

**Classification and Measuring Methodologies to Wake Up the Sleeping Giant of
Cultural Industries Sector for Economic, Social and Human Intellectual
Development in Ethiopia: Action Oriented Problem Solving Research Approach.**

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Abstract

Why Ethiopia needs to wake up its ‘sleeping giant’ of cultural industries? Why now? And how can they get up? Ethiopia is one of the most culturally diverse countries in Africa with high potential values of cultural industries. Cultural industries are increasingly getting high prominence in modern post-industrial knowledge-based economies for development in developed Western world and many developing countries in Asian-Pacific region. Today, cultural industries in those countries are not only thought to account for higher than average growth of any type, job creation and income generation, they are also embodiments of cultural identity that play important roles in fostering cultural diversity. In the last two decades (starting from 1986) radical shifts are made quite different from the old or wrong notions on the symbiotic relationships between culture and development. Since then, development and culture are held as never separable and inter-influencing entities. Today, a number of governments around the world have recognized this fact and started to develop specific policies and strategies to promote them. But, unfortunately, in developing countries, particularly in African continent, the potential of cultural industries have remained untapped where the case in Ethiopian could not be exceptional. Nevertheless, there is a good start in the last decade as many African governments recognize the importance of developing cultural industries in their respective cultural policies. In this regard, the Federal Democratic Republic of Ethiopia (FDRE) has aspired to foster and tap the potential values of the cultural industries sector for development in the recently designed *Cultural Policy* (The Cultural Policy of the FDRE MOCT 2016).

However, the most important strategic measures necessary to create the preconditions for the development of the cultural industries in the country have not been put yet in place. The main objective of the undertaking has been developing constructing a national standard classification framework for cultural industries in Ethiopia and statistical methodologies for measuring their contributions and impacts on the other economic and social sectors. The task was not easy when

seen from the perspective of conceptual and operational stances. As stated from the start, the major problems encountered in the process of the accomplishment include the lacks of: (1) Mapping studies on all the aspects of the cultural sector covering the country; (2) Practical definition and operative classification framework and measuring approach or analysis; (3) Organized statistical data-base or data-sets on the potential, size and structure of cultural activities at national level; (4) Moreover, the cultural industries have not yet been identified and registered as integral part of the economy in the National Account System (NAS) coding list. The research questions confronted in the process revolve around the how of handling the problems and what of identifying, scoping, classifying the cultural industries and adapting or modeling relevant statistical measuring methods within Ethiopian context. Crucial was to rely on primary data and secondary sources available in existing literature were mandatory in order to address the problems and research questions.

Definition is a starting point to classification as classification is important for the construction of statistical measuring approaches. Hence, core concepts of classification systems and key measurement concepts are defined based on a critical understanding of the methodological notions, experiences drawn on different classification frameworks and measuring models employed at international, regional and national levels. A description of the critical mass (size) and structure of the cultural activities is given based on data brought from pilot assessment field research covering the country. To this end, the research concludes with successful context-specific action-oriented problem-solving research findings including the following results. A practical *definition* to the concept of ‘*cultural industries*’ is proposed to work in Ethiopian context. *Twelve core cultural* domains, *two related* domains and *four* cross-cutting (technically, ‘*traversal*’) domains have been identified, defined and classified. *78 sub-domains* are identified and described. Accordingly, *two* most applicable core methodological approaches are suggested for measuring the contributions and impacts of cultural industries on the economic, social and human development.

1.1 Introduction and General Context

Classification framework and statistical methodologies are so important to provide policy makers and implementers with information they need to develop suitable policy to support cultural

industries. Governments need to undertake thorough mapping and statistical research in order to harness the opportunities offered by the cultural industries. The purpose of the undertaking has been developing standard classification framework and standard statistical methods for measuring the contributions of cultural industries in Ethiopia for economic and social development and measuring approaches for organizing cultural industries and statistics. The basic reasons for the undertaking develop largely from the deep awareness and understanding of the pressing needs to establish context specific classification system and standard statistical methods essential for action-oriented and problem solving purposes geared towards to policy-decision, correct management and promotion of cultural industries on sustained basis for economic, social and human development. As such, the frameworks are constructed based on current conceptual foundations, best practices and common understandings of the potential culture has for development geared towards to enable the classification and measurement of a wide range of cultural industries and expressions irrespective of the particular economic and social mode of its production. Through its standard definitions, it will also allow for the production of internationally comparable data. The framework is a result of the ever increasingly growing national interests and emergent policy directions in the main. It builds upon the 1995 FDRE Constitutional principles, policy objectives and basic rights endorsed to all cultures in Ethiopia, the 2016 FDRE Cultural Policy of the MOCT and the 2015/16 -2020 National GTP II goals, objectives, implementation strategies hoped to achieve within the rapidly growing economic development contexts of Ethiopia. Besides, it also took into account the implications of the effects of international conventions on the production and dissemination of cultural products reflections of current practices and intellectual property issues on cultural industries.

