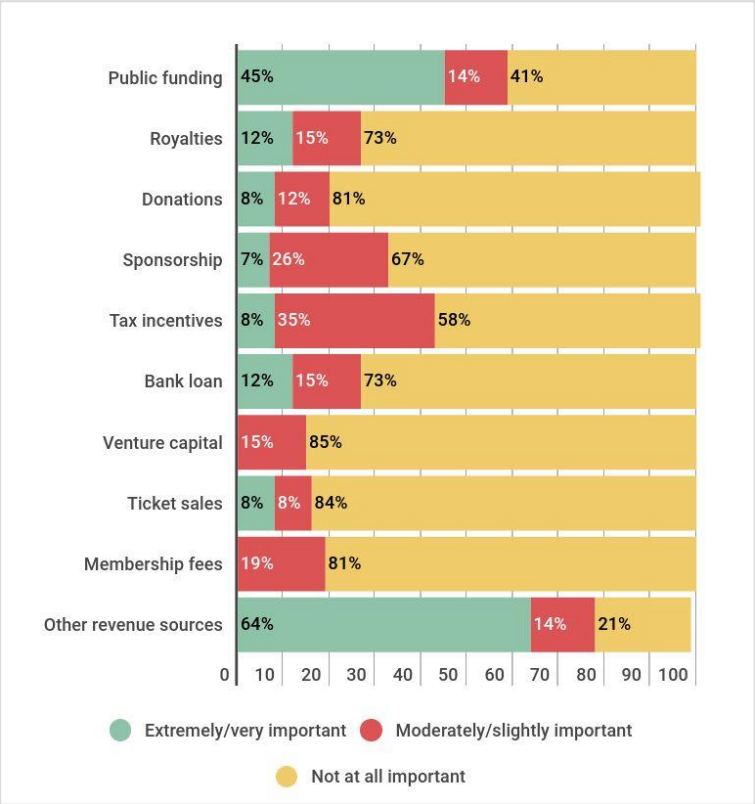
Another means of increasing the economic sustainability of creative enterprises in the region is to support the development of synergies between creative sub-sectors, as well as with other sectors of the economy. Tourism is a growing sector in the region, particularly in Lapland (House of Lapland, 2017). The OECD has reported that a technology cluster in Oulu is an important strength of the North Ostrobothnia region. While it has experienced decline in recent decades, it does possess human capital that can support new growth in related areas such as in the bio-economy. Local start-ups are expected to play an important role in supporting this transition (OECD, 2017). **Examination of the unharnessed potential to develop greater synergies between creative sub-sectors and other industry**

sectors could also assist creative sector development. Of 18 creative sub-sectors that survey respondents were asked about the future potential to expand their business into, marketing (13%), design (10%), publishing (10%) and visual arts (10%) emerged of greatest significance.

2.1.3 Access to finance

The Northern Finland creative sector does appear to have some reliance on public funding, but this is part of a mix of revenue sources, such as sales (see Figure 3). Based on our survey findings, public funding was extremely or very important as a source of revenue for just less than half (45%) of respondents, while 41% said it was not important. Just over two thirds (64%) also said other sources, most notably sales, were extremely or very important. The lack of importance placed on venture capital is also notable, with 85% indicating it was not an important source of revenue. This could also be a symptom of the sample surveyed – 43% were in business five years or less and 50% were self-employed.

Figure 3: Importance of different revenue streams to creative enterprises



Interviews revealed that creative sector entrepreneurs also have an awareness of and secure access to more novel sources of revenue such as crowdfunding. But this requires significant time commitment to invest in campaigns, as well as risk of no or low return on this investment of time.