As presented, structurally, the paper is arranged consisting of Five Parts, each with several Sections and Sub-sections. The first Part gives a brief background discription to the *research project* centered on disclosing the existing problems followed by the rationale, objectives and on conceptual and methodological approaches employed in this study. The second Part lays emphasis on the most relevant definitions, basic notions and classification systems considered in literature as best practices at international, regional and national levels that serve as background experiences for the specific purposes of the research in point. The third Part focuses to a large extent on the identification, definition and classification of the cultural industries of Ethiopia. The fourth Part demonstrates the most relevant standard statistical methodological approaches

developed at international, regional and national levels and used for measuring the contributions of cultural/creative industries and their impacts on the economic, social and human development. The Part provides benchmarked models for measuring the cultural industries in Ethiopian context. The fifth Part concludes with remarks and key action-oriented findings focused on a context-specific national standard classification framework and statistical measuring approaches with further imports to the development of cultural industries and policy decisions, future actions and mapping researches and studies on the cultural sector.

1.2 The Problem

There exist critical problems, so wide in scope and deep in nature. They include:

- Lack of *mapping studies* done on the potential contributions of cultural industries in Ethiopia for the economic and social sectors. As a result, it makes so difficult to get necessary information such as on the employment size estimates within and outside the cultural industries, non-creative employment within the cultural industries as well as creative employment in non-creative industries.
- Less awareness on the dynamic importance of and statistical data-base (data-sets) on the scope and structure of the culture sector.
- Lack of a national standard classification framework for the cultural industries and statistical measuring methods for measuring their economic and social contributions and impacts at the national scale, also relevant at regional and international level.

The cultural activities are not yet prioritized and encoded in the System of National Account System (SNA) coding list.

If this is seen from the ways how the broad areas of the CIs are considered and registered in the National Standard Account System (NAS) code, the problem is not only the question of inconsistency and discrepancy, but, also of exclusion of the broad categories within the sector. The exclusion of the CIs does not allow to keeping up with consistency which is important to estimate the values related to the real and accurate measure and in allowing comparisons over time; to understand the underlying reasons of linkages between the broad sectors of the CIs and NAS codes, etc.

1.3 Rationale

The rationales for the undertaking lie in the deep awareness and understanding of the urgency of the strategic importance of two complementary factors existing on the ground. The first relates to the intrinsic values of cultural industries for local, regional and national development in all dimensions (i.e., economic, social and human development). The second reflects to the increasingly growing interests and policy issues at national level to develop and to tap the dynamic potentials of cultural industries for the national GDP growth, income generation and employment on sustainable basis. Experiences evidently show that cultural industries:

1. Serve as basis for local development simply because several of them are predominantly made up of small or family businesses that are suitable for locally based development.
2. Give non-stoppable “opportunities for women and youth to participate in productive activities” while, at the same time, contributing to gender equality, self-esteem and social awareness. Cultural industries “help to address the needs of socially disadvantaged groups such as women or indigenous peoples” (UNESCO-UIS 2009:11-12).
3. Cultural industries are basis for innovation, trigger spill-overs in other industries. As integral part of other sectors, they stimulate content such as for ICT applications and have direct impacts on sectors such as tourism. Innovation is increasingly driven by non-technological factors such as creativity, design and new organizational processes or business models by adding value to products, services, processes and market structures.
4. They contribute in developing intellectual capacities, skills, critical thinking and engagement as well. Potentially, cultural industries have the characteristics of being leading sector that can generate for the growth of overall economy. In this regard, lessons drawn on the best practices of different countries from around the world evidently show that cultural industries contribute, for example, in:
 - Improving capacity, productivity, providing wider opportunities for job creations and generating employment and incomes for the broader section of the population in the country: women, men, professionals, highly educated and less learned, youth, disabled, and so on.