Access to finance does appear a key issue for creative sector entrepreneurs in the Northern Finland region - 26% of survey respondents said access to finance was very poor or poor. Interviews revealed important as part of the national support structure available to entrepreneurs were government backed, low cost loans for start-ups available through for example Finnverra. **The need and potential for a regional scheme, dedicated to providing low interest loans to the creative sector, appears an important area for assessment as part of the future support structure underpinning the creative sector in the Northern Finland region.** Developed and managed by the Western Development Commission, the Creative Industries Micro Loan Fund provides an example of a similar support scheme in another EU peripheral region (also discussed in Murtagh and Collins, 2018c). More broadly, research assessing the financial needs of the creative and cultural sector has identified **the need for tailor-made finance programmes to support businesses in this sector. Finance needs of creative enterprises vary depending on the sub-sector and stage of development.** Finance obtained by creative businesses can be concentrated around support for specific projects and not for broader

CASE 4: INNOVATION ASSISTANT (INNOVAATIOASSISTENTTI)

UNEMPLOYMENT OF HIGHLY EDUCATED JOB SEEKERS IN THE LAPLAND AREA IS A CHALLENGE LEADING TO LOSS OF HUMAN CAPITAL TO SOUTHERN FINLAND'S GROWTH CENTERS. HIGHLY EDUCATED JOB SEEKERS ARE ALSO ONE OF THE FASTEST GROWING UNEMPLOYED GROUPS IN FINLAND. ALONGSIDE THIS, ECONOMIC CONDITIONS LEAVE SMES AND SOME PUBLIC ORGANISATIONS CHALLENGED TO REMAIN COMPETITIVE.

INNOVATION ASSISTANT IS A JOINT PROJECT OF LAPLAND UNIVERSITY OF APPLIED SCIENCES AND THE UNIVERSITY OF LAPLAND WORKING TO ADDRESS THESE CHALLENGES. IT AIMS TO IMPROVE EMPLOYMENT OF HIGHLY EDUCATED JOB SEEKERS IN LAPLAND AS WELL AS PROMOTE THE DEVELOPMENT OF ENTERPRISES TO BECOME MORE COMPETITIVE.

INNOVATION ASSISTANT IMPLEMENTS COACHING PERIODS INCLUDING TRAINING AND WORKING. TOGETHER WITH THE EMPLOYMENT AND ECONOMIC DEVELOPMENT OFFICE IN LAPLAND THE HIGHLY EDUCATED JOB SEEKERS RECEIVE TRAINING. COMPANIES RECRUIT INNOVATION ASSISTANTS TO WORK ON THEIR OWN PROJECTS AND UNIVERSITIES OFFER TRAINING AND GUIDANCE TO ASSISTANTS.

business development (KEA European Affairs, 2010).

Our evidence highlights the issue of access to finance, but more work is needed to understand the key priority areas of targeted support. An area of importance we identify is providing dedicated employment support to creative start-ups to contribute to salary costs when hiring new staff. Employing staff appears to require a significant increase in turnover for micro enterprises in the region. Businesses also can reach a stage in development that client demands push beyond business capacity and without additional human resources businesses may fail to capture this. Apprenticeship or employee support may help to bridge the gap between a growing demand and growth in turnover. In Northern Ireland for example, the Creative Employment Programme provides funding support for creative businesses to provide paid internships (also discussed in Murtagh and Collins, 2018b). In Northern Finland national support exists for employers to hire new employees and max 50% of the cost is supported for a limited time. The *Innovaatioassistentti* (Innovation Assistant) project coordinated by Lapland University of Applied Sciences matches highly educated unemployed people with regional companies in Lapland (see Case 4, p.13). These types of supports are very important to upskilling and retention of emerging creative talent in the region, a challenge identified in the next section (see 2.2.1 Support creative human capital growth).

While access to finance is an issue, more broadly we identified a beneficial support structure in the Northern Finland region. National and regional public funding is accessed and valued by the creative sector. Examples emerging from our evidence were grants through national or regional agencies supporting arts or film sector development. A few areas of potential improvement in relation to supports accessed by the creative sector emerged. Interviews revealed that grant support available can be focused around supporting innovation. Creative sector activities in areas such as film can find it difficult to tap into this. Some also felt they fell between areas which also limited access, such as working across creative sectors like craft and design resulting in funding supports from either area being hard to access. The complexity and bureaucracy associated with the grant application process was also off-putting to some creative sector entrepreneurs.