- Attracting business and investment and spurring creativity and innovation across all the sectors of the economy;
- Accelerating and ensuring human development, action oriented-knowledge and technological capability.
- Increasing competitiveness, inflow of foreign currency, generating high growth rate of Gross Domestic Product (GDP) or Gross Value Added (GVA);
- Reducing poverty, preserving and developing cultural resources and natural environment.

For this and other reasons, culture has been an essential part of the cycle of economic reproduction. Today, digital technology has drastically changed the mode of production and dissemination of cultural productions in the world. The cultural sector in some developed countries is more economically important than a number of older established industries (e.g. mining and car manufacturing) and it contributes significantly to national export earnings. While the economic impact of the cultural sector in the developing world is, at present, less evident with regard to employment, the role of culture in development is being reconsidered and proposed as a potentially positive influence on growth in the developing world (Barrowclough and Kozul-Wright, 2006: 25; UNESCO-UIS 2009:13). Although there is no doubt about the importance of cultural industries for development, the challenge faced in African developing countries is the how of creating the necessary measures of the pre-conditions for the development of cultural industries.

1.4 Objective

The main assumption lies in the basic idea that definition and classification are the starting point to wake up and set for use the sleeping giant of cultural industries on sustainable basis in a country. Ethiopia has designed cultural policy at the national level aimed to support its growth. In order to do so, adopting or creating a standardized classification system and statistical methods are vital to give clear ideas of the contribution and impact of the sector and to lay ground for the necessary preconditions for the development of the cultural industries. The overall objective is thus to provide a Standard National Classification System and Statistical Methods within Ethiopian development contexts. In order to achieve the general objective, realizing the following specific objectives has been important. The specific objectives are:

- To map out the size and structure and potential of the cultural industries or, generally, the cultural activities so as to scope what cultural industries should be focused on in the process of developing the intended classification framework. *The objective calls to relying on primary data using pilot assessment study throughout the country.*
- To develop a national standard classification concept framework for the cultural industries in the culturally diverse Ethiopia. *The task involves in defining basic concepts, identifying domains and sub-domains within each domain using most relevant and commonly applied conceptual and methodological approaches existing in literature.*
- To specify stakeholders, each with commonly shared and individually tasked responsibilities, roles and contributions.

As imagined, the operational tasks involved some steps with a set of actions and activities rising questions with subsequent probes, in the process of realizing the objectives. Generally, the tasks involve in:

- Giving a critical review of international, regional and national classification systems, measuring approaches and good practices of use to describe which activities are included in the cultural domains and to measure their economic and social impact.
- Identifying and classifying core cultural domains and sub-domains,
- Modeling or adapting appropriate measuring approaches in line with relevant measures and policy issues at national level, also in the way they can serve as reference to international purposes, etc.

Methods employed

The objectives, research questions and nature of problems call for a systematically designed methodological (also conceptual) application for the success of operational tasks and activities. As a response, the methodological questions arose in the process include:

1) Selecting or modeling a set of contextualized criteria for the tasks of identifying, defining and classifying the cultural industries and constructing statistical methods for measuring their contributions and impacts on the economic and social sectors;

2) Defining and determining the nature and types of data necessary for the undertaking so, thereby, choosing or crafting most applicable field methods, techniques and tools to collect the data required for the description, analysis and interpretation. Apparently, the problems and questions seem to be challenging, especially when seen from the conceptual and operational strategic lines. Nevertheless, they could be addressed based on the understanding and contextually devised conceptual and methodological models developed by scholars and institutions for the classification of cultural industries and measuring approaches (e.g.: Taalas, 2003; Boyle, 2006, Watson *et.al.*, 2007, Throsby 2010, Madden 2001, Lahr *et.al.* 2008, UK DCMS 1997, 2010, UNESCO 2012, UNECTAD 2008, Andrés Bello, 2009, Heng *et.al.*, 2003, Radich, 1987; Heilbrun and Gray 2004; Bille and Schulze 2006; Rudolph *et.al.* 2009), a few among others.

A research on cultural issues often demands both quantitative and qualitative data so that the undertaking takes on two complementarily working methodological strategic lines: *quantitative* and *qualitative approaches*. The research requires primary and secondary data. Accordingly, the methods are set for use projected into two lines, which have been systematically unified into one, to work as one. The first line is *pilot survey assessment* tasked to collect primary data *based on field-research*. The second is *desk-research* used to collect data from secondary sources. The field methods include *observations, interviews, questionnaire* and *focus-group-discussion* set to complementarily work in feeding to one another.