2.2 Regional creativity

2.2.1 Support creative human capital growth

Open ended survey questions identified the issue of skilled creatives leaving the Northern Finland region, eroding the local talent pool. Education in the region is a vital resource that enables creative talent development. The presence of educational institutions such as Lapland University of Applied Sciences (UAS) in the region help build this talent base. Interviews reveal that Lapland UAS also encourages and supports entrepreneurship among emerging talent, which can lead to new business creation. However this talent is also leaving the region for opportunities in central areas such as Helsinki. The issue of more attractive salaries, further up-skilling and education opportunities creates a draw away from the periphery. Creative entrepreneurs highlight challenges of doing business from the region such as high travel costs, a poor freelance pool to resource projects and small local market. Evidence suggests employment in the creative sector overall is growing in the Northern Finland region (see Collins et al. 2018b). However, statistics looking more specifically at numbers employed in creative occupations show an overall decline in the creative workforce in the Lapland region, while a 6% increase is observed in North Ostrobothia (see Figure 4).

Figure 4: Numbers in creative occupations in Northern Finland

Occupations category	Lapland			North Ostrobothnia		
	2012	**2013**	**% Change**	**2012**	**2013**	**% Change**
Media (PR, advertising and marketing)	256	269	5%	1001	930	-7%
Software and IT	348	292	-16%	1491	1975	32%
Architecture, design, photography	711	640	-10%	2050	1916	-7%
Publishing	167	163	-2%	340	316	-7%
Film, TV, Music, Radio	155	167	8%	317	354	12%
Arts and Recreation	110	123	12%	249	234	-6%
Craft Trades	145	135	-7%	412	373	-9%
Total	*1892*	*1789*	*-5%*	*4859*	*5168*	*6%*

Data source: Statistics Finland

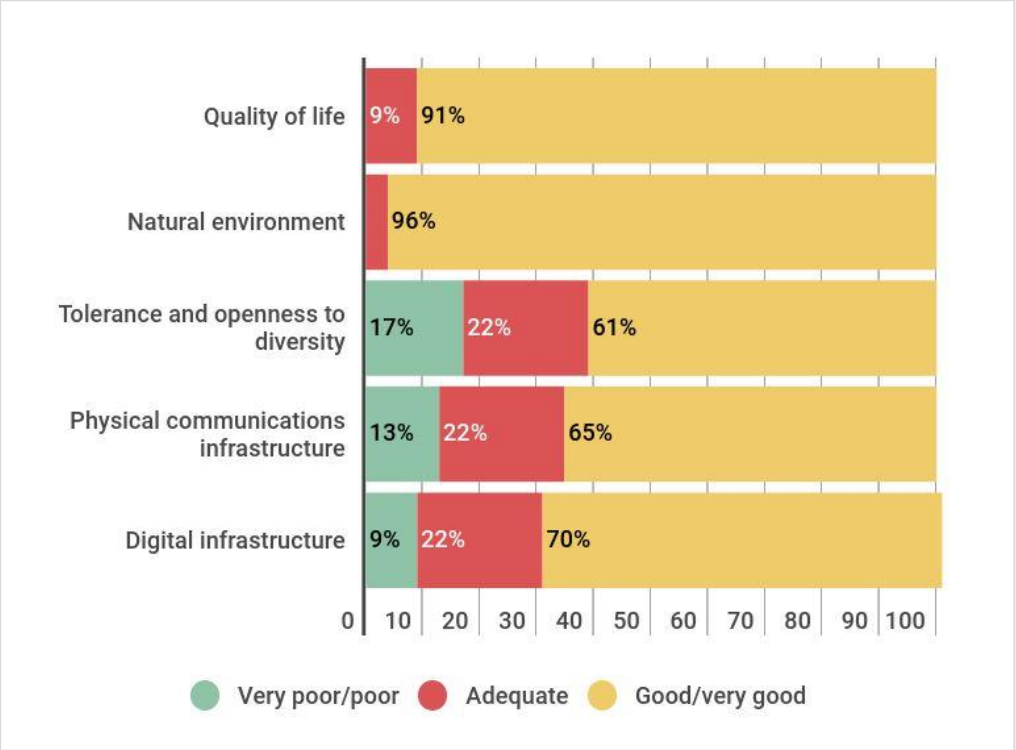
If seeking to develop the creative sector in the Northern Finland region better retention of creative talent, as well as increasing the talent base by attracting new talent to the region, appears needed. Providing grant incentives supporting creative projects in the region can help

stimulate growth in creative human capital. In North East Iceland, the Aftur Heim (Back Home) grant scheme provides an example of a similar support scheme in another EU peripheral region. The scheme supports young creative professionals to return to the North East region to participate in cultural projects (also discussed in Murtagh and Collins, 2018a). A trend of media graduates from Lapland UAS moving to Helsinki for employment is well known anecdotally in Northern Finland. While Lapland UAS however has now closed its media education department, these high quality, reliable graduates were much sought after in the Helsinki media sector. These graduates could be another group to target to return to the Northern Finland region. Incentives similar to the Back Home scheme could facilitate this.