Framed as such, primary data is collected from field in between 2013 and 2016 covering almost all the regional states complemented by questionnaires, observations, interviews and discussions with culture experts, sampled cultural industries or activities in question. The aim in this case was to understand the overall picture of the size, structure and potential of the cultural industries sector in the country. The results helped in narrowing the wider gap created due to the lacks of documented data-base and mapping studies. As has been presented in Part III (sec. 3.1), the description demonstrably shows the presence of a critical mass of cultural industries or activities at different Stages of cultural life cycle. The description led to develop a list of cultural industries involved in the classification model.

Essential has been complementing the results from field-research with those of the *desk-research*. The *desk-research* tasks involve in *developing a comprehensive overview of the relevant literature on framework conditions from secondary sources* aimed to select or benchmark reliable experiences and notions: most relevant definitions, classificatory models and measuring approaches. A large amount of literature (difficult to count here) is reviewed, among which the following can be mentioned as examples:

- The 1995 FDRE Constitutional aspirations towards culture, the 2016 Cultural Policy issues and strategic points of the MOCT and National Development Strategy Plans (GTP II) in Ethiopian development contexts (2015/16-2022).
- The first and leading UK Department of Culture, Media and Sport (DCMS) concepts, definitions, classification systems and measuring models (from 1998 to 2013).
- The United Nations Conference on Trade and Development (UNCTAD) definitions and classificatory frameworks (2004, 2008, 2012).
- The UNESCO-UIS FCS definitions and classification systems and measuring approaches (2009, 2012).
- The World Intellectual Property Organization (WIPO) definitions and classification concept systems (WIPO 2003, 2006).
- The EU ESSnet definitions, classification concept frameworks for the EU member countries (2008, 2011, 2013).
- The North American region classification concept frameworks and measuring approaches (e.g. Canada 2008, 2011).
- The Convenio Andrea Bello (2008) for countries in Latin American region.
- The Johdur Initiative for countries in Asian-Pacific region (2005).
- The initiatives and action plans of the AU member countries (2005, 2008).
- The scholarly Mapping Studies done in other countries (e.g., Higgs and Cunningham 2007; Higgs *et.al.* 2008; Florida 2004; Throsby 2008), a few among many others.

The necessary data collected from secondary sources have been consolidated and described, or in other words, all the collected data are put together into one integrated description. In the process, important becomes avoiding weakness and faults to occur as a result of possible errors and biases using the most commonly supposed procedural precautions and activities such as:

- Relying on dependable data to avoid or minimize the likely errors and biased conclusions.
- Encontextualizing data from secondary sources into the world primary data obtained from field and national policy directions.
- Scoping and making a list of cultural industries or activities aimed to determine the size and to better understand the structural relationships between/among the domains and sub-sectors within the domains.
- Establishing workable criteria for the identification and classification tasks.
- Integrating relevant feedbacks: views, perceptions, comments, etc. through seminars, workshops, formal/informal discussions.
- Checking, testing or validating results to ensure the feasibility of adopted or created classification frameworks and statistical measuring methods, formats, techniques, etc. within context.

In sum, practical definitions and working classification framework, statistical methods and policy recommendations could be logically inferred from the successive discussions presented as in the following

CONCLUSIONS AND THE WAY FORWARD

5.1 Summary and major findings: The importance of the culture sector for development is understood in the today's Ethiopian development context. However, the most important strategic measures necessary to create the preconditions for the development of the cultural industries in the country have not been put in place yet. The main objective of the undertaking has been developing constructing a national standard classification framework for cultural industries in Ethiopia and statistical methodologies for measuring their contributions and impacts on the other economic and social sectors. The task was not easy when seen from the perspective of conceptual and operational stances. As stated from the start, the major problems encountered in the process of the accomplishment include the lacks of:

(1) Mapping studies on all the aspects of the cultural sector covering the country; (2) practical definition and operative classification framework and measuring approach or analysis; (3) organized statistical data-base or data-sets on the potential, size and structure of cultural activities at national level; etc., where the cultural industries have not yet been identified and

registered as integral part of the economy in the National Account System (NAS) coding list. Hence, relying on primary data based on assessment survey studies and secondary sources through extensive readings of existing literature focused on the best practices were mandatory to overcome the problems and, thereby, to logically come up with successful context-specific results. In this regard, definitions of key conceptual and methodological notions and background experiences drawn on different classification concept frameworks and statistical measuring models employed at international, regional and national levels have been demonstrably presented aimed to cast lights on the description focused on the size and structure of the cultural activities in the country. Thus, as a result, the study proposed a workable *definition* to the concept ‘*cultural industries*’ in Ethiopia. *Twelve core cultural* domains, *two related* domains and *four* cross-cutting (technically ‘*traversal*’) domains have been identified, defined and classified. 78 sub-domains are identified and described. Likewise, *two* most applicable core methodological approaches are suggested for measuring the contributions and impacts of cultural industries on the economic, social and human development. The definitions and classification framework proposed for the cultural industries with imports to avoid or minimize inconsistencies and discrepancies in usage of the key concepts/terms on operational activities. Consistency is central to: (a) avoid lack of uniformity with different parts of the value chain being included for different sub-domains; (b) to estimate the values related to the real and accurate measure and in allowing comparisons over time, to evade problems and discrepancies to arise either from exclusion or inclusion such as sub-domain activities within the major domains which are or to be registered in the National Account System (NAS) codes.

5.2 The Way Foreword

The points proposed under the topic focus more on the urgency and how of creating the preconditions necessary for the development of cultural industries on sustainable basis through the key strategic measures. Conceptually and practically, the key strategic measures are pillars for the creation of the preconditions at local, regional and national level for the development of cultural industries and nurturing their contributions and spill-over effects on the economic, social and human development. In this regard, lessons drawn on success stories from around the world evidently prove that how important the following five key strategic measures are in creating the basic preconditions:

- *Mapping researches and studies on the cultural industries*
- *Strategic alliance (partnership) institutional framework*
- *Awareness raising information service*
- *Policy and strategy*
- *Strengthening cultural industries*

1. Carrying out mapping researches and studies on the cultural industries on every five-year basis

Successful policies and strategies for developing cultural industries should base on a clear understanding of their specific characteristics in the country, i.e., the potentials, their strengths, weaknesses, stages, overall development trends, etc. The aim of a cultural industries mapping study is to acquire an overview of the sector, both in terms of volumes and location and to build up data-base or data-sets on all the suggested cultural industries at national and regional level. In some countries mappings have been followed by academic research to identify areas with the greatest potential for development, which in turns leads to policy strategies.

2. Setting up strategic alliances (partnerships) institutional framework

Cultural industries are inter-disciplinary in nature. They combine culture on one hand, and economy on the other as well as many other connected areas such as tourism, sports, education and training, innovation, equipment and supporting materials, etc. In this regard, there are a number of good models and best experiences around the world on creating cross-sector and cross departmental working groups that become the driving force behind the development of cultural industries policies on national, regional, and international level (EU OMC 2011-2014:17). The cultural industries policy should not be owned by the cultural nor economic sector. Rather it should be developed in close cooperation between the two sectors or partners where the basic reason for the strategic measure rests on. Creating alliance with the most relevant stakeholders becomes mandatory. Higher policy interest in the most interdisciplinary area of cultural industries is achieved if the basic institutional framework conditions are developed in close participation and cooperation with the key stakeholders. Therefore, essential is to *get.all* the different stakeholders from the government, business communities, professional associations, and non-governmental sectors together to build up an integrated strategy for the cultural

industries and contribute *resources* (i.e., skills, assets, finance, relationships, technical competence, facilities, etc) required to realize the strategy (EU OMC 2013:47). Taking these into account, partnerships with the most relevant government institutions (e.g. FDRE MOE, Agency for the Intellectual Property and Patent Rights Authority and Tourism Sector, FeMSEA) and non-governmental organizations are of great importance to develop cultural industries in Ethiopia.

Essential is partnership with the Federal Micro and Small Enterprise Agency (FeMSEA) to nurture crafts in proper meeting with the *national cultural policy* principles, objectives and implementation strategic measures. The Agency (FeMSEA) was established first in 1978 (during the Derge era) named as “Handcrafts and Cottage Industry Development Agency” (“HACIDA”) being recognized for government support or mandated to enhance the development of handcrafts (crafts) in the country. Then, the name was changed into “Micro and Small Enterprises Development Agency” (FEMSEA) in 1991 with replica of Regional Micro and Small Enterprises Development Agencies (ReMSEA). Although the term “handcrafts” is left out in the name, much of the Agency’s works has continued focused on different products of crafts (handcrafts): embroidery, weaving, basketry, smithing and smelting, and so on.