2.2.2 Build the profile of creative industries in the region

The Northern Finland environment is a positive asset that could support the future development of the creative sector. **Place promotion targeted at creative talent looking for a particular lifestyle, in contrast to that offered in large urban areas could help to reduce the decline in creative capital in the region.** Our survey found that creatives who live in the Northern Finland region rank the quality of life and natural environment very positively. The quality of the digital communications infrastructure is also ranked highly in our survey which 70% of survey respondents indicated was very good or good. This infrastructure is essential to effectively operating a creative business in a peripheral region. Digital communications are key to maintaining client relationships once they are established, as well as connections to wider networks such as freelancers outside the region. Given Northern Finland's peripheral location, physical accessibility is often challenging but this infrastructure also ranked relatively highly by survey respondents (see Figure 5).

Figure 5: Ranking of the Northern Finland region



Place promotion could also be boosted by focusing on the existing creative sector's presence in Northern Finland. Nature, landscape and culture is strongly promoted in existing tourism campaigns, but creative entrepreneurs could add another dimension to this. Our interview evidence suggests these creative professionals are inspired by local nature and culture. They are a product of their environment and an important part of the contemporary endogenous cultural resource that the region holds. This could help to attract creative talent to the region, as well as temporary visitors. Creative entrepreneurs in the Northern Finland region show how creative businesses can be run from the north. Helsinki's dominance of the creative sector in Finland also emerges from our evidence. It holds a large concentration of creative companies and networks, but northern-based entrepreneurs defy this trend.

More broadly our evidence suggests that within the Northern Finland region greater visibility and awareness of the creative sector itself is also needed in the wider business community. Creative

entrepreneurs have distinctive characteristics and multifaceted value to local places. The need for greater recognition of the creative sector's value is not just an issue in the Northern Finland region but is also identified in the wider European context. For example emerging as part of the key findings of a report on competitiveness in creative and cultural industries prepared for European Commission points to the need for greater recognition of, and political backing for, the sector (Austrian Institute for SME Research and VVA Consulting, 2016).

2.2.3 Cooperation for greater critical mass

Creative businesses focus on creation of new content, products and/or services and the process of creation is central to business activities. In creative sectors such as film, TV, music and publishing, owners of infrastructure can retain a significant portion of revenues generated. Traditionally these could be record labels or production studios, now digital platforms strongly occupy this space (Collinson, 2015). It has been argued that intermediaries, controlled and run collectively by creative entrepreneurs are increasingly important, particularly relevant in the arts where creative professionals are more focused on value creation than capture (Fuller et al., 2010). In a report prepared for the European Commission 'Mapping the Creative Value Chains' it is recommended to develop the enabling environment for creative industries the sector should be stimulated to find new co-operation models to increase scale and bargaining power (De Voldere et al., 2017). Interviews with creative entrepreneurs revealed that they lack time to plan, look forward, advertise, as well as promote past, current and future activities. Lacking skills and time to stay closely in tune with market opportunities and emerging challenges is an issue for creative sector development. Creative businesses in the region can be run on shoestring budgets. If fees are attached to joining national organisations or unions that could provide access to market intelligence and information on costing/pricing this is prohibitive and limits knowledge access.

In light of these issues, **agents or intermediaries that support and facilitate creative businesses to access existing and emerging opportunities appear increasingly important in the creative sector**. Examples might be local independent digital content publishing platforms, such as Tremolo Songs in Ireland (also discussed in Murtagh et al. 2018). **Measures to stimulate this new type of creative business focused on accessing new markets for existing creative produce, rather than new content creation, could also assist the building of greater economic sustainability in the**

sector. More broadly, **new business models that facilitate creative businesses to work together to gain critical mass** are also important in this context. Cooperative retail outlets, such as Made in Medelpad in the craft and design sector in Sweden (also discussed in Collins et al. 2018a and Murtagh et al. 2018) provide one example of how this can happen.

3. Conclusion & recommendations

The creative sector is made up of a diverse range of sub-sectors from arts and architecture to photography and publishing. Research carried out for *a creative momentum project* assessing the economic and social impact of the creative sector in Northern Finland has highlighted its strong contribution to more sustainable regional economic development, as well as the wider social and cultural value of the sector (see Collins et al., 2018b). Other research has also identified how the development of the dynamic creative sector can support a diverse range of policy objectives (for example see Crossick and Kaszynska, 2016 and Tafel-Viia et al. 2014).

Given the multi-dimensional regional development value of the creative sector, effective support frameworks are important to facilitate its sustained value and potential for increasing impact. Also linked to the multidimensional nature of the creative sector and its impacts, an effective support structure is also complex, almost like a jigsaw puzzle of interlocking parts. Our findings point towards strengths within the Northern Finland region, but also a range of creative enterprise support needs to facilitate future development. Based on our findings, a number of recommendations emerge:

- Examining the potential to develop greater synergies between creative sub-sectors and other industry sectors is important. Development of synergies could provide a means of increasing the economic sustainability of creative enterprises in the region.
- The development of shared spaces, such as co-working hubs and business incubators, is one means through which peripheral regions can support their burgeoning creative sectors to reach their full potential. Our evidence suggests a need for further investigation of local enterprise needs and demand for such spaces in the Northern Finland region, particularly in smaller cities and towns.
- Expanding beyond local and regional markets into national and international markets appears important for the development of creative enterprises in the region. To increase export market access, barriers to exporting need to be addressed. Better information provision on exporting and development of export skills programmes should help to address the knowledge issue, as well as increased supports for network building in new markets.
- Agents or intermediaries that support and facilitate creative businesses to access existing and

emerging opportunities appear increasingly important in the creative sector. Measures to stimulate this new type of creative business focused on accessing new markets for existing creative products, rather than new content creation, could also assist the building of greater economic sustainability of the sector.