The crafts are cultural in nature. However, they have been wrongly or ignorantly perceived and misplaced from the start and, thus, remain skewed to the non-cultural manufacturing industries or activities rather than to the cultural industries till now. Presently, the overall size of the MSEs in the country is roughly estimated to be no less than 41,000. Thus, beyond partnership, synergizing the crafts under FEMSEA into the Ministry of Culture and Tourism would be not only just but obligatorily necessary.

Alliance with MOE is vitally important as educational activities are very important for stimulating demands for cultural industries products and services. While there is high demand, education in different cultural industries is very weak. Education has important roles in influencing the emergence and development of cultural industries. Educational institutions contribute to increase relevant capacity; educational programs develop talents, increase the employability of graduates, knowledge transfer activity supports business and contributes towards job creations. Enhancing the demand through education for the development of cultural

industries is essential. Policy makers can influence creativity through educational activities over a broad spectrum covering young children even up to adults. Therefore, the participation of MOE helps to pursue aiming at the production and reception of cultural educations of young children and teenagers, thus, to awaken their future interest in cultural careers by carrying out the following optional activities in order to promote the incorporation of creativity, innovation and develop skills at all levels of education and training programs in the areas of cultural industries such as music, literature, theatre, film, painting, designing, and so on.

Partnership with the Intellectual Property and Patent Rights Authority is important to enforce copyright laws and give legal expressions to the economic and moral rights of the creators in their creations and the rights of the public in the access to those creations. Piracy is a huge challenge in Ethiopia as in many other countries. Where piracy is rampant, it demoralizes and destabilizes cultural industries and sterilizes the efforts of artists, producers, creative enterprises and businesses. Copyright enforcement mechanisms are the best means to limit the number of violations of copyrights and to ensure that rights holders and the people as a whole to reap benefits from the cultural industries. According to lessons learned, enforcement copyright laws protect domestic artists, creators and producers not lose their competitiveness and opportunities. Therefore, providing legal rights is important for nurturing and ensuring the growth of cultural industries. The copyright laws and legal expressions as deliberate acts of government policy aims to promote, creativity and dissemination and application of the results that serve as means to contribute to economic, social intellectual development. Copyrights are the most important intellectual property instrument for the creative industries as they provide protection for the authorship of paintings, sculptures, music, novels, architecture, etc. where the reason of the need for the partnership of the Agency for the Intellectual Property and Patent Rights Authority. The partnership helps to encourage the cultural or creative activities of local artists, businesses and supports, enhance the transformation of the activities into products that reach the market, both domestic and global, to support domestic creators and entrepreneurs engaged in the creation, production, marketing, broadcast or distribution of creative works which is a key step on the way to cultural vitality and economic prosperity. Other than enforcing copyright law on national level, the Authority policy makers can provide corresponding support for adequate and up-to-date information on copyright laws to protect intellectual property in the cultural industries sector.

Partnership with the Tourism Sector arises from the nature of sectors. The cultural industries play significant roles in reinforcing tourism at national, regional and local levels. They offer an opportunity in raising the attractiveness of tourist destinations. Cultural industries also directly contribute to the jobs and growth of the tourism sector in many ways, for example, through the economic impacts of rituals, cultural performances and ceremonies and their links with tourism and local businesses in Ethiopia.

3. Conducting awareness-raising

Awareness-raising about the potential of cultural industries in boosting socio-economic development is a continuous process which is essential both in the start-up phase of policy and strategy development and also in fostering partnerships within the cultural industries and to the other sectors. The target group for these tasks is wide – starting from the policy-makers, cultural operators, creative entrepreneurs, other industries as well as the general public. Awareness-raising initiatives serve many different aims, including encouraging cultural people to start their businesses, enhancing cooperation between creative entrepreneurs, educating both the entrepreneurs and the consumers, bridging cultural industries with traditional industries, etc. Creating public awareness for the significance of the economy in the national economic context is the main task of cultural industries. Thus, to increase awareness, there are many effective activities that can be achieved by local or regional or national authorities with the support of government or/and international funds. For example:

- Organizing study visits, conferences, seminars and workshops.
- Disseminating results of mapping studies.
- Collecting and disseminating good practices.
- Creating web-pages services and issuing newsletters, bulletines, magazines, etc.
- Developing communication channels and providing public relations support.
- Discussions on TV and Radio programs for the cultural industries.