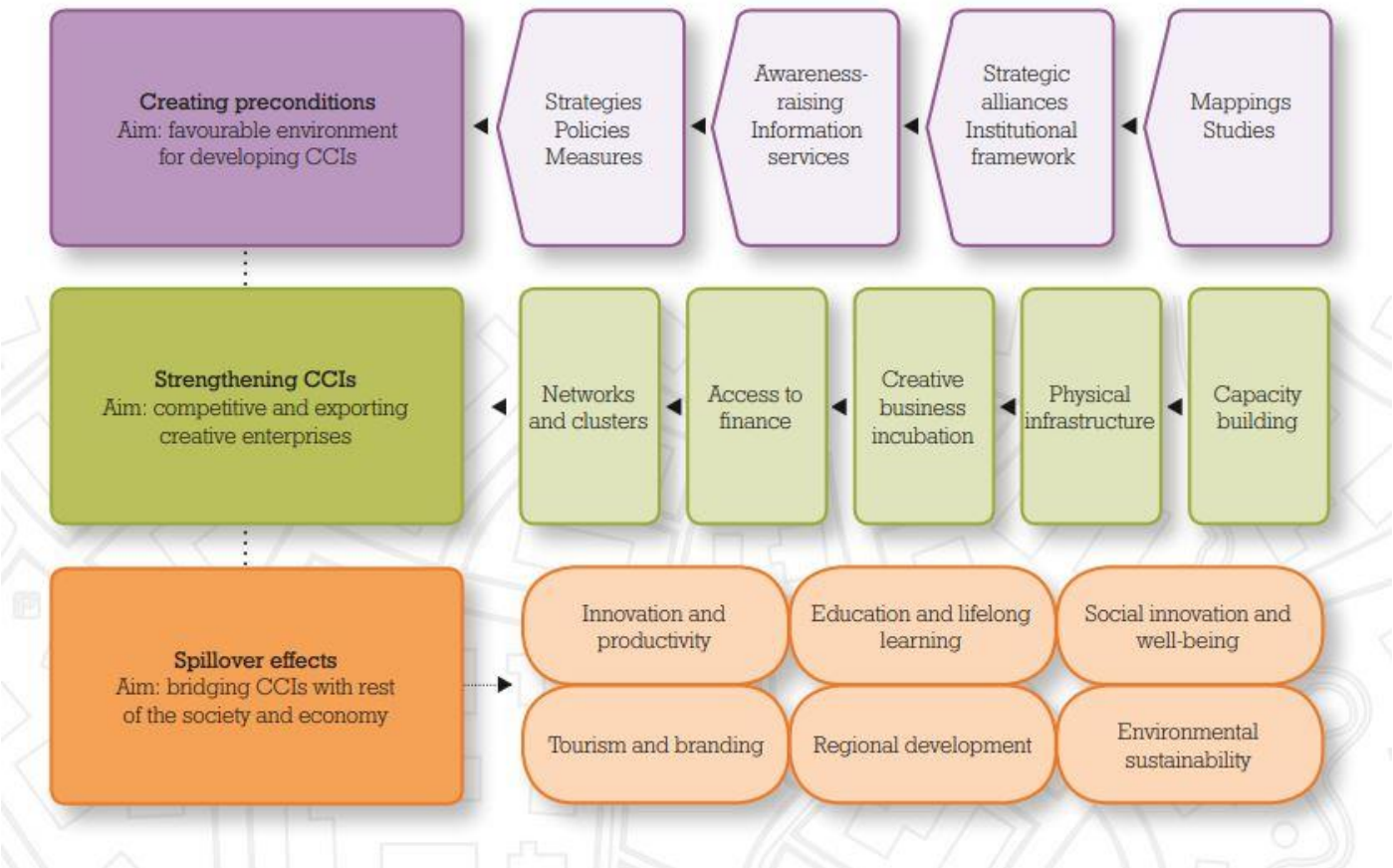
- Measures to stimulate new business models that facilitate creative businesses to work together also appear important for small scale entrepreneurs to gain critical mass.
- Our evidence highlights a core challenge for the creative sector in the region is access to finance. More work is needed to understand the key priority areas of targeted support need.
- Better retention of creative talent, as well as attracting new talent to the Northern Finland region is important for creative sector development. Providing grant incentives supporting creative projects in the region is one means that can help stimulate development of creative human capital.
- Local place promotion measures could be boosted by focusing on the existing creative sector's presence in Northern Finland. This could help to attract creative talent to the region, as well as temporary visitors. It should also help to improve awareness of the importance of the creative sector itself in the wider business community.

Unanswered questions and areas of future investigation are also important to highlight which emerge from our analysis. We present the perspective of creative entrepreneurs on support needs. The analysis identifies a number of support schemes and projects that work to address some of the issues we identify. This raises two questions. The first is if existing supports need greater resourcing so they reach a wider proportion of the creative sector. The second is if an access problem exists within the creative sector to avail of supports in place. The Austrian Institute for SME Research and VVA Consulting's (2016) report prepared for the European Commission on boosting the competitiveness of cultural and creative industries highlights the issue of making EU funding schemes more visible. Visibility of funding supports is perhaps a wider issue impacting creative sector development.

Our recommendations intersect with a framework for cultural and creative industries development recommending policies and supports at three levels (see OMC-EWG-CCI (2012) and Appendix 1). Because our findings emerge from the perspective of creative entrepreneurs, they most strongly link to support measures that 'Strengthen Cultural and Creative Industries', but also to two other core areas of this

framework which are 'creating preconditions' and 'spillover effects'. More broadly, our findings link to, and reiterate the importance and continued relevance of, other EU policy and support needs analysis of the creative sector (e.g. see Austrian Institute for SME Research and VVA Consulting, 2016; Collins et al. 2014; European Creative Industries Alliance, 2014; OMC-EWG-CCI, 2012; KEA European Affairs, 2010; Creative Growth 2011). We suggest our recommendations are also assessed in the context of evidence presented in these comprehensive, in-depth studies. That said, the potential for more in-depth, comprehensive research still exists, assessing data from a range of stakeholders and looking at specific creative industry sub-sectors, particularly in peripheral and rural creative industry contexts.

Appendix 1: Framework for developing cultural and creative industries



Source: OMC-EWG-CCI, 2012

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