4. Policy and strategy

After establishing preconditions and setting the organizational framework for a strategic development of cultural industries, the next most important measure is to develop adequate policy tools for the sector. The tools on different level might take different forms, including local

development plans and national policy documents. The starting point of the strategy is linking policies in the areas of culture and enterprises. Most important is also to register all the domains and sub-domains in the National Account System code listing in *three* or *four digits* using internationally established standard formats and to understand the links cultural industries have with a number of local, regional and national development policy-areas. As described, cultural industries have contributions and produce many different types of positive spill-over effects (impacts) on the economy and society as a whole: ranging from inspiring and nurturing innovative enterprises to designing new public services, and from promoting a more quality-oriented tourism in places, to helping social regeneration of deprived areas and innovative forms to designing thinking in all types of settings to the use of culture as a management tool for improving working relationships in enterprises, etc. In policy and strategy, there are two main options often used in the complementary terms (EU OMC 2011-2014: 20-21). The first is establishing a separate cultural industries policy or strategy, and the second is integrating cultural industries into many other key policies and strategies. A separate cultural industries strategy whether at national, regional or local level can serve many purposes such as providing an inclusive (holistic) approach to the entire sector development and taking into consideration the special characteristics of the sector, etc. On the other hand, there are many examples when a stand-alone strategy has failed to produce positive results, because it has not been fully integrated into connected policy areas. This is especially relevant for the national structural funds mechanisms (Ibid.).

5. Strengthening cultural industries

Best practices evidently prove that the following activities stand as fundamental to strengthen cultural industries:

- *Capacity building;*
- *Access to physical infrastructure and regeneration of working places;*
- *Incubation of cultural/creative industries;*
- *Access to finance*
- *Networking and clustering*

5.1 Enhancing capacity building of the cultural industries.

Capacity building is very important simply because the operational context in the cultural sector is undergoing rapid and strong structural change mainly due to rapid technological development, notably digitization and development in the market. Digitization has brought changes in the distribution channels which in turn require new competencies of manpower in the cultural industries, particularly, in the supplying and marketing of works, products and services. Cultural industries enterprises lack business skills like marketing, project management and digital skills. Therefore, there is a need for strong professional education and training in all levels of education system with the aims of building the capacity of cultural (creative) professionals, artists, researchers, curators as well as the enterprises, managers and agents useful for the industries to overcome different type of challenges (EU OMC: 24-25).

5.2 Giving access to physical infrastructure and regeneration of working places.

In order to increase the capacity of cultural industries to produce, create, invent, innovate and grow, there is a need to promote the development of an appropriate infrastructure at local, regional and national levels. Thus, more fundamentally, cultural industries need networking and collaborative spaces, whether physical or practical, temporary or permanent, that may act as professional hubs offering knowledge and resources. Likewise, professionals need basic infrastructures in which they can develop their activities, implement their creative and artistic ideas or engage with the audience.

5.3 Incubating cultural/creative industries

There is a need to develop specialized incubators for cultural industries, for the following basic reason that cultural industries look for inspiring, lively, condition to operate in, so, they need specialized consultancy services that take into account their specific operating models.

5.4 Giving access to finance

Cultural industries encounter difficulties in accessing funds. Therefore, they need access to finance their activities in terms of credit and equity. This is a common challenge for cultural industries for they face specific problems in achieving investment readiness. There is a crucial role to be played against this background by public authorities in stimulating private investment for the benefit of the cultural industries.

5.5 Networking and clustering

Clustering and network activities build bridges between various stakeholders: related industries, cultural industries, academia, public bodies, companies and investors. Clusters could be defined as the co-location of producers, services providers, educational and research institutions, financial institutions and other private and government institutions related through linkages of different types. There is a need for cultural industries clusters because the enterprises in the cultural sector are usually micro and small enterprises, which cooperate in the form of alliances on promotion and development of the cultural industries. Each cluster brings in its specific expertise and the alliance can grow into a long term partnership or merger. Physical spaces, such as incubators create a single-location cluster, but a cluster or network can also be created within a zone, region and/or at national level depending on strength. The key success factor is to have enough diversity in the network so that the interaction leads to exchange of knowledge, experience and business. Functioning networks operate on long term basis, but in the same time they are dynamic and flexible, strengthening local connections as well as providing opportunities for exports. As such, the networks should be linked to innovation policy with the aims of supporting growth, employment policy goals, etc. (EU OMC 2011-2014: 27-31).

